



**YATIRIM
FİNANSMAN
SECURITIES**
investment in happiness



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BOARD OF DIRECTORS DECISION

YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ BOARD OF DIRECTORS DECISION

Meeting Date : 20 February 2015
Meeting No. : 1961
Meeting Place : Company Head Office
Meeting Time : 11:00

DELIBERATIONS AND DECISIONS

The Board of Directors meeting was chaired by Mr. Özcan TÜRKAKIN, and attended by the members whose names and signatures appear hereinbelow.

As a result of the deliberations, it was unanimously decided that the Annual General Meeting for the period 01 January 2014 – 31 December 2014 be held on 20 March 2015 at 14:00 hours in the Company's head office at the address Nispetiye Caddesi Akmerkez E-3 Blok Kat: 4 Etiler/İstanbul to discuss the following agenda.

1. Opening and formation of the Presiding Committee
2. Authorizing the Presiding Committee to sign the minutes of the General Meeting
3. Reading out and discussing the 2014 Activity Report drawn up by the Board of Directors
4. Reading out the Auditor's Report on 2014 fiscal year
5. Reading out, deliberation and approval of 2014 Financial Statements
6. Individually acquitting the members of the Board of Directors of their fiduciary responsibilities in relation to their activities in 2014
7. Discussing the allotment of profit, distributable profit and dividends
8. Electing the Board members and determining their terms of office
9. Determining the remuneration of the Board members
10. Designating the independent auditor
11. Providing information about the total amount of donations and charitable grants made during the reporting period
12. Determining the upper limit of donations for 2015

There being no other items on the agenda to be discussed, the meeting was closed.


 DEPUTY CHAIRMAN
 HAKAN AYGEN


 CHAIRMAN
 ÖZCAN TÜRKAKIN


 MEMBER
 ECE BÖRÜ


 MEMBER
 ASLI ZERRİN HANCI


 MEMBER
 GÖKHAN ÇANAKPINAR


 MEMBER
 TOLGA SERT


 MEMBER
 VOLKAN KUBLAY

AGENDA

FROM: THE CHAIRMAN OF THE BOARD OF DIRECTORS OF YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ

The Company's 2014 Annual General Meeting of Shareholders shall be held to discuss the agenda items hereinbelow on 20 March 2015 at 14:00 hours in the Company head office located at the address Nispetiye Caddesi Akmerkez E-3 Blok Kat: 4 Etiler/İstanbul.

The Company's 2014 Annual Report, Balance Sheet, and Profit/Loss Statement shall be made available for examination by our shareholders at the Company head office and on our corporate website at www.yf.com.tr 15 days in advance of the meeting date.

We hereby kindly request the attendance of our distinguished shareholders.

1. Opening and formation of the Presiding Committee
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CORPORATE PROFILE

THE BIG TRANSFORMATION IS UNDERWAY!

As Yatırım Finansman (YF Securities), we are Turkey's first brokerage house boasting a solid capital structure.

We started operations in 1976 as a subsidiary of Türkiye İş Bankası (İşbank), the first national bank of the Turkish Republic era, and with the participation of 13 major banks including Türkiye Sınai Kalkınma Bankası (TSKB).



We pursued our operations in accordance with the legislation in force back then, when the capital market in Turkey was not regulated and Borsa İstanbul (BIST) was not established. Our activities served as pioneering and exemplary initiatives also at that time. The first in the sector, we have been a major contributor to the establishment and development of the modern capital markets. We shared all the experience we have in the sector with our clients. We intermediated the first corporate bond issue in Turkey, facilitated the broad-based use of share certificates and government bonds as an investment instrument, and offered consultancy services to the Istanbul Stock Exchange (ISE), today known as Borsa İstanbul (BIST). Our active role in all these key initiatives also served to endorse our “pioneering” mission. We have introduced many groundbreaking firsts ever since our inception, and we continue with efforts in this vein as exemplified in the iPad application developed and the title we hold as the first brokerage house to have achieved the “Zero Carbon” target.

Besides our robust shareholding structure and capital, a significant factor that adds to our reliability, expertise and standing in the market is our being a member of the İşbank Group, Turkey's largest bank backed with private capital that enjoys high national and international prestige.

We keep consolidating our business model with our know-how and vision erected on deep-rooted corporate tradition and experience. Our high quality standards, service platforms integrated with technology, and extensive customer network make us a select service provider.

We maintain proactive, transparent, continuous and high quality communication with our clients, and offer them all capital market products, with the strength drawn from our shareholders' equity, experience and know-how.

Being a brokerage house that holds all capital market authorization certificates, we offer world-class, reliable and rapid service in capital market brokerage to a broad base of individual and institutional investors from Turkey and abroad.

Sharing our analyses and comments on the social media with our followers via Facebook and Twitter, we continue to offer service to our clients through our reliable and fast trading platforms including YFTRADE, YFTRADEFX and YFTRADEINT, as well as the corporate website and social media channels.

We are taking the added value we are contributing beyond our clients and expanding it to our community and the environment through the “Zero Carbon Project”.

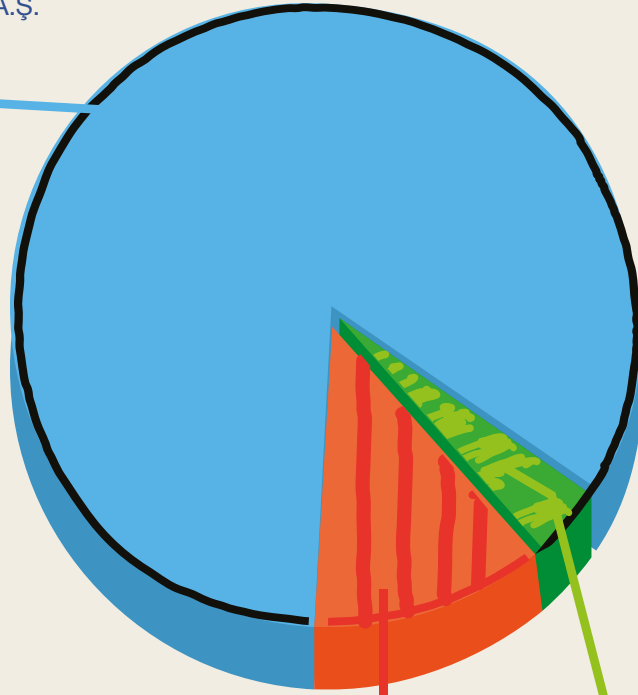
Within the frame of the “Big Transformation Initiative” launched in 2012 and carried on with persistence during 2013, we invested heavily in technology in 2014. Our investments in the area of training gave birth to the YF Academy. Based on a customer-oriented perspective, we simplified our work processes, thus increasing their efficiency, while realizing a number of organizational changes in an effort to achieve alignment with the Capital Markets Board of Turkey (CMB) legislation.

**We invested heavily in
technology in 2014.**

CAPITAL, SHAREHOLDING STRUCTURE, ASSOCIATES

Türkiye Sınai Kalkınma Bankası A.Ş.

%95,78



%2,37

Others

%1,85

TSKB Gayrimenkul Değerleme A.Ş.

YF Securities Shareholding Structure

Shareholder	Share (TL)	Share (%)
Türkiye Sınai Kalkınma Bankası A.Ş.	60.821.018	95,78
TSKB Gayrimenkul Değerleme A.Ş.	1.177.080	1,85
Others	1,501,902	2,37
Total	63.500.000	100,00

YF Securities is an İşbank Group company, of which its principal shareholder TSKB is also a member.

Yatırım Finansman's Associates

Name of Company	Capital (TL thousand)	Shareholding (%)
İş B Tipi Yatırım Ortaklığı A.Ş.	160.599	1,13
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	150.000	1,33
İstanbul Takas ve Saklama Bankası A.Ş.	600.000	1,62
İş Portföy Yönetimi A.Ş.	65.000	4,90
TSKB Gayrimenkul Değerleme A.Ş.	300	0,00
Sürdürülebilir Danışmanlık A.Ş.	240	96,00
Borsa İstanbul A.Ş.	423.234	0,04

The first step of YF Securities' sustainability vision: Sustainable Consultancy "Escarus"



"Escarus", Sustainable Consultancy, in which YF Securities holds 96% stake, was established on 24 March 2011.

Founded upon the know-how, market experience and professional service capability enjoyed by TSKB and YF Securities, Escarus offers consultancy services in the areas of efficiency, competition and profit growth to its customers with its experienced and professional team.

Escarus has been established for the purpose of integrating global, environmental and sustainable approaches that are accepted worldwide into the Turkish business world.

The services offered by Escarus are classified under the following main headings:

- Consultancy/Engineering
- Training
- Certification
- Monitoring/Reporting

Escarus is committed to providing the optimum solutions for its customers' needs at every phase of the projects undertaken, which are formulated with an eye on international procedures and approaches.

In addition to consultancy services focused on sustainability, Escarus provides financial institutions with solutions in various areas including the establishment of environmental and social management systems, evaluation of investment projects with respect to technical and environmental aspects, technical and environmental monitoring and reporting for these projects during the financing process, and provision of technical and environmental advisory to the buyer/seller sides in acquisitions and mergers.

In the light of the "Zero Carbon" methodology developed in-house in 2013, Escarus calculated the carbon footprint of YF Securities and worked towards neutralizing it. Through this project, Escarus helped YF Securities become the sector's first carbon-neutral brokerage house.

VISION

To be one of Turkey's top 10 capital market institutions

MISSION

To increase the added value we generate for our clients and shareholders on the back of our dynamic and customer-oriented approach to service, combined with our reliability and experience

STRATEGY

To offer more efficient and faster services to our customers through our strong team and robust technical infrastructure as a trendsetting capital market institution, rather than as a follower

CORE VALUES

Reliability

Timely respond to expectations by upholding the principles of integrity and ethics in our business conduct, develop relationships based on trust, and deliver on our commitments

Respect for the People and the Environment

Maintain a sensitive and respectful approach to people, knowledge, labor and the environment through our solutions and our efficiently used resources based on our corporate and personal social responsibility awareness

Customer Orientation

Ensure sustained customer satisfaction by delivering effective, realistic and feasible solutions, and by exhibiting a constructive attitude that transcends the fulfillment of obligations arising out of being business partners

Openness and Transparency

Be open, transparent, fair and honest in our communications and practices

Solution Orientation

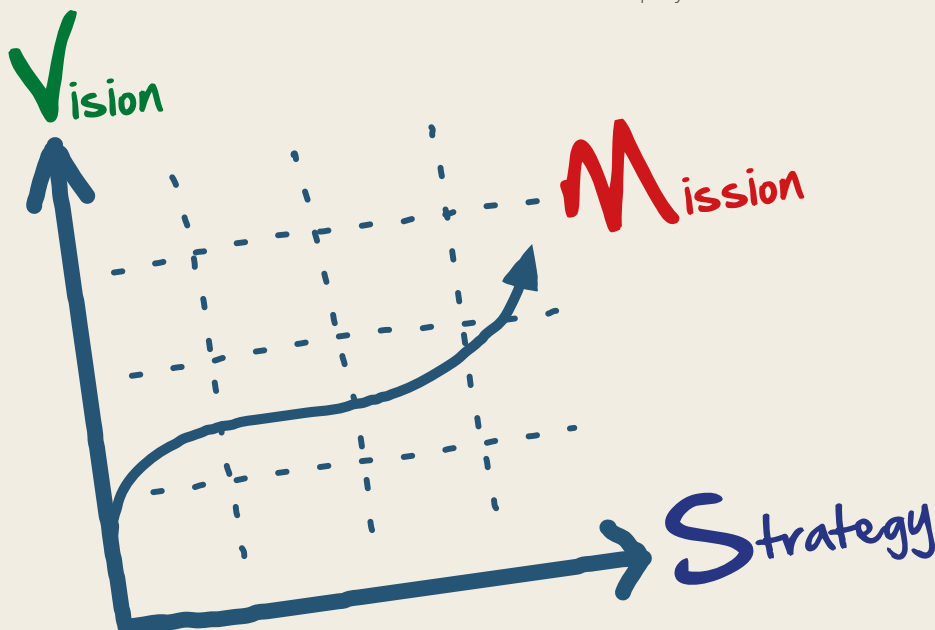
Deliver efficient and swift services based on our commitment to professionalism and teamwork, exercise common sense towards suggested and adopted decisions

Flexibility

Provide our employees with the opportunity to formulate and implement solution-oriented proposals and to take initiative, while uncompromising professional and corporate values based on the importance our management attaches to objectivity

Commitment

Build on the synergy created by our employees' responsible conduct towards our resources, solutions and stakeholders so as to remain committed to the attainment of our targets; make a difference and turn employee satisfaction into customer satisfaction



MILESTONES IN THE HISTORY OF YATIRIM FINANSMAN

1976 - 2013

1976

YF Securities, Turkey's first brokerage house and a subsidiary of İşbank, was established by **13 major banks led by Türkiye Sınai Kalkınma Bankası (TSKB)**.

1981

YF Securities undersigned a first in Turkey by intermediating a corporate bond issue. The Capital Market Law went into effect the same year.

1984

Capital Markets Board of Turkey (CMB) was established. YF Securities was authorized by CMB for stock trading and intermediation in public offerings.

1985

Trading started on İstanbul Stock Exchange (ISE). YF Securities became the ISE leader with a 42% market share.

1987

With a diversified product range, YF Securities began trading commercial papers, bank bonds and bank-guaranteed bonds.

1991

ISE awarded YF Securities for ranking third in terms of the number of transactions on the ISE stock market.

1992

YF Securities was authorized by CMB for investment consultancy, asset management and repo services.

1993

YF Securities endorsed its service quality and reliability through its top spot in corporate bond underwriting.

1994

YF Securities broadened its corporate finance services and launched public offering activities. Type A Mutual Fund was added to the Company's product portfolio.

1995

YF Securities broadened its product range with Type B Mutual Fund. YF Securities was authorized by the CMB for securities lending, borrowing and short-selling.

1997

YF Securities began offering the services of founding and managing customized funds, and set up its first private fund.

1998

Yatırım Finansman Yatırım Ortaklığı (Yatırım Finansman Investment Trust) was set up under the leadership of YF Securities.

1999

YF Securities launched telephone and Internet banking, thus establishing its pioneering character in alternative distribution channels. Type B Bonds&Bills Fund was added to the Company's product range.

2002

With its ever-growing investor base, YF Securities opened its tenth branch.

2003

TSKB, Turkey's first privately-owned investment and development bank, increased its share in YF Securities to 90.4%.

2005

YF Securities was authorized by the CMB for trading in derivatives. The Company offered research and trading services to foreign institutional investors. Upon launch of Turkish Derivatives Exchange (TurkDEX), YF Securities began derivatives trading.

YF Securities website was named the third best financial website at the Golden Spider Web Awards.

YF Securities corporate identity and logo were redesigned.

2006

YF Securities celebrated its 30th anniversary. The Company got together with investors from Ankara, İzmir and Antalya in the "30th Anniversary Investment Meetings". YF Securities added Type B Variable Mutual Fund to its product portfolio. YF Securities acquired TSKB Menkul Değerler A.Ş. (TSKB Securities) on 29 December 2006.

2007

YF Securities introduced a new service channel, Call Center, at the Head Office. Texting service was launched for TurkDEX customers.

2008

YF Securities introduced the new VOBaktif system, enabling quick and easy exchange of derivatives based on live data.

2009

YF Securities intermediated the launch of Turkey's first 10% Return Guaranteed Type B Clean Energy Fund and Type B 100% Principal Guaranteed Agricultural Products Fund issued by TSKB.

2010

YF Securities set up Domestic Derivatives Transactions Department.

Liaison offices in Adana and Antalya were converted into branches and İzmit Branch opened for service. Thematic funds issued by TSKB in 2010 were offered to investors.

YF Securities took part in **12 of the 16 IPOs** held in 2010 and acted as a co-leader in four public offering consortia.

2011

YF Securities launched a new service channel for its customers and made its debut in the mobile environment with **YFTRADEMOBILE** noted for its dynamic design and easy use.

YFTRADEINT allowed customers to trade in **overseas derivatives markets**. İşbank and YF Securities cooperation made it possible for customers to access their accounts, withdraw and deposit cash using İşbank ATMs.

YF Securities obtained Emerging Companies Market **(ECM) license**.

Type B Short-Term Bonds&Bills Fund was relaunched as a new fund.

Initiatives commenced at the end of the year **to neutralize the carbon footprint**.

YF Securities celebrated its 35th anniversary.

2012

The Company took on reorganization to offer better and more efficient service to customers.

YF Securities logo and corporate identity were redefined and redesigned to reflect the new approach to management and service.

Carbon footprint calculation efforts began.

YF Securities took its place on social media, getting together with its followers.

2013

YF Securities set up Domestic Sales Department that offers service to the wealthy customer segment.

The Financial Control and Operation Department was reorganized as two separate departments under the names "Financial Control Department" and "Operation Department", and work began to centralize the operations.

Portfolio Management Department was set up and started offering the existing portfolio management services.

YF Securities became Turkey's first carbon-neutral brokerage house and kept exercising the same level of sensitivity in its activities.

YF Securities increased the order transmission speed through fiber line and unlimited ExAPI.

2014

Investment in technology and operational efficiency in work processes

In 2014, the Big Transformation Initiative, launched in 2012 and carried on in 2013, was given additional momentum.

The operational tasks handled by branches were centralized and work processes were simplified with a customer-oriented perspective.

Based on the philosophy of investing heavily in technology, the system infrastructure was replaced and the Internet branch was revamped.

In keeping with the notion that "Investment in the people is the most valuable one", YF Academy went live. The first e-learning platform among non-bank brokerage houses, YF Academy began offering the employees a learning and development environment independent of time and location.

In the last quarter of 2014, organizational changes were taken on in order to achieve alignment with the new CMB legislation:

- Derivatives Department and Forex Unit were merged under the name Trading & Brokerage Department, which was reorganized to incorporate equity market brokerage activities, as well.
- Treasury Department was reorganized as Treasury and Portfolio Brokerage Department.
- Portfolio Management Department was reorganized as Individual Portfolio Management Department.
- Corporate Finance Department was reorganized as Corporate Finance and Public Offering Underwriting Department.
- Domestic Sales Department was reorganized as Domestic Sales and Investment Consultancy Department.
- A Limited Custody Unit was set up under the Operation Department.

Campaigns custom-made for professional groups were organized within the scope of marketing activities.

Carbon footprint calculation efforts, which were commenced in 2012, continued and resulted in zero carbon footprint in 2013.

As part of the projects aimed at increasing the efficiency of work processes and offering holistic service from a single point of contact, customers in Ankara began to receive service from a single main office under the name Ankara Branch.



2014

HIGHLIGHTS

We claimed the best brokerage house award!

We have been named the "Best Securities Brokerage - Turkey 2014" as a result of the survey organized by the London-based Capital Finance International (cfi.co) that polled the views of its readers and market experts.

In the years ahead, we will keep turning your investments into profit and happiness, and remain worthy of this award.



An initiative that adds value to our employees: YF ACADEMY

We have launched YF Academy with the objectives of building a constantly evolving and self-improving team, thereby enhancing the quality of service offered to customers and presenting diversified development opportunities to our employees.

Through YF Academy, the first e-learning platform among non-bank brokerage houses, we have provided our employees with a training and development environment independent of time and location.

Offering an interactive, individual learning environment to the employees, YF Academy guarantees continuous training and development activities at the Company.



We have enlarged our Ankara Branch!

As of June 2014, we have enlarged our Ankara Branch with the aim of increasing the efficiency of our business processes and of providing one-stop delivery of holistic services to our clients.

This move made it possible to offer service out of a single location in Ankara under the name Ankara branch.

We have increased interaction with our clients through campaigns...

During 2014, we pursued our efforts in line with our corporate activities and overall strategies, continuing to maintain one-on-one contact with clients, to listen to them and to produce alternative solutions. We have made the Yatırım Finansman name known among larger audiences through campaigns, advertisements and mailings.

We have invested in technology and improved our operational efficiency...

The operational tasks handled by the branches were centralized in order to ensure efficient management of risks and costs, and upgrading service quality.

Revised work processes served to a structured flow of customer instructions received by branches to the Operations Department, and to faster, error-free and secure handling of transactions by qualified human resource.

Central Operations alleviated the workload on branches, thus freeing up branch employees' time to deal with their clients.

Operational tasks of Treasury and Portfolio Brokerage, Individual Portfolio Management, Information Technology, Financial Control Departments and Public Offering Transactions were separated, and brought together under the name Operation Department.

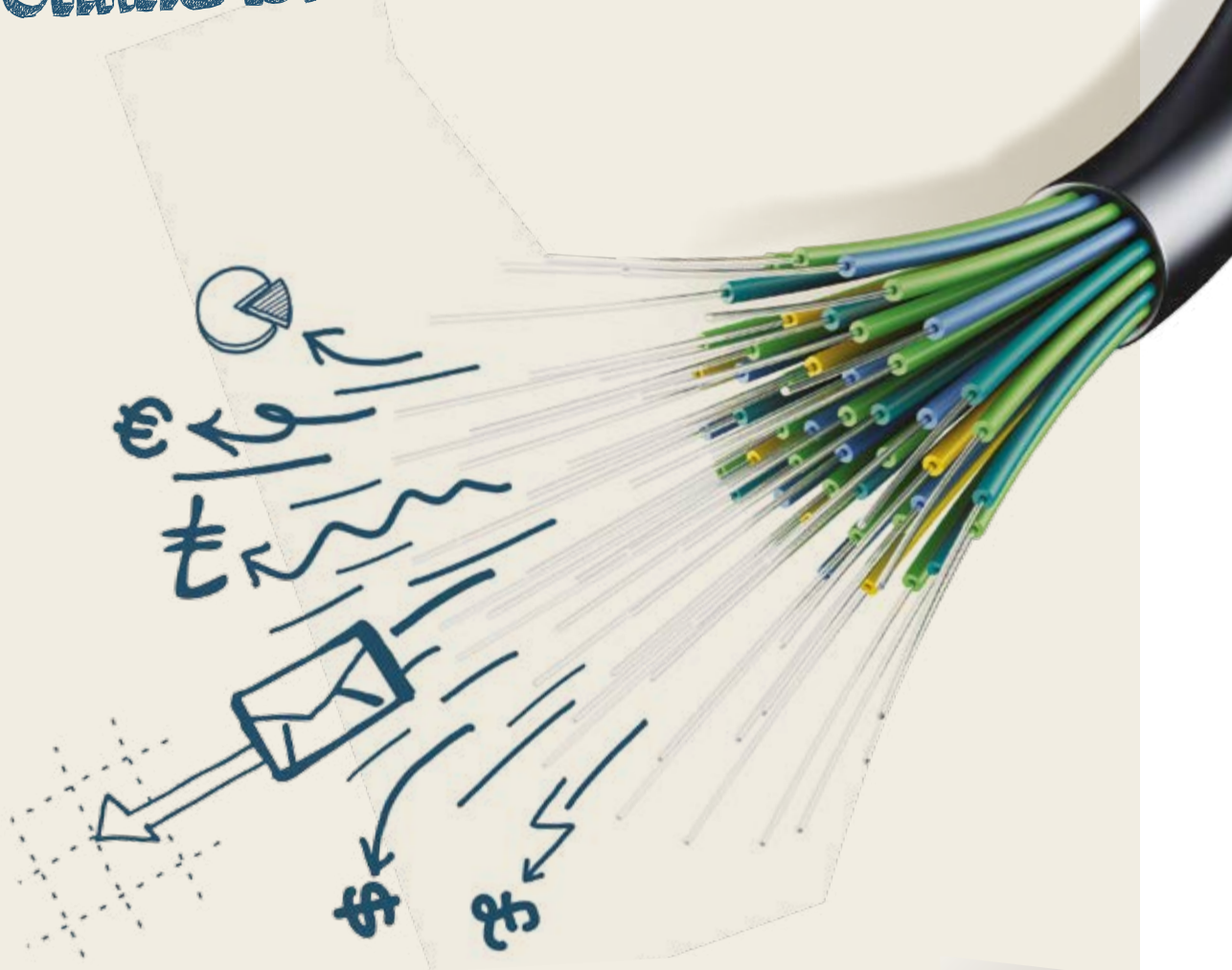
Process analyses were carried out in cooperation with the Central Operations, upon which the speed, efficiency and productivity of processes were increased.

We continued to offer service in individual portfolio management with portfolio groups that make a difference...

Within the scope of individual portfolio management services, we continued to offer service to our clients with portfolio groups that are created according to risk and return preferences, which are listed below:

- Deposits Portfolio
- TL Accumulation
- Derivatives Portfolio
- Flexible TL Portfolio
- Flexible 1 Stock Portfolio
- Flexible Participation Portfolio

Thanks to investments in
technology, the system
infrastructure was replaced and
our online branch was remade.



INVESTOR MEETINGS



We held a number of external activities during 2014. Our Investor Meetings were a big hit once again. We got together with our existing and potential customers, and assessed capital market products, strategies, and the current and future statuses of markets.



