KPMG

Alternatif Finansal Kiralama A.Ş.

Financial Statements
As at and for the year ended
31 December 2014 With
Independent Auditors' Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

27 February 2015

This report includes "independent auditors' report" comprising 1 page and "financial statements together with their explanatory notes" comprising 37 pages.

Alternatif Finansal Kiralama AŞ

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Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kavacık Rüzgarlı Bahçe Mah.
Kavak Sok. No: 29
Beykoz 34805 İstanbul

Telephone +90 (216) 681 90 00
Fax +90 (216) 681 90 90
Internet www.kpmg.com.tr

Independent Auditors' Report

To the Board of Directors of
Alternatif Finansal Kiralama Anonim Şirketi:

We have audited the accompanying financial statements of Alternatif Finansal Kiralama Anonim Şirketi (the "Company") which comprise the statement of financial position as at 31 December 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the 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 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 principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Alternatif Finansal Kiralama Anonim Şirketi as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The financial statements of the Company as at and for the year ended 31 December 2013 were audited by another auditor, whose report dated 25 March 2014, expressed an unqualified opinion.

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

Murat Alsan
Partner
27 February 2015
İstanbul, TÜRKİYE

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ALTERNATİF FİNANSAL KİRALAMA A.Ş.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Notes	2014	2013
ASSETS			
Cash and cash equivalents	5	6,493	15,707
Available for sale investment securities	7	2	2
Derivative financial instruments	6	1,451	-
Investment in direct finance leases	8	658,748	533,251
Other assets and prepaid expenses	11	20,572	22,935
Property and equipment, net	9	1,873	1,578
Intangible assets, net	10	622	712
Deferred income tax assets, net	16	22,637	23,166
Total assets		**712,398**	**597,351**
LIABILITIES AND EQUITY			
Funds borrowed	12	519,709	455,303
Debt securities in issue	13	93,959	50,119
Accounts payable	14	8,547	7,133
Derivative financial instruments	6	-	835
Other liabilities	15	9,934	11,787
Other provisions	17	94	1,252
Reserve for employment termination benefits	18	265	230
Total liabilities		**632,508**	**526,659**
Equity			
Share capital	19	14,940	14,940
Legal reserves		2,342	2,342
Retained earnings		62,608	53,410
Total equity		**79,890**	**70,692**
Total liabilities and equity		**712,398**	**597,351**

The accompanying notes set out on pages 5 to 37 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014
(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Notes	2014	2013
Interest income from direct finance leases		54,406	39,949
Interest income on placements and transactions with banks		586	584
Total interest income		**54,992**	**40,533**
Interest expense on funds borrowed		(24,505)	(17,647)
Interest expense on debt securities in issue		(7,983)	(4,713)
Net interest income		**22,504**	**18,173**
Impairment loss on finance lease receivables	8	(5,590)	(14,585)
Foreign exchange gains and (losses), net		3,759	3,133
Other income/(expense), net	24	344	(1,344)
Operating profit		**21,017**	**5,377**
Marketing, general and administrative expenses	21	(3,658)	(3,346)
Salaries and employee benefits	22	(7,315)	(7,163)
Depreciation and amortisation expenses	9,10	(317)	(266)
Profit before income tax		**9,727**	**(5,398)**
Taxation on income	16	(529)	2,141
Net profit for the year		**9,198**	**(3,257)**
Other comprehensive income		-	-
Total comprehensive income for the year		**9,198**	**(3,257)**

The accompanying notes set out on pages 5 to 37 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014
(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Notes	Share capital	Legal reserves	Retained earnings	Total
Balance at 1 January 2013		14,940	2,265	56,744	73,949
Transfers		-	77	(77)	-
Total comprehensive income for the year		-	-	(3,257)	(3,257)
Balance at 31 December 2013		**14,940**	**2,342**	**53,410**	**70,692**
Balance at 1 January 2014					
Total comprehensive income for the year		-	-	9,198	9,198
Balance at 31 December 2014		**14,940**	**2,342**	**62,608**	**79,890**

The accompanying notes set out on pages 5 to 37 form an integral part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Notes	2014	2013
Cash flows from operating activities			
Net profit for the year		9,198	(3,257)
Adjustments for:			
Depreciation and amortisation	9,10	321	266
Provision for employment termination benefits	18	35	24
Provision reversal of unused vacation		62	69
Provision for personnel bonus	15	1,080	960
Provision for impaired receivables	8	5,590	14,585
Deferred tax income	16	529	(2,141)
Interest income, net		(22,504)	(18,125)
Interest received		54,992	41,108
Interest paid		(32,488)	(21,260)
Unrealised foreign currency losses		(1,956)	(1,505)
Measurement of derivative financial instrument of fair value		(2,286)	1,138
Net cash provided by/(used in) operating activities before changes in operating assets and liabilities		**12,573**	**11,862**
Net increase in investment in direct finance leases		(131,095)	(200,565)
Net decrease in other assets		2,363	(15,653)
Net (increase)/decrease in accounts payable		1,414	4,976
Net (increase)/decrease in other liabilities		(3,092)	6,231
Employment termination benefits paid	18	-	(21)
Personnel bonus paid		(1,056)	(820)
Net cash provided by operating activities		**(131,466)**	**(205,852)**
Cash flows from investing activities			
Purchase of property and equipment	9	(728)	(1,100)
Purchase of intangible assets	10	(177)	(238)
Proceedings from sale of property and equipment	9	383	390
Net cash (used in) investing activities		**(522)**	**(948)**
Cash flows from financing activities			
Proceeds (repayments) from funds borrowed		64,406	193,835
Debt securities in issue		43,840	-
Net cash (used in) financing activities		**108,246**	**193,835**
Net decrease/(increase) in cash and cash equivalents		(11,169)	(1,103)
Effect of exchange rate changes on cash and cash equivalents		1,956	1,505
Cash and cash equivalents at beginning of year	5	15,706	15,304
Cash and cash equivalents at end of year	**5**	**6,493**	**15,706**

The accompanying notes set out on pages 5 to 37 form an integral part of these financial statements.

NOTE 1 - GENERAL INFORMATION

Alternatif Finansal Kiralama AŞ (a Turkish joint stock company - "the Company") was established in February 1997, in order to operate in Turkey pursuant to the licence obtained from the Undersecretariat of Treasury for the purpose of financial leasing as permitted by the law number 3226. The Company started leasing operations in 1997 and its head office is located at 19 Mayıs Caddesi, Golden Plaza No: 3 Kat: 5, Şişli-Istanbul, Turkey.

The financial statements of the Company are authorized for issue by the Board of Directors on 27 February 2015.

As of 31 December 2014, the Company has 57 employees (2013: 59).

The Company is mainly engaged in leasing of various equipment, construction machinery including industrial machinery and real-estate equipment. The Company operates predominantly in one geographical region, Turkey.

In accordance with the Share Transfer Agreement signed between Anadolu Endüstri Holding A.Ş and Alternatifbank A.Ş. and the Banking Regulation and Supervision Agency's authorization numbered 5558 dated 24 October 2013, Alternatifbank A.Ş. purchased on 8 November 2013, 19 November 2013 and 18 December 2013, 2,727,259,500 shares amounting to 95.8% of total shares from Anadolu Endüstri Holding A.Ş, and 118,990,100 shares from other shareholders. As a result Alternatifbank A.Ş. holds 100% of shares.

