

**AK FAKTORİNG  
ANONİM ŞİRKETİ  
JANUARY 01 – DECEMBER 31, 2015  
FINANCIAL STATEMENTS FOR THE YEAR ENDED AND  
INDEPENDENT AUDITOR'S REPORT**

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**ARTI DEĞER**  
ULUSLARARASI BAĞIMSIZ DENETİM VE  
YEMİNLİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

## INDEPENDENT AUDIT REPORT

**Ak Faktoring Anonim Şirketi**  
**The Board of Directors:**

### ***Report on financial statements***

We have audited the accompanying financial statements of Ak Faktoring Anonim Şirketi ("the Company"), which comprise the statement of financial position as of December 31, 2015, includes the statements of profit or loss for the period ended on the same date, the statement of income and expense items accounted for under equity, the statement of cash flows, the statement of changes in equity, and a summary of significant accounting policies and other explanatory notes.

### ***Explanation on the Responsibility of Management***

Responsibility of The Board of Directors of the Company is creating internal control system and selection and implementation of the appropriate accounting policies in order to prepare the financial statements that are free from material misstatement in accordance with the Regulation on Accounting Applications and Financial Tables of Financial Leasing, Factoring and Financing Companies and Advice on the Uniform Chart of Accounts and Prospectus for the Financial Leasing, Factoring and Financing Companies published in the Official Newspaper No. 28861 dated 24 December 2013, Turkish Accounting Standards, Turkish Financial Reporting Standards, and other regulations published by BRSA(Banking Regulation and Supervision Agency).

### ***Explanation on the Responsibility of the Audit Company***

Our responsibility is to express an opinion on these financial statements based on our audit. We performed our audit in accordance with independent audit standards which part of TAS published by POA and Implementing Regulation on the Authorization and Activities of the Institutions to Perform Independent Auditing in Banks pressed on official gazette on November 01,2006 and numbered 26333. Our audit has been planned and performed to provide reasonable assurance for the financial statements that are free from material misstatements. In Independent auditing; The auditing techniques for collecting audit evidence about the amounts included in the financial statements and explanations and footnotes of the financial statements have been implemented. These techniques have been left to the discretion of the independent auditors to which we employ but the appropriate audit techniques have been determined by considering the effectiveness of the internal controls during the preparation and presentation of the financial statements and by evaluating the appropriateness of the accounting policies implemented. Our objective, however is not to present an opinion on the effectiveness of the internal control system but to establish the relationship between the financial statements prepared by the Company management and the internal control system in order to design the independent audit techniques in accordance with the conditions. Sufficient and appropriate audit evidence has been provided for the establishment of the independent audit opinion mentioned below. (2)

**AKTI DEĞER**  
ULUSLARARASI BAĞIMSIZ DENETİM VE  
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## **Opinion**

According to our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ak Faktoring Anonim Şirketi (Company) as at December 31, 2015 and the results of its operations for the year then ended in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards and other regulations, explanations and notes issued by the Banking Regulation and Supervision Agency regarding accounting and financial reporting principles.

## **Reports arising from other regulatory requirements**

1) In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code, no significant issue has arisen regarding whether the bookkeeping schedule of the Company for the period of 01 January - 31 December 2015 does not conform to the provisions of the TCC and the financial statements of the Company's articles of incorporation.

2) In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code, the Board of Directors has made the required explanations within the scope of the audit and issued the requested documents.