Forex and Derivatives Conference
26 September 2014



Meetings with İşbank in Eskişehir
17 September 2014

Young Businessmen Association of Ankara – Award Ceremony - 12 March 2014

Forex Customer Event - 01 April 2014

Adana Organized Industrial Site Meeting - 10 April 2014

Industry and Business Association of İzmir – Wednesday Meeting - 14 May 2014

Equity Customer Event - 03 June 2014

Meetings with İşbank in Elazığ - 11 June 2014

Meetings with İşbank in Eskişehir - 17 September 2014

Forex and Derivatives Conference - 26 September 2014

Meetings with İşbank in İstanbul - 02 December 2014



Equity Event
03 June 2014



FX Event
01 April 2014



Adana Organized Industrial Site Meeting
10 April 2014



Industry and Business Association of Izmir - Wednesday Meeting
14 May 2014



İsbank Meetings in Elazığ
11 June 2014

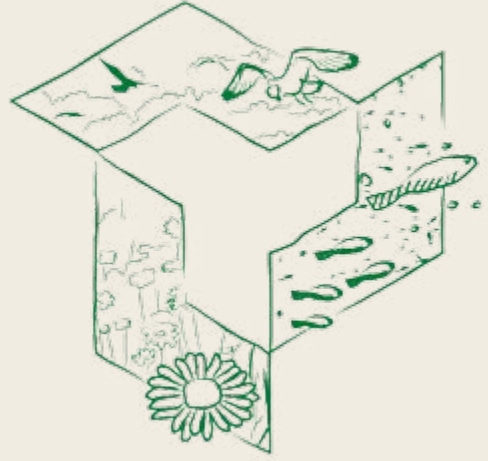
SOCIAL RESPONSIBILITY

Support was extended to Param ve Ben Children's Festival

As Yatırım Finansman, we have also extended support to the Param ve Ben (My Money and I) Children's Festival, a joint organization of Borsa Istanbul, Turkish Capital Markets Association (TCMA), and Financial Literacy and Access Association (FODER) on April 25th.



WE HAVE NEUTRALIZED OUR CARBON FOOTPRINT ONCE AGAIN IN 2014



In 2014, we remained strictly adhered to our goal of fulfilling our social responsibility toward the Earth and of passing down a healthier and sustainable environment to the future generations. Preserving our resolve and commitment to our Zero Carbon target, which we attained in 2013, we carried on with our efforts aimed at neutralizing our carbon footprint also in 2014.



FROM THE PRESS

July 2014 Boryad Magazine

March 2014 Para Magazine

Şeniz YARCAN / Yatırım Finansman Genel Müdürü

"Defansif ve yükselme potansiyeli sunan hisseler"

FED'in parasal genişlemeyi azaltması ve faizlerdeki yükselen trend, gelişmekte olan piyasalarda dalgalanmanın orta vadede devam etmesine neden olabilir. Öte yandan kısa vadede BIST'in bir süre daha dalgalı seyredeceğini düşünüyoruz. Ancak yılın ikinci yarısında, 30 Mart seçimi sonrası ve cumhurbaşkanlığı seçiminin daha öngörülebilir olmasıyla uzun vadeli güçlü büyüme potansiyeli olan hisselerle yatırımcı ilgisi tekrar artabilir. Genel olarak hisse senedi piyasalarına ilişkin görüşümüz, dalgalanmanın bir süre daha devam edeceği yönünde. Temkinli kalınmasını önerdiğimiz bu süre zarfında portföylerin yüzde 20'sinin defansif ve yükselme potansiyeli olan hisselerden "kademeli alım"larla oluşturulmasını öneriyoruz. Kalan kısım ise yüzde 30 mevduat, yüzde 30 tahvil (TÜFE endeksli) ve yüzde 20 özel sektör tahvili olarak dağıtılabilir. Hisse bazında defansif sektör ve hisseleri ön plana çıkarıyoruz. Önümüzdeki dönemde faiz ve kurlarda dalgalı bir seyir beklediğimiz için hisse senedi olarak bilançosunda uzun döviz pozisyonuna sahip, toplam satış gelirleri içerisinde ihracat ağırlığı fazla olan ve cazip temettü ödemesi beklenenleri tercih ediyoruz. Faizlere ve yurtdışı ekonomiyeye duyarlılığı yüksek hisselerden ise uzak duruyoruz. Mayıs 2013'ten bu yana görülen yüzde 45 gerileme sonrası bankaların daha iyi değer sunduğunu ve aşağı yönlü risklerin sınırlandırıldığını düşünsek de kısa vadede bu hisselerle karşı temkinli durmaya devam ediyoruz. Havacılık, telekom, inşaat, taahhüt ve defansif yapıdaki holdingler beğendiğimiz sektörler arasında yer alıyor.

BOĞAZIÇI MEZUNU

Boğaziçi Üniversitesi İşletme Bölümü mezunu olan Şeniz Yarcan, mesleğe TSKB Hazine Müdürlüğü'nde Yatırım Danışman Yardımcısı (dealer) olarak başladı. Hazine Müdürlüğü'nün kuruluş çalışmalarının yanı sıra finansal kurumlar, yatırımcı ilişkileri, portföy yönetimi ve araştırma müdürlüklerinin kuruluşlarında yer aldı. Tüm yurtdışı ve finansal ürünlerin alım, satımında uzman olan Yarcan, halen Yatırım Finansman Genel Müdürü



ŞENİZ YARCAN
Yatırım Finansman Genel Müdürü



"Riskler yeniden gözden geçirilmeli"

Daha önce hesaplarda olmayan siyasi risk ve kredi derecelendirme kuruluşlarının negatif yorumları, yatırımcıların karar alma süreçlerini olumsuz yönde etkilemeye başladı. Bu durum, risklerin yeniden gözden geçirilmesine ve pozisyonların azaltılmasına neden olabilir. Düşüşler profesyoneller için kısa vadeli al-sat fırsatı yaratır. Ancak daha orta-uzun vadeli yatırım stratejileri oluştururken, özellikle ekonomi yönetiminde yaşanacak olası değişiklikleri ve kredi derecelendirme kuruluşlarından gelebilecek negatif yorum ve değerlendirmeleri dikkate almak gerektiğini düşünüyoruz."

August 2014
Ekonomist Magazine

42 | BorsaD

YATIRIM

Piyasaları Bu Yaz Hareketli Günler Bekliyor



Yatırım Finansman
Ankara Müdürlüğü
Zümrüt Can Ambarcı

"Gelişmekte olan piyasalara risk iştahı yüksek"

Mart ayından itibaren gelişmekte olan ülkelere karşı artan risk iştahı, önümüzdeki günler için gelişmekte olan piyasalara risk iştahı yüksek olduğunu göstermektedir. Ancak Türkiye'yi biraz daha fazla etkilediğini gördüğümüzü belirtiyoruz. Son dönemde ise artan bölgesel riskler nedeniyle MSC Türkiye Endeksi, MSC Gelişmekte Olan Ülkeler Endeksi'nin %10 altında performans gösterdi. Beklenenin aksine gelişmekte olan piyasaların risk iştahının düşmesi ve carry trade'in sürmesi durumunda, hisse senedi piyasalarının olumsuz trendi bir süre daha devam edebilir. Yatırımcılar için bu yılın başlarında nedeniyse hisse senetleri piyasasına yönelik beklentilerde artış gözüküyor. Önümüzdeki dönem, hisse bazında riskli yatırım potansiyeli sunan bölgelere bir dönüş olacaktır. FED Başkanı seçiminin daha da çok önemi taşıdığı bir dönem olacaktır. FED Başkanı'nın son basın toplantısında özellikle yükselme eğiliminde olan emlak piyasasının takip edildiğini belirtiyoruz.

Yatırım Bankası

SERKAN ÖZİPEKÇİ
EBSA'nın Yatırım Danışman Yardımcısı
Genel Müdürü Şeniz Yarcan, Yatırım Finansman Genel Müdürü

Piyasalar bu yaz hareketli günler bekliyor. Yatırımcıların risk iştahı yüksek. Ancak Türkiye'yi biraz daha fazla etkilediğini gördüğümüzü belirtiyoruz. Son dönemde ise artan bölgesel riskler nedeniyle MSC Türkiye Endeksi, MSC Gelişmekte Olan Ülkeler Endeksi'nin %10 altında performans gösterdi. Beklenenin aksine gelişmekte olan piyasaların risk iştahının düşmesi ve carry trade'in sürmesi durumunda, hisse senedi piyasalarının olumsuz trendi bir süre daha devam edebilir. Yatırımcılar için bu yılın başlarında nedeniyse hisse senetleri piyasasına yönelik beklentilerde artış gözüküyor. Önümüzdeki dönem, hisse bazında riskli yatırım potansiyeli sunan bölgelere bir dönüş olacaktır. FED Başkanı seçiminin daha da çok önemi taşıdığı bir dönem olacaktır. FED Başkanı'nın son basın toplantısında özellikle yükselme eğiliminde olan emlak piyasasının takip edildiğini belirtiyoruz.

"200-150 b...
indirimi b...
Tahvilin, cari aç...
meyen bir ille olab...

August 2014 Capital Magazine

ETKİ YARATACAK 5 ANA GÜNDEM

- 1 GLOBAL PİYASALAR GENİŞLEMESİ Son 1,5 yıldır olduğu gibi gelişmiş ülke merkezli borsaların olacağı öngörülüyor.
2 İÇ SİYASET Fırtınanın sona ermesiyle birlikte...
3 MERKEZ BANKASI KARARLARI...
4 BÖLGESEL FİSKİLER...
5 DİĞER FAKTÖRLER...

Hisse senedi piyasasında görülen bu pozitif trend, diğer gelişen piyasalara göre olan...
Yeni yılın sonlarında Borsa İstanbul'da bir ralli yaşanır mı?...



"GENİŞ YETKİLİ ARACI KURUM OLACAĞIZ"

HEDEFLER 1 Temmuz'da devreye giren yeni mevzuat kapsamında Yatırım Finansman, "geniş yetkili aracı kurum" olarak...

May 2014 Dünya Magazine

YATIRIM FINANSMAN GENEL MÜDÜRÜ ŞENİZ YARCAN:

Algoritmik işlemlere alışamayan yatırımcı piyasanın dışında kalacak

Yatırım Finansman Menkul Değerler Genel Müdürü Şeniz Yarcan, Borsa İstanbul'da algoritmik yatırıma izin verecek teknik altyapı tamamlandığına yeni sisteme ayak uyduramayan yatırımcıların piyasanın dışında kalacağını söyledi.



sürdürülebilir bir indirim sürecine giremeyiz. Buna rağmen faizde ufak bir indirim dahi borsadaki endeksin 80 binler seviyesine taşıyacaktır" dedi.

Bankalar 3. çeyrekte toparlar

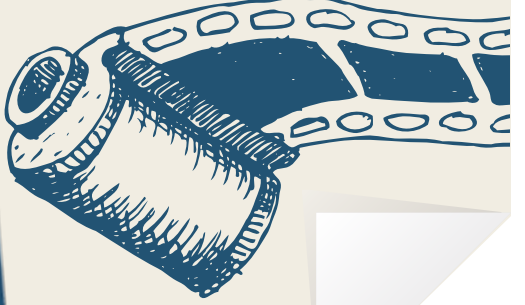
Yatırım Finansman Araştırma Müdürü Zümrüt Can Ambarcı ise bankaların yılın ilk çeyreğinde faiz indirimi nedeniyle bozulan kredi dengesini toparlamak için zamana ihtiyacı olduğunu, yılın 3. çeyreğinden itibaren kredi karşılığının bilançolara yansıtacağını söyledi.

Şeniz Yarcan: "Baskıya rağmen, Merkez Bankası faiz politikasını özgün yönetti"



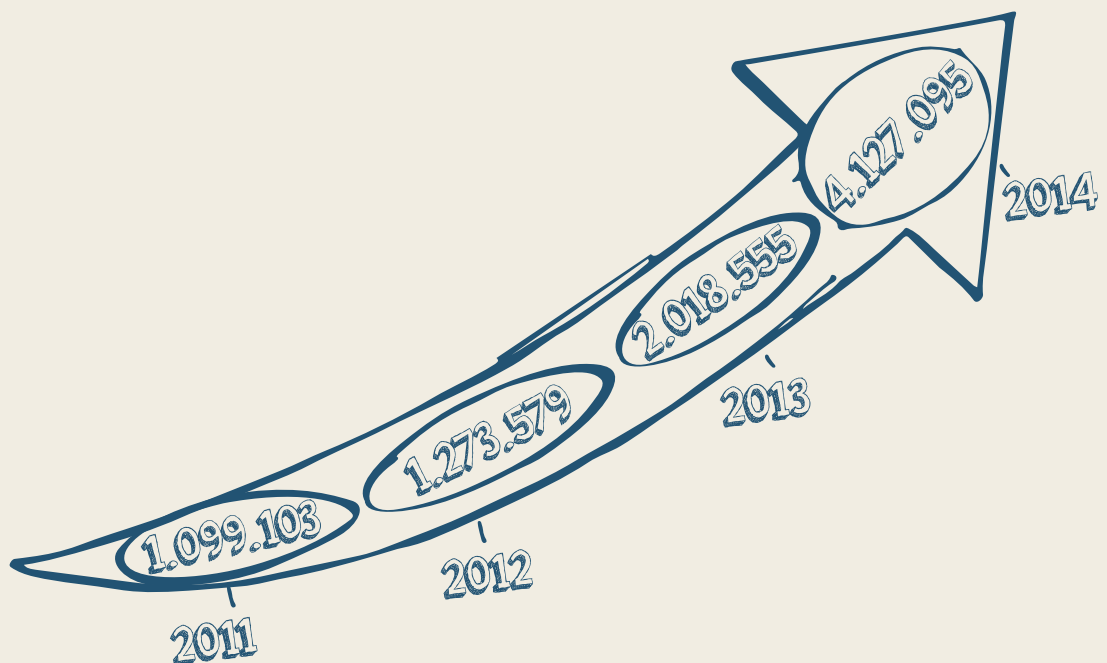
Konuşmaların ardından IZSIAD Başkanı Hasan Küçük Kurt, Şeniz Yarcana teşekkür plaketi verdi

Merkez Bankası'nın faiz politikasını özgün yönettiği... "Türkiye, en fazla etkilenen ülke"...



WHERE WE MADE A DIFFERENCE IN 2014

We have further built on our competitive strength on the back of 104% growth in our client assets, and yet again demonstrated that we are one of the leaders of the Turkish Capital Markets.



BIST Stock Exchange Share

In 2014, the trading volume of our branches on the BIST (Borsa İstanbul) Equity Market grew by **36%** year-to-year and stood at **1.68%**.

Securities Lending Income

In 2014, our income derived on the Securities Lending and Borrowing Market was up by **98.64%** year-to-year and reached **TL 294,000**.

Loan Income

Our loan income grew by **101%** year-to-year and amounted to **TL 10,537,000** in 2014.

Pairs Trade

Our Strategy Department undersigned a success ratio of **81%** in the pairs trading recommendations issued.

The total return on these recommendations was **17%**.

Technical Analysis Recommendations

Our Strategy Department captured a success ratio of **70%** in the technical analysis recommendations issued during 2014. The total return on these recommendations was **237%**.

Model Portfolio

The return on our Model Portfolio recommended by our Research Department stood at **43.8%** in 2014.

With this figure, our Model Portfolio outperformed the BIST-100 Index by **14%**.

Total Loans

Total securities loans made available to our clients in 2014 increased by **32.24%** over 2013 and amounted to **TL 72,467,831**.

KEY INDICATORS

Summary Balance Sheet (Consolidated) (TL)	31 December 2014	31 December 2013
Current Assets	692.956.664	709.840.083
Cash and Cash Equivalents	374.845.087	386.116.967
Financial Assets	20.419.860	19.499.337
Trade Receivables	290.470.732	303.658.217
Other Receivables	306.600	245.918
Current Tax Asset	2.321.115	--
Other Current Assets	394.873	319.644
Derivatives	4.198.397	--
Non-Current Assets	26.284.558	24.127.528
Financial Assets	18.398.703	16.026.801
Tangible Fixed Assets	3.399.449	3.633.847
Intangible Fixed Assets	473.794	608.552
Deferred Tax Asset	4.012.611	3.858.328
Total Assets	719.241.222	733.967.611
Short-Term Debts and Liabilities	643.104.399	659.464.836
Long-Term Debts and Liabilities	1.150.453	1.307.537
Total Debts and Liabilities	644.254.852	660.772.373
Equity Holders of the Parent	74.971.198	73.181.915
Minority Interests	15.172	13.323
Total Equity and Liabilities	719.241.222	733.967.611
Summary Income Statement (TL)		
Operating Income	32.145.660	26.255.612
Operating Expenses	(36.080.166)	(32.721.250)
Other Operating Income and Expenses (Net)	1.070.342	1.984.276
Financial Revenues and Expenses (Net)	2.062.243	7.614.570
Profit/(Loss) on Continuing Operations before Tax	(801.921)	3.133.208
Tax Income/(Expenses) on Continuing Operations	156.547	(209.435)
After Tax on Discontinued Operations	--	--
Profit/(Loss) for the Period	(645.374)	2.923.773
Distribution of Profit/(Loss) for the Period		
Non-Controlling Interests	1.849	1.240
Equity Holders of the Parent	(647.223)	2.922.533
Detailed Income Distribution		
Non-Controlling Interests	1.849	1.240
Equity Holders of the Parent	1.789.283	5.023.368

Equity Market Transactions	2014	2013	2012	2011
Equity Market Trading Volume (TL million)	1.745.862	1.633.634	1.246.570	1.390.654
Equity Market Trading Volume* (USD million)	751.555	765.419	699.298	736.224
YF's Equity Market Trading Volume (TL million)	37.417	35.242	23.939	27.521
YF's Equity Market Trading Volume* (USD million)	16.107	16.512	13.429	14.569
Ranking Among All Intermediaries	15	14	18	19
Market Share (%)	2,14	2,16	1,92	1,97
Ranking Among Non-Bank Intermediaries**	8	5	6	10
Market Share (%)**	3,85	3,79	4,75	4,34

Debt Securities Market Transactions	2014	2013	2012	2011
Intermediaries' Trading Volume (TL million)	1.411.371	1.313.081	1.377.151	1.166.215
Intermediaries' Trading Volume* (USD million)	607.563	615.228	772.551	617.404
YF's Trading Volume (TL million)	24.551	20.115	20.958	18.892
YF's Trading Volume* (USD million)	10.568	9.424	11.756	10.001
Ranking Among All Intermediaries	11	11	9	11
Market Share (%)	1,74	1,53	1,52	1,62
Ranking Among Non-Bank Intermediaries**	1	1	1	2
Market Share (%)**	24,58	20,92	20,7	17,30

Futures Market Data	2014	2013	2012	2011
Futures Market Trading Volume (TL million)***	869.264	833.074	807.865	879.599
Futures Market Trading Volume* (USD million)	374.199	390.326	453.195	465.667
YF's Futures Market Trading Volume (TL million)***	33.665	30.644	26.490	30.526
YF's Futures Market Trading Volume* (USD million)	14.492	14.358	14.860	16.160
Ranking Among All Intermediaries	8	7	10	9
Market Share (%)	3,87	3,68	3,27	3,47
Ranking Among Non-Bank Intermediaries**	4	2	3	5

Total Client Assets	2014	2013	2012	2011
Total Client Assets (Year-end) (TL million)	4.184	2.019	1.274	1.099
Total Client Assets* (USD million)	1.801	946	714	582
Total Mutual Fund Portfolio (Year-end) (TL million)	177	160	182	150

* USD selling rate at year-end 2014: TL 2.3230

** Excludes commercial bank intermediaries

*** Includes total trading volumes on the Futures Market (VOB) and Derivatives Market (VIOP)

2014 ECONOMIC OVERVIEW



The inception of tapering by the US Federal Reserve (Fed) at the end of 2013 put considerable pressure on emerging countries in the first quarter of the reporting period, and led to a remarkable decline in capital flows. In this period, the Central Bank of the Republic of Turkey (CBRT) introduced significant monetary tightening, thereby taking under control the high volatility plaguing especially exchange rates. Although some revival was seen in capital flows subsequently and measured loosening steps were taken, economic growth lost momentum remarkably. After capturing a growth rate of 4.1% in 2013, the Gross Domestic Product (GDP) grew 2.8% in the first three quarters of 2014, exposing the dimensions of the deceleration. After performing weakly particularly in the second and third quarters of 2014, it is estimated that the growth was able to attain a limited recovery and that its momentum for the full year will stand at 2.9%. An actual figure in this order shows that the official target of 4%, which was captured in 2013, will be missed by a wide margin. Looking at the details of the slowdown the national economy suffered, it should be noted that the rebalancing of domestic versus foreign demand is back on the scene, after an interruption in 2013. While contribution of net exports to growth was a positive figure as it was in 2012, that of final domestic demand declined dramatically. As a result of the ongoing contraction of investments by the private sector, coupled with the almost stagnated consumption expenditures, contribution to growth dwindled by more than two thirds as compared with the previous year.

On the inflation front, the CPI, at 8.2%, exceeded the official target of 5%, for the fourth year in a row.

High food prices that resulted from drought have been the key determinant of the highest year-end realizations of the last three years. Other factors that played a part in the exceeded target were the lagging effects of the higher exchange rates at the onset of the year and the continued uptrend of service inflation.

The CBRT hiked the official policy rate from 4.5% to 10%, which implied a tightening to the tune of 275-300 basis

points in terms of funding costs, and thus, introduced an important measure against the deteriorated inflation outlook. The improved risk appetite toward emerging countries and the declined sovereign risk premium of Turkey from the second quarter helped loosen the policy rate by 175 basis points down to 8.25% in the May-July period. From the standpoint of the fiscal policy, the results achieved were significantly positive as compared with the initially set targets, and were in alignment with the projections revised by the Medium Term Program (MTP) by the end of the year.

At 1.3%, the ratio of budget deficit to national income showed a limited rise in the twelve months to year-end 2014.

In 2014 when tax revenues grew by a mere 8.1% due to the weak growth, non-interest expenses were up by 11%, whereas non-recurring income items helped boost non-tax revenues by a significant 47.3%.

The external deficit declined sharply owing to the base effect that resulted from the stagnant domestic demand throughout the year, the big-ticket gold import, and the plunged oil prices in the last quarter of the year.

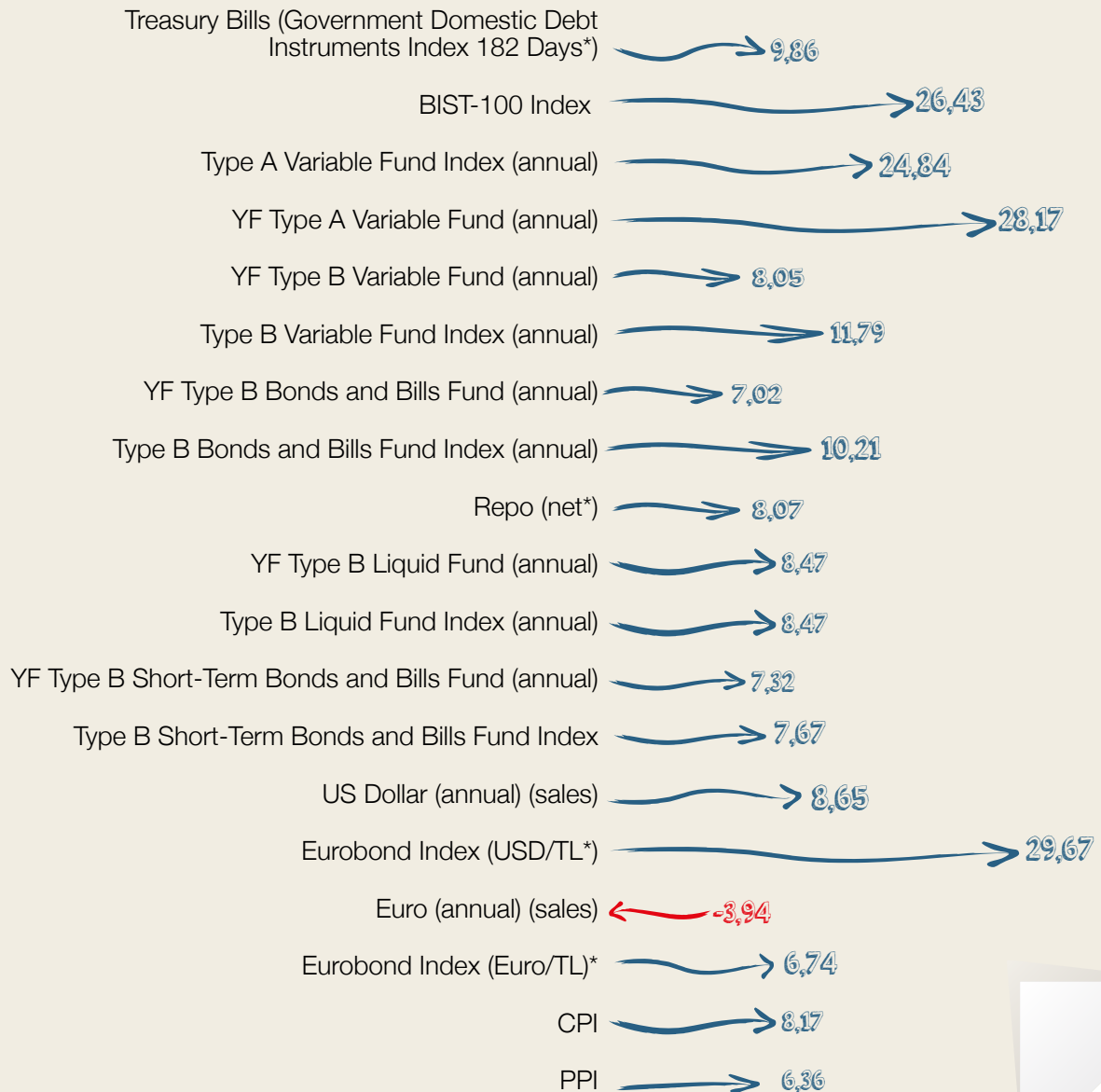
The current deficit dropped down to USD 84.5 billion in line with the foreign trade deficit that went down to USD 84.5 billion in 2014 with more than USD 15 billion decrease. It should be noted that the decline was driven by the 3.7% decrease in the total import bill rather than an expansion in exports that stood in the order of 4%.