The Company's major shareholder is Alternatifbank A.Ş., and the ultimate parent enterprises of the Company is Commercial Bank of Qatar (Q.S.C.).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adapted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation of financial statements

The financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS").

The financial statements are presented in TL, which is the Group's functional currency. All financial information is presented in thousand TL has been rounded, except when otherwise indicated.

Turkish tax legislation required all leased assets be capitalised on the balance sheet of the lessor whether the lease is operating or finance lease until 1 July 2003. In accordance with amendments in Turkish tax law dated 24 April 2003, the lessors started to apply rules similar to IAS 17: "Leases" for the leasing transactions they entered after 1 July 2003 in their statutory financial statements.

The financial statements have been prepared on the historical cost convention except for the measurement at fair value of financial instruments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for the effects of hyperinflation

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date, and that corresponding figures for previous years be restated in the same terms. One characteristic that necessitates the application of IAS 29 is a cumulative three-year inflation rate approaching or exceeding 100%.

The cumulative three-year inflation rate in Turkey was 35.6% as at 31 December 2005, based on the Turkish nation-wide wholesale price indices announced by the Turkish Statistical Institute. This, together with the sustained positive trend in quantitative factors, such as the stabilization in capital and money markets, decrease in interest rates and the appreciation of TL against the USD and other hard currencies have been taken into consideration to categories Turkey as a non-hyperinflationary economy under IAS 29 effective from 1 January 2006. Therefore, IAS 29 has not been applied in the preparation of the accompanying financial statements beginning from 1 January 2006.

Change in accounting policies, accounting estimates and errors

Changes in accounting policies or fundamental accounting errors are applied retrospectively and the financial statements for the prior periods are restated. If changes in accounting estimates relate only for one period, changes are applied in the current period but if changes in estimates related to more than one period, changes are applied both in the current and following periods prospectively. Any material accounting error detected is applied retrospectively and prior year financial statement is restated, accordingly.

Related parties

For the purpose of these financial statements, the shareholders, key management personnel and Board members, Alternatifbank, Commercial Bank of Qatar (Q.S.C.), Anadolu Group and Yazıcılar Holding Group and the companies controlled by or affiliated with them are considered and referred to as related parties (Note 23).

Due from other banks

Amounts due from other banks are recorded when the Company advances money to counterparty banks with no intention of trading the resulting receivable, due on fixed or determinable dates. Amounts due from other banks are carried at amortised cost.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. The fair values of derivative financial instruments that are quoted in active markets are determined from quoted market prices in active markets including recent market transactions. The fair values of financial derivatives that are not quoted in active markets are determined by using valuation techniques, including discounted cash flow models. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed. Fair values of derivatives are carried as assets when positive and as liabilities when negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Derivative financial instruments are classified as held for trading (Note 6).

Investment securities

Investment securities are classified into the following two categories: held-to-maturity and available-for-sale assets. Investment securities with fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, are classified as available-for-sale. Management determines the appropriate classification of its investments at the time of the purchase.

Investment securities are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of it. Available-for-sale investment securities are subsequently remeasured at fair value based on quoted bid prices, or amounts derived from cash flow models. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in the equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity should be transferred to income statement. Unlisted equity securities for which fair values cannot be measured reliably are recognised at cost after deductions for any impairment (Note 7)

Interest earned whilst holding investment securities is reported as interest income. Dividends on available for sale equity instruments are recognized in profit and loss when the Company has the right to receive any payment.

All regular way purchases and sales of investment securities are recognised at the settlement date, which is the date that the asset is delivered to/from the Company.

Accounting for leases (where the Company is a lessor)

When assets are sold under a finance lease, the present value of the lease payments is recognised as a receivable. All costs that are directly attributable to the investment in direct finance lease are capitalised at initial recognition as part of the investment in direct finance lease and amortised via effective interest rate method. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. The profit recognised on sale of leased assets is recorded as gain on liquidation of investments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future gross lease rentals receivable, net of unearned future lease income, are classified as the net investment in direct financing leases.

Gross rentals due but not received at the balance sheet date are classified as receivables from outstanding lease payments. Receivables from outstanding lease payments are carried at net realisable value.

Accounting for leases (where the Company is a lessee)

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Allowance for impairment of lease receivables

A credit risk provision for impairment of the investment in direct finance leases and accounts receivables is established if there is objective evidence that the Company will not be able to collect all amounts due as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the receivables.

Objective evidence that a financial lease receivable is impaired includes observable data that comes to the attention of the Company about the following loss events:

(a) significant financial difficulty of the issuer or obligor;
(b) a breach of contract, such as a default or delinquency in interest or principal payments by more than 90 days;
(c) the Company granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
(d) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
(e) the disappearance of an active market for that financial lease receivable because of financial difficulties; or
(f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial lease receivable since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial lease receivable in the Company, including:

    (i) adverse changes in the payment status of borrowers in the; or
    (ii) national or local economic conditions that correlate with defaults on the assets in the Company.

If there is objective evidence that an impairment loss on financial lease receivable carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial lease receivable's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the financial lease receivable is reduced through use of an allowance account. The amount of the loss is recognized in income statement. Impairment and uncollectibility are measured and recognized individually for receivables that are individually significant and on a portfolio basis for a group of similar receivables that are not individually identified as impaired.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A write off is made when all or part of a receivable is deemed uncollectible or in the case of debt forgiveness. Write offs are charged against previously established allowances and reduce the principle amount of a receivable. Recoveries of receivables written off in earlier period are included in income.

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 recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of impairment loss is recognized in income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Property and equipment

All property and equipment is carried at cost, restated equivalent to purchasing power of TL at 31 December 2005 less accumulated depreciation. Depreciation is calculated over the restated amounts of property and equipment by using the straight-line method to write down the restated cost of each asset to their residual values over their estimated useful life as follows:

Buildings	50 years
Equipment, furniture and fixtures	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount ("higher of net selling price" and "value in use"), it is written down immediately to its recoverable amount. The recoverable amount of the impaired property and equipment represents the net selling price.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Intangible assets

Intangible assets are capitalized at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets mainly comprise of rights and amortised by using the straight-line method over their useful lives of 5 years.

Financial liabilities

Financial liabilities including borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, financial liabilities are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the financial liability using the effective yield method. All borrowing costs are recorded in the income statement in the period in which they are incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Income taxes currently payable

Income taxes ("corporation tax") currently payable are calculated based in accordance with the Turkish tax legislation (Note 16).

Taxes other than on income are recorded within other income / (expense) (Note 24).

b. Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred income tax.

The principal temporary differences arise from the provision for impaired lease receivables, reserve for annual leave provision, unused investment allowances and provision for employment termination benefits (Note 16).

Deferred tax liabilities and assets are recognised when it is probable that the future economic benefit resulting from the reversal of temporary differences will flow to or from the Company. Deferred tax assets resulting from temporary differences in the recognition of expense for income tax, and for financial reporting purposes are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provision is not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Reserve for employment termination benefits

Provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labour Law. In accordance with existing social legislation and Turkish Labour Law in Turkey, the Company is required to make lump-sum termination indemnities to each employee whose employment is terminated due to retirement or for reasons other than resignation or misconduct and who has completed at least one year of service (Note 18).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

According to the TAS 19 that is revised by Public Oversight Accounting and Auditing Standards Authority with the Communiqué published in Official Gazette on 12 March 2013 numbered 28585, in the calculation of the employment termination benefit liabilities of the Bank, the recognition option of the actuarial gains and losses derived from the changes in actuarial assumptions or the differences between actuarial assumptions and realizations in the income statement has been eliminated which is effective for annual periods beginning on or after 1 January 2013. The earlier application of the revision is permitted in the section of the transition and effective date of the standard and therefore the Group has recognised the actuarial gains and losses that occur in related reporting periods in the "Statement of Income and Expense Items Accounted in Equity" and presented in the Legal Reserves item in the Shareholders Equity section.