Due to the steps the CBRT took in the aftermath of the turbulence that afflicted the emerging countries, interest rates climbed to two-digit numbers, but declined significantly later, owing to the loosening steps and improved risk appetite as mentioned above, closing the year at 8.2%.

The Turkish currency partially recovered from the sharp depreciation that it suffered at the onset of the year thanks to tightened monetary policy, and closed the year at a USD/TL exchange rate above 2.32, representing a depreciation of over 9%.

COMPARISON OF RETURNS ON INVESTMENT INSTRUMENTS

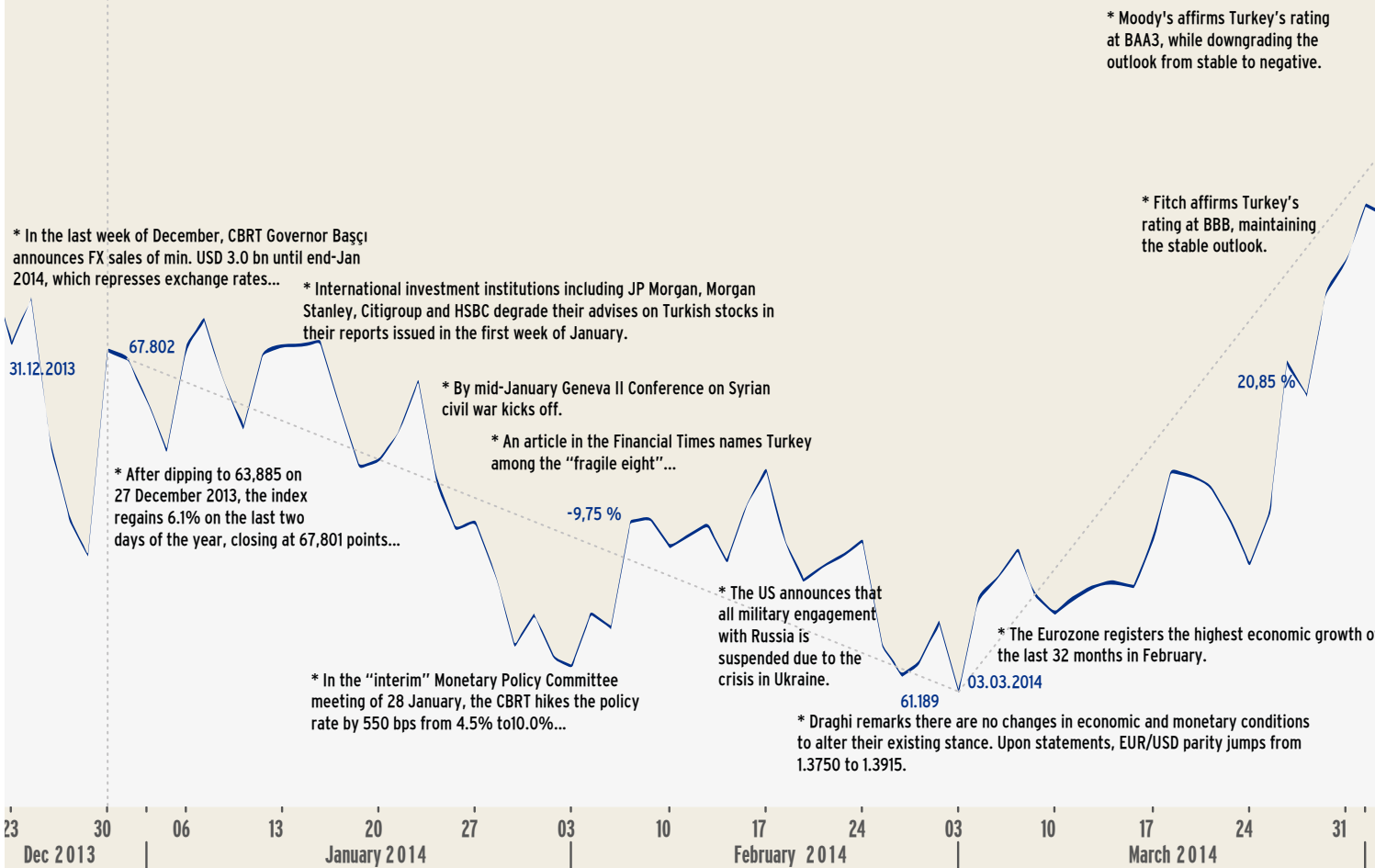
% (31 December 2013 – 31 December 2014)



*Source: www.tkyd.org.tr

BIST 1st Quarter

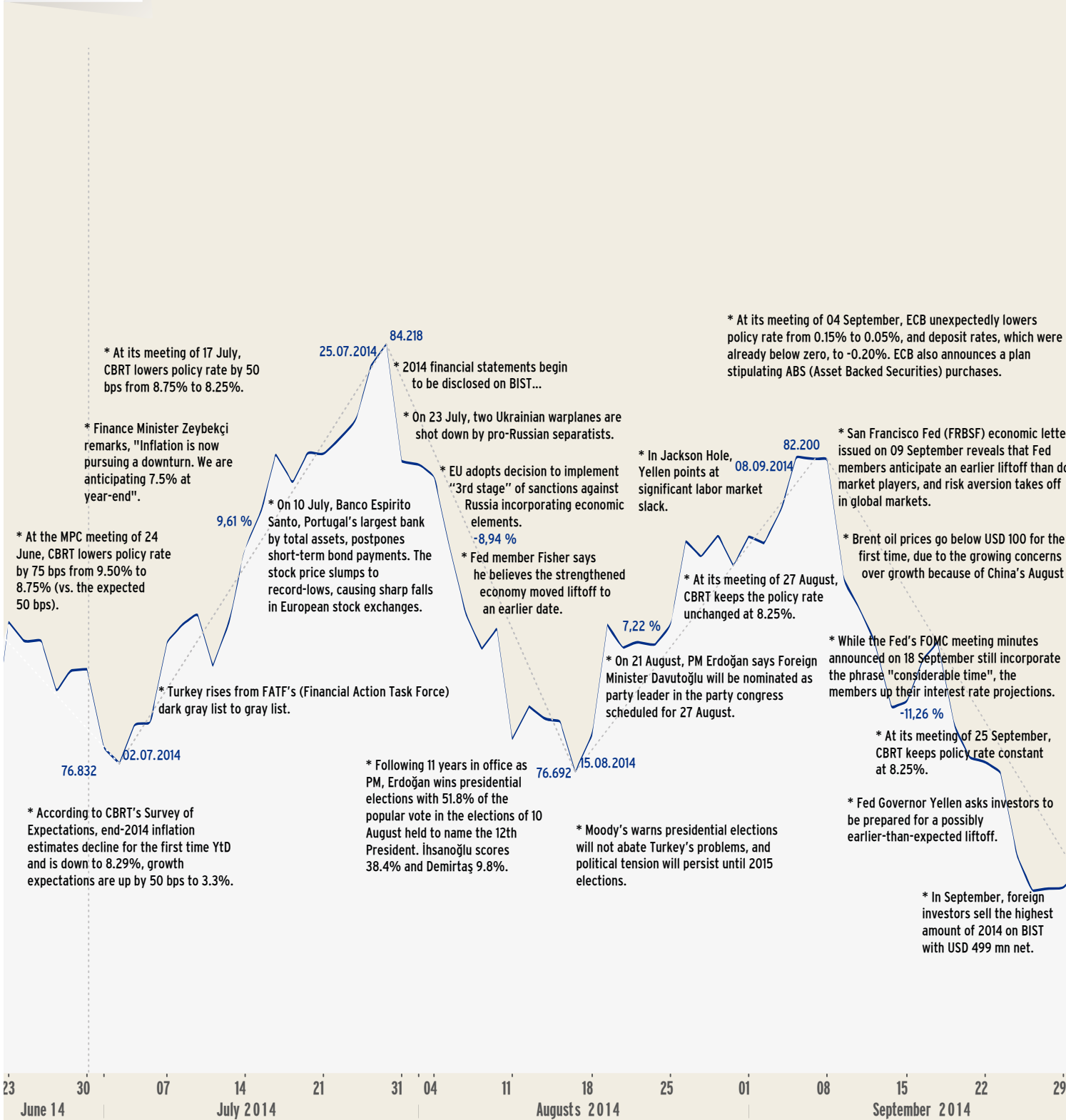
After closing 2013 at 67,801 points that implies 13.3% loss of value, BIST 100 Index started 2014 with a fluctuating performance...



BIST 2nd Quarter



BIST 3rd Quarter



BIST 4th Quarter

BIST100 Index closes 2014 at 85,721 points, its all-time highest year-end figure, gaining 26.4% in value, and becomes the world's fifth best-performing stock exchange of 2014.



MESSAGE FROM THE CHAIRMAN

In the post-financial crisis period, there was a radical redirection of the quantitative easing policies of the US Federal Reserve (the Fed), the key actor setting the course of global markets. Initially signaled by mid-2013, the process is being carried out slowly but surely in the form of tapering until the end of 2014, followed by signs of a rate hike by the middle of 2015. However, the restraining effects of the Fed's exit strategy may be countered to some extent through additional monetary expansion steps resulting from the ongoing economic distresses in other pivotal components of global economy, particularly in the Eurozone and Japan.

International organizations estimate the 2014 global growth at 3.3%, which is quite similar to the average of the previous two years. As we leave behind a year during which the growth rate of developed economies went up by a half percentage point to as high as 1.8%, the highest since 2010, and emerging countries displayed the lowest performance of the post-crisis period with 4.4%, 2015 projections reveal the belief that the same differentiation between growth rates will persist. The global growth rate projection of 3.8%, on the other hand, relies on the presumption that both groups will attain faster growths. The plummet in the energy prices that came particularly in the second half of 2014 offers an important foothold for acceleration.

The Turkish economy is expected to perform similarly to its peers in the coming year. Having attained nearly 2.9% growth in the reporting period, the Turkish economy is projected to display a performance close to the official target in 2015 on the back of 3.7% GDP growth in real terms. The inflation, which floated quite close to two-digits last year, is anticipated to come back to the order of 6.2% as a result of eliminated exchange rate effects, normalized food price increases and pursued policies. The track of energy prices may bring along a more positive outlook on the inflation front, and it may also restrain the highly ameliorated external deficit of 2014 despite the shift of the epicenter of growth toward domestic demand, while dragging the ratio of current deficit to national income to the long-targeted 5%.



The equity market prepriced these positive expectations regarding the macro outlook and outperformed other emerging countries by a significant margin, attaining 26.4% gain in value in 2014, during which it showed a fluctuating performance. In 2014, Borsa İstanbul gained value by 16.4% and has been the fifth best-performing stock exchange in the world. 2y and 10y benchmark bond rates fell by 208 and 245 basis points, respectively, closing at 8.02% and 7.96%. Although the US dollar appreciated by 12.8% on average against major currencies during the course of the year, the Turkish lira depreciated merely 8.1%, and remained relatively resilient as compared to other currencies.

Having stepped into 2014 amid the CBRT's decision to increase interest rates following the excessive appreciation of FC and the uncertainty that plagued March owing to the election process, the capital markets gained momentum and followed a positive path in spite of the concerns fuelled by the Fed from time to time in the latter parts of the year. Total trading volume, on the other hand, did not see a major change year-to-year with the effect of the strong rise in 2013. Increased competition and volatile market conditions continued to put pressure on the profitability of the sector. While just 52 out of the 87 intermediary institutions active in the sector were able to post profit in the first three quarters of 2014, top 20 intermediary institutions registering the highest trading volumes were accountable for 76% of the sector's total net profit.

Having dipped to low levels and having maintained the same trend until the local elections in March, the share of trading by foreigners adopted an upturn in the rest of 2014. Nonetheless, trading volumes of foreign investors in all markets (equity, repo-bonds and futures) rose in the first three quarters of 2014. This put intermediary institutions capable of servicing foreign investors as well as domestic investors, such as YF Securities, in a more advantageous position. Amid the conjuncture briefly described above, YF Securities maintained its healthy growth.

Based on the data for the first nine months of 2014, YF Securities is among the top 20 intermediary institutions with the highest trading volume, and ranks 14th in equity trading volume and 7th in futures trading volume. Taking place among the leading intermediary institutions thanks to its robust shareholders' equity, our Company ranks 3rd in the industry with total assets worth TL 675 million.

Having put groundbreaking initiatives and novelties in its focal point, YF Securities aims, in 2015, to play a pioneering role as it did in previous years, while uncompromising its service quality in the capacity of a broadly authorized intermediary institution, a title earned thanks to efforts spent to achieve alignment with the new communiqués.

Having signed their name underneath this achievement, the specialized and highly motivated YF Securities team, embracing the core corporate values and working with devotion and commitment to satisfy client expectations, represents our strongest muscle today, as it did in the past.

On the back of all these constructive steps taken during the reporting period, YF Securities aims to upgrade the quality of services rendered to its clients and to keep introducing pioneering implementations in 2015.

I would like to take this opportunity to thank especially our clients, employees and business partners, as well as all our stakeholders, and I wish a successful year in 2015.

Sincerely,

Özcan TÜRKAKIN

Chairman of the Board of Directors

MESSAGE FROM THE GENERAL MANAGER

Distinguished Shareholders, Esteemed Business Partners, and Dear Colleagues,

In keeping with our innovative code of conduct focused on continuous improvement, we carried on with our transformation process initiated in 2012 with renewed system infrastructure and centralized operational transactions in 2014. Thanks to this major project that embedded our customer-oriented business conduct in all our processes, we offered more efficient and faster trading capability to our clients, and we enhanced our service quality.

All our efforts and initiatives in 2014 earned us the "Best Securities Brokerage - Turkey 2014" title according to the London-based Capital Finance International (cfi.co) assessment that polled the views of its readers worldwide and market experts.

On another front, we continued with our efforts to achieve compliance with the revised Capital Market Law and associated communiqués, and we filed an application to pursue our activities as a "Broadly Authorized Intermediary Institution" on 30 December 2014. Along the line, we have remade our organizational structures and all our work flows. We brought our endeavors to completion so as to offer a differentiating service quality particularly in our investment consultancy, portfolio management and brokerage services.

During the reporting period, we remained loyal to our responsibility imposed by becoming Turkey's one and only zero carbon intermediary institution last year. Besides our investment in the nature, we kept investing in professional and personal development of our employees. We set up YF Academy, an e-learning platform directed towards enhancing the quality of service delivered to our clients and presenting our employees with diverse development opportunities.

We have successfully completed our major project of 2014, which was the renewal of our software infrastructure. To this end, we finalized the necessary hardware upgrades and system investments. We have bettered the service quality on the back of the increased speed of our system. In 2015, we will be servicing our clients with our new products upon receiving the necessary permissions within the scope of the new CMB communiqués.



While our Company went through these developments, global economic recovery of the markets lost pace in the second half of 2014 as compared with the first half, and inflation rates preserved relatively lower levels with the support of the slumped commodity prices, especially oil price. Although the global economic recovery is going on at a slow pace, growth dynamics show increasing differentiation among countries. While the US economy has adopted a strong recovery trend, growth is decelerating in emerging countries, whereas Eurozone and Japan look fragile.

Decoupled economic growth reflects also on monetary policies pursued by the countries. After the Fed's bond buying program that supported the equity markets since 2009 was terminated in October 2014, measured interest hikes are on the horizon from the middle of 2015. This move indicates that global bond rates, which have declined to historic lows due to asset purchases, could stop being the driving engine of stock markets from the middle of 2015. Conversely, the central banks of Europe, Japan and China, which have loosened their monetary policies using various instruments, will presumably take new steps that will support growth also in 2015. The possible rate hike by the Fed increases downside risks on capital flows, while quantitative easing policies of the ECB and the Central Bank of Japan will possibly partially compensate the risks.

Lead indicators point at a better performance by the Turkish economy in 2015, on the parts of growth and current deficit, as well as inflation. We are anticipating that growth will reach 3.7% in 2015, thus drawing near the official target of 4.0%, that improvement in current account balance will continue in the year coming, even if at a slower pace, in connection with the positive developments associated with oil prices, and that the ratio of current balance to national income will decline to the order of 5.0%, and inflation will materialize around 6.2% within the frame of food price increases that we are expecting to normalize.

Turkey's positive decoupling as compared with the stock markets of developed and emerging countries that showed a differentiation in terms of macroeconomic outlook from the second half of 2014 picked up, particularly in conjunction with the plunged oil prices in the last two months of the year. Based on the anticipated positive direction of inflation and current deficit owing to oil prices, the equity markets saw an inflow of USD 2.2 billion in 2014, following an outflow of USD 428 million in 2013. We are of the opinion that corporate profitabilities will perform positively in connection with the increase in business and consumer confidence amid an environment where overall macroeconomic indicators send positive signals for 2015, and that these developments will reflect positively on the stock exchange performance. Turkey's soft belly can be considered as stronger US dollar and higher US interest rates. We are expecting the banking industry to be positively influenced by the declined interest rates in the first half of 2015, and profit margins of industrial companies to be supported, provided that oil and commodity prices remain at the same levels.

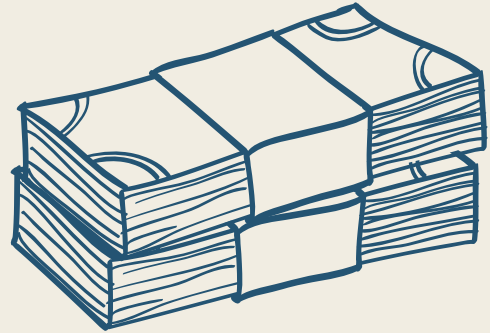
We are duly equipped in terms of infrastructure for the BIST-Nasdaq project that will go live in 2015, thanks to the new server platform investments we realized last year. In the year ahead, we will keep enhancing our service quality, and offer uninterrupted and fast service employing leading-edge technology thanks to our new technology investments, on the back of our BIST Data Center Colocation Project and relocation of our Disaster Recovery Center to our new data center.

In keeping with all these predictions, it will remain among our top priorities to offer high quality investment consultancy service and to guide our individual and institutional investors in the capital markets through our advisory services also in 2015.

Sincerely,

Şeniz Yarcan
General Manager

OUTLOOK OF THE TURKISH ECONOMY IN 2015



The most recent outlook of global economic growth reveals that it is quite difficult to maintain the growth performance backed by foreign demand in 2015.

While the ongoing weakness in main export markets is predicted to live on, alternative markets that Turkey turned to in an effort to offset the said weakness will seemingly suffer from loss of income due to plunged commodity prices, due especially to oil prices.

As the contribution of domestic demand regains prominence under these conditions, the Turkish economy will presumably attain 3.7% real growth in the year coming. Although this rate is indicative of an acceleration relative to the 2014 performance, it still remains below the official target of 4%. Upon reversal of the contribution of net exports, i.e. the main determinant of growth last year, to negative values, it is considered that private consumption demand will revive relatively, the deferred demand will have an effect on the prolonged weak private investment outlays, and public sector expenditures will reach levels that will support total growth.

Inflation, which will take a downturn with mechanical effects that will result from the base effect at the onset of 2015, will possibly sustain its downtrend until the middle of the year. The telling factors in the descent of the annual CPI, which significantly deviated from the target in 2014, will likely include the eradication of exchange rate effects, food inflation that will draw near past averages, and low energy prices. However, the lowest figure that inflation could step down to is anticipated to be 6.2% at the end of 2015 as a consequence of the projections that have significantly sidetracked from the target in recent years, and of the resulting deteriorated pricing attitudes.

While this figure is above the targeted 5%, it is indicative of a decline as compared with the past two years, and as such, may prompt interest rate cuts by CBRT. However, the CBRT could be expected to preserve its tight stance, which the Bank reportedly secures by maintaining its yield curve flat or in a declining slope. Among the possibilities is the more active use of the policy corridor against the liftoff that is believed to be introduced by the Fed by mid-year in an effort to observe financial stability.

MTP objectives reveal significant tightening targeted in the fiscal policy, starting from 2015. The budget deficit target set at TL 21 billion for the coming year points that a deficit that will correspond to 1.1% of the national income is targeted, while details show that the rate of increase in non-interest expenditures will be kept quite low to attain this goal. In view of the current level of growth and the general elections to be held in 2015, however, it is not thought that the expansion in expenditures, which currently presents a quite low flexibility, can be restrained, and that the budget deficit could correspond to 1.5% of national income.

Despite the balance established in favor of domestic demand within growth and the problems plaguing the export markets, the current deficit is projected to amount to approximately USD 39 billion in 2015, as a result of limited growth in imports and the increase in non-energy imports defying a saving in the order of USD 10 to 15 billion in the energy import bill that will result from the plummeted oil prices. On the other hand, the financing structure of the deficit will remain sensitive to portfolio flows, which may create volatility as a result of the Fed's exit policies.

While the Turkish lira might follow a fluctuating course during the year as a consequence of this volatility, it is anticipated to close 2015 at 2.48 against US dollar. Benchmark bond rate, on the other hand, is anticipated to finish 2015 in the order of 9%, given the sustained tight stance of the CBRT in a bid to prevent harsher depreciation of the TL and upon rate hikes in the U.S.





**YATIRIM
FİNANSMAN**
SECURITIES

BOARD OF DIRECTORS



- 1 **Hakan AYGEN** / Deputy Chairman of the Board of Directors - TSKB Executive Vice President
- 2 **Volkan KUBLAY** / Member of the Board of Directors – Unit Manager in İşbank Subsidiaries Division
- 3 **Ece BÖRÜ** / Member of the Board of Directors - TSKB Executive Vice President
- 4 **Özcan TÜRKAKIN** / Chairman of the Board of Directors - TSKB Chief Executive Officer
- 5 **Aslı Zerrin HANCI** / Member of the Board of Directors - TSKB Department Head of Treasury
- 6 **Tolga SERT** / Member of the Board of Directors - TSKB Senior Manager of Financial Control
- 7 **Gökhan ÇANAKPINAR** / Member of the Board of Directors - TSKB Executive Vice President





Look closer to
our core values
that are aimed
investor
happiness





**YATIRIM
FİNANSMAN**
SECURITIES

EXECUTIVE MANAGEMENT



- 1 **Emre DURANLI** / Executive Vice President
- 2 **Dilek AKDEMİR** / Executive Vice President
- 3 **Şeniz YARCAN** / General Manager
- 4 **Emre BİRKAN** / Executive Vice President
- 5 **Çiğdem MERT ÖNDER** / Coordinator



EMRE DURANLI

EXECUTIVE VICE PRESIDENT

Born in 1972, Emre Duranlı graduated from the Department of Business Administration (in English) at Hacettepe University, Faculty of Economics and Administrative Science. He started his career as an assistant inspector on İşbank's Board of Inspectors in 1996, where he served as a Unit Manager in the Subsidiaries Division from 2008 until 2012. In tandem, he served as a member on the boards of directors of İş Yatırım Menkul Değerler, Yatırım Finansman Menkul Değerler A.Ş., Milli Reasürans T.A.Ş., Anadolu Sigorta, Anadolu Hayat Emeklilik A.Ş., İş Girişim Sermayesi, İş Portföy Yönetimi, İş Yatırım Ortaklığı, Efes Varlık Yönetimi and Avea İletişim Hizmetleri.

Emre Duranlı has been appointed as an Executive Vice President of YF Securities on 31 July 2012.

DİLEK AKDEMİR

EXECUTIVE VICE PRESIDENT

Born in 1965, Dilek Akdemir holds a degree in business administration from İstanbul University. She started her career in 1986 and joined YF Securities in 1990, where she set up and led the Research Department. She then served as a Customer Portfolio Manager and a Corporate Portfolio Manager. She was put in charge of the establishment and management of mutual funds. She worked as branch manager of Çiftelhavuzlar, Taksim and Main branches until 2012 when she was brought to the position of Process Management Manager.

Dilek Akdemir has been appointed as an Executive Vice President of YF Securities on 01 January 2013.

ŞENİZ YARCAN

GENERAL MANAGER

Born in 1965 in Bolu, Şeniz Yarcın holds a degree in business administration from Boğaziçi University. She began her career in the Treasury Department of Türkiye Sınai Kalkınma Bankası (TSKB), where she held various positions until 1998 when she was appointed as Treasury Manager. Promoted to the position of Executive Vice President in 2004, Ms. Yarcın was involved in the establishment of Financial Institutions, Investor Relations, Portfolio Management and Research departments, as well as in the foundation of the Treasury Department. Subsequently, she assumed the position of Executive Vice President of Investment Banking and International Relations, covering Securities, Financial Institutions, Research and Corporate Finance departments and Portfolio Management group. She then served as Senior Executive Vice President of Treasury, Investment Banking and International Relations.

Ms. Yarcın has been appointed as the General Manager of YF Securities on 01 January 2012.

EMRE BİRKAN

EXECUTIVE VICE PRESIDENT

Born in 1966, Emre Birkan received his undergraduate degree in economics from İstanbul University in 1990 and his graduate degree in economics from the Western Michigan University. Having started his professional life in 1992, he later worked in various positions in the fields of international capital markets, research and portfolio management.

Emre Birkan joined YF Securities in 2009, where he currently serves as an Executive Vice President.

ÇİĞDEM MERT ÖNDER

COORDINATOR

Born in 1977 in İstanbul, Çiğdem Mert Önder obtained her degree in business administration from Marmara University in 2000. After starting her career in 1997, she served in various positions in the fields of banking and capital markets. She functioned as the Main Branch Manager of YF Securities from 2013.

Ms. Önder has been appointed as the Coordinator responsible for YF Securities branches, domestic sales and marketing functions on 01 January 2015.

Look closer to
our core values
that are aimed
investor
happiness



MANAGEMENT TEAM



1 İnciser Deniz
Department Head, Domestic
Sales and Investment Consultancy

4 Neslihan Çetin
Department Head, Marketing

7 Zeki Davut
Department Head,
Board of Inspectors

2 Feyza Koçyiğit Silahlı
Department Head, Human Resources
and Corporate Communication

5 Müzeyyen Cömert
Department Head, Operation

8 Mete Demir
Department Head,
Trading

3 Cenk Erdal
Department Head,
Institutional Sales

6 Pervin Bakankuş
Department Head,
Corporate Finance

9 Hakan Tezcan
Department Head,
Strategy



10 Nuri Sevgen
Department Head,
Trading & Brokerage

13 Erkan Misket
Department Head, IT

16 Emel Pala
Senior Manager,
Risk Management Unit

11 Süheyla Gülver
Department Head (acting),
Individual Portfolio Management

14 Didem Helvacioğlu
Department Head,
Treasury and Portfolio Brokerage

17 H. Taylan Vecdisoy
Department Head,
Financial Control

12 Zümrüt Can Ambarcı
Department Head, Research

15 Levent Durusoy
Chief Economist

18 Kerim Uğurdur
Department Head,
Internal Control

BRANCH MANAGERS



1 **Bahar Azdemir**
Adana Branch Supervisor (Acting Manager)



2 **Aslı Köse**
Ankara Branch Manager



3 **Anıl Alperat**
Antalya Branch Manager



4 **Aylin Pişkinsoy**
Bursa Branch Manager



5 **Gülay Çoruk**
İstanbul – Bakırköy Branch Manager



6 **Eralp Arslankurt**
İstanbul – Çiftehavuzlar Branch Manager



7 Ali Yavuz Özçiçek
İstanbul – Fındıklı Branch Manager



8 Aytül Tulunay
İstanbul – Ataşehir Branch Manager



9 Meral Bulut
İstanbul – Main Branch Manager



10 Didem Barlas
İzmir Branch Manager



11 Cihat Kaymas
İzmit Branch Manager



12 Yaşar Turgut
Konya Branch Manager



13 Ufuk Erkut
Samsun Branch Manager

2014 HIGHLIGHTS

CAPITAL MARKETS

Equity Market

In 2013, the İstanbul Stock Exchange (ISE), TurkDEX and İstanbul Gold Exchange were merged together under the name Borsa İstanbul. Using the acronym BIST to highlight its outward-looking character, Borsa İstanbul signed a Strategic Cooperation with NASDAQ OMX in January 2014. With this agreement, Borsa İstanbul is targeting to position itself as an integrated exchange trading a large number of capital market instruments and offering service to issuers, investors and brokers on a global scale. Borsa İstanbul will use the trading, swap, market supervision and risk management systems of NASDAQ OMX for all capital market instruments, integrating them into its own systems. The agreement represents a long-term cooperation that will be beneficial for the intermediary institutions and clients of both exchanges.

Through our 13 branches and alternative distribution channels, as YF Securities we make it possible for our clients to trade in the equity markets in a fast and secure manner at any time.

For the purpose of providing guidance to our domestic and international clients in the equity market, we ensure information flow to clients by way of short-, medium- and long-term stock recommendations produced by our Research and Strategy Departments, and model portfolio recommendations that are updated based on close monitoring of the markets. We keep our investors informed by way of our bulletins revised to reflect the day's developments.

We offer securities loans at affordable interest rates to our clients trading stocks on the equity market, and we quickly respond to our clients' securities loan demands proportionate to their portfolios on the back of our Company's robust capital structure.

In stock market transactions, we began transmitting orders by converting one out of every two ExAPIs to FIXapi on 24 June 2014. As of 23 October 2014, our equity market order transmissions were fully migrated to the FIXapi infrastructure.

In 2014, we ranked 15th among 86 institutions in terms of trading volume by getting 2.14% market share with a trading volume of TL 37,415,680,674.63.

Derivatives Market

2014 marked the launch of the Order Transmission Infrastructure through the FIX Protocol on the Derivatives Market (VIOP)

With the transition that took place on 03 April 2014, order transmission infrastructure using FIX protocol was introduced on the Derivatives Market (VIOP). Upon introduction of the FIX (Financial Information Exchange) Protocol commonly used by worldwide stock exchanges, alternative trading platforms and financial markets, it is considered that foreign software enterprises will integrate with VIOP more easily, which will result in an increased number of institutional international investors, liquidity providers and market makers accessing the VIOP.

From 03 November 2014, as YF Securities, we offered our clients the possibility to perform their transactions via VIOPFIX API using the OMS, e-broker and Matriks Trader platform.

Transition to European-type Options and Other Developments in VIOP

Equity Option Contracts traded on Borsa İstanbul Derivatives Market were converted from American-type to European-type as of 31 March 2014.

Authoring a first in the world, Borsa İstanbul made DollarTL options contracts available for trading on the organized market. In order to allow individual investors to invest in gold contracts with lower collateralization, the contractual sizes of TL/G gold futures trading contracts were changed to 1 gram from 100 grams. Mini BIST 30 Index options contracts began to be traded on 19 September. As Mini BIST 30 Index options contracts correspond to 1% of traded options contracts in size, they address a broader investor base.

Representing a distinct alternative to conventional investment instruments, the Derivatives Market enables trading for hedging, investment or arbitrage purposes using these instruments. Institutional and individual investors have the chance to take, or hedge against, risks up to the limit they set in accordance with their own risk perceptions and return expectations in an instrument such as foreign currency, index, gold, etc. Tax advantages the market offers are reason for preference by a large number of institutional investors.

Solid Infrastructure and Uninterrupted Service Understanding

An active player in the Derivatives Market ever since the Futures and Options Market began operations in Turkey, YF Securities made major investments particularly in technology and hardware. We have been offering service in this market since 2005 and strengthened technological infrastructure by successfully completing the transition to Tradesoft on 21 April 2014.

In addition to our branch network across the country, we are offering e-broker Matriks Trader programs that allow our investors to perform VIOP, stock and warrants transactions online from the same platform. Moreover, the easy-to-use OMS and IDB platforms offer the possibility to quickly transmit orders and to trade on VIOP. We have also offered the option to transmit orders via the Virtual Branch for our clients who choose to trade via our website.

The robust infrastructure at our disposal and our uninterrupted service understanding put us in the top ranks in VIOP trading volume.

2014 – The Year of Records on the Derivatives Market

27 August 2014 marked the breaking of the all-time record in the trading volume of futures and options contracts with TL 4.3 billion. While 497,864 contracts were traded during the day, total number of orders was 133,198.

As YF Securities, we ranked eighth within 74 institutions in terms of trading volume by getting 3.87% share out of the market, which had a total trading volume of TL 869 billion in 2014. On the other hand, the number of VIOP accounts opened with Takasbank (İstanbul Settlement and Custody Bank) reached 2,295.

An Ambitious Service Provider Also in Foreign Derivatives Markets

Individual and institutional investors are able to trade for investment or hedging purposes in a number of products including exchange indices, gold, silver, copper, oil, gas, corn or bonds.

Also on foreign derivatives markets, we are giving our clients the chance to trade securely, swiftly and without the involvement of an intermediary on the world's leading stock exchanges.

Our clients can directly deliver their orders to the stock exchange in a fast and secure environment via our YFTRADEINT platform that offers Turkish language support, and they can also receive advisory from our expert team, upon request. No lower limits are applied for opening an account for foreign derivatives market trading.

We are targeting to make a distinction in the market quickly on the back of our competitive commission rates, robust technology, experienced expert staff, and live support team.

ADVANTAGES OF YFTRADEINT PLATFORM

- Turkish language supported for traders
- 24/5 access to global exchanges
- Instant trading on futures markets
- Easy access to portfolio details
- Immediate sell up
- Strategy orders
- Trading with a single button
- Single button to halt, withdraw, or cancel an order
- Trading via smart phones

Warrants and Certificates Market in 2014

On the Warrants and Certificates Market, we offer our clients the possibility to capitalize on price movements on an underlying asset using a certain leverage ratio, without buying or selling the underlying asset. The total trading volume on the Warrants and Certificates Market amounted to TL 10 billion in 2014. Our Company was responsible for a trading volume of TL 117 million on this market in the reporting period.

Forex Trading – A New Business Line with High Growth Potential

Forex market is an over the counter market that is booming on the back of trading 24 hours a day, 5 days of the week. It is the world's largest and the most liquid market with a daily trading volume of USD 4 to 6 trillions.

Based on the CMB regulation that was enacted in August 2011, Forex trading in Turkey can be performed via platforms offered by regularly audited and supervised institutions holding CMB Leveraged Trading Authorization Certificates.

As YF Securities, we have been offering service to our clients in the Forex Market since 15 August 2012 on the back of our solid technology and specialized team.

We are providing our investors with uninterrupted trading with Metatrader4-based YFTRADEFX, the most preferred dealing platform.

Forex Trading with YF Securities:

- Electronic order transmission without a dealing desk
- Free-of-charge account opening with no lower limit
- The most preferred Metatrader4 dealing platform
- Order transmission via iPhone, iPad and Android mobile devices
- Ability to open an account and start trading on the same day
- Maximum leverage ratio of 100:1
- Customizable leverage ratios
- Trading in mini and micro lots
- Spot gold and silver trading
- Trading 24 hours a day, 5 days a week
- Reliable spreads
- Spread groups linked to trading volume
- Live online support

Debt Securities Market

Sound service quality and broad product range

Recently revised capital market legislation enabled issuing new, alternative investment instruments, resulting in increased product diversity on the BIST Debt Securities Market. YF Securities clients are able to invest in TL denominated assets such as Treasury Bills, Government Bonds, Bank Bills, Corporate Bonds and Lease Certificates, as well as in Eurobonds as an FX denominated investment instrument. On another hand, we also give our clients the chance to do outright purchases by submitting bids in Treasury tenders.

Within the scope of Debt Securities Market trading, clients wishing to capitalize on short-term price movements that may result from the developments in the markets are offered the chance to increase their earnings by trading in return for low trading commissions on the BIST Debt Securities Market.

No. 1 among non-bank intermediary institutions

In 2014, total trading volume of intermediary institutions on the Debt Securities Market went up by 7.50% from TL 1,313 billion in 2013 to TL 1,411 billion. Our trading volume on the Debt Securities Market increased from TL 20.1 billion in 2013 to TL 24.5 billion in 2014.

In 2014, our Company ranked 11th among all intermediary institutions and 1st, once again, among non-bank intermediary institutions dealing in this market. Our trading volume on Takasbank Money Market was worth TL 20.5 billion in 2014.

Short-term investment of cash

Clients wishing to maintain a liquid position have the option to invest their cash in repo on a daily basis. As an alternative, our clients are provided with short-term investments opportunities in Takasbank Money Market, giving them access to favorable rates on daily, weekly and monthly terms.

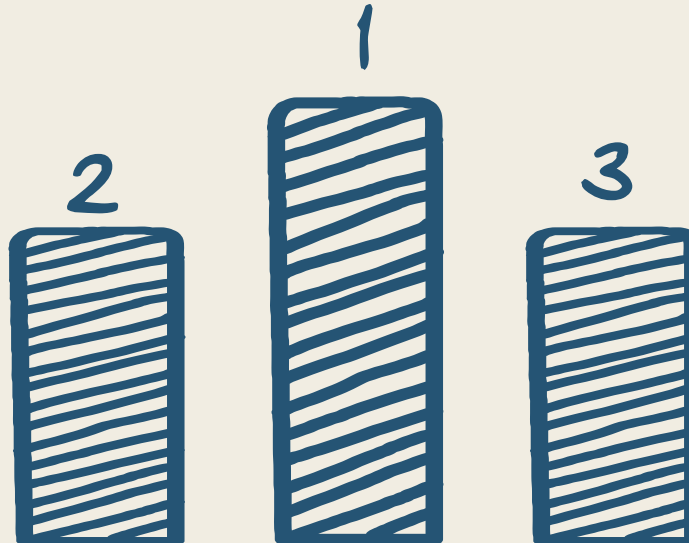
Developments in Mutual Funds

Mutual fund policy devised with the goal of providing more competitive returns

As YF Securities, we offer various options suiting our clients' different risk vs. return preferences through mutual funds, of which we are the founder and portfolio manager. We are working with the goal of providing investors with more competitive returns above the average of other funds of a similar type and risk structure available in the market.

Mutual fund management is undertaken by a strong team made up of fund and portfolio managers and the Company's senior executives, which is supported by the Research Department.

We present our clients with the possibility to invest in different risk and maturity groups through three Type B mutual funds investing in Debt Securities Market and money market products, as well as two variable mutual funds that invest also in stocks traded on BIST at certain limits. We boast the ability to offer product diversity to our clients in mutual funds as the authorized dealer of funds pertaining to İşbank, besides our own funds. Pursuant to the capital market legislation, the transfer of mutual funds that we have set up to İş Portföy Yönetimi A.Ş. (İş Asset Management) will be completed in 2015.



Our clients have the option to trade in mutual funds via our branches, or easily via our online branch. In the period ahead, we will also offer our clients the possibility to trade in the mutual funds of various institutions via the Turkish Electronic Fund Distribution Platform (TEFDP).

The portfolio size of the funds we have set up and have been managing reached TL 176.8 million by the end of 2014.

Type A Variable Fund	2014
Total Fund Value (TL thousand)	1.535
Annual Return (%)	28,17
Fund Index Return (%)	24,84

Type A Resan Private Fund	2014
Total Fund Value (TL thousand)	68.022
Annual Return (%)	20,89
Fund Index Return (%)	17,25

Type B Liquid Fund	2014
Total Fund Value (TL thousand)	70.999
Annual Return (%)	8,47
Fund Index Return (%)	8,47

Type B Short-Term Bonds-Bills Fund	2014
Total Fund Value (TL thousand)	24.194
Annual Return (%)	7,32
Liquid Fund Index Return (%)	7,67

Type B Bonds-Bills Fund	2014
Total Fund Value (TL thousand)	8.194
Annual Return (%)	7,02
Fund Index Return (%)	10,21

Type B Variable Fund	2014
Total Fund Value (TL thousand)	3.895
Annual Return (%)	8,05
Fund Index Return (%)	11,79

Yetirim Finansman Mutual Funds	Type A Variable Fund	Type B Bonds-Bills Fund	Type B Liquid Fund	Type B Variable Fund	Type B Short-Term Bonds-Bills Fund	Type A Resan Private Fund
Total Fund Value	1.535	8.194	70.999	3.895	24.194	68.022
Number of Investors	388	125	11.377	21	1.078	2

COMPLIANCE WITH THE CMB'S NEW COMMUNIQUÉS

In 2014, momentum was given to ancillary regulations under the Capital Market Law that introduced fundamental changes to the operating principles and procedures of investment institutions.

Having adopted a proactive approach to the enactment of the new regulatory requirements governing the sector drawing on its deep-rooted, corporate experience in the capital markets, our Company played a supporting role by way of comments and feedbacks conveyed in the workshops and seminars that were organized with the participation of the sector's representatives and regulatory authorities, and also by actively taking part in the organization of such gatherings.

Our Company has espoused it as one of its top-priority working principles to lead continuous development and innovative and trend-setting implementations in the sector. Along the line, our Company actively contributed to the creation of the legislation governing the sector, and quickly finalized its efforts to achieve compliance with the said requirements within its corporate structure, based on its awareness of being a pioneer and role model, as it always has been.

CORPORATE FINANCE AND CAPITAL MARKET CONSULTANCY

A Business Line with High Growth Potential

One of Turkey's most experienced and competent service providers in corporate finance, our Company offers service in several areas including public offerings, bond and bill issues, and other debt instruments.

We have been a sought-after participant of public offerings since our incorporation owing to our know-how, expertise, and target-oriented professional approach. While we secure funds for corporations and their shareholders by way of initial and secondary public offerings, we also intermediate the participation of domestic and foreign individual investors in the capital market via domestic and overseas sales network.

A key pillar of our corporate finance strategy is to handle the public offerings of small and medium-sized enterprises (SMEs) in particular.

Public Offering Target

For companies that are in the phase of growing and are seeking to flourish, public offering paves the way for attaining a higher degree of institutionalization, transparency and professionalism, for accessing the necessary funding, and for transporting the company into the future.

Corporate finance is one of the key areas that will broaden the Turkish capital markets by tapping the available potential through public offerings and through alternative debt instruments. As YF Securities, we are currently examining a number of companies wishing to go public, and aiming to carry out the IPOs of at least two of these public offering projects in 2015.

Capital Markets Consultancy

We are providing guidance to companies with our Capital Markets Consultancy service to vest them in a broader perspective of capital markets, to steer them in the identification of their needs, and to equip them with the necessary experience about capital markets particularly prior to a public offering. Under this service, the clients are kept informed on financial markets on weekly and monthly bases.

Emerging Companies Market (ECM)

Standing out as a brand new formation, the ECM was established as a distinct market within BIST to create a transparent and organized platform for trading the securities that are issued in order to raise funds from the capital markets by companies with growth and development potential.

On the back of powerful in-group synergy to be created in this area, our Company aims to carry out public offerings yielding the reliable and right price along with the desirable outcome both for the issuer and the investor.

Corporations are kept informed about public offerings.

We are extending full support to the public offering campaign initiated in recent years in line with the growth potential of the capital markets in Turkey. Remaining loyal, once again, to our pioneering and responsible corporate identity in driving the demand for public offerings, we are organizing events that will build on awareness and information in this field.

Within this framework, our Company organized numerous meetings and participated in various events to date, which were directed towards publicizing public offering across the country, communicating the benefits of public offering, and including the SMEs in BIST.

In addition, one-on-one contacts were held with a large number of companies in heavily industrialized cities, providing detailed information on capital markets and the possibilities entailed.

Other services offered under corporate finance...

Our Company also intermediates equity sale by shareholders, handles tender calls, private placements, dividend payouts, rights issues of publicly-traded companies, share buybacks, company valuations for companies and shareholders, and offers capital market consultancy services.

Highlights of corporate finance realizations in 2014:

- We participated in the IPO consortia of AvivaSa Emeklilik ve Hayat A.Ş. and Ulusoy Elektrik A.Ş. carried out in 2014. With a book building of TL 21 million in the Ulusoy Elektrik IPO, we ranked 2nd among 18 intermediary institutions.
- We have been involved in a number of bond offerings in 2014.
- We have drawn up and delivered the valuation report of a non-public company in 2014.
- We have intermediated the rights issue of Bağfaş Bandırma Gübre Fabrikaları A.Ş.
- We have started delivering capital market consultancy and market consultancy services. Currently, we are acting as the market consultant of three ECM companies and capital market consultant of two other companies. In 2015, we are targeting to bring these services to a higher number of companies.



INDIVIDUAL PORTFOLIO MANAGEMENT

Individual Portfolio Management has launched its activities in the last quarter of 2013, providing customer based boutique services via our corporate structure and know-how. We prioritise to increase our clients' return potentials and build long lasting abundant relations through providing services by forming customer based investment groups. Through evaluating our clients' risk & return preferences our clients are presented with a customised set of products that are in line with their risk & return preferences.

Within the scope of Individual Portfolio Management, we have the capacity to set up discretionary portfolios in line with the preferences of our individual and institutional clients, as well as our portfolio groups which heavily use financial instruments such as Fixed Income Securities, Corporate Bonds, Share Certificates, VIOP (Derivative Market), SWAP, TL-FC Deposits and Derivatives.

Our team of experienced and dynamic Portfolio Managers keep an eye on domestic and foreign markets. With the constant support of our Research Department, we provide effective management by making necessary updates on our portfolios with speed and manage them in accordance with predetermined limits and targets.

Our solid management style has yielded a rapid increase in our individual portfolios within a short period of time. Based on the trust our clients have put on us, the assets under our management reached TL 278 Million.

PORTFOLIO GROUPS UNDER MANAGEMENT	Gross Benchmark Return (2014)	Net Avg. Return (2014)
DEPOSITS PORTFOLIO 100% KYD 1-Month Deposit Index	8,31%	9,20%
TL ACCUMULATION 100% KYD 1-Month Deposit Index	8,31%	10,69%
DERIVATIVES PORTFOLIO 100% KYD 1-Month Deposit Index	8,31%	9,85%
FLEXIBLE TL PORTFOLIO 65% KYD TL 182-Day Bond Index, 35% BIST 100 Index	16,28%	19,54%
FLEXIBLE 1 STOCK PORTFOLIO 70% BIST 100, 30% KYD O/N Repo Index	21,42%	32,09%
FLEXIBLE PARTICIPATION PORTFOLIO 100% Participation Index	23,1%	37,14%

(Our returns are released in net values and informed to our clients periodically.)

Clients of Individual Portfolio Management also have the option to manage their own portfolios personally by feasible commission rates. In this scope we provide the most competitive quotes we obtain from the banks we collaborate to our clients.

During year 2014 all portfolios under our management significantly outperformed the benchmark rates and we intent to sustain the difference we create in the sector through 2015 as well.

RESEARCH AND STRATEGY REPORTS

Our new reports have been instrumental in securing higher gains for our clients!

Within the frame of our research activities, we have created a new balance sheet analysis information format (in Turkish language). We started organizing biweekly branch meetings. While we expanded the coverage of our research with new companies, we also increased the number of our reports on the banking industry.

We produced a daily Support/Resistance Chart pertaining to high market cap stocks via our Strategy Department. 2014 also marked the commencement of our pairs trade recommendations.

Thanks to our MOP Bulletin, Radar İstanbul Report, Technical Bulletin, Weekly Bulletin, Daily Bulletin, and Company and Sector Reports, we made accurate predictions through pairs trade suggestions, and we increased the return rates in daily suggestions and model portfolio by several folds as compared with previous years.



INTERNAL AUDIT AND RISK MANAGEMENT

An efficient Internal Audit and Risk Management system has been set up in the Company, which is aligned with the new capital market legislation.

The Risk Management Unit, reporting to the Board of Directors, works independently of executive departments to identify, define, measure, analyze, monitor and report on the credit risk, asset and liability management risk, market risk and operational risk of our Company, which is targeting to pursue its operations in the status of a "broadly authorized" investment institution within the frame of new regulations.

The Risk Management Unit carries out its activities in accordance with the Risk Management Principles and Policies set by the Company's Board of Directors in line with the Consolidated Risk Policies, whereby İşbank set out the structuring and operating principles of risk management function in the Group companies. The Risk Management Unit fulfills the functions mentioned below, including the fields of activity redefined by the revised sectoral legislation:

- Constantly supervise risk-return-capital balance,
- Monitor and keep under control the quality and level of activities and modify them as necessary,
- Set and implement limits for these purposes; monitor and report the limits set, and
- Determine the necessary decision-making and execution processes.

In our Company, the Internal Control Department and the Board of Inspectors operate under the Internal Audit System.

The Internal Control Department oversees that all business affairs and transactions of our Company, including its organizational units outside of the head office, are carried out in a structured, productive and efficient manner in accordance with the documented work flows and control procedures that are set under the applicable legislation, and management strategy and policies in place. The Department also supervises the integrity and reliability of the Company's accounting and bookkeeping system, the accurate and timely availability of the information within the data system, and follows up all procedures and principles implemented by the Company to prevent and detect fraud and irregularities.

The Board of Inspectors audits all operations and units, with a particular focus on the internal control and risk management system, with respect to their compliance with the capital market and other applicable legislation, the Company's articles of incorporation and policies, based on the management's needs and the Company's structure, independent of the Company's day-to-day activities.

Within this framework, the Board of Inspectors;

- fulfills the audit/assurance functions for audit-based obtaining and reporting of the evidence and findings that allow an evaluation of the Company's activities;
- contributes to all business processes from the design to execution of activities carried out by the Company while fulfilling the consultancy function in line with international internal audit standards.

HUMAN RESOURCES



We derive our strength from our people; in keeping with this understanding, we aim to set up the systems that add value to our human resource, help develop and support them, and we also target to be among the most-preferred companies in the sector.

Recognizing that our employees make up the key factor that will make a difference in the service we deliver to our investors, we expanded our professional team with 29 new colleagues in 2014, and we have concentrated on setting the course of the capital markets with our team that was made up of 137 professionals at the end of the year.