Accounts payable

Accounts payable are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. The Company management considers that the carrying amount of accounts payable approximates their fair value.

Revenue recognition

Direct financing leases consist of full-pay-out leases for various types of equipment. The excess of aggregate contract lease rentals, plus the nominal residual value, over the original cost of the related equipment represents the total revenue to be recognised over the term of the lease. The revenue is recognised in order to provide a constant periodic rate of return on the net investment remaining in each lease.

Future gross lease rentals receivable, net of unearned future lease income, are classified as the net investment in direct financing leases. Gross rentals due, but not received at the balance sheet date are classified as receivable lease payments outstanding.

Interest income and expense

Interest income and expense are recognised in the income statement for all instruments measured at amortised cost using the effective interest method.

Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Turkish lira at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Reporting of cash flows

For the purposes of statement of cash flows, cash and cash equivalents include balances of cash and due from banks with original maturity periods of less than three months (Note 5).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet 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.

Share capital

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividends for the year that are declared after the balance sheet date are dealt with in the post balance sheet events note.

Subsequent Events

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Company (should any evidence come about events that were prior to the balance sheet date or should new events come about) they will be explained in the relevant footnote. The Company restates its financial statements if such subsequent events arise.

Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year so that the reclassification will result in a more appropriate presentation of events or transactions.

The Company's activities expose to a variety of financial risks including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 December 2014, and have not been applied in preparing these financial statements. Among those new standards, the following are expected to have effect on the financial statements of the Company.

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

IFRS 9 Financial Instruments – Hedge Accounting and amendments to TFRS 9, TFRS 7 and TAS 39 - (2013)

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging transactions. Further, the new standard removes the 1 January 2015 effective date of IFRS 9. The new version of IFRS 9 issued after IFRS 9 (2013) introduces the mandatory effective date of 1 January 2018 for IFRS 9, with early adoption permitted. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

3 - FINANCIAL RISK MANAGEMENT

a. Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates including credit spreads, foreign exchange rates, equity prices and commodity prices. The Company manages liquidity risk, foreign exchange risk and interest rate risk by considering market risk.

The core business of the Company is to serve clients' financial needs; therefore typically the Company acts as a commercial institution, an activity which could expose the Company to risks such as foreign exchange risk, interest rate risk and liquidity risk.

b. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location.

The Company seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentrations of risks with individuals or Company's customers in specific locations or businesses. It also obtains security when appropriate.

The table below summaries the geographic distribution of the Company's assets and liabilities:

2014	**Assets**	**%**	**Liabilities**	**%**
Turkey	708,457	99.45	403,876	63.85
European countries	1,299	0.18	120,860	19.11
Other	2,642	0.37	107,772	17.04
	712,398	**100**	**632,508**	**100**

2013	**Assets**	**%**	**Liabilities**	**%**
Turkey	589,759	98.73	307,855	58.47
European countries	3,888	0.65	218,804	41.53
Other	3,704	0.62	-	-
	597,351	**100**	**526,659**	**100**

Maximum exposure to credit risk

	2014	**2013**
Credit risk exposures relating to balance sheet items:		
Due from banks	6,493	15,707
Investment in direct finance leases, net	658,748	533,251
Insurance receivables	934	1,041

The above table represents a worst case scenario of credit risk exposures.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

c. Currency risk

Foreign currency risk is a result of the Company's assets and liabilities denominated in foreign currencies. The Company has a foreign currency position as a result of its operations. The table below summaries the Company's exposure to foreign currency exchange rate risk.

	Foreign Currency				
2014	**USD**	**EUR**	**Total**	**TL**	**Total**
Assets					
Cash and cash equivalents	642	5,675	6,317	176	6,493
Available for sale investment securities	-	-	-	2	2
Derivative financial instruments	1,451	-	1,451	-	1,451
Investment in direct finance leases	208,198	258,955	467,153	191,595	658,748
Other assets and prepaid expenses	4,371	6,953	11,324	9,248	20,572
Property and equipment, net	-	-	-	1,873	1,873
Intangible assets, net	-	-	-	622	622
Deferred income tax assets, net	-	-	-	22,637	22,637
Total assets	**214,662**	**271,583**	**486,245**	**226,153**	**712,398**
Liabilities					
Funds borrowed	184,557	267,853	452,410	67,299	519,709
Debt securities in issue	-	-	-	93,959	93,959
Accounts payable	1,910	2,226	4,136	4,411	8,547
Other liabilities	1,958	2,006	3,964	5,970	9,934
Other provisions	-	-	-	94	94
Reserve for employment termination benefits	-	-	-	265	265
Total liabilities	**188,425**	**272,085**	**460,510**	**171,998**	**632,508**
Net balance sheet position	**26,237**	**(502)**	**25,735**	**54,155**	**79,890**

Net off-balance sheet position	**(24,645)**	**-**	**-**	**(24,645)**	**27,285**	**2,640**
Financial derivative assets	-	-	-	-	27,285	27,285
Financial derivative liabilities	24,645	-	-	24,645	-	24,645

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

	Foreign Currency					
2013	**USD**	**EUR**	**JPY**	**Total**	**TL**	**Total**
Assets						
Cash and cash equivalents	4,602	10,855	-	15,457	250	15,707
Available for sale investment securities	-	-	-	-	2	2
Investment in direct finance leases	125,286	254,245	-	379,531	153,720	533,251
Other assets and prepaid expenses	3,940	7,567	-	11,507	11,428	22,935
Property and equipment, net	-	-	-	-	1,578	1,578
Intangible assets, net	-	-	-	-	712	712
Deferred income tax assets, net	-	-	-	-	23,166	23,166
Total assets	**133,828**	**272,667**	**-**	**406,495**	**190,856**	**597,351**
Liabilities						
Funds borrowed	124,735	262,400	-	387,135	68,168	455,303
Debt securities in issue	-	-	-	-	50,119	50,119
Accounts payable	869	2,008	114	2,991	4,142	7,133
Derivative financial instruments	-	-	-	-	835	835
Other liabilities	2,350	4,502	-	6,852	4,935	11,787
Other provisions	-	-	-	-	1,252	1,252
Reserve for employment termination benefits	-	-	-	-	230	230
Total liabilities	**127,954**	**268,910**	**114**	**396,978**	**129,681**	**526,659**
Net balance sheet position	**5,874**	**3,757**	**(114)**	**9,517**	**61,175**	**70,692**
Net off-balance sheet position	**(6,624)**	**-**	**-**	**(6,624)**	**5,847**	**(777)**
Financial derivative assets	-	-	-	-	5,847	5,847
Financial derivative liabilities	6,624	-	-	6,624	-	6,624

At 31 December 2014, assets, liabilities and off-balance sheet derivative financial instruments denominated in foreign currency were translated into TL by using a foreign exchange rate of and TL 2.3189 = USD, TL 2.8207= EUR1 (2013: TL 2.1343 = USD and TL 2.9365 = EUR 1) and TL 0.0193 = JPY 1 (2013: TL0.0202 = JPY 1)

The table below shows the Company's sensitivity against 10% changes in USD and EUR rates against TL in the income statement. In this analysis it has been assumed that all other variables, especially interest rates, are being held constant.