Within the frame of our position-based competence model, we recruited the candidates fitting our corporate culture, who will contribute to the realization of our vision, mission and strategies and who will be committed to producing top-notch service at YF Securities.

29 employees joined the Head Office departments and branches, and became members of the YF Securities community during 2014. Made up of women by 51% and of men by 49%, our team consists of individuals 19% of whom holds graduate and 72% holds undergraduate degrees.

We have reformulated the job descriptions, and updated career paths and processes, with the aim of guaranteeing that the right people are placed in the right positions across our organization, which has been restructured as a part of the efforts to achieve alignment with the new communiqués.



YF Academy was launched



Our training policy is combined on our commitment to help bring about employees who constantly improve and help others improve.

In keeping with our pioneering role in the sector, we launched YF Academy in 2014, our online training platform. Through YF Academy, which is the first online training platform among non-bank intermediary institutions, we are presenting our employees with training and development media independent of time and place. During 2014, we planned online programs focused on our employees' hobbies and self-development as well as technical training programs via YF Academy.

During 2014, we provided 16 man-hours of training. In the year ahead, we will keep investing in the training and development of our employees, and we will continue offering service to our customers with our competent, expert team.

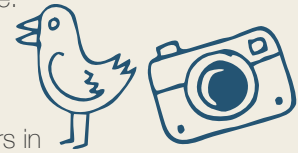
Compensation and Benefits

YF Securities employees salaries are increased once a year, based on performance evaluations, contribution of the team/individual to corporate goals and performances, taking into consideration the average salaries available in the sector and the annual inflation rate.

The employees' compensation and benefits package covers 12 gross salary payments per year, monthly lunch tickets, and optional group health insurance. Other fringe benefits such as company car, mobile phone, tablet computer, and gas assistance etc. are provided depending on position, location or title.

In 2014, we continued to distinguish distinctive performances with our branch bonus system, with the aim of contributing to financial results and of rewarding the added value our employees create.

Communication



Recognizing that having happy employees who can empathize is one of the key factors in creating happy investors, we focused on creating internal and external communication platforms also in 2014.

- Within the scope of our communication strategies, we kept providing platforms and events directed towards our clients and our employees, for the purpose of sharing knowledge and thus, building on it.
- We continued to implement the "Zero Carbon" project, yet another first in the sector we launched in 2012 based on our sensitivity towards our future and the nature, and neutralized our carbon footprint in 2013.
- Based on our confidence in the power of digital communication and social media, we are attaching the utmost importance to simultaneous conveyance of accurate information via the Internet to our clients. We instantly share the reports produced by Strategy and Research Departments and our company news with our followers on the social media. We also keep instantly conveying the news that steer the markets, financial data and reports.



2015 GOALS

Broadly Authorized Intermediary Institution

In 2015, we are intending to deliver products and services with a rich content in the capacity of a "Broadly Authorized Intermediary Institution". To this end, our Company has made its investments based on an approach to business conduct for which customer satisfaction is set as the top priority through an efficient organizational structure aligned with the new requirements, and its mission directed towards a fully transparent, reliable and swift service delivery.

Disaster Recovery Center to be Relocated!

Our Disaster Recovery Center will be relocated to the Corporate Data Center offering high-speed Internet connectivity; equipped with fire detecting gaseous extinguishing systems with fully duplicated connections, which is safe for the servers; having UPS and generators providing necessary countermeasures against power outages; fitted with primary and spare acclimatization systems that keep the room temperature constant at a preset degree, and providing maximum security through access-controlled doors, security experts and closed circuit surveillance cameras.

This will double the measures taken against possible risks that may potentially have a negative impact upon our business continuity at our head office location.

Listen to the Client

In 2015, we will keep adhering to our motto of **"listening to the client"** in our field of activity.

We will turn a careful ear to feedbacks from our field force and we will keep hearing out our clients and producing solutions by realizing branch-based activities, product mailings and conversations.

We will carry out countrywide marketing activities in order to reach clients at a higher number of locations across Turkey.

Colocation

Colocation sets up the necessary environment for DMA clients to perform algorithmic trading.

Being one of the few BIST members that will be able to make use of the colocation service thanks to the investments and infrastructural preparations carried out, we will have deployed our system equipment near the existing BIST systems. This will maximize the security and speed of the delivery of our clients' orders to the stock exchange, while our clients abroad will be able to access the data center at a much higher speed and use a more efficient medium for algorithmic trading.



DELIVERY CHANNELS

Branches

We are offering holistic service in the field of capital markets to our clients through our extensive branch network covering 13 locations in nine cities.

Domestic Sales and Investment Consultancy Department

We are offering attractive alternatives in line with the market conditions to our clients with a high net worth, which are compatible with their needs and expectations, and we are carrying on with our investment consultancy service and activities based on a customer-focused approach to service, utilizing the relevant units' reports on capital market instruments, their issuers and similar topics.

Online Branch (YF.COM.TR)

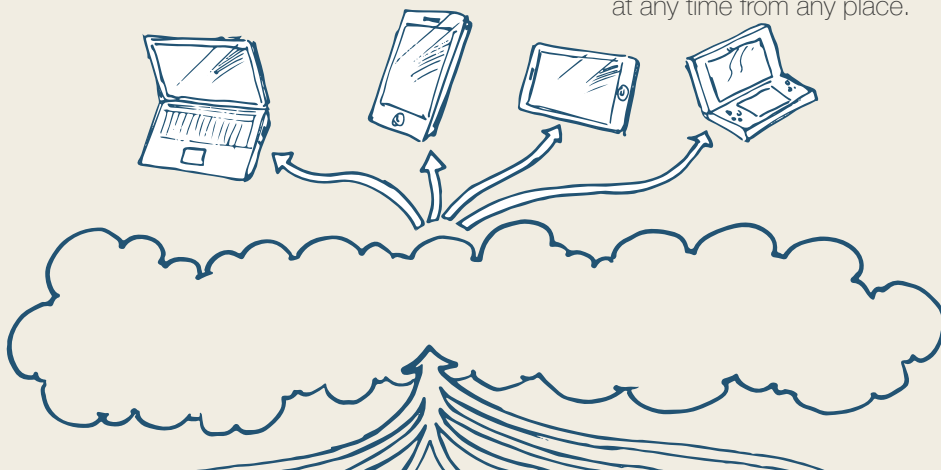
With our online branch that covers a variety of detailed and up-to-date data, we are giving our users access to additional tools and resources.

Marketing Department

The Marketing Department takes on new customer acquisition efforts in line with the Company's general strategies.

**Wherever you are,
YF Securities is there
for you!**

Based on an agreement concluded with UPS, individuals living in a city where there is not a YF Securities branch but wishing to be our clients are provided the chance to open an account by just making a phone call. Our clients, wherever they may be in Turkey, gained the chance to create an account at any time from any place.



CONTACT INFORMATION

Company Name: Yatırım Finansman Menkul Değerler A.Ş.

Trade Registry No.: 142163

Website: YF.COM.TR

Head Office Address: Nispetiye Cad. Akmerkez E3 Blok Kat: 4 Etiler-Beşiktaş / İSTANBUL

Head Office Phone Number: 0 212 317 69 00

Adana Branch

Address: Cevat Yurdakul Cad. Sular Plaza No: 65 ADANA
Tel: (322) 458 77 55
Fax: (322) 458 84 83

Ankara Branch

Address: Atatürk Bulvarı Celal Bayar İş Merkezi
No:211-23 Kat:8 Kavaklıdere / ANKARA
Tel: (312) 417 30 46
Fax: (312) 417 30 52

Antalya Branch

Address: Yeşilbahçe Mah. Metin Kasapoğlu Cad.
Yorgancıoğlu Sitesi A Blok No: 27/4 Muratpaşa / ANTALYA
Tel: (242) 243 02 01
Fax: (242) 243 32 20

Bursa Branch

Address: Atatürk Cad. İskender İş Merkezi No: 43 Kat: 5
BURSA
Tel: (224) 224 47 47
Fax: (224) 225 61 25

İstanbul - Ataşehir Branch

Address: Barbaros Mahallesi Sütçü yolu Cad. No: 72
Tosyalı Holding Plaza Ataşehir / İSTANBUL
Tel: (216) 386 74 00
Fax: (216) 386 74 05

İstanbul - Bakırköy Branch

Address: İstanbul Caddesi No: 47 Kat: 4/5
Bakırköy / İSTANBUL
Tel: (212) 543 05 04
Fax: (212) 543 28 66

İstanbul - Çiftelievler Branch

Address: Bağdat Cad. No: 269 Şimşek Sok. Güngören
Apt. No: 2 Kat: 1 D: 2 Caddebostan-Kadıköy /
İSTANBUL
Tel: (216) 302 88 00
Fax: (216) 302 86 10

İstanbul - Fındıklı Branch

Address: Meclis-i Mebusan Cad. 81 Fındıklı 34427 İstanbul
Tel: (212) 334 98 00
Fax: (212) 334 98 01

İstanbul - Main Branch

Address: Adnan Saygun Cad. Uydu Sok. No: 2 Kat: 1 D:
1 Saray Apt. Ulus-Beşiktaş / İSTANBUL
Tel: (212) 263 00 24
Fax: (212) 263 89 24

İzmir Branch

Address: Cumhuriyet Bulvarı No: 99 Kat: 3 Kordon/İZMİR
Tel: (232) 441 80 72
Fax: (232) 441 80 94

İzmit Branch

Address: Ömerağa Mah. Hürriyet Cad. Es Oray Apt.
No: 113 Kat: 2 D: 6 İZMİT
Tel: (262) 325 40 30
Fax: (262) 325 90 67

Konya Branch

Address: Feritpaşa Mah. Kule Cad. No: 2 Kat: 13
Selçuklu / KONYA
Tel: (332) 237 76 77
Fax: (332) 237 37 65

Samsun Branch

Address: Kale Mahallesi Atatürk Bulvarı Çenesizler Han
No: 584 55030 İlkadım / SAMSUN
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Marketing Department

Address: Nispetiye Cad. Akmerkez E-3 Blok Kat:4
Etiler 34337 İstanbul
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Domestic Sales & Investment Consultancy

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Etiler 34337 İstanbul
Tel: (212) 317 68 86
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FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Yatırım Finansman Menkul Değerler Anonim Şirketi,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Yatırım Finansman Menkul Değerler Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Consolidated the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Turkey ("CMB") and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POAASA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Yatırım Finansman Menkul Değerler Anonim Şirketi as at 31 December 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Accounting Standards.

Report on Other Legal and Regulatory Requirements

- 1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC"); no significant matter has come to our attention that causes us to believe that for the period 1 January - 31 December 2014, the Company's bookkeeping activities and financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ
A member of KPMG International Cooperative



Alper Güvenç, SMMM
Partner

29 January 2015
İstanbul, TÜRKİYE

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YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

		Audited	Audited
	Notes	31 December 2014	31 December 2013
ASSETS			
CURRENT ASSETS		692,956,664	709,840,083
Cash and cash equivalents	3	374,845,087	386,116,967
Financial investments	4	20,419,860	19,499,337
Trade receivables	7	290,470,732	303,658,217
- Trade receivables from related parties	22	181,700	155,833
- Other trade receivables		290,289,032	303,502,384
Other receivables	8	306,600	245,918
Derivative assets	6	4,198,397	--
Current tax assets	20	2,321,115	--
Other current assets	13	394,873	319,644
NON-CURRENT ASSETS		26,284,558	24,127,528
Financial investments	4	18,398,703	16,026,801
Tangible assets	9	3,399,449	3,633,847
Intangible assets	10	473,794	608,552
Deferred tax assets	20	4,012,611	3,858,328
TOTAL ASSETS		719,241,222	733,967,611
LIABILITIES			
CURRENT LIABILITIES		643,104,399	659,464,836
Financial liabilities	5	415,279,855	381,695,212
- Bank borrowings (from related parties)	22	80,217,770	60,014,700
- Bank borrowings (from third parties)		224,843,130	74,260,530
- Payables to Stock Exchange Money Market		110,218,955	247,419,982
Derivative liabilities	6	--	17,073,112
Trade payables	7	224,756,651	256,936,214
Other payables	8	1,400,098	1,465,951
Current tax liabilities	20	12,688	130,897
Employee benefits	12	1,330,364	1,352,958
Other current liabilities	13	324,743	810,492
NON-CURRENT LIABILITIES		1,150,453	1,307,537
Employee benefits	12	1,150,453	1,307,537
EQUITY		74,986,370	73,195,238
Equity owned by Parent Company		74,971,198	73,181,915
Paid-in capital	14	63,500,000	61,000,000
Inflation adjustment to share capital		3,795	3,795
Accumulated other comprehensive income that will never be reclassified to profit or loss			
- Other gains/(losses)		(137,913)	(197,717)
Accumulated other comprehensive income that are or may be reclassified to profit or loss			
- Fair value reserves	14	5,497,628	3,120,926
Restricted reserves	14	2,514,006	2,243,715
Retained earnings	14	4,240,905	4,088,663
Profit for the year		(647,223)	2,922,533
Non-controlling interests		15,172	13,323
TOTAL EQUITY AND LIABILITIES		719,241,222	733,967,611

The accompanying notes are an integral part of these consolidated financial statements.

**YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

		Audited	Audited
	Notes	1 January - 31 December 2014	1 January - 31 December 2013
CONTINUING OPERATIONS			
Sales revenue	15	923,409,432	2,032,910,106
Cost of sales	16	(891,263,772)	(2,006,654,494)
GROSS PROFIT		32,145,660	26,255,612
Marketing, selling and distribution expenses	17	(1,658,167)	(2,574,670)
General administrative expenses	17	(34,421,999)	(30,146,580)
Other operating income (from operating activities)	18	1,440,337	1,998,626
Other operating expenses (from operating activities)	18	(369,995)	(14,350)
RESULT FROM OPERATING ACTIVITIES		(2,864,164)	(4,481,362)
Finance income from other than operating activities (from investing activities)	19	42,172,324	72,499,608
Finance costs from other than operating activities (from investing activities)	19	(40,110,081)	(64,885,038)
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS		(801,921)	3,133,208
Tax expense from continuing operations			
- Current income tax expense	20	(12,688)	(3,168,656)
- Deferred tax income/(expense)	20	169,235	2,959,221
TAX INCOME / (EXPENSE)		156,547	(209,435)
(LOSS) / PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		(645,374)	2,923,773
DISCONTINUED OPERATIONS			
Profit for the period from discontinued operations		--	--
(LOSS) / PROFIT FOR THE PERIOD		(645,374)	2,923,773
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Remeasurement of reserve for employee benefits		74,756	(247,147)
Deferred tax (charge) / benefit for items never be reclassified to profit or loss		(14,952)	49,430
Items that are or may be reclassified to profit or loss			
Net change in fair value reserve of financial assets		2,376,702	2,380,281
Income tax (expense)/ income on other comprehensive income		--	(81,729)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, (NET OF INCOME TAX)		2,436,506	2,100,835
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,791,132	5,024,608
Total profit for the period attributable to:			
Equity holders of the parent		(647,223)	2,922,533
Non-controlling interests		1,849	1,240
Net (loss) / profit for the period		(645,374)	2,923,773
Total comprehensive income attributable to:			
Equity holders of the parent		1,789,283	5,023,368
Non-controlling interests		1,849	1,240
Total comprehensive income		1,791,132	5,024,608

The accompanying notes are an integral part of these consolidated financial statements.

**YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014**

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

				Items that will never be reclassified to profit or loss
	Notes	Paid-in capital	Adjustment to share capital	Other gains/ losses
Balances at 1 January 2013		61,000,000	3,795	--
Total comprehensive income				
Profit for the period		--	--	--
- Other comprehensive income				
Net change in fair value of available-for-sale financial investments		--	--	--
Remeasurement of reserve for employee benefits' gain / loss (net)		--	--	(197,717)
Total comprehensive income		--	--	(197,717)
Transactions with owners, recognised directly in equity				
Transfer to retained earnings		--	--	--
Balances at 31 December 2013		61,000,000	3,795	(197,717)
Balances at 1 January 2014		61,000,000	3,795	(197,717)
Total comprehensive income				
Profit for the period		--	--	--
- Other comprehensive income				
Net change in fair value of available-for-sale financial investments		--	--	--
Remeasurement of reserve for employee benefits' gain / loss (net)		--	--	59,804
Total comprehensive income		--	--	59,804
Transactions with owners, recognised directly in equity				
Transfer to retained earnings		--	--	--
Share capital increase	14	2,500,000	--	--
Transfer to legal reserves		--	--	--
Balances at 31 December 2014		63,500,000	3,795	(137,913)

Attributable to equity holders of the parent

	Items that are or may be reclassified to profit or loss	Restricted reserve		Retained earnings		Total equity owned by parent company	Non-controlling interests	Total
	Fair value reserve	Legal reserves	Special reserves	Retained earnings	Profit for the year			
	822,374	2,242,911	804	1,238,783	2,849,880	68,158,547	12,083	68,170,630
	--	--	--	--	2,922,533	2,922,533	1,240	2,923,773
	2,298,552	--	--	--	--	2,298,552	--	2,298,552
	--	--	--	--	--	(197,717)	--	(197,717)
	2,298,552	--	--	--	2,922,533	5,023,368	1,240	5,024,608
	--	--	--	2,849,880	(2,849,880)	--	--	--
	3,120,926	2,242,911	804	4,088,663	2,922,533	73,181,915	13,323	73,195,238
	3,120,926	2,242,911	804	4,088,663	2,922,533	73,181,915	13,323	73,195,238
	--	--	--	--	(647,223)	(647,223)	1,849	(645,374)
	2,376,702	--	--	--	--	2,376,702	--	2,376,702
	--	--	--	--	--	59,804	--	59,804
	2,376,702	--	--	--	(647,223)	1,789,283	1,849	1,791,132
	--	--	--	2,922,533	(2,922,533)	--	--	--
	--	--	--	(2,500,000)	--	--	--	--
	--	270,291	--	(270,291)	--	--	--	--
	5,497,628	2,513,202	804	4,240,905	(647,223)	74,971,198	15,172	74,986,370

YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

		Audited	Audited
	Notes	1 January–31 December 2014	1 January–31 December 2013
Cash flows provided from operating activities			
(Loss) / profit for the period		(645,374)	2,923,773
Adjustments for:			
Depreciation	9	958,668	711,941
Amortisation	10	285,784	138,025
Loss on sales of fixed assets		124,863	--
Adjustments related to provisions			
- Provision for severance pay liability	12	878,409	230,592
- Provision for vacation pay liability	12	33,551	215,687
- Bonus provision	12	841,748	715,656
Adjustments related to financing income and expense			
- Interest received from loan customers	15	(10,537,030)	(5,231,989)
- Finance income from other operating activities (excluding foreign exchange gains)		(36,724,066)	(23,185,853)
- Finance costs from other operating activities (excluding foreign exchange losses)		40,110,081	64,885,038
Unrealised foreign exchange losses / (gains)		7,651,807	(11,616,350)
Adjustments related to tax expense			
- Income tax expense	20	12,688	3,168,656
- Deferred tax income	20	(169,235)	(2,959,221)
Cash generated from operating activities before changes in equity		2,821,894	29,995,955
Change in financial assets except for held-to-maturity		(886,445)	(5,296,653)
Change in trade receivables		23,217,299	(154,569,795)
Change in other assets and other receivables		(135,912)	(290,847)
Change in trade payables		(32,540,701)	138,523,447
Change in customer assets in cash and cash equivalents	3	636,576	(4,015,354)
Change in other liabilities and other payables		(551,602)	1,018,099
Net cash outflow from derivative transactions		(1,303,457)	(20,885,151)
Taxes paid		(2,452,012)	(46,905)
Payment of bonus premium		(715,656)	(648,444)
Payment of severance pay liability	12	(960,737)	(606,379)
Payment of vacation pay liability	12	(182,237)	(129,123)
Net cash used in operating activities		(13,052,990)	(16,951,150)
Cash flows from investing activities			
Acquisitions of tangible assets	9	(852,133)	(2,843,428)
Proceeds from the sale of tangible fixed assets		3,000	17,441
Acquisitions of intangible assets	10	(151,026)	(334,352)
Interest and similar income received		36,164,639	22,027,379
Dividend received	19	530,149	608,080
Net cash provided from investment activities		35,694,629	19,475,120
Cash flows from financing activities			
Financial liabilities, net		32,106,387	11,407,039
Commission paid		(886,668)	(857,351)
Interest and similar expenses paid		(57,713,209)	(24,759,096)
Net cash flows provided from financing activities		(26,493,490)	(14,209,408)
Net change in cash and cash equivalents		(3,851,851)	(11,685,438)
Effect of change in exchange rate fluctuations on cash and cash equivalents		(7,651,807)	13,652,772
Cash and cash equivalents at the beginning of the period	3	378,266,335	376,299,001
Cash and cash equivalents at the end of the period	3	366,762,677	378,266,335

The accompanying notes are an integral part of these consolidated financial statements.

YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2014

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

1. ORGANISATION AND OPERATIONS OF THE GROUP

Yatırım Finansman Menkul Değerler Anonim Şirketi (the "Company") operates in Turkey and the address of the registered head office is Nispetiye Caddesi Akmerkez Floor E 3-4, Etiler/İstanbul. The Company started its operations on 25 October 1976. Türkiye Sınai Kalkınma Bankası Anonim Şirketi ("TSKB") owns 95,78% of the Company's shares and it has been operating under Türkiye İş Bankası Anonim Şirketi Group. The Company's shares are not traded in the Istanbul Stock Exchange.

The Company performs capital market activities in accordance with the Articles of Association and Capital Markets Law numbered 2499. The purpose of the Company is to perform capital market activities in accordance with the Articles of Association and Capital Markets Law numbered 2499. In this respect, the Company performs the following services for its clients; brokerage activities of the capital market instruments that were offered to the public before or sales to investors of the initially offered capital markets instruments and the trading of such securities during public offering, trading of marketable securities with repurchase or sale commitments, portfolio management, investment advisory, margin trading short-selling, borrowing-lending and acting as an intermediary and custodian for the purchase and sale of derivative instruments.

The Company has the following certificates of authorisation from Capital Market Boards of Turkey ("CMB"):

- Intermediation for public offering
- Intermediation for trading in securities
- Portfolio management
- Investment advisory
- Certificate for purchase and sales of derivative transactions
- Repurchase agreements and reverse repo
- Leveraged trading transactions

As per the Board of Directories' resolution no. 1494 dated on 18 March 2011, the Company participates in the establishment of Sürdürülebilir Danışmanlık Anonim Şirketi (the "Subsidiary") with a paid in capital of TL 230,400 representing 96% of all subsidiary's shares. The Subsidiary was registered at Turkey Trade Registry with a capital of TL 240,000 for operating in evaluation of energy projects, sustainable environment management, environmental analyses and started its operations on 1 April 2011.

The Company and the Subsidiary are together referred to as "the Group" herein and after.

As at 31 December 2014, the Group operates with 13 branches and 1 agency (31 December 2013: 14 branches and 1 agency).

As at 31 December 2014, the Group has 139 employees (31 December 2013: 157).

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Basis of presentation

2.1.1. Statement of compliance

The financial statements have been prepared in accordance with the communiqué No: II, 14.1 "Communiqué on Financial Reporting Standards in Capital Markets" ("Communiqué") promulgated by CMB, which is published at 13 June 2013 in the Official Gazette numbered 28676 and in accordance with the Turkish Accounting

YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2014

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

Standards ("TAS"), issued by the Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS; Turkish Accounting Standards is composed of Turkish Financial Reporting Standards with related additions and interpretations.

As per the 17 March 2005 dated resolution of the CMB, it was decided that the application of inflation accounting is no longer required for the companies operating in Turkey and preparing the financial statements in accordance with the CMB Accounting Standards beginning from 1 January 2005. Therefore, starting from 1 January 2005, TAS 29: "Financial Reporting in Hyperinflationary Economies", has not been applied in the financial statements.

Approval of consolidated financial statements

The consolidated financial statements were approved by the Company management for the presentation to the Board of Directors on 29 January 2015. The power to change the consolidated financial statements after the issuing of the consolidated financial statements is held by the General Assembly and the related governmental institutions.

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries

2.1.2. The preparation of consolidated financial statements

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments at fair value through profit and loss, derivative financial instruments and available-for-sale financial assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.1.3. Functional and presentation currency

The accompanying consolidated financial statements are presented in the Group's functional and presentation currency, which is Turkish Lira ("TL"), in full unless otherwise stated.

2.1.4. Comparative information

The accompanying consolidated financial statements are presented comparatively to determine the tendency in the financial position, performance and cash flows of the Group. If the presentation and reclassification of the consolidated financial statement items change, the prior year financial statements are reclassified accordingly to conform to the current year's presentation and the restatement is explained in the notes.

2.2. Changes in accounting policies

The material changes in accounting policies are applied on a retrospective basis and the comparative financial statements have been restated where applicable.

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2.3. Changes in accounting estimates and errors

The preparation of the consolidated financial statements in conformity with Communiqué No: II-14.1 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant estimates and judgments used by the Group are included in the following notes:

Note 4 – Financial investments

Note 6 – Derivative assets

Note 12 – Provision for employee benefits

Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
Classification require the use of observable market data if available.