	2014		2013	
	Profit and loss	**Equity**	**Profit and loss**	**Equity**
USD impact	159	159	(75)	(75)
EUR impact	(50)	(50)	376	376
JPY impact	-	-	(11)	(11)
Total	**109**	**109**	**290**	**290**

In the case of appreciation of TL against USD and EUR 10%, totals shown above has equal or opposite effect on the income statement.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

d. Liquidity risk

Liquidity risk is the possibility that the Company will be unable to fund its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. The Company's policy is to match cash outflow mainly arising from repayments of the funds borrowed and cash inflow mainly arising from lease receivables maintained in the portfolio. Repayment schedules of leasing contracts made with the customers are structured considering the funding and equity base of the Company.

In addition, the Company maintains reasonable amount of cash at bank in order to protect itself against the risk of deviation from the expected in and out cash flows in an unfavourable manner.

The following table presents the cash flows payable by the Company under non-derivative financial liabilities remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Company manages the inherent liquidity risk based on expected undiscounted cash inflows.

2014	**Up to 3 months**	**3 to 12 months**	**Over 1 year**	**No definite maturity**	**Total**
Funds borrowed	118,868	160,144	259,715	-	538,727
Debts securities in issue	-	98,959	-	-	98,959
Total liabilities	**118,868**	**259,103**	**259,715**	**-**	**637,686**
Cash and cash equivalents	6,180	-	-	313	6,493
Investment in direct finance leases, net	87,216	209,156	449,483	22,140	767,995
Assets held for managing liquidity risk (contractual maturity dates)	**93,396**	**209,156**	**449,483**	**22,453**	**774,488**

2013	**Up to 3 months**	**3 to 12 months**	**Over 1 year**	**No definite maturity**	**Total**
Funds borrowed	151,657	158,867	161,249	-	471,773
Debts securities in issue	-	54,219	-	-	54,219
Total liabilities	**151,657**	**213,086**	**161,249**	**-**	**525,992**
Cash and cash equivalents	15,495	-	-	212	15,707
Investment in direct finance leases, net	54,479	119,083	393,049	27,927	594,538
Assets held for managing liquidity risk (contractual maturity dates)	**69,974**	**119,083**	**393,049**	**28,139**	**610,245**

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

e. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value or future cash flows of financial instruments. The Company is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or re-price in a given period. The Company manages this risk by matching the re-pricing of assets and liabilities through risk management strategies. The table below summaries the average year-end interest rates by major currencies for monetary financial instruments:

		2014 (%)			2013 (%)	
Assets	**USD**	**EUR**	**TL**	**USD**	**EUR**	**TL**
Cash and cash equivalents	2.00	1.75	9.00	2.80	2.70	7.25
Investment in direct finance leases	7.54	6.41	13.81	7.00	6.90	12.90
Liabilities						
Funds borrowed	3.64	3.39	11.75	3.39	3.49	8.34
Debt securities in issue	-	-	10.60	-	-	11.28

The table below summaries the Company’s exposure to interest rate risk on the basis of the remaining period at the balance sheet to the re-pricing or contractual dates whichever is earlier.

2014	Up to 3 months	3 to 12 months	Over 1 year	Non-interest bearing	Total
Assets					
Cash and cash equivalents	6,180	-	-	313	6,493
Available for sale investment securities	-	-	-	2	2
Derivative financial instruments	-	-	-	1,451	1,451
Investment in direct finance leases	73,605	176,491	386,512	22,140	658,748
Other assets and prepaid expenses	-	-	-	20,572	20,572
Property and equipment, net	-	-	-	1,873	1,873
Intangible assets, net	-	-	-	622	622
Deferred income tax assets, net	-	-	-	22,637	22,637
Total assets	**79,785**	**176,491**	**386,512**	**69,610**	**712,398**
Liabilities					
Funds borrowed	371,918	134,976	12,815	-	519,709
Debt securities in issue	-	93,959	-	-	93,959
Accounts payable	-	-	-	8,547	8,547
Other liabilities	-	-	-	9,934	9,934
Other provisions	-	-	-	94	94
Reserve for employment termination benefits	-	-	-	265	265
Total liabilities	**371,918**	**228,935**	**12,815**	**18,840**	**632,508**
Net re-pricing gap	**(292,133)**	**(52,444)**	**373,697**	**50,770**	**79,890**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

2013	Up to 3 months	3 to 12 months	Over 1 year	Non-interest bearing	Total
Assets					
Cash and cash equivalents	15,495	-	-	212	15,707
Available for sale investment securities	-	-	-	2	2
Investment in direct finance leases	47,395	103,201	354,728	27,927	533,251
Other assets and prepaid expenses	-	-	-	22,935	22,935
Property and equipment, net	-	-	-	1,578	1,578
Intangible assets, net	-	-	-	712	712
Deferred income tax assets, net	-	-	-	23,166	23,166
Total assets	**62,890**	**103,201**	**354,728**	**76,532**	**597,351**
Liabilities					
Funds borrowed	347,121	108,182	-	-	455,303
Debt securities in issue	50,119	-	-	-	50,119
Accounts payable	-	-	-	7,133	7,133
Derivative financial instruments	-	-	-	835	835
Other liabilities	-	-	-	11,787	11,787
Other provisions	-	-	-	1,252	1,252
Reserve for employment termination benefits	-	-	-	230	230
Total liabilities	**397,240**	**108,182**	**-**	**21,237**	**526,659**
Net re-pricing gap	**(334,350)**	**(4,981)**	**354,728**	**55,295**	**70,692**

Interest Rate Sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both non-derivatives and derivative instruments, if any, at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's profit for the year ended 31 December 2014 would decrease/increase by TL 1,022 (2013: decrease/increase by TL 1,429). This is mainly attributable to the Company's exposure to interest rates on its variable rate funds borrowed.

f. Operational risk

The most comprehensive meaning of operational risk is considered to be any risk which is not classified as market and credit risk. In managing operational risk, increasing the skills of the staff, improving the job technology and job definitions, establishing the necessary internal controls and various insurances are employed as main methods.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

g. Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realise in a current market exchange.

Fair value of financial assets is measured according to the assumptions based on quoted bid prices of similar assets, or amounts derived from cash flow models.

The fair values of certain financial assets excluding finance lease receivables and funds borrowed are considered to approximate their respective carrying values due to their short-term nature. Fair value of floating rate funds borrowed and debt securities in issue is considered to approximate their carrying values.

The table below indicates the fair value of the financial assets which are stated at their carrying amounts:

	2014	2013
Financial Assets		
Net investment in direct finance leases - Carrying amount	658,748	533,251
Net investment in direct finance leases - Fair value	672,987	565,021
Financial Liabilities		
Funds borrowed - Carrying amount	519,709	455,303
Funds borrowed - Fair value	521,558	454,998
Debt securities in issue - Carrying amount	93,959	50,119
Debt securities in issue - Fair value	93,959	50,119

Since available for sale share certificates are not quoted in a stock exchange, they are carried at cost and are not included in the table above.