Fair value measurement is used in the note below:

Note 3 – Cash and cash equivalents

Note 4 – Financial investments

Note 6 – Derivative assets

2.4. New standards and interpretations not yet adopted as at 31 December 2014

2.4.1. Standards, amendments and interpretations to existing standards effective in 2014

The Group applied all of the relevant and required standards promulgated by POAASA and the interpretations of POAASA as at 31 December 2014.

2.4.2. New standards and interpretations not yet adopted as at 31 December 2014

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2014, and have not been applied in preparing these financial statements. None of these standards and interpretations is expected to have significant effects on the financial statements of the Company.

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2.5. Summary of significant accounting policies

Significant accounting policies applied during the preparation of the consolidated financial statements are described as follows.

2.5.1. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company that has control authority on the transaction of those entities directly or indirectly. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The net asset of the consolidated subsidiary attributable to the non-controlling interests is determined separately from those attributable to parent company. Each component of the profit or loss and comprehensive income are allocated to parent company and non controlling interests. Losses are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The accounting policies of subsidiary have been changed when necessary to align them with the policies adopted by the Company.

Transactions eliminated on consolidation

The statement of financial position and comprehensive income of the company included to the consolidation are consolidated based on the "full consolidation method" and the investment recognised in the company's assets has been netted off with its interest in equity of the subsidiary. The interests in the net assets of the subsidiary, that are not attributable to the parent company directly or indirectly, are classified as "non-controlling interest" in the consolidated statement of financial position. Similarly, the net income or loss for the period, that is not attributable to the parent company directly or indirectly, is classified as "non-controlling interest" in the consolidated statement of comprehensive income. Intra-group balances and transactions are eliminated in preparing the consolidated financial statements.

2.5.2. Accounting of revenue and expenses

Sales revenue and financial income

-Brokerage services in capital markets: The income obtained from the brokerage services is recognised in profit or loss at the transaction date. The brokerage services income are recorded daily to the profit or loss on an accrual basis until there is an estimate of the Group's management occurs related to the uncertainty of the collection.

-Interest income: Interest received from customers are presented in "Sales revenue" (Note 15), interests received from time deposits are presented in "Finance income from other operating activities" (Note 19).

-Trading income on securities: Trading income/expenses on securities are recognised in the profit or loss on the same date of sale/purchase order given.

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-Funds lent under reverse repurchase agreements: The terms of funds lent under repurchase agreements are short term and are comprised of government bonds and treasury bills obtained with resale commitments at an agreed term. The difference between purchase and resale price is treated as interest income and accrued over the life of the reverse repurchase agreement.

Service income

-Commission income: Commission income is comprised of the commissions received from the financial services provided and recognised as income when the service is rendered.

Other

The Group recognises the dividend and similar revenues when the right to receive payment have been established. Interest expenses are recognised according to accrual basis in profit or loss.

Other revenue and expenses are recognised on accrual basis.

For the year ended on 31 December 2014, the Subsidiary's income from its operations during the year is recognised under "other operating income".

2.5.3. Tangible assets

Tangible assets acquired before 1 January 2005 are carried at restated cost for the effects of inflation in TL units current at 31 December 2004 less accumulated depreciation and impairment losses, and tangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated depreciation and impairment losses.

Costs refer to expenditures directly related to acquisition of assets.

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and recognised in the other operating income of the related period.

Depreciation

Tangible assets are depreciated over the estimated useful lives of the related assets from the date of acquisition or the date of installation, on a straight-line basis.

The estimated useful lives of tangible assets are as follows:

Tangible assets	Estimated useful life (Year)	Depreciation rate (%)
Vehicles	5	%20
Furniture and fixtures	3-50	%33,3 - %2
Leasehold improvements	Shorter of 5 years or lease term	

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Subsequent expenditure

Expenditure incurred to replace a component of an item of tangible assets that is accounted for separately, including major inspection and overhauls costs, are capitalised. Other subsequent expenditures are capitalised only when it increases the future economic benefits embodied in the item of tangible assets. All other expenditures are recognised in profit or loss as an expense as incurred.

Profit or loss resulting from disposal of tangible assets is determined by comparing the difference of proceeds from sales and net book value of tangible asset and recognised to the relevant income or loss items.

2.5.4. Intangible assets

Intangible assets are comprised of information technologies and computer software. Intangible assets are carried at restated cost for the effects of inflation in TL units current at 31 December 2004 for the intangible assets acquired before 1 January 2005, and intangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over their estimated useful lives for a period not exceeding 1-15 years from the date of acquisition.

2.5.5. Financial instruments

The Group's financial assets consist of cash and cash equivalents, financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity financial assets and trade and other receivables; and financial liabilities consist of financial liabilities, trade and other payables.

Financial assets

The Group recognises its trade and other receivables on the date that they are originated. All other financial assets are recognised on the transaction date that is becomes a party for related financial agreements. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset and liability.

Except for those financial assets classified as fair value through profit or loss, non derivative financial assets are initially measured at fair value including the directly attributable transaction costs. Subsequent to initial recognition, the financial assets are measured as follows:

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments which their maturities are three months or less from date of acquisition, reverse repurchase agreements, and Type B liquid funds that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Time deposits at banks are initially measured at fair value and then, subsequently measured at amortised cost using the effective interest method. The carrying amount of these assets is close to their fair values.

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Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designed as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. On initial recognition, attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Derivative financial instruments which are not designed as effective hedging instruments for the financial risks, are also classified as financial assets at fair value through profit or loss. These financial assets are classified as short term.

Available-for-sale financial assets

Available-for-sale financial assets are the financial assets other than assets held for trading purposes, financial assets at fair value through profit or loss, held-to-maturity financial assets and loans and receivables (trade receivables). Available-for-sale financial assets are recognised at the date of realisation of the purchase commitment of these financial assets. Gains or losses derived from the difference between the cost and discounted values calculated per effective interest rate method of the available-for-sale financial assets are recorded in profit or loss whereas their fair value and the discounted value calculated per effective interest rate method are recorded in "Fair value reserve" under shareholders' equity. When the available-for-sale financial assets are derecognised, the gain or losses accumulated in equity under fair value reserves are reclassified to profit or loss.

Quoted equity investments and quoted certain debt securities held by the Group that are traded in an active market are classified as available-for-sale financial assets and are measured at fair value. The Group also has investments in unquoted equity investments that are not traded in an active market but are also classified as available-for-sale financial assets and measured at cost since their fair value may not be measured reliably.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Held-to-maturity financial assets

Held-to-maturity financial assets consist of such financial assets held by the Group with the positive intent and ability to hold debt securities with fixed or determinable payments and fixed maturity to maturity. Held-to-maturity financial assets are recognised at the settlement date. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method less and impairment losses. Premiums and discounts including the initial transaction costs are recognised in the cost of the relevant financial instrument and discounted using the effective interest rate.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. At the reporting date, subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method. When a trade receivable becomes uncollectible, it is written off against the allowance account. The amount of the allowance account is the difference between the carrying amount of the receivables and the collectible

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amount. Changes in the carrying amount of the allowance account are recognised in profit or loss. The Group's management believes that value of trade and other receivables at statement of financial position is approaching to their fair value..

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, at the transaction date and then, subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments

At the reporting date, the Group's derivative financial instruments consist of forward foreign exchange and currency swap transactions. The Group makes forward foreign currency purchase-sales and financial instrument backed forward transactions in order to gain economic benefit. At the reporting date, all derivative transactions are made for trading purposes and measured at their fair values and the foreign exchange gain or loss resulting from such derivative transactions is recognised in profit or loss.

Capital

Common stock

Common stocks are classified as equity capital. Costs directly related with issuance of common stock and equity securities options are recognised as decrease in equity capital, after deducting tax effect.

2.5.6. Impairment of assets

Financial assets

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

For financial assets and loans carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The Group assesses the impairment on its financial assets individually.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, any increase in fair value subsequent to an impairment loss is recognised directly in the equity.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine

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whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value of the time value of money and the disposal of asset. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined; if no impairment loss had been recognised.

2.5.7. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.5.8. Borrowing costs

All borrowing costs are recognised in profit or loss in the period they incur.

2.5.9. Foreign currency transactions

Transactions in foreign currencies have been translated into TL at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the reporting date. Exchange gains or losses arising from such transactions are included in profit or loss.

2.5.10. Earnings per share

According to TAS 33 – "Earnings per Share", companies whose shares are not traded at stock exchange, do not have to declare earnings per share. Since, the shares of the Group are not traded at stock exchange, earnings per share is not calculated in the accompanying consolidated financial statements.

2.5.11. Subsequent events

Subsequent events represents the events after reporting date comprising any event between the reporting date and the date of authorisation for the financial statements' issue to the benefit or loss of the entity. Conditions of subsequent events are as follows:

- to have new evidences of subsequent events as of reporting date (adjusting events after reporting date); and
- to have evidences of showing related subsequent events occurred after reporting date (non adjusting events after reporting date).

The Group adjusts its consolidated financial statements according to the new condition if adjusting subsequent events arise subsequent to the reporting date. If it is not necessary to adjust the consolidated financial statements according to subsequent events, these subsequent events must be disclosed in the notes to the consolidated financial statements.

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2.5.12. Provisions, contingent liabilities and assets

According to "TAS 37 – Turkish Accounting Standards on provisions, contingent liabilities and assets" a provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Group discloses the related issues in the accompanying notes.

Contingent assets are disclosed in the notes and not recognised unless it is realised.

2.2.13. Leasing transactions

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operational leasing. Whole leasing transactions of the Group are operational leasing.

The Group as lessor

There are not any transactions of the Group as lessor.

The Group as lessee

Operational lease expense is recognised in the profit or loss on a straight-line basis for the whole lease period in the agreement. Start-up costs for the realisation and optimisation of the operational lease agreement are added to the cost of the leased asset and amortised through the leased time on a straight line basis method.

2.5.14. Related parties

For the purpose of the consolidated financial statements, the shareholders, key management personnel and the Board members, and in each case, together with their families and companies controlled by/affiliated with them; and associates, investments and joint ventures are considered and referred to as the related parties. Shareholders and board of directors are also included in the related parties. Related party transactions are explained as the transfer of the asset and liabilities between institutions with or without a charge.

2.5.15. Segment reporting

An operating segment is a component of the Group and its parts that engage in business activities from which it may earn income and incur expenses, including income and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The management of the Group has not identified any segments, that financial performances of each are followed up separately, and has not presented segment reporting information accordingly.

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2.5.16. Income tax

Taxes on income comprise current and deferred taxes. Current taxes on income comprise tax payable calculated based on the expected taxable income for the year using the tax rates existing at the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is recognised if it is probable that tax advantages will be available in the forthcoming periods and it is derecognised to an extent that it will not be benefited from this advantage. Deferred tax is measured at rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are presented in the consolidated financial statements as net. However, deferred tax asset and liabilities originating from the consolidated subsidiaries are presented separately in the assets and liabilities of the consolidated financial statements on gross basis.

If transactions and other occurrences are accounted at profit or loss; current year corporate tax, deferred tax income/expense which are related to these transactions and other occurrences are also accounted at profit or loss. If transactions and other occurrences are directly accounted at equity balances; tax effects which are related to these transactions and other occurrences are also accounted at equity accounts.

2.5.17. Employee benefits

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

The Group recognizes employee benefits in accordance with TAS 19 (2011).

Prior to these amendments, all actuarial gains and losses had been recognised in profit or loss. As the change in accounting policy does not have significant impact on the comparative financial statements for the year ended 31 December 2012, they have not been restated.

As a result of the amendments to TAS 19 (2011), all actuarial gains and losses are recognised in other comprehensive income.

Furthermore, in accordance with the existing social legislation in Turkey, the Group is required to make payment against the unused vacation days of the employees.

Short term liabilities of the employee benefits are expensed in profit or loss without discounting.

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2.5.18. Statement of cash flows

The Group presents statement of cash flows as an integral part of other consolidated financial statements to inform the users of consolidated financial statements about the changes in its net assets, its financial structure and its ability to manage the amount and timing of its cash flows under new conditions.

In statement of cash flows, cash flows are classified according to operating, investment and financing activities. Cash flows from operating activities reflect cash flows mainly generated from main operations of the Group. Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group. Cash flows relating to financing activities express sources of financial activities and payment schedules of the Group. Cash and cash equivalents comprise cash on hand and demand deposits, investment funds, reverse repo receivables and other bank deposits which their maturities are three months or less from date of acquisition. Customer assets directed to an investment and customer assets dominated in a foreign currency that are followed in the Group's bank accounts are excluded from the sum of the cash and cash equivalent in the statement of cash flows.

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3. CASH AND CASH EQUIVALENTS

As at 31 December 2014 and 31 December 2013, cash and cash equivalents are as follows:

	31 December 2014	31 December 2013
Cash on hand	6,536	71,424
Banks-Demand deposits	7,504,390	8,640,056
Banks-Time deposits	366,917,962	377,095,146
Receivables from reverse repurchase agreements	293,272	241,488
Investment funds (Type B liquid)	122,927	68,853
Cash and cash equivalents on statement of financial position	374,845,087	386,116,967
Interest accruals on cash and cash equivalents	(1,700,838)	(832,484)
Customer assets	(6,381,572)	(7,018,148)
Cash and cash equivalents statement of cash flows	366,762,677	378,266,335

As at 31 December 2014 and 31 December 2013, there is no blockage on bank deposits.

Banks-Time deposits

The details of time deposits as of 31 December 2014 and 31 December 2013 are as follows:

	Amount (TL)	Interest rate (%)	Maturity
31 December 2014			
TL	180,162,552	9.00 – 11.50	5-30 January 2015
Euro	186,755,410	2.35 – 3.35	16 January – 11 March 2015
31 December 2013			
TL	91,651	9.15	31 January 2014
US Dollar	258,711,062	3.15 – 3.50	2 – 28 January 2014
Euro	118,292,433	3.20 – 3.35	8 January– 21 February 2014

Receivables from reverse repurchase agreements

As at 31 December 2014 and 31 December 2013, receivables from reserve repurchase agreements are as follows:

	Interest rate (%)	Maturity	Cost	Carrying value
31 December 2014				
TL	9.96 - 10.10	2 January 2015	293,192	293,272
31 December 2013				
TL	7.05	2 January 2014	241,442	241,488

See note 23 “Nature and level of risks related to financial instruments” for analysis of the nature of the risk and the level of cash and cash equivalents.

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4. FINANCIAL INVESTMENTS

As at 31 December 2014 and 31 December 2013, details of financial investments are as follows:

	31 December 2014	31 December 2013
Current financial assets		
Financial assets at fair value through profit or loss	20,419,860	19,499,337
	20,419,860	19,499,337
Non-current financial assets		
Available-for-sale financial assets	18,398,703	16,026,801
	18,398,703	16,026,801
Total	38,818,563	35,526,138

Financial assets at fair value through profit or loss

As at 31 December 2014 and 31 December 2013, details of financial assets at fair value through profit or loss are as follows:

	Nominal value	Carrying value	Interest rate (%)
31 December 2014			
Private sector bonds	9,857,700	9,963,807	11.39-14.09
Government bonds	7,909,053	7,886,673	8.16-9.72
Equity securities	1,639,969	2,388,464	--
Investment funds	339,929	180,916	--
Total	19,746,651	20,419,860	--

	Nominal value	Carrying value	Interest rate (%)
31 December 2013			
Private sector bonds	8,827,000	8,938,629	10.06-14.66
Government bonds	8,349,655	8,710,605	7.38-9.15
Equity securities	217,027	985,163	--
Commercial papers	720,000	725,234	14.69
Investment funds	335,729	139,706	--
Total	18,449,411	19,499,337	

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As at 31 December 2014, the government bonds and treasury bills with a carrying value of TL 7,877,718 (31 December 2013: TL 8,667,161) and with a nominal value of TL 7,900,004 (31 December 2013: TL 8,505,004) are pledged as collateral as detailed below:

	Nominal value	Carrying value
31 December 2014		
Central Bank of the Republic of Turkey	6,400,000	6,383,060
Istanbul Stock Exchange Stock and Bonds and Bills Market	1,500,004	1,494,718
Total	7,900,004	7,877,778
31 December 2013		
Central Bank of the Republic of Turkey	7,075,000	7,199,932
Istanbul Stock Exchange Stock and Bonds and Bills Market	1,430,004	1,467,229
Total	8,505,004	8,667,161

Available-for-sale financial assets

As at 31 December 2014 and 31 December 2013, available-for-sale financial assets are as follows:

	31 December 2014	31 December 2013
Long term		
Equity securities	18,398,703	16,026,801
Total	18,398,703	16,026,801

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As at 31 December 2014 and 31 December 2013, equity investments are as follows:

	Ownership rate (%)	31 December 2014	Ownership rate (%)	31 December 2013
<i>Listed entities</i>				
İş B Tipi Yatırım Ortaklığı AŞ(*)	1.13	1,889,795	1.13	1,762,597
TSKB Gayrimenkul Yatırım Ortaklığı AŞ(**)	1.33	1,440,000	1.33	1,480,000
<i>Unlisted entities</i>				
İş Portföy Yönetimi AŞ	4.90	2,025,892	4.90	2,025,892
İstanbul Takas ve Saklama Bankası AŞ	1.80	12,883,304	1.80	10,593,800
Borsa İstanbul AŞ(***)	0.04	159,711	0.04	159,711
Terme Metal Sanayi Ticaret AŞ	0.94	931,948	0.94	931,948
TSKB Gayrimenkul Değerleme AŞ	0.00	1	0.00	1
Tasfiye Halinde TSKB Gayrimenkul Danışmanlık Hizmetleri AŞ	--	--	1.00	4,800
Yıfaş Yeşilyurt Tekstil Sanayi ve Ticaret AŞ	0.23	159,987	0.23	159,987
		19,490,638		17,118,736
Impairment on financial assets(****)		(1,091,935)		(1,091,935)
Total		18,398,703		16,026,801

(*) Following the completion of registry procedures in regards to the merger of TSKB Yatırım Ortaklığı AŞ and İş Yatırım Ortaklığı AŞ, all of the shares of TSKB Yatırım Ortaklığı AŞ held by the Company have been converted into İş Yatırım Ortaklığı AŞ shares (1 unit TSKB Yatırım Ortaklığı AŞ share is equal to 0.892287 İş Yatırım Ortaklığı AŞ share merger ratio). As at the reporting date, the shares held in İş Yatırım Ortaklığı AŞ are recognised as financial assets available-for-sale at the fair value of as of 31 December 2014.

(**) On the Board of Directors resolution of TSKB Gayrimenkul Yatırım Ortaklığı AŞ dated 2 February 2010, the paid in capital has been increased by TL 50,000,000 to TL 150,000,000 and the shares representing TL 50,000,000 of these capital increase has been subject to the public offering by limiting the preference right of the existing shareholders. The initial public offering shares classified as C Group with a nominal value of TL 50,000,000 (TL 57,500,000 with additional sale) as a result of the capital increase of TSKB Gayrimenkul Yatırım Ortaklığı AŞ by 50% have been registered by CMB with a number GYO 60/250 on 25 March 2010. The public offering of these shares has been occurred on 1 and 2 April 2010 and the shares are traded in Istanbul Stock Exchange from the date on 9 April 2010.

(***) According to 6362 numbered Capital Markets Board of Turkey's ("CMB") 138th clause's a article, "After registration and announcement of main agreement, 4% of shares of Borsa İstanbul distributed to Borsa İstanbul's member, 0.4% of shares of Borsa İstanbul distributed to Precious Metals and Diamond Markets of İstanbul's member without charge and 1% of shares of Borsa İstanbul distributed to Turkish Capital Market's Association" and regarding to this clause, 15,971.094 of shares has distributed without charge to the Company by Borsa İstanbul's 4 July 2013 dated and 2013/17 numbered decision of Board of Directory.

(****) As at 31 December 2014, the Group has made an impairment provision amounting to TL 1,091,935 (31 December 2013: TL 1,091,935) for its investments in Terme Metal Sanayi Ticaret AŞ and Yıfaş Yeşilyurt Tekstil Sanayi ve Ticaret AŞ.

Financial assets measured at cost that are not traded in an active market

Investments in equity securities amounting to TL 2,185,603 (31 December 2013: TL 2,190,404) are measured at cost less impairment, if any, as these equity securities are not traded in stock exchange and have no quoted market price, and their fair value may not be estimated as their expected value interval is wide and the probability of the expected values of these financial assets may not be measured reliably.

Held-to-maturity financial assets

As at 31 December 2014, the Company does not hold any held-to-maturity assets. Since the Company sold a significant portion of its securities classified in held-to-maturity portfolio in 2011, the Group cannot classify its financial assets as held-to-maturity securities for two reporting periods for requirements of the TAS 39 – Financial Instruments: Accounting and Valuation Standard. The Company can classify its financial investments as held-to-maturity starting from 1 January 2014 since two reporting period has just been completed.

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5. FINANCIAL LIABILITIES

As at 31 December 2014 and 31 December 2013, financial liabilities of the Group are as follows:

	31 December 2014	31 December 2013
Current financial liabilities:		
Short term bank loans	305,060,900	134,275,230
Payables to Stock Exchange Money Market	110,218,955	247,419,982
Total financial liabilities	415,279,855	381,695,212

As at 31 December 2014 and 31 December 2013, bank loans and payables to Stock Exchange Money Market are as follows:

31 December 2014			
Currency	Interest rate (%)	Amount (TL)	Maturity
Payables to stock exchange money market			
TL	10.05–10.70	110,218,955	2 – 22 January 2015
Bank loans			
TL	10.80	20,006,300	2 January 2015
TL	10.50	20,006,125	2 January 2015
TL	10.35	39,011,773	2 January 2015
TL	10.50	20,018,375	2 January 2015
TL	10.37	80,217,770	5 January 2015
TL	10.20	44,222,530	5 January 2015
TL	10.35	20,036,225	23 January 2015
TL	9.70	20,593,919	24 February 2015
TL	9.75	11,738,478	27 February 2015
TL	9.75	14,473,334	6 March 2015
TL	9.80	14,736,071	6 March 2015
Total bank loans		305,060,900	
Total financial liabilities		415,279,855	

31 December 2013			
Currency	Interest rate (%)	Amount (TL)	Maturity
Payables to stock exchange money market			
TL	7.90–8.80	247,419,982	2–31 January 2014
Bank loans			
TL	8.40	60,014,700	2 January 2014
TL	8.50	19,004,710	2 January 2014
TL	10.25	27,493,669	18 February 2014
TL	10.30	17,995,358	21 February 2014
TL	10.40	9,766,793	21 February 2014
Total bank loans		134,275,230	
Total financial liabilities		381,695,212	

See note 23 for analysis of the nature and level risks in financial liabilities "Nature and level of risks related to financial instruments".

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6. DERIVATIVE INSTRUMENTS

As at 31 December 2014 and 31 December 2013, derivative assets and liabilities of the Group are as follows:

	31 December 2014	31 December 2013
Assets from derivative financial instruments	4,198,397	--
Assets from futures agreement	--	--
Total	4,198,397	--
	31 December 2014	31 December 2013
Liabilities from derivative financial instruments	--	17,073,112
Total	--	17,073,112

As at 31 December 2014, the Group's commitments for the derivative transactions are as follows:

31 December 2014								
Derivative instrument description	Short position				Long position			
	Nominal amount	Type	Nominal (TL)	Fair value (TL)	Nominal amount	Type	Nominal (TL)	Fair value (TL)
TL / Foreign currency								
Currency swap agreement	5,000,000	Avro	14,103,500	351,157	--	--	--	--
Currency swap agreement	5,000,000	Avro	14,103,500	315,393	--	--	--	--
Currency swap agreement	3,000,000	Avro	8,462,100	475,444	--	--	--	--
Currency swap agreement	3,000,000	Avro	8,462,100	394,436	--	--	--	--
Currency swap agreement	3,000,000	Avro	8,462,100	163,713	--	--	--	--
Currency swap agreement	5,000,000	Avro	14,103,500	189,651	--	--	--	--
Currency swap agreement	4,000,000	Avro	11,282,800	103,289	--	--	--	--
Currency swap agreement	5,000,000	Avro	14,103,500	101,343	--	--	--	--
Currency swap agreement	4,000,000	Avro	11,282,800	84,925	--	--	--	--
Currency swap agreement	8,000,000	Avro	22,565,600	90,007	--	--	--	--
Currency swap agreement	7,000,000	Avro	19,744,900	707,191	--	--	--	--
Currency swap agreement	4,000,000	Avro	11,282,800	377,017	--	--	--	--
Currency swap agreement	5,000,000	Avro	14,103,500	275,243	--	--	--	--
Currency swap agreement	5,000,000	Avro	14,103,500	549,977	--	--	--	--
Forward agreement	69,338	Avro	195,581	7,005	--	--	--	--
Forward agreement	42,151	Avro	118,894	3,973	--	--	--	--
Forward agreement	52,979	Avro	149,439	2,916	--	--	--	--
Forward agreement	52,979	Avro	149,439	5,717	--	--	--	--
Total	66,217,447		186,779,553	4,198,397	--	--	--	--

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As at 31 December 2014, the fair value increase resulting from derivative instruments amounting to TL 4,198,397 (31 December 2013: TL 17,073,112 fair value decrease) and the fair value difference resulting from derivative instruments is recognised within derivative assets resulting from derivative instruments in the accompanying consolidated financial statements.