The following tables present the Company's assets and liabilities that are measured at fair value:

31 December 2014	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit and loss				
- Derivatives	-	1,451	-	1,451
Total liabilities	**-**	**1,451**	**-**	**1,451**

31 December 2013	Level 1	Level 2	Level 3	Total
Financial assets held for trading				
- Derivatives	-	835	-	835
Total liabilities	**-**	**835**	**-**	**835**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Capital management

According to 12rd article of "regulation on the Establishment and Operations of Leasing, Factoring, and Consumer Finance Companies" which was published in the Official Gazette dated 24 April 2013 and numbered 28627, total shareholders' equity cannot be less than 3% of total assets of the Company. As of 31 December 2014, the related ratio is 12%. Therefore, as of 31 December 2014 there is no breach of the lending limits.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on Management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. These disclosures supplement the commentary significant accounting policies (Note 2) and financial risk management (Note 3). Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Allowance for impairment of finance lease receivables

A credit risk provision for impairment of the investment in finance leases and accounts receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The estimates used in evaluating the adequacy of the provision for impairment of finance lease receivables are based on the aging of these receivable balances and the trend of collection performance.

Deferred income tax asset recognition

Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on medium term business plan prepared by Management and extrapolated results thereafter. The business plan is based on Management expectations that are believed to be reasonable under the circumstances.

NOTE 5 - CASH AND CASH EQUIVALENTS

	2014	2013
Demand deposits	76	65
Time deposits	100	185
Total TL denominated demand and time deposits at banks	176	250
Foreign currency denominated demand deposits at banks	237	147
Foreign currency denominated time deposits at banks	6,080	15,310
Total foreign currency denominated demand and time deposit at banks	6,317	15,457
Total demand and time deposits at banks	**6,493**	**15,707**

For the purposes of cash flow statements, cash and cash equivalents amounting to TL 6,493 (2013: TL 15,706) and comprised from due from banks excluding accrued interest.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 6 - DERIVATIVE FINANCIAL INSTRUMENTS

The Company utilizes the following derivative instruments:

"Currency forwards" represent commitments to purchase or sell foreign and domestic currency, including undelivered spot transactions.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments, and therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in foreign exchange rates and interest rates relative to their terms.

2014

	Contract/notional	Fair values	
	Amount	**Assets**	**Liabilities**
Derivatives held for trading			
Currency forwards	51,930	1,451	-
Total derivative assets/ (liabilities) held for trading	**51,930**	**1,451**	**-**

2013

	Contract/notional	Fair values	
	Amount	**Assets**	**Liabilities**
Derivatives held for trading			
Currency forwards	12,471	-	835
Total derivative assets/ (liabilities) held for trading	**12,471**	**-**	**835**

NOTE 7 - AVAILABLE FOR SALE INVESTMENT SECURITIES

	2014		2013	
	Share	**Amount**	**Share**	**Amount**
Listed equity securities				
Alternatif Yatırım Ortaklığı A.Ş.	<1%	2	<1%	2
Total		**2**		**2**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 8 - INVESTMENT IN DIRECT FINANCE LEASES

	2014	2013
Gross investment in direct finance leases	741,164	560,730
Invoiced lease receivables	4,691	5,831
Gross finance lease receivables	**745,855**	**566,561**
Unearned finance income	(109,247)	(61,237)
Finance lease receivables	**636,608**	**505,324**
Impaired lease receivables	55,192	55,389
Provision for impaired lease receivables	(33,052)	(27,462)
Finance lease receivables, net	**658,748**	**533,251**

At 31 December 2014 and 2013, the finance lease receivables have fixed interest rates.

At 31 December 2014 and 2013, the leasing receivables have the following collection schedules:

Period end	**2014**	**2014**
	Gross	**Net**
31 December 2015	296,372	250,097
31 December 2016	195,546	168,173
31 December 2017	117,708	102,888
31 December 2018	58,315	50,391
31 December 2019 and after	77,914	65,059
	745,855	**636,608**

Period end	**2013**	**2013**
	Gross	**Net**
31 December 2014	255,567	221,299
31 December 2015	173,776	156,279
31 December 2016	91,963	84,898
31 December 2017 and after	45,255	42,848
	566,561	**505,324**

Finance lease receivables can be analysed as follows:

	2014	2013
Neither past due nor impaired	631,917	499,493
Past due but not impaired	4,691	5,831
Impaired	55,192	55,389
Gross	**691,800**	**560,713**
Less: allowances for impairment	(33,052)	(27,462)
Net finance lease receivables	**658,748**	**533,251**

As at 31 December 2014, 24,063 of the total collaterals (2013 TL 31,437) are related with the impaired finance lease receivables amounting to TL 55,192 (2013: TL 55,389).

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 8 - INVESTMENT IN DIRECT FINANCE LEASES (Continued)

The ageing of past due but not impaired finance lease receivables are as follows:

	2014		2013	
	Invoiced Amount	**Remaining Principal**	**Invoiced Amount**	**Remaining Principal**
0-30 days	2,789	45,452	3,062	48,046
31-60 days	1,379	9,839	1,165	5,548
61-90 days	523	3,354	1,604	7,578
	4,691	**58,645**	**5,831**	**61,172**

The ageing of impaired finance lease receivables is as follows:

	2014	2013
91-150 days	1,276	3,683
151-240 days	1,271	4,058
241-365 days	4,294	3,957
366 days and over	48,351	43,691
	55,192	**55,389**

Movements in provision for impaired finance lease receivables are as follows:

	2014	2013
At 1 January	**27,462**	**27,563**
Impairment expense during the year	8,168	16,750
Recoveries of amounts previously provided for (including foreign exchange differences)	(2,578)	(2,165)
Write-off(*)	-	(14,686)
At 31 December	**33,052**	**27,462**

(*) The write-off balance consists of released loan loss provision upon sale of Non-Performing Loans to LBT Varlık Yönetimi A.Ş. on 11 November 2013. The effect of FX valuation amounting to TL 2,104 is not included in the table above.

Economic sector risk concentrations for the net investment in direct finance leases are as follows:

	2014	%	2013	%
Construction	166,170	26	168,790	33
Metal Processing	97,942	15	63,535	13
Transportation and Warehousing	92,246	14	28,651	6
Textile	91,055	14	64,396	13
Other Production Indusrty	66,865	11	78,714	16
Mining	29,982	5	15,653	3
Other Services	24,686	4	13,425	3
Agriculture	23,026	4	6,458	1
Food,Beverage & Tobacco	20,168	3	44,570	9
Health	11,976	2	6,822	1
Real Estate Brokerage	5,153	1	7,427	1
Wholesaling and Retailing	4,672	1	2,427	1
Tourism	2,124	-	1,079	-
Electricity and Gas	538	-	1,443	-
Education	5	-	1,934	-
	636,608	**100**	**505,324**	**100**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 8 - INVESTMENT IN DIRECT FINANCE LEASES (Continued)

Minimum financial lease receivables consist of rentals receivable over the terms of leases. As per the lease agreements made with lessees, the ownership of the items leased is transferred to the lessees at the end of the lease term.

As of 31 December 2014 neither past due nor impaired finance lease receivables amounting to TL 18,064 (2013: TL 17,732) and past due but not impaired receivables amounting to TL 361 (2013: TL 1,009) have been renegotiated, rescheduled or revised.

Depending on the customers' inability to repay its obligations arising from financial leases or other similar economic factors, the Company cancelled some of the lease contracts signed with its customers. These related assets may be re-leased to the same customer or to the other customers or; may be sold to the third parties, depending upon circumstances.

As of 31 December 2014 and 2013, the Company obtained the following collaterals from its customers except the goods subjected to finance lease agreements:

	2014	2013
Mortgages	159,619	176,540
Pledged assets	29,404	29,958
Transfer of rights of receivables	28,658	54,264
Life insurance	14,227	14,664
Buyback guarantees	12,665	9,671
Guarantee letters	9,539	8,778
Cash blockage	3,497	274
Cheques received	801	3,855
Guarantee notes	247	444
	258,657	**298,448**

Investment in direct finance leases are further analysed as a part of the balance sheet in the notes: related party transactions (Note 23) and financial risk management (Note 3).

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 9 - PROPERTY AND EQUIPMENT

	Land and Buildings	Equipment, Furniture and Fixtures	Total
1 January 2014, net book value	1,466	112	1,578
Additions	615	113	728
Disposals	(383)	-	(383)
Depreciation charge for the year	(3)	(47)	(50)
31 December 2014	**1,695**	**178**	**1,873**
31 December 2013			
Cost	1,479	760	2,239
Accumulated depreciation	(13)	(648)	(661)
Net book value	**1,466**	**112**	**1,578**
31 December 2014			
Cost	1,711	873	2,584
Accumulated depreciation	(16)	(695)	(711)
Net book value	**1,695**	**178**	**1,873**

	Land and Buildings	Equipment, Furniture and Fixtures	Total
1 January 2013, net book value	815	94	909
Additions	1,048	52	1,100
Disposals	(390)	-	(390)
Depreciation charge for the year	(7)	(34)	(41)
31 December 2013	**1,466**	**112**	**1,578**
31 December 2012			
Cost	821	708	1,529
Accumulated depreciation	(6)	(614)	(620)
Net book value	**815**	**94**	**909**
31 December 2013			
Cost	1,479	761	2,240
Accumulated depreciation	(13)	(649)	(662)
Net book value	**1,466**	**112**	**1,578**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 10 - INTANGIBLE ASSETS

	Total
1 January 2014, net book value	712
Additions	177
Amortisation charge for the year	(267)
31 December 2014	**622**
31 December 2013	
Cost	1,647
Accumulated amortisation	(935)
Net book value	**712**
31 December 2014	
Cost	1,824
Accumulated amortisation	(1,202)
Net book value	**622**

	Total
1 January 2013, net book value	697
Additions	238
Amortisation charge for the year	(223)
31 December 2013	**712**
31 December 2012	
Cost	1,409
Accumulated amortisation	(713)
Net book value	**696**
31 December 2013	
Cost	1,647
Accumulated amortisation	(935)
Net book value	**712**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 11 - OTHER ASSETS AND PREPAID EXPENSES

	2014	2013
Equipment to be leased	13,997	16,688
Prepaid expenses	5,282	3,483
Receivables from insurance policies	934	1,041
Prepaid taxes	105	105
Value Added Tax ("VAT") deductible	-	251
Other	254	1,367
Total	**20,572**	**22,935**

Equipments to be leased consist of assets purchased for the financial lease agreements signed in the current period, which will be transferred to lessees in the subsequent period.

NOTE 12 - FUNDS BORROWED

		2014			2013		
		Original Amount	TL Equivalent	Interest Rate (%)	Original Amount	TL Equivalent	Interest Rate (%)
Short-term			**307,549**			**207,052**	
Fixed interest	EUR	50,009	141,062	3.60	41,341	121,397	3.55
	USD	32,395	75,121	3.94	38,640	82,470	3.47
	TL	54,484	54,484	11.48	68,168	68,168	8.34
Floating interest	EUR	1,952	5,507	2.68	12,094	35,514	4.35
Medium/long - term			**276,174**			**307,549**	
Fixed interest	EUR	18,229	51,418	3.42	15,184	44,587	3.20
	USD	7,093	16,448	2.85	-	-	-
	TL	12,815	12,815	12.90	-	-	-
Floating interest	EUR	24,769	69,866	3.01	20,739	60,901	3.09
	USD	40,100	92,988	3.53	19,803	42,266	3.24
			243,535			**147,754**	
Total			**519,709**			**455,303**	

Floating rate funds borrowed bear interest at rates fixed in advance for periods of three and six months. Repayments of medium/long-term funds borrowed are as follows:

	2014		2013	
	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate
2014	-	-	-	-
2015	-	-	-	5,728
2016	72,107	96,618	44,587	94,590
2017	8,574	66,236	-	2,849
2018	-	-	-	-
Total	**80,681**	**162,854**	**44,587**	**103,167**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 13 - DEBT SECURITIES IN ISSUE

	2014	2013
Treasury bills issued	47,585	50,119
Bonds issued	46,374	-
	93,959	**50,119**

The Company's issued debt securities and its properties are as follows:

31 December 2014						
Type	**ISIN Code**	**Nominal Amount Issued**	**Maturity Date**	**Amount**	**Interest Rate**	**Interest Payment Term**
Treasury bill	TRSALFK61519	50,000	30June 2015	47,585	10.26	On maturity date
Bond	TRFALFK91513	50,000	15 September 2015	46,374	10.95	On maturity date
		100,000		**93,959**		

Coupon interest rates of the bonds and treasury bills issued by the Company in 2014 are fixed.

31 December 2013						
Type	**ISIN Code**	**Nominal Amount Issued**	**Maturity Date**	**Amount**	**Interest Rate (*)**	**Interest Payment Term**
Treasury bill	TRSALFK91417	50,000	15 September 2014	50,119	11.28	Quartely
		50,000		**50,119**		

(*) Coupon interest rates of the treasury bills issued by the Company in 2012 are variable and the interest rates of the treasury bills to occur in each coupon period are re-calculated based on the government debt securities issued by T.R. Undersecretariat for Treasury selected as a benchmark for the relevant bond. Effective interest rate for the period between 16 December 2013 and 17 March 2014 has been determined to be 11.28%.

		2014			**2013**		
		Original Amount	**TL Equivalent**	**Interest Rate (%)**	**Original Amount**	**TL Equivalent**	**Interest Rate (%)**
Short-term			**93,959**			**50,119**	
Fixed interest	TL	93,959	93,959	10.60	-	-	-
Floating interest	TL	-	-	-	50,119	50,119	11.28
Total			**93,959**			**50,119**	

NOTE 14 - ACCOUNTS PAYABLE

	2014	2013
Insurance policy payables	5,646	4,418
Payables to suppliers	2,798	2,403
Other	103	312
Total	**8,547**	**7,133**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 15 - OTHER LIABILITIES

	2014	2013
Advances received	6,266	8,183
Prepayments from customers	1,253	1,942
Provision for personnel performance bonus	1,080	960
Value Added Tax ("VAT") payable	840	-
Provision for unused annual vacation	247	187
Other taxes payable	217	218
Other	31	297
Total	**9,934**	**11,787**

Advances received are related with the amounts received from customers regarding the financial leasing agreements.