As at 31 December 2013, the Group's commitments for the derivative transactions are as follows:

31 December 2013								
Derivative instrument description	Short position				Long position			
	Nominal amount	Type	Nominal (TL)	Fair value (TL)	Nominal amount	Type	Nominal (TL)	Fair value (TL)
TL / Foreign currency								
Forward agreement	5,000,000	Avro	14,682,500	(858,762)	--	--	--	--
Currency swap agreement	5,000,000	Avro	14,682,500	(699,644)	--	--	--	--
Currency swap agreement	5,000,000	Avro	14,682,500	(673,518)	--	--	--	--
Currency swap agreement	5,000,000	Avro	14,682,500	(686,115)	--	--	--	--
Currency swap agreement	5,000,000	Avro	14,682,500	(1,052,292)	--	--	--	--
Forward agreement	5,000,000	Avro	14,682,500	(1,046,994)	--	--	--	--
Forward agreement	134,716	Avro	395,593	(26,986)	--	--	--	--
Forward agreement	6,500,000	Avro	19,087,250	(1,233,840)	--	--	--	--
Forward agreement	3,500,000	Avro	10,277,750	(586,815)	--	--	--	--
Forward agreement	132,446	Avro	388,927	(25,773)	--	--	--	--
Forward agreement	5,000,000	ABD Doları	10,671,500	(469,807)	--	--	--	--
Forward agreement	5,000,000	ABD Doları	10,671,500	(580,676)	--	--	--	--
Forward agreement	5,000,000	ABD Doları	10,671,500	(532,510)	--	--	--	--
Forward agreement	5,000,000	ABD Doları	10,671,500	(532,510)	--	--	--	--
Forward agreement	10,000,000	ABD Doları	21,343,000	(902,265)	--	--	--	--
Forward agreement	7,000,000	ABD Doları	14,940,100	(700,102)	--	--	--	--
Forward agreement	5,000,000	ABD Doları	10,671,500	(496,546)	--	--	--	--
Forward agreement	2,500,000	ABD Doları	5,335,750	(223,881)	--	--	--	--
Forward agreement	4,500,000	ABD Doları	9,604,350	(389,230)	--	--	--	--
Forward agreement	6,000,000	ABD Doları	12,805,800	(504,910)	--	--	--	--
Forward agreement	11,000,000	ABD Doları	23,477,300	(1,016,020)	--	--	--	--
Forward agreement	3,500,000	ABD Doları	7,470,050	(324,508)	--	--	--	--
Forward agreement	3,000,000	ABD Doları	6,402,900	(222,944)	--	--	--	--
Forward agreement	13,000,000	ABD Doları	27,745,900	(1,116,712)	--	--	--	--
Forward agreement	5,000,000	ABD Doları	10,671,500	(421,816)	--	--	--	--
Forward agreement	1,000,000	ABD Doları	2,134,300	(83,901)	--	--	--	--
Forward agreement	9,000,000	ABD Doları	19,208,700	(755,108)	--	--	--	--
Forward agreement	14,000,000	ABD Doları	29,880,200	(612,104)	--	--	--	--
Forward agreement	6,500,000	ABD Doları	13,872,950	(296,823)	--	--	--	--
Total	161,267,162		376,494,820	(17,073,112)	--	--	--	--

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7. TRADE RECEIVABLES AND PAYABLES

Trade receivables

Short term trade receivables

As at 31 December 2014 and 31 December 2013, short term trade receivables of the Group are as follows:

	31 December 2014	31 December 2013
Receivables from customers	217,110,619	244,542,687
Receivables from loan customers	72,440,112	52,999,219
Receivables from clearing and settlement services ("Takasbank")	650,301	5,872,286
Doubtful trade receivables(*)	4,256	11,778
Provision for doubtful trade receivables	(4,256)	(11,778)
Receivables from related parties(**)	181,700	155,833
Other trade receivables	88,000	88,192
Total	290,470,732	303,658,217

(*) The Group's receivables from MF Global related to the non-collectable commission income in amounting to USD 18,112 (equivalent to TL 34,212) is reclassified to the doubtful receivables account with its allowance. Regarding to this doubtful receivable, the Company received, GBP 4,743 equal to TL 14,709 as at 23 August 2013 and TL 7,726 as at 21 October 2013 which is totally TL 22,435. During 2014, GBP 1,209 equal to TL 4,328 on 16 April 2014 and GBP 933 equal to TL 3,193 on 21 November 2014 which is totally TL 7,521 has been collected and the Group has receivable amounting to GBP 1,735.

(**) Receivables from related parties consist of the management fee accruals of the investment funds managed by the Group and agency commission receivables from the investment funds managed by TSKB.

As at 31 December 2014, the average interest rate applied to the loan customers is 16.35% (31 December 2013: 14.90%).

As at 31 December 2014 and 2013, short term customer receivables of the Group are as follows:

	31 December 2014	31 December 2013
Receivables from customers for the purchases of equity shares and warrant transactions(*)	125,137,343	147,073,136
Receivables from Stock Exchange Money Market transactions	75,569,000	84,167,000
Customer receivables from TDE	8,230,997	11,350,503
Receivables related to leveraged transactions	6,625,358	1,064,522
Other receivables from customers(**)	1,547,921	887,526
Total	217,110,619	244,542,687

(*) Consists of clearing receivables from marketable security transactions of the Company's customers made on 30 and 31 December 2014 (31 December 2013: 30 and 31 December).

(**) Other receivables from customers consist of commissions of customer transactions and default receivables.

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Long term trade receivables

As at 31 December 2014 and 2013, the Group has not any long term trade receivables.

Trade payables

Short term trade payables

As at 31 December 2014 and 2013, short term trade payables of the Group are as follows:

	31 December 2014	31 December 2013
Payables to customers	224,756,651	256,936,214
Total	224,756,651	256,936,214

As at 31 December 2014 and 2013, the details of the Group's short term customer payables are as follows:

	31 December 2014	31 December 2013
Payables to customers for the equity share and warrant transactions(*)	125,106,505	151,841,083
Payables to customers related to the Stock Exchange Money Market transactions	75,569,000	84,167,000
Customer clearing payables for forward transactions	8,230,997	11,350,503
Takasbank Share Certificate Borrowing Markets	291,600	--
Payables related with leveraged purchase and sales	6,611,989	--
Other payables to customers	2,564,988	2,559,480
Customer accounts	6,381,572	7,018,148
Total	224,756,651	256,936,214

(*) Consists of clearing payables from marketable securities transactions of the Company's customers made on 30 and 31 December 2014 (31 December 2013: 30 and 31 December).

Long term trade payables

As at 31 December 2014 and 2013, the Group has not any long term trade payables.

See note 23 "Nature and level of risks related to financial instruments" for analysis of the nature of the risk and the level of trade receivables and payables.

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8. OTHER RECEIVABLES AND PAYABLES

Short term other receivables

As at 31 December 2014 and 2013, short term other trade receivables of the Group are as follows:

	31 December 2014	31 December 2013
Deposits and guarantees given	306,600	245,918
Total	306,600	245,918

As at 31 December 2014 and 2013, the deposits and guarantees given consist of guarantees given by the Group for its brokerage activities in TDE.

Long term other receivables

As at 31 December 2014 and 31 December 2013, the Group has not any long term other receivables.

Short term other payables

As at 31 December 2014 and 31 December 2013, short term other payables of the Group are as follows:

	31 December 2014	31 December 2013
Taxes and duties payable(*)	1,140,586	1,200,782
Social security premiums payable	259,512	265,169
Total	1,400,098	1,465,951

(*) TL 388,875 of taxes and duties payable consists of withholding tax paid on behalf of customers (31 December 2013: TL 345,138).

Long term other payables

As at 31 December 2014 and 31 December 2013, the Group has not any long term other payables.

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9. TANGIBLE ASSETS

For the years ended 31 December 2014 and 2013, the movement of the tangible assets are as follows:

	Vehicles	Furniture and fixtures	Leasehold improvements	Total
Cost				
Opening balance, 1 January 2013	138,370	5,854,704	4,964,396	10,957,470
Additions	285,280	1,172,590	1,385,558	2,843,428
Disposals	(19,218)	(6,956)	(962,955)	(989,129)
Ending balance, 31 December 2013	404,432	7,020,338	5,386,999	12,811,769
Opening balance, 1 January 2014	404,432	7,020,338	5,386,999	12,811,769
Additions	--	565,433	286,700	852,133
Disposals	--	(9,582)	(180,658)	(190,240)
Ending balance, 31 December 2014	404,432	7,576,189	5,493,041	13,473,662
Accumulated depreciation				
Opening balance, 1 January 2013	39,079	5,126,433	4,289,598	9,455,110
Current year charge	52,358	263,814	395,769	711,941
Disposals	(19,218)	(6,956)	(962,955)	(989,129)
Ending balance, 31 December 2013	72,219	5,383,291	3,722,412	9,177,922
Opening balance, 1 January 2014	72,219	5,383,291	3,722,412	9,177,922
Current year charge	80,886	486,079	391,703	958,668
Disposals	--	(2,645)	(59,732)	(62,377)
Ending balance, 31 December 2014	153,105	5,866,725	4,054,383	10,074,213
Net book value				
1 January 2013	99,291	728,271	674,798	1,502,360
31 December 2013	332,213	1,637,047	1,664,587	3,633,847
31 December 2014	251,327	1,709,464	1,438,658	3,399,449

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10. INTANGIBLE ASSETS

For the years ended 31 December 2014 and 2013, the movement of the intangible assets are as follows:

	Software
Cost	
Opening balance, 1 January 2013	738,123
Additions	334,352
Ending balance, 31 December 2013	1,072,475
Opening balance, 1 January 2014	1,072,475
Additions	151,026
Ending balance, 31 December 2014	1,223,501
Accumulated amortisation	
Opening balance, 1 January 2013	325,898
Current year charge	138,025
Ending balance, 31 December 2013	463,923
Opening balance, 1 January 2014	463,923
Current year charge	285,784
Ending balance, 31 December 2014	749,707
Net book value	
1 January 2013	412,225
31 December 2013	608,552
31 December 2014	473,794

11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2014 and 31 December 2013, letters of guarantee and promissory notes given by the Group are as follows:

	31 December 2014	31 December 2013
Stock Exchange Money Market	312,100,000	312,100,000
Istanbul Stock Exchange	11,463,500	11,463,500
Capital Markets Board of Turkey	2,101,776	2,101,776
Other letters of guarantee	47,939	102,757
Total	325,713,215	325,768,033

As at 31 December 2014 and 31 December 2013, commitments of reverse repurchase agreements are as follows:

	31 December 2014	31 December 2013
Commitments of reverse repurchase agreements	293,272	241,488
Total	293,272	241,488

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12. EMPLOYEE BENEFITS

As at 31 December 2014 and 31 December 2013, the details of employee benefits are as follows:

Short term employee benefits

	31 December 2014	31 December 2013
Vacation pay liability	488,616	637,302
Bonus provision	841,748	715,656
Total	1,330,364	1,352,958

In accordance with the existing social legislation, the Group is required to make payment against the unused vacation days of the employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct through the end of the contract day's fee. Vacation pay liability is the total undiscounted liability amount that is calculated from the unused vacation days of all employees at the reporting date.

Movements in the provision for vacation pay liability during the year were as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Balance at the beginning of the period	637,302	550,738
Provision provided during the period	33,551	215,687
Paid during the period	(182,237)	(129,123)
Balance at the end of the period	488,616	637,302

Long term employee benefits

	31 December 2014	31 December 2013
Reserve for employee severance pay liability	1,150,453	1,307,537
Total	1,150,453	1,307,537

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. Reserve for severance pay liability, as at 31 December 2014 the ceiling amount is TL 3,438.22 (31 December 2013: TL 3,254.44), is calculated over the gross wage per 30 days and other benefits for each year. The basic assumption behind the calculation of the total liabilities is that the maximum liability will be increased by the inflation rate at each six month period.

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TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees and presented in the accompanying consolidated financial statements. Accordingly, the following actuarial assumptions are used in the calculation of the total liability as at 31 December 2014 and 31 December 2013:

	31 December 2014	31 December 2013
Net discount rate	%2.83	%3.00
Turnover rate to estimate the probability of retirement	%89.17	%89.81

As at 31 December 2014 and 2013, movements in the employee severance pay liability during the year were as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Balance at the beginning of the period	1,307,537	1,436,177
Service cost	121,297	114,907
Interest cost	107,429	115,685
Termination cost	649,683	--
Payments during the period	(960,737)	(606,379)
Actuarial differences	(74,756)	247,147
Balance at the end of the period	1,150,453	1,307,537

13. OTHER CURRENT/NON-CURRENT ASSETS AND LIABILITIES

Other current assets

As at 31 December 2014 and 31 December 2013, other current assets are as follows:

	31 December 2014	31 December 2013
Prepaid expenses	387,953	312,756
Advances given	2,916	2,884
Other	4,004	4,004
Total	394,873	319,644

Other non-current assets

As at 31 December 2014, the Group has not any other non-current assets (31 December 2013: None).

Other current liabilities

As at 31 December 2014, the Group's other current liabilities is TL 324,743 that consists of expense accruals amounting to TL 324,731. (31 December 2013: TL 243,117 expense accruals, TL 567,375 liabilities arising from margin trading short-selling transactions).

Other non-current liabilities

As at 31 December 2014, the Group has not any other non-current liabilities (31 December 2013: None).

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14. EQUITY

14.1. Paid in capital

As at 31 December 2014 and 31 December 2013, the capital structure of the Group is as follows:

		31 December 2014		31 December 2013	
		Share %	Share amount	Share %	Share amount
T. Sınai Kalkınma Bankası AŞ	A	28.55	18,129,726	28.55	17,415,957
T. Sınai Kalkınma Bankası AŞ	B	15.50	9,847,461	15.50	9,459,765
T. Sınai Kalkınma Bankası AŞ	C	14.28	9,064,591	14.28	8,707,717
T. Sınai Kalkınma Bankası AŞ	D	13.14	8,339,576	13.14	8,011,246
T. Sınai Kalkınma Bankası AŞ	E	10.96	6,962,417	10.96	6,688,306
T. Sınai Kalkınma Bankası AŞ	F	13.35	8,477,247	13.35	8,143,498
		95.78	60,821,018	95.78	58,426,489
TSKB Gayrimenkul Değerleme AŞ	E	1.71	1,089,694	1.71	1,046,793
TSKB Gayrimenkul Değerleme AŞ	F	0.14	87,386	0.14	83,946
		1.85	1,177,080	1.85	1,130,739
Şekerbank TAŞ	E	0.58	365,289	0.58	350,908
Şekerbank TAŞ	F	0.02	17,305	0.02	16,624
		0.60	382,594	0.60	367,532
T. Garanti Bankası AŞ	E	0.74	467,162	0.74	448,770
T. Garanti Bankası AŞ	F	0.03	22,132	0.03	21,260
		0.77	489,294	0.77	470,030
Yapı Kredi Bankası AŞ	B	0.10	69,416	0.10	66,683
Yapı Kredi Bankası AŞ	F	0.01	3,289	0.01	3,159
		0.11	72,705	0.11	69,842
Arap Türk Bankası AŞ	B	0.09	54,390	0.09	52,249
Arap Türk Bankası AŞ	F	0.00	2,577	0.00	2,475
		0.09	56,967	0.09	54,724
Anadolu Hayat Emeklilik AŞ	F	0.68	428,864	0.68	411,980
İş Faktoring Finansman Hizmetleri AŞ	F	0.06	35,739	0.06	34,332
İş Yatırım Menkul Değerler AŞ	F	0.06	35,739	0.06	34,332
		0.80	500,342	0.80	480,644
Total		100	63,500,000	100.00	61,000,000

The Group's capital consists of 6.350.000.000 shares of each having a nominal value of Kuruş 1.812.972.590 shares are classified as Group A shares, 997.126.660 shares are classified as Group B shares, 906.459.099 shares are classified as Group C shares, 833.957.602 shares are classified as Group D shares, 888.456.214 shares are classified as Group E shares and 911.027.835 shares are classified as Group F shares. Two members of the Board of Directors are selected from Group A shareholders' nominees, one is selected from Group B shareholders' nominees, one is selected from Group C shareholders' nominees, one is selected from Group D shareholders' nominees, and two members are selected from Group E shareholders' nominees. The shareholders do not have any preference except for this.

As per the resolution of General Assembly held on 25 March 2014, the Group nominal share capital increased with the amount of TL 2,500,000 from extraordinary reserves and profit of the year 2013, this decision was registered at Turkey Trade Registry Gazette No. 8549 on 14 April 2014.

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14.2. Fair value reserves

As at 31 December 2014, the total difference, net of tax effect, amounting to TL 5,497,628 between the fair value and acquisition cost of the financial instruments held in available-for-sale portfolio has been presented in the fair value reserve as a separate item within equity (31 December 2013: TL 3,120,926).

14.3. Restricted reserves

As at 31 December 2014 and 31 December 2013, restricted reserves consist of legal reserves and gains on sale of properties and equity participations to be transferred to capital.

	31 December 2014	31 December 2013
Legal reserves	2,513,202	2,242,911
Gains on sale of equity participations to be transferred to the capital	804	804
Total	2,514,006	2,243,715

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5%, until the total reserve reaches 20% of the Group's paid-in share capital. The second legal reserve is appropriated at the rate of 10% of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

14.4. Retained earnings

As at 31 December 2014 and 31 December 2013, retained earnings of the Group are as follows:

	31 December 2014	31 December 2013
Extraordinary reserves	1,884,270	1,534,390
Retained earnings	2,652,242	2,849,880
Accumulated deficits	(295,607)	(295,607)
Total	4,240,905	4,088,663

14.5. Actuarial differences

As a result of application of change in TAS 19 (2011), actuarial gain or loss is recognized in other comprehensive income.

Actuarial loss amounting to TL 137,913 is recognized in the other comprehensive income non- reclassified to profit or loss, defined benefit plan actuarial gains (losses) under the equity.

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15. SALES REVENUE

For the years ended 31 December 2014 and 2013, sales revenue is as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Investment fund sales	528,198,818	1,811,258,997
Equity security sales	203,356,434	102,126,346
Government bond sales	151,168,729	85,419,416
Service income	20,628,217	20,673,735
Interest from loan customers	10,537,030	5,231,989
Private sector bond sales	6,379,922	1,338,017
Bank bond sales	2,024,454	3,012,632
Foreign currency bond sales	1,115,828	3,246,805
Commercial bond sales	--	602,169
Total	923,409,432	2,032,910,106

Service income

For the years ended 31 December 2014 and 2013, the details of the service income are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Commission income	18,352,042	17,633,818
- Brokerage fee income	12,969,142	12,748,838
- Commission income on trading of derivative transactions	1,985,143	2,890,937
- Other commission income	1,934,418	1,498,881
- Doubtful receivables sales income	--	179,659
- Transactions commissions paid to CMB	1,463,339	315,503
Corporate finance income	2,276,175	3,039,917
Total	20,628,217	20,673,735

16. COST OF SALES

For the years ended 31 December 2014 and 2013, cost of sales are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Investment fund sales	(528,166,829)	(1,811,237,277)
Equity security sales	(203,115,527)	(101,854,037)
Government bond sales	(150,465,415)	(85,324,526)
Bank bond sales	(2,024,442)	(3,012,356)
Foreign currency bond sales	(1,114,459)	(2,971,444)
Private sector bond sales	(6,377,100)	(1,337,978)
Commercial bond sales	--	(916,876)
Total	(891,263,772)	(2,006,654,494)

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17. OPERATING EXPENSES

Marketing, selling and distribution expenses

For the years ended 31 December 2014 and 2013, marketing, selling and distribution expenses are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Contribution for the transactions in stock exchange money market	(1,154,026)	(1,848,525)
Advertising and marketing expenses	(428,002)	(629,479)
Other marketing, selling and distribution expenses	(76,139)	(96,666)
Total	(1,658,167)	(2,574,670)

General administrative expenses

For the years ended 31 December 2014 and 2013, general administrative expenses are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Personnel expenses	(19,159,210)	(17,213,232)
Rent expenses	(2,537,818)	(2,148,284)
Computer program rent expenses	(2,485,095)	(1,721,890)
Depreciation and amortisation charges	(1,244,452)	(849,966)
Communication expenses	(1,132,859)	(746,359)
Cleaning expenses	(638,148)	(573,260)
Taxes and duties	(610,512)	(846,889)
General administrative expenses	(533,130)	(522,060)
Meal expenses	(480,674)	(480,416)
Paid Banking and Insurance Transaction Tax ("BITT")	(280,281)	(270,877)
Other general administrative expenses	(5,319,820)	(4,773,347)
Total	(34,421,999)	(30,146,580)

Personnel expenses

	1 January - 31 December 2014	1 January - 31 December 2013
Salaries and wages	(16,295,474)	(14,731,190)
Social security employer's contribution expenses	(2,021,988)	(1,766,386)
Bonus expenses	(841,748)	(715,656)
Total	(19,159,210)	(17,213,232)

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18. OTHER OPERATING INCOME / (EXPENSES)

Other operating income

For the years ended 31 December 2014 and 2013, other operating income is as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Annual transaction charges	387,666	440,380
Takasbank custody commissions recharged to customers	333,022	130,645
Money order commissions recharged to customers	51,665	28,747
Customers' share order cancelation charges	51,026	115,417
Delivery expenses recharged to customers	15,053	34,960
Other income	601,905	354,661
Recoveries of provisions for doubtful receivables	--	547,543
Income from operations of the Subsidiary	--	346,273
Total	1,440,337	1,998,626

Other operating expenses

For the year ended 31 December 2014, other operating expenses are TL 369,995 (31 December 2013: TL 14,350).

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19. FINANCE INCOME / COSTS FROM OTHER THAN OPERATING ACTIVITIES

As at and for the years ended 31 December 2014 and 2013, finance income and costs from other operating activities are as follows:

Finance income from other than operating activities	1 January - 31 December 2014	1 January - 31 December 2013
Net gain from derivative financial instruments	19,968,052	--
Interest income on time deposits	14,134,144	18,883,791
Foreign exchange gains, net	5,448,258	49,313,755
Interest on government debt securities	1,566,485	1,214,944
Dividend income	530,149	608,080
Income from TDE	61,021	46,437
Revaluation income from the financial assets at fair value through profit or loss	1,735	--
Income from rebate of BITT(*)	--	2,251,683
Available-for-sale financial assets income	--	159,711
Interest income on money market transactions	--	8,611
Other income	462,480	12,596
Total	42,172,324	72,499,608

(*) The Company has paid BITT for income generated from time deposits between the years 2008-2011 even if this tax was not obligation for the Company. The Company objected for BITT paid to related tax Office in 2013. The application for return of BITT paid by Company has been approved and repaid.

Finance costs from other than operating activities	1 January - 31 December 2014	1 January - 31 December 2013
Interest expenses on money market transactions	(22,134,584)	(12,425,304)
Interest expenses on borrowings	(17,000,737)	(13,247,396)
Letter of guarantee commissions	(886,668)	(857,351)
Losses from TDE transactions	(58,813)	(14,258)
Revaluation loss from the financial assets at fair value through profit or loss	(29,279)	(550,394)
Net loss from derivative transactions	--	(37,790,335)
Foreign exchange loss, net	--	--
Total	(40,110,081)	(64,885,038)

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20. TAXATION

As at 31 December 2014, the corporate tax rate is 20% under the Article 32 of Corporate Tax numbered 5520, published at Official Gazette dated 21 June 2006 and with number 26205.

Companies calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

The transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If the tax payers have transactions like service taking or product and goods buying or selling with related parties which are not in accordance with the counterpart principle it will be adjudge that disguised profit distribution via transfer pricing. This kind of disguised profit distribution via transfer pricing will not be deducted from the corporate tax.

In accordance with the tax legislation, losses can be carried forward for offset against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices in the fourth month following the accounting closing date of the related year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. Corporation tax rate is applied to the income after adding the non-deductible expenses and deducting the tax exempts (like income of the participants). There is no addition tax to be paid unless the profit is distributed.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years which are 20%. Corporations give tax declarations and paid income taxes quarterly. Income tax declarations are given on the 14th and paid on the 17th day of the second following month of the each quarter. The prepaid taxes can be deducted from the annual corporate tax calculated for the whole year earnings. If there is a surplus after the deduction of the prepaid taxes, this surplus can be returned to the tax payer or the can be deducted from other financial liabilities to the tax office.

Components of income tax expense for the years ended 31 December 2014 and 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Current income tax expense	(12,688)	(3,168,656)
Deferred tax income/(expense)	169,235	2,959,221
Total tax income / (expense)	156,547	(209,435)

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A reconciliation of income tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate as at and for the years ended 31 December 2014 and 2013, are as follows:

	31 December 2014	Rate (%)	31 December 2013	Rate (%)
(Loss) / profit before tax	(801,921)		3,133,208	
Corporate tax computed with statutory tax rate	160,384	(20.00)	(619,291)	(20.00)
Effects of undeductible expenses	(41,906)	5,23	(32,398)	(1.03)
Tax exempt income	38,069	(4,75)	442,254	14.11
Tax income / (expense)	156,547	(19.52)	(209,435)	(6.91)

As at 31 December 2014 and 2013, the corporate tax payable is as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Prepaid taxes	2,321,115	3,037,759
Current income tax expense	(12,688)	(3,168,656)
Income tax assets / (liabilities)	2,308,427	(130,897)

As at 31 December 2014, the current income tax provision is TL 12,688 (31 December 2013: TL 3,168,656). Shown in the table above, the net income tax assets of TL 2,308,427 in the consolidated financial statements in are stated as "current tax assets" and "current tax liabilities" amounting to TL 2,321,115 (31 December 2013: None) and TL 12,688 (31 December 2013: TL 130,897, tax liabilities) respectively.