NOTE 16 - TAXATION

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

	2014	2013
Current income tax charge	-	-
Deferred tax income/(expense)	(529)	2,141
	(529)	**2,141**

Corporate Tax Law numbered 5422 was altered by Law No.5520 on 13 June 2006 which is published at the Official Gazette numbered 26205 and dated 21 June 2006 and many of its articles have become effective retrospectively starting from 1 January 2006. Corporation tax rate in Turkey starting from 1 January 2006 is 20% (2013: 20%). Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19.8% on an investment incentive allowance utilised within the scope of Income Tax Law transitional article 61).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital is not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax declaration is made by the 14th day of the following month and payable by the 17th day of the second month following each calendar quarter end by companies. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offsetting, there remains a paid advance tax amount, it may be refunded or offset against other liabilities to the government.

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities according to inflation adjustments. In accordance with the aforementioned law's provisions, in order to apply inflation adjustment, the cumulative inflation rate (State Institute of Statistics-Wholesale Price Indices) over the last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not met for the years ended 31 December 2014 and 2013.

NOTE 16 – TAXATION (Continued)

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 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.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

As of 31 December 2014, there is no current year tax loss, as a result there is no corporation tax expense.

As of 31 December 2013, tax loss is TL 998 and there is no corporation tax expense.

Exemption for investment allowance

Investment allowance applied for several years and calculated as 40% of fixed asset acquisitions exceeding a certain amount, was abolished with law no. 5479 dated 8 April 2006. However, in accordance with temporary law no. 69 added to the Income Tax Law, as of 31 December 2005 corporate and income taxpayers can offset the investment allowance amounts which they could not offset against income in 2005.

a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No. 193, with Law No.4842, dated 9 April 2003.

b) Investment allowance amounts to be calculated in accordance with legislation effective on 31 December 2005 in relation to investments which exhibit an integrity technically and economically and which were started prior to 1 January 2006 within the scope of repealed Article 19 of the Income Tax Law numbered 193, could solely be offset against income related to the years 2006, 2007 and 2008, in accordance with the legislation current as of 31 December 2005 (including provisions related to tax rate).

   Within the scope of Temporary Article 69 of the Income Tax Law (for the years of 2006, 2007 and 2008) income tax payers, and corporate taxpayers who are benefiting from investment allowance practice, had calculated their income or corporate tax base related to the aforementioned years by applying to their income for the year in which the allowance was requested the tax rate applicable as of 31 December 2005, and the tax rate of 30% stated in the Article 25 of the annulled Corporate Tax Law No. 5422, respectively.

However, it was no longer possible to benefit from the carried-forward investment allowance amount left unused as of 31 December 2008.In this respect, a lawsuit is filed against the Constitutional Court on the basis that it is against the equality and certainty in taxation which are guaranteed by the Constitution.

According to the decision of the Constitutional Court dated 15 October 2009, the phrase "comprising only the years 2006, 2007 and 2008" in the Provisional Article 69 of the Income Tax Law regarding the investment incentives is revoked. Therefore, the time limitation on the use of unused investment incentives was removed. The decision of the Constitutional Court has been published in the Official Gazette on 8 January 2010. Therefore, the cancellation went into effect with the publishing of the decision of the Constitutional Court at the Official Gazette.

A new arrangement in the application of investment allowance went into effect with the Law No. 6009 Article 5 which is published in Official Gazette No. 27659 dated 1 August 2010. With this new legislation in line with the decision of the Constitutional Court, the utilisation of investment allowances deferred from the year 2005 is not limited for a time period of limitation but limited to 25% of earnings.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 16 – TAXATION (Continued)

According to this, the remaining 75% of the earnings is subject to corporate tax at a rate of 20% after the utilisation of investment allowance of tax payers. Depending on this the Company did not paid corporate tax in the 1st and 2nd income tax period.

At the meeting of the Constitutional Court dated 9 February 2012, it was resolved that the clause "However, the amount that will be deducted as investment allowance cannot exceed 25% of the related earning in determination of tax base." which was added to the first paragraph of temporary article 69 of the Income Tax Law through Article 5 of the Law No. 6009 is in violation of the Constitutional Law and that clause should be cancelled. The stay of execution decision by the Constitutional Court has become effective upon promulgation in the Official Gazette No. 28208 dated 18 February 2012.

Deferred taxes:

Under IAS 12, which deals with income taxes, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized and deferred tax assets should be reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Based on the decision of the Constitutional Court mentioned above, the Company Management recognized deferred tax assets on the unused investment allowance amounting to TL 16,014 which has been calculated based on its best estimates.

Details of cumulative timing differences and the resulting deferred income tax assets and liabilities provided as of 31 December 2014 and 2013 are as follows:

	Cumulative timing differences		Deferred income tax assets	
	2014	**2013**	**2014**	**2013**
Unused investment allowances without stoppage	80,070	79,109	16,014	15,822
Unused investment allowances with stoppage	23,904	21,709	48	43
Provision for impaired receivables	32,317	32,210	6,464	6,442
Provision for personnel unused vacation, bonus provision, and employment termination benefits	1,592	1,377	318	275
Legal provision	94	1,252	19	250
Current period loss	-	998	-	200
Prior period loss	172	-	34	-
Accrued expense on derivative transactions	-	835	-	167
Unrecognized revenue from management fees	1,072	-	214	-
Income accrual on lease receivables	56	108	11	22
Other	144	133	29	27
Deferred income tax assets			**23,151**	**23,248**
Income accrual on lease receivables				
Accrued income on derivative transactions	(1,451)	-	(290)	-
Unrecognized expense from branch commission payments	(731)	-	(146)	-
Difference between carrying value and tax base of property and equipment and intangibles	(390)	(410)	(78)	(82)
Deferred income tax liabilities			**(514)**	**(82)**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

Deferred tax assets, net	**22,637**	**23,166**

NOTE 17 - OTHER PROVISIONS

	2014	2013
Legal provision	94	1,252
Total	**94**	**1,252**

At 31 December 2014, the Company is involved in number of legal disputes, The Company's lawyer's advice that, owing the developments in some of these cases; it is probable that the company will be found liable. Therefore, the management has recognised a provision as the best estimate of the amount to settle these potential obligations.

NOTE 18 - RESERVE FOR EMPLOYMENT TERMINATION BENEFITS

	2014	2013
Reserve for employee termination benefits	265	230
	265	**230**

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age . Since the legislation was changed on 8 September 1999, there are certain transitional provisions relating to length of service prior to retirement.

The liability is not funded, as there is no funding requirement.

IFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. In the financial statements, the Company reflected a liability calculated using the projected unit credit method and based upon the factors derived using their experience of personnel terminating their services and being eligible to receive employment termination benefits. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

Accordingly the following financial and demographical actuarial assumptions were used in the calculations of the provision:

	2014	2013
Discount rate (%)	3.77	2.48
Turnover rate to estimate the probability of retirement (%)	6.00	4.65

The principal assumption is that the maximum liability for each year of service will increase in line with inflation.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 18 - RESERVE FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

Movement of the reserve for employment termination benefits for the year is as follows:

	2014	2013
1 January	**230**	**206**
Service cost	30	23
Interest cost	5	8
Paid during the year	-	(7)
31 December	**265**	**230**

NOTE 19 - SHARE CAPITAL

At 31 December 2014, the Company's authorised share capital consists of 2,846,250,000 shares with a par value of Kuruş 1 each (2013:2,846,250,000 shares with a par value of Kuruş 1 each).

As of 31 December 2014 and 2013, the Company's historical subscribed and issued share capital was TL 28,463 (historical terms). The composition of shareholders and their respective percentages of ownership can be summarized as follows:

	2014		2013	
	%	Amount	%	Amount
Alternatifbank A.Ş	100	28,463	100	28,463
Total in historical TL	**100**	**28,463**	**100**	**28,463**
Restatement effect(*)		(13,523)		(13,523)
		14,940		**14,940**

Each shareholder has voting rights equivalent to their number of shares.

In accordance with the Share Transfer Agreement signed between Anadolu Endüstri Holding A.Ş and Alternatifbank A.Ş. and the Banking Regulation and Supervision Agency's authorization numbered 5558 dated 24 October 2013, Alternatifbank A.Ş. purchased on 8 November 2013, 19 November 2013 and 18 December 2013, 2,727,259,500 shares amounting to 95.8% of total shares from Anadolu Endüstri Holding A.Ş, and 118,990,100 shares from other shareholders. As a result Alternatifbank A.Ş. holds 100% of shares.

NOTE 20 - RETAINED EARNINGS AND LEGAL RESERVES

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% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum 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.

Dividends Paid and Proposed:

Final dividends are not accounted for until they have been ratified at the Annual General Meeting.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 21 - MARKETING, GENERAL AND ADMINISTRATIVE EXPENSES

	2014	**2013**
Consultancy expenses	1,315	1,117
Transportation expenses	795	730
Rent expenses	471	466
Office expenses	263	230
Sundry taxes	238	346
Communication expenses	168	183
Representation expenses	117	121
Information technology system expenses	120	50
Printing and stationary expenses	55	39
Other expenses	116	64
	3,658	**3,346**

NOTE 22 - SALARIES AND EMPLOYEE BENEFITS

	2014	**2013**
Wages and salaries	5,068	4,849
Bonuses	1,176	1,112
Employer's share of social security premiums	629	566
Other fringe benefits	407	503
Provision for employment termination benefits	35	133
	7,315	**7,163**

NOTE 23 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. The Company is controlled by Alternatifbank A.Ş. (the Shareholder Company) which owns 100 % of the Company's shares (In 2013 the company is controlled by Alternatifbank A.Ş. which owns 100% of the company's shares). The ultimate owner of the Company is The Commercial Bank of Qatar (Q.S.C.). For the purpose of these financial statements, the Shareholder Company, and their affiliated companies are referred to as "related parties". Related parties also include individuals that are principal owners, management and members of the Company's Board of Directors and their families.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 23 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

A summary of the major transactions and balances with related parties during the related periods were as follows:

(a) Balances with related parties:

	2014	2013
Due from banks		
Demand deposits		
Alternatifbank A.Ş.	125	34
Time deposits		
Alternatifbank A.Ş.	6,180	13,496
	6,305	**13,530**
Investmets in direct finance leases, net		
Anadolu Etap Tarım ve Gıd.Ür.San.Tic. A.Ş.	17,347	15,502
Anadolu Bilişim Hizmetler A.Ş	1,130	1,239
	18,477	**16,741**
Borrowing		
The Commercial Bank of Qatar (Q.S.C.)	107,772	88,877
United Arab Bank P.J.S.C.	46,855	-
	154,627	**88,877**
Other liabilities		
Anadolu Motor Üretim ve Paz. A.Ş.	13	3
Anadolu Endüstri Holding A.Ş.	-	63
Efestur Turizm İşletmeleri A.Ş.	-	5
Çelik Motor Ticaret A.Ş	-	1
	13	**72**

(b) Transactions with related parties:

	2014	2013
Interest income from direct finance leases		
Anadolu Etap Tarım ve Gıd.Ür.San.Tic. A.Ş.	1,153	786
Anadolu Bilişim Hizmetleri A.Ş	123	110
	1,276	**896**
Interest income on placements and transactions with banks		
Alternatifbank A.Ş.	585	583
	585	**583**
Interest expense on funds borrowed		
The Commercial Bank of Qatar (Q.S.C.)	3,861	515
United Arab Bank P.J.S.C.	1,415	-
Alternatifbank A.Ş.	-	25
	5,276	**540**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 23 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	2014	2013
Service expenses		
Anadolu Endüstri Holding A.Ş.	637	637
Çelik Motor Ticaret A.Ş.	394	323
Alternatifbank A.Ş.	206	181
Anadolu Motor Üretim ve Paz. A.Ş.	127	32
Efestur Turizm İşletmeleri A.Ş.	86	101
Anadolu Bilişim Hizmetleri A.Ş.	16	11
Anadolu İsuzu Otomotiv San. Tic. A.Ş.	-	83
Adel Kalemcilik Tic.San. A.Ş.	-	3
	1,466	**1,371**
Commission expenses		
The Commercial Bank of Qatar (Q.S.C.)	543	144
Alternatifbank A.Ş.	249	486
United Arab Bank P.J.S.C.	30	-
	822	**630**

(c) Off-balance sheet items

Guarantee letters		
Alternatifbank A.Ş.	1,911	6,836
	1,911	**6,836**
Letters of credits		
Alternatifbank A.Ş.	282	986
	282	**986**

As of 31 December 2014, the Company has time deposits amounting to USD 580, EUR 5,500 and TL100 at related party bank - Alternatifbank A.Ş. latest maturing on 2 January 2015 with an average interest rate of 2.00 , %1.75 ve %9.00 % respectively (31 December 2013: USD 2,109, EUR 3,680 and TL185 at related party bank - Alternatifbank A.Ş. latest maturing on 2 January 2014 with an average interest rate of 2.80%, 2.70% and 7.25% respectively). Also the Company has demand deposits at related party bank (Alternatifbank A.Ş) amounting to USD 13 and EUR 94 and TL19 (31 December 2013: USD 1 and EUR 23 and TL 11).

The Company has made operating lease agreements as lessee for vehicles with related party Çelik Motor Ticaret A.Ş. as of 31 December 2014, total remaining commitment is amounting to TL 822 (2013: TL331).

(d) Key Management's Remuneration:

As of 31 December 2014, the executive members and key management personnel of the Company's management received and accrued salaries and bonuses total amounting to TL 1,493 (2013: TL1,424).

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 24 - OTHER INCOME / (EXPENSES), NET

	2014	**2013**
Commission income, net	1,493	1,310
Bank charges and commissions	(1,169)	(436)
Sundry expenses	(448)	(637)
Legal provision	(54)	(944)
Other	525	(637)
	347	**(1,344)**

Sundry agreement income / (expenses) consists of tax, legal, expertise, translation and other expenses which have been reimbursed by clients.

NOTE 25 - COMMITMENTS AND CONTINGENT LIABILITIES

In the normal course of activities, the Company undertakes commitments and incurs certain contingent liabilities that are not presented in these financial statements. The following is a summary of significant commitments and contingent liabilities at 31 December 2014 and 2013.

TL 394 and TL 323 of rent expenses were reflected as of 31 December 2014 and 2013 respectively in the income statements due to the operating lease agreement for vehicles.

Future minimum lease payments under operating lease agreements are as follows:

	2014	**2013**
Next 1 year	366	229
1 year through 5 years	456	102
Total	**822**	**331**

Other commitments:

At 31 December 2014, the Company obtained letters of credits and guarantee letters amounting to TL 21,010 (2013: TL 21,123) and submitted to various public authorities.

There is no mortgage on the assets that is subject to leasing agreements (2013: none).

NOTE 26 - POST BALANCE SHEET EVENTS

None.