Deferred tax assets and liabilities

Deferred tax is determined by calculating the tax effect for the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Such deferred tax assets and liabilities are recognised in the accompanying consolidated financial statements using the the tax rate effective at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

If the valuation differences of the financial assets are recognised in the profit or loss, the relevant current tax expense or deferred tax expense/income origination from this valuation differences are recognised in the profit or loss. If the valuation differences of the financial assets are recognised directly in the equity, the relevant current tax expense or deferred tax expense/income origination from this valuation differences are recognised directly in the equity.

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As at 31 December 2014 and 31 December 2013, assets and liabilities bearing deferred tax assets and liabilities are as follows:

	31 December 2014		31 December 2013	
	Temporary differences	Deferred tax	Temporary differences	Deferred tax
Provision for severance pay liability	1,150,453	230,091	1,307,537	261,507
Deferred tax assets on current year loss	22,281,609	4,456,321	--	--
Bonus provision	841,748	168,350	715,656	143,131
Provision for unused vacation	488,616	97,723	637,302	127,461
Financial investments	(36,044)	(7,209)	(39,644)	(7,929)
Provision for doubtful receivables	4,256	851	11,778	2,356
Derivative financial instruments held for trading	(4,198,397)	(839,679)	17,073,112	3,414,622
Tangible and intangible assets	(469,185)	(93,837)	(414,103)	(82,820)
Deferred tax assets, net	20,063,056	4,012,611	19,291,638	3,858,328

Deferred tax balances movement during the period

	1 January 2013	Recognized in profit and loss	Recognized in other comprehensive income	31 December 2013	Recognized in profit and loss	Recognized in other comprehensive income	31 December 2014
Provision for severance pay liability	287,235	(75,158)	49,430	261,507	(16,464)	(14,952)	230,091
Deferred tax assets on current year loss	245,665	(245,665)	--	--	4,456,321	--	4,456,321
Bonus provision	129,689	13,442	--	143,131	25,219	--	168,350
Provision for unused vacation	110,148	17,313	--	127,461	(29,738)	--	97,723
Financial investments	32,907	40,893	(81,729)	(7,929)	720	--	(7,209)
Provision for doubtful receivables	82,650	(80,294)	--	2,356	(1,505)	--	851
Derivative financial instruments held for trading	33,586	3,381,036	--	3,414,622	(4,254,301)	--	(839,679)
Tangible and intangible assets	9,526	(92,346)	--	(82,820)	(11,017)	--	(93,837)
Deferred tax assets, net	931,406	2,959,221	(32,299)	3,858,328	169,235	(14,952)	4,012,611

21. EARNINGS PER SHARE

According to TAS 33 – Earnings per Share Standard, companies whose shares are not traded at stock exchange, do not have to declare earnings per share. Since, the shares of the Group are not traded at stock exchange, earnings per share is not calculated in accompanying consolidated financial statements.

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22. RELATED PARTY DISCLOSURES

In this consolidated financial statements, the shareholders of the Group and Türkiye İş Bankası Anonim Şirketi Group companies and all of its subsidiaries having indirect shareholding relation with the Group are referred to as related parties.

Related party balances

	31 December 2014	31 December 2013
Receivables from related parties		
Trade receivables		
- Receivables from investment fund management	181,700	155,833
Total (Note 7)	181,700	155,833
Payables to related parties		
Financial liabilities		
Türkiye Sınai ve Kalkınma Bankası AŞ	80,217,770	60,014,700
Total	80,217,770	60,014,700

Related party transactions

	1 January - 31 December 2014	1 January - 31 December 2013
Services taken from related parties		
<i>General administration expenses</i>		
- Türkiye Sınai ve Kalkınma Bankası AŞ	493,701	--
- TSKB Gayrimenkul Yatırım Ortaklığı AŞ	303,055	--
<i>Finance costs</i>		
- Türkiye Sınai ve Kalkınma Bankası AŞ	4,732,726	1,823,079
Total	5,529,482	1,823,079
Services given to related parties		
- Türkiye Sınai ve Kalkınma Bankası AŞ(*)	2,683,446	232,704
- Yatırım Finansman Investment Funds(**)	1,871,169	2,043,706
Total	4,554,615	2,276,410

(*) Consists of investment fund commissions.

(**) Consist of agency, derivative transactions and fund management commissions.

In addition, Group has derivative transactions with related parties with a nominal value of TL 48,101,339, as at 31 December 2014 (31 December 2013: None).

For the year ended 31 December 2014, the total amount of the remuneration and similar benefits provided to the Group's general manager, vice general managers and members of the board of directors is TL 2,926,411 (31 December 2013: TL 2,207,096).

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23. NATURE VE LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

This note presents information about the Group's exposure to each of the below risks, the Group's objectives, policies and processes for measuring and managing risks. The Group has exposure to the following risks from its use of financial instruments:

- credit risk,
- liquidity risk
- market risk,
- operation risk,

23.1. Credit risk

The Group conducts brokerage services on behalf of corporate and individual investors and provides advisory services. The Group also makes trading of various marketable securities. The Group may be exposed to the risk that counterparty may default on its contractual obligations resulting in financial loss to the Group. In order to control or mitigate such risks, the Group wants its customers to hold cash or cash equivalents or marketable securities in their accounts. Loan risk management is performed by following daily values ve liquidity of collaterals, by setting daily limit for counterparty risk ve by following adequacy of collaterals received for loans ve receivables. The credit risk are mainly originating from Turkey where the Group conducts it's mainly operations.

As at 31 December 2014 and 31 December 2013, credit risk exposure by the Group in terms of financial instruments are as follows:

	Receivables									Total
	Trade receivables			Other receivables			Cash at banks, reverse repurchase agreements ve investment funds	Financial investments(**)	Other	
	Relate party	Other party	Other party(*)	Relate party	Other party(*)					
31 December 2014										
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	181,700	290,289,031	--	--	--	374,838,551	18,031,396	--	--	683,340,678
- Guaranteed part of maximum credit risk with collaterals etc.	--	(72,440,112)	--	--	--	(293,272)	--	--	--	(72,733,384)
A. Net carrying value of financial assets which are neither impaired nor overdue	181,700	290,289,031	--	--	--	374,838,551	18,031,396	--	--	683,340,678
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	--	--	--	--	--	--	--	--	--	--
C. Net carrying value of financial assets which are overdue but not impaired	--	--	--	--	--	--	--	--	--	--
- Guaranteed part of risk with collaterals	--	--	--	--	--	--	--	--	--	--
D. Net carrying value of impaired assets	--	--	--	--	--	--	--	--	--	--
- Overdue (Gross book value)	--	4,256	--	--	--	--	--	--	--	4,256
- Impairment	--	(4,256)	--	--	--	--	--	--	--	(4,256)
- Guaranteed part of net value with collaterals	--	--	--	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--	--	--	--
- Impairment	--	--	--	--	--	--	--	--	--	--
- Guaranteed part of net value with collaterals	--	--	--	--	--	--	--	--	--	--
E. Off statement of financial position items with credit risk	--	--	--	--	--	--	--	--	--	--

(*) Deposits and guarantees given and collaterals given to Turkish Derivatives Exchange are excluded since they are not financial assets.

(**) Equity securities are excluded since they do not expose any credit risk.

As at 31 December 2014 and 2013, the Group has not any financial assets which are overdue but not impaired.

	Trade receivables		Other receivables			Cash at banks, reverse repurchase agreements ve investment funds	Financial investments(**)	Other	Total
	Relate party	Other party	Relate party	Other party(*)	Other party(*)				
31 December 2013									
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	155,833	303,502,384	--	--	--	386,045,543	18,514,174	--	708,217,934
- Guaranteed part of maximum credit risk with collaterals etc.	--	(52,999,219)	--	--	--	(241,488)	--	--	(53,240,707)
A. Net carrying value of financial assets which are neither impaired nor overdue	155,833	303,502,384	--	--	--	386,045,543	18,514,174	--	708,217,934
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	--	--	--	--	--	--	--	--	--
C. Net carrying value of financial assets which are overdue but not impaired	--	--	--	--	--	--	--	--	--
- Guaranteed part of risk with collaterals	--	--	--	--	--	--	--	--	--
D. Net carrying value of impaired assets	--	--	--	--	--	--	--	--	--
- Overdue (Gross book value)	--	11,778	--	--	--	--	--	--	11,778
- Impairment	--	(11,778)	--	--	--	--	--	--	(11,778)
- Guaranteed part of net value with collaterals	--	--	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--	--	--
- Impairment	--	--	--	--	--	--	--	--	--
- Guaranteed part of net value with collaterals	--	--	--	--	--	--	--	--	--
E. Off statement of financial position items with credit risk	--	--	--	--	--	--	--	--	--

(*) Deposits and guarantees given and collaterals given to Turkish Derivatives Exchange are excluded since they are not financial assets.

(**) Equity securities are excluded since they do not expose any credit risk.

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23.2. Liquidity risk

Liquidity risk is the Group's default in meeting its net funding liabilities. Events causing a decrease in funding resources such as; market deteriorations or decrease in credit ratings are major reasons of liquidity risk. The Group manages its liquidity risk by allocating its resources to obtain adequate reserves for recovering its current and potential liabilities.

As at reporting date, the undiscounted contractual cash outflows of the Group are as follows:

31 December 2014	Carrying value	Contractual cash outflows	3 months or less	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities	(415,279,855)	(416,776,237)	(416,776,237)	--	--	--
Trade payables	(224,756,651)	(224,756,651)	(224,756,651)	--	--	--
Derivative financial liabilities						
Forward and swap agreements						
Cash outflow	--	(186,779,553)	(186,779,553)	--	--	--
Cash inflow	4,198,397	192,593,642	192,593,642	--	--	--
Total financial liabilities	(635,838,109)	(635,718,799)	(635,718,799)	--	--	--

31 December 2013	Carrying value	Contractual cash outflows	3 months or less	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities	(381,695,212)	(382,870,804)	(382,870,804)	--	--	--
Trade payables	(256,936,214)	(256,936,214)	(256,936,214)	--	--	--
Derivative financial liabilities						
Forward and swap agreements						
Cash outflow	(17,073,112)	(376,494,820)	(376,494,820)	--	--	--
Cash inflow	--	360,968,769	360,968,769	--	--	--
Total financial liabilities	(655,704,538)	(655,333,069)	(655,333,069)	--	--	--

As of 31 December 2014 and 31 December 2013, the liquidity requirement of the Company in accordance with Communiqué 34 is as follows:

	31 December 2014	31 December 2013
Current assets (A)	685,540,240	709.011.809
Short term liabilities (B)	643,074,383	662.463.072
Current assets / short term liabilities (A/B)	1.07	1.07

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23.3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The market risk is managed by balancing the assets and liabilities exposed to the interest rate change risk.

Foreign currency risk

The Group is exposed to foreign currency risk due to the changes in foreign exchange rates while having assets, liabilities or off statement of financial position items denominated in foreign currencies.

The foreign exchange rates used by the Group for translation of the transactions in foreign currencies as at 31 December 2014 and 31 December 2013 are as follows:

	US Dollar	EUR	GBP	CAD	AUD
31 December 2014	2.3189	2.8207	3.5961	1.9924	1.8894
31 December 2013	2.1343	2.9365	3.5114	1.9898	1.8886

As at 31 December 2014 and 31 December 2013, the table below summarises the foreign currency position of the Group by presenting the carrying amounts of the assets and liabilities denominated in foreign currency in TL as follows.

31 December 2014	TL equivalent (Functional currency)	US Dollar	EUR	GBP	CAD	AUD
Cash and cash equivalents	193,382,727	2,134,524	66,378,338	4,293	594,340	--
Financial investments	--	--	--	--	--	--
Total assets	193,382,727	2,134,524	66,378,338	4,293	594,340	--
Trade payables	(6,377,366)	(2,043,590)	(155,594)	(4,293)	(594,340)	--
Total liabilities	(6,377,366)	(2,043,590)	(155,594)	(4,293)	(594,340)	--
Foreign currency assets in the financial position table	187,005,361	90,933	66,222,744	--	--	--
Foreign currency liabilities in off balance sheet items	(186,779,553)	--	(66,217,447)	--	--	--
Net foreign currency assets	225,808	90,934	5,297	--	--	--

31 December 2012	TL equivalent (Functional currency)	US Dollar	EUR	GBP	CAD	AUD
Cash and cash equivalents	384,435,139	123,865,221	40,576,971	4,297	452,369	60
Financial investments	--	--	--	--	--	--
Total assets	384,435,139	123,865,221	40,576,971	4,297	452,369	60
Trade payables	(7,142,211)	(2,525,292)	(288,937)	(4,297)	(446,737)	--
Total liabilities	(7,142,211)	(2,525,292)	(288,937)	(4,297)	(446,737)	--
Foreign currency assets in the financial position table	377,292,928	121,339,929	40,288,034	--	5,632	60
Foreign currency liabilities in off balance sheet items	(376,494,820)	(121,000,000)	(40,267,162)	--	--	--
Net foreign currency assets	798,108	339,929	20,872	--	5,632	60

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Exposure to foreign currency risk

A strengthening/weakening of the TL against the other currencies below would have increased/(decreased) the comprehensive income and profit/loss (excluding the tax effect) as of 31 December 2014 and 2013 as follows:

31 December 2014	Profit / (Loss)		Equity(*)	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
Increase/(decrease) 10% of US Dollar parity				
1-US Dollar net asset / liability	21,087	(21,087)	21,087	(21,087)
2-Hedged portion of US Dollar amounts(-)	--	--	--	--
3-Net effect of US Dollar (1+2)	21,087	(21,087)	21,087	(21,087)
Increase/(decrease) 10% of EUR parity				
4-EUR net asset / liability	1,494	(1,494)	1,494	(1,494)
5-Hedged portion of EUR amounts(-)	--	--	--	--
6-Net effect of EUR (4+5)	1,494	(1,494)	1,494	(1,494)
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	--	--	--	--
8-Hedged portion of other foreign currency amounts(-)	--	--	--	--
9-Net effect of other foreign currencies (7+8)	--	--	--	--
TOTAL (3+6+9)	22,581	(22,581)	22,581	(22,581)

31 December 2013	Profit / (Loss)		Equity(*)	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
Increase/(decrease) 10% of US Dollar parity				
1-US Dollar net asset / liability	72,551	(72,551)	72,551	(72,551)
2-Hedged portion of US Dollar amounts(-)	--	--	--	--
3-Net effect of US Dollar (1+2)	72,551	(72,551)	72,551	(72,551)
Increase/(decrease) 10% of EUR parity				
4-EUR net asset / liability	6,129	(6,129)	6,129	(6,129)
5-Hedged portion of EUR amounts(-)	--	--	--	--
6-Net effect of EUR (4+5)	6,129	(6,129)	6,129	(6,129)
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	1,131	(1,131)	1,131	(1,131)
8-Hedged portion of other foreign currency amounts(-)	--	--	--	--
9-Net effect of other foreign currencies (7+8)	1,131	(1,131)	1,131	(1,131)
TOTAL (3+6+9)	79,811	(79,811)	79,811	(79,811)

(*) Profit /loss effect included.

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Interest rate risk

The Group is exposed to interest rate risk due to effects of the changes in market interest rates on the interest rate sensitive assets and liabilities.

The Group's interest rate sensitive financial instruments' allocation on 31 December 2014 and 31 December 2013 are presented below:

	31 December 2014	31 December 2013
Fixed rate financial instruments		
Financial assets		
Time deposits	366,917,962	377,095,146
Receivables from reverse repurchase agreements	293,272	241,488
Financial investments	5,075,133	1,825,467
Financial liabilities		
Bank borrowings	305,060,900	134,275,230
Payables to Stock Exchange Money Market	110,218,955	247,419,982
Floating interest rate financial instruments		
Financial assets		
Financial investments	12,775,347	16,549,001
Receivables from loan customers		
- Trade receivables	72,440,112	52,999,219

Interest sensitivity of assets:

The Group's debt securities classified as financial assets at fair value through profit or loss are exposed to price risk depending upon interest rate changes in the market. Based on the analysis calculated by the Group, if the interest rate for TL were increased/decreased by 100 bp with the assumption of keeping all other variables constant, the effect on the fair value of fixed income financial assets and net profit/loss and the effect on equity for the years ended As at 31 December 2014 and 2013 would be as follows.

	Profit / (Loss)		Equity(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2014	(77,696)	78,850	(77,696)	78,850
31 December 2013	(75,671)	77,028	(75,671)	77,028

(*) Profit /loss effect included.

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Risk of change in marketable securities

If the Istanbul Stock Exchange Index were increased/decreased by 20% with the assumption of keeping all other variables constant, the effect on the fair value of equity shares and profit and loss and comprehensive income of the Group for the years ended as at 31 December 2014 and 2013 would be as follows:

31 December 2014	Profit / (Loss)		Equity(*)	
	20% increase	20% decrease	20% increase	20% decrease
Financial assets at fair value through profit/loss				
- Equity security	477,693	(477,693)	477,693	(477,693)
Available-for-sale financial assets				
- Equity security(**)	--	--	665,959	(665,959)
Total	477,693	(477,693)	1,143,652	(1,143,652)

31 December 2013	Profit / (Loss)		Equity(*)	
	20% increase	20% decrease	20% increase	20% decrease
Financial assets at fair value through profit/loss				
- Equity security	83,558	(83,558)	83,558	(83,558)
Available-for-sale financial assets				
- Equity security(**)	--	--	648,519	(648,519)
Total	83,558	(83,558)	732,077	(732,077)

(*) Profit / loss effect included.

(**) Available-for-sale financial assets include quoted equity securities.

23.4. Operational risk

Operational risk is the risk that is not inherent in financial, systematic or market-wide risk. It is the risk remaining after determining financing and systematic risk, and includes risks resulting from breakdowns in internal procedures, people and systems. Operational risk that summarises the risks a company or firm undertakes when it attempts to operate within a given field or industry.

The Group manages its operational risks to avoid financial losses. In this respect, the Group has identified the following issues within the company processes and controls;

- Appropriate task distribution with transactions' independent responsibility,
- The reconciliation and control of operations,
- Compliance with statutory obligations and other regulators,
- Documentation of processes and controls,
- Periodical assessment of encountered operational risks and the adequacy of generated controls and procedures to meet scheduled risks,
- Development of emergency plans,
- Education and professional development,
- Ethics and business standards,
- Effective risk reduction measures by the possibility of including insurance.

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23.5. Capital management and capital adequacy management

The Company manages its financial risk in accordance with the Communiqué Serial: V, No: 34 "Communiqué on Capital and Capital Adequacy of Brokerage Companies" ("Communiqué 34") promulgated by CMB. Accordingly, total minimum capital amounts to TL 4,695,000 (31 December 2013: TL 4,655,000). The Company's minimum capital amounts 31 December 2014 and 31 December 2013 in order of dates are TL 70,188,503 and TL 73,079,030, respectively.

The minimum capital adequacy basis that has to be attained by the Company in accordance with the measurement principles of Communiqué 34 is the amount calculated by deducting the following items from shareholder's equity:

a) Non-current assets;

- 1) Tangible assets (net),
- 2) Intangible assets (net),
- 3) Non-current financial assets after deducting impairment and capital commitments except financial assets traded at stock exchange and other organised markets,
- 4) Other non-current assets,

b) Unsecured receivables from personnel, shareholders, affiliates, subsidiaries, individuals or entities related with directly or indirectly even if they are customers, and marketable securities issued by these individuals or entities and are not traded at stock exchange or other organised markets.

Brokerage companies' capital has to be increased by the company for each stock exchange money market transaction certificates of authorisation in accordance with following rates.

- a) For intermediation in public offering, 50% of the initial capital amount required for intermediation in trading.
- b) For the sale and purchase of securities through repurchase and reverse repurchase agreements, 50% of the initial capital amount shall be required for intermediation in secondary trading.
- c) For portfolio management activity, 40% of the initial capital amount shall be required for intermediation in secondary trading.
- d) For investment advisory activity, 10% of the initial capital amount shall be required for intermediation in secondary trading.

As at 31 December 2014 and 31 December 2013, the Company should have a minimum capital adequacy base amounting to TL 55,540,459 and TL 55,682,023, respectively. In accordance with the certificates of authorization in the scope of Communiqué 34 Paragraph 8, capital adequacy basis requirement cannot be less than the minimum share capital addressed by their certificates of authorization, risk provision and operating expenses of the three month period before the valuation day.

As at 31 December 2014 and 31 December 2013, the Company fulfils its capital adequacy requirements.

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Risk provision

The Company calculates risk provision for both statements of financial position and off-statement of financial position items by using the rates stated in Communiqué 34. Risk provision is the sum of position risk, counter party risk, concentration risk and foreign currency risk amounts which calculated in accordance with the regulations of Communiqué 34.

As at 31 December 2014 and 31 December 2013, the risk provision amounts calculated in accordance with the regulations of Communiqué 34 are as follows:

	31 December 2014	31 December 2013
Position risk	28,904,496	27,632,248
Counter party risk	19,091,829	19,606,980
Foreign currency risk	--	--
Concentration risk	--	--
Total risk provision	47,996,325	47,239,228

24. FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Financial assets and liabilities have to be recognised with their fair values for both accounting policies and presentation of notes.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate fair value.

Financial assets

It is estimated that the fair values and carrying amounts of the bank deposits, receivables from reserve repurchase agreements and other monetary receivables are close to each other, due to their short term maturities.

Investment funds and securities measured at the fair values are measured using the market prices.

Financial liabilities

It is estimated that the fair values and carrying amounts of the financial liabilities, trade payables and other monetary liabilities are close to each other due to their short term maturities.

Classification relevant to fair value information

"IFRS 7 – Financial Instruments: Disclosures" Standard necessitates the demonstration of a classified data sorted according to its importance and relevancy while determining the fair value of financial instruments. This classification depends on quality of related data observability. Observable data means the usage of market data received from independent sources and non-observable data means the usage of Group's estimates and assumptions about the market. This distinction reveals the following classifications.

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Level 1: Registered (unadjusted) prices of identical assets or liabilities in active markets.

Level 2: Data which can be observed by directly (through prices) or indirectly (derived from prices) and which excludes the registered prices described in Level 1.

Level 3: Data that is not based on observable market data related to assets and liabilities (non-observable data).

Classification requires the utilisation of observable market data, if available.

In this context, fair value classification of assets and liabilities which are measured over their fair values is as follows:

31 December 2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
- Investment funds	122,927	--	--	122,927
Financial investments				
- Investment funds	180,916	--	--	180,916
- Marketable securities	5,718,259	--	12,883,302	18,601,561
- Debt securities	17,850,480	--	--	17,850,480
- Financial assets from derivative transactions	--	4,198,397	--	4,198,397
Derivative liabilities				
- Financial liabilities from derivative transactions	--	--	--	--
Total financial assets	23,872,582	4,198,397	12,883,302	40,954,281

31 December 2013	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
- Investment funds	68,853	--	--	68,853
Financial investments				
- Investment funds	139,706	--	--	139,706
- Marketable securities	4,227,760	--	10,593,800	14,821,560
- Debt securities	18,374,468	--	--	18,374,468
- Financial assets from derivative transactions				
Derivative liabilities				
- Financial liabilities from derivative transactions	--	(17,073,112)	--	(17,073,112)
Total financial assets	22,810,787	(17,073,112)	10,593,800	16,331,475

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The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in Level 3 of the fair value hierarchy for financial instruments of unlisted entities:

	1 January – 31 December 2014
Balance at 1 January	10,593,800
Additions	--
Disposals	--
Total comprehensive income	
Net change in fair value of available-for-sale financial assets	2,289,504
Total	12,883,304

	1 January – 31 December 2013
Balance at 1 January	4,583,440
Additions	2,405,778
Disposals	--
Total comprehensive income	
Net change in fair value of available-for-sale financial assets	3,604,582
Total	10,593,800

25. SUBSEQUENT EVENTS

None.

AFFILIATED COMPANY REPORT - CONCLUSION

There are no legal transactions between our Company and our principal shareholder Türkiye Sınai Kalkınma Bankası A.Ş. and/or other subsidiaries that may result in;

- Transfer of receivables, payables or assets,
- An obligation such as furnishing surety, guarantee or endorsement,
- Transfer of profit.

Commercial transactions our Company realized with its principal shareholder and/or other subsidiaries in 2014, which are detailed in the report, were required by the Company's business activity and were carried out on an arm's length basis.

There are neither any decisions to the detriment of the Company nor any transactions that would cause loss to the same, which were passed and/or performed with the instruction of our principal shareholder or a subsidiary thereof.



YATIRIM
FINANSMAN
SECURITIES

investment in happiness



**YATIRIM
FİNANSMAN**
SECURITIES
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