**ARTI DEĞER ULUSLARARASI BAĞIMSIZ DENETİM ve YMM A.Ş.**

İstanbul, February; 09 2016

Süleyman TAF  
Partner

**ARTI DEĞER**  
ULUSLARARASI BAĞIMSIZ DENETİM VE  
YEMİNLİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

**AK FAKTORİNG ANONİM ŞİRKETİ**  
STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2015 AND DECEMBER 31, 2014

ASSETS		TURKISH LIRA (TRL)						
		Notes	Audited Current Period			Audited Prior Period		
			December 31, 2015			December 31, 2014		
			TRL	FC	Total	TRL	FC	Total
I.	CASH AND CASH EQUIVALENTS AND THE CENTRAL BANK	6	1.765	--	1.765	6.250	--	6.250
II.	FAIR VALUE DIFFERENCE REFLECTED TO PROFIT/LOSS (Net)	7	--	--	--	5.918.370	--	5.918.370
2.1	Financial Assets held for trading		--	--	--	5.918.370	--	5.918.370
2.2	Fair Value Difference FV Categorized as Profit/Loss Statement		--	--	--	--	--	--
2.3	Derivative Marketable Securities in the Trade Book		--	--	--	--	--	--
III.	BANKS	8	392.878	2.862	395.740	557.080	--	557.080
IV.	RECEIVABLES FROM REVERSE REPURCHASE AGREEMENTS	9	--	--	--	--	--	--
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	10	--	--	--	--	--	--
VI.	FACTORING RECEIVABLES (Net)	11	375.565.428	14.746.930	390.312.358	342.359.113	4.194.157	346.553.270
6.1	Factoring Receivables at reduced rate		311.914.943	--	311.914.943	306.223.961	4.194.157	310.418.118
6.1.1	Domestic		329.882.244	--	329.882.244	324.072.562	--	324.072.562
6.1.2	Overseas		--	--	--	--	4.237.799	4.237.799
6.1.3	Unearned Income (-)		(17.967.301)	--	(17.967.301)	(17.848.601)	(43.642)	(17.892.243)
6.2	Other Factoring Receivables (Net)		63.650.485	14.746.930	78.397.415	36.135.152	--	36.135.152
6.2.1	Domestic		63.650.485	--	63.650.485	36.135.152	--	36.135.152
6.2.2	Overseas		--	14.746.930	14.746.930	--	--	--
VII.	FINANCIAL CREDITS	12	--	--	--	--	--	--
7.1	Consumer Loans		--	--	--	--	--	--
7.2	Credit Cards		--	--	--	--	--	--
7.3	Instalment Commercial Credits		--	--	--	--	--	--
VIII.	LEASING RECEIVABLES	13	--	--	--	--	--	--
8.1	Leasing Receivables		--	--	--	--	--	--
8.1.1	Financial Leasing Receivables		--	--	--	--	--	--
8.1.2	Receivables from Operating Leasing		--	--	--	--	--	--
8.1.3	Unearned Revenue (-)		--	--	--	--	--	--
8.2	Investments Leased		--	--	--	--	--	--
8.3	Advances Given for Lease		--	--	--	--	--	--
IX.	OTHER RECEIVABLES	14	1.832.088	--	1.832.088	1.626.430	--	1.626.430
X.	NON-PERFORMING RECEIVABLES	15	5.930.993	--	5.930.993	3.427.937	--	3.427.937
10.1	Non-Performing Factoring Receivables		14.560.403	--	14.560.403	5.581.339	--	5.581.339
10.2	Non-Performing Financial Credits		--	--	--	--	--	--
10.3	Non-Performing Leasing Receivables		--	--	--	--	--	--
10.4	Special Provision (-)		(8.629.410)	--	(8.629.410)	(2.153.402)	--	(2.153.402)
XI.	DERIVATIVE FINANCIAL ASSETS FOR HELD FOR CASH FLOW HEDGES	16	--	--	--	--	--	--
11.1	Fair Value Hedge Risk		--	--	--	--	--	--
11.2	Cash Flow Hedge Risk		--	--	--	--	--	--
11.3	Foreign Operations Net Investment Risk Hedge		--	--	--	--	--	--
XII.	INVESTMENT HELD UNTIL MATURITY (Net)	17	--	--	--	--	--	--
XIII.	SUBSIDIARIES (Net)	18	--	--	--	--	--	--
XIV.	AFFILIATES (Net)	19	--	--	--	--	--	--
XV.	JOINT VENTURES (Net)	20	--	--	--	--	--	--
XVI.	TANGIBLE ASSETS (Net)	21	538.004	--	538.004	144.062	--	144.062
XVII.	INTANGIBLE ASSETS (Net)	22	46.291	--	46.291	98.715	--	98.715
17.1	Goodwill		--	--	--	--	--	--
17.2	Other		46.291	--	46.291	98.715	--	98.715
XVIII.	PREPAID EXPENSES	23	2.220.361	--	2.220.361	2.940.521	--	2.940.521
IX.	CURRENT TAX ASSETS	24.a	--	--	--	--	--	--
XX.	DEFERRED TAX ASSETS	24.b	72.262	--	72.262	22.335	--	22.335
XXI.	OTHER ASSETS	25	--	--	--	--	--	--
	SUBTOTAL		386.600.070	14.749.792	401.349.862	357.100.813	4.194.157	361.294.970
XVII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	26	--	--	--	--	--	--
18.1	Sale Purpose		--	--	--	--	--	--
18.2	Discontinued Operations Related		--	--	--	--	--	--
	<b>TOTAL ASSETS</b>		<b>386.600.070</b>	<b>14.749.792</b>	<b>401.349.862</b>	<b>357.100.813</b>	<b>4.194.157</b>	<b>361.294.970</b>

**AK FAKTORİNG ANONİM ŞİRKETİ**  
STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2015 AND DECEMBER 31, 2014

LIABILITIES		TURKISH LIRA (TRL)						
		Notes	Audited Current Period			Audited Prior Period		
			December 31, 2015			December 31, 2014		
			TRL	FC	Total	TRL	FC	Total
I.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	7	--	--	--	--	--	--
II.	CREDITS RECEIVED	27	280.923.822	--	280.923.822	269.313.690	--	269.313.690
III.	FACTORING PAYABLES	11	702.259	--	702.259	265.323	--	265.323
IV.	LEASING PAYABLES	13	--	--	--	--	--	--
4.1	Financial Leasing Payables		--	--	--	--	--	--
4.2	Operating Lease Payables		--	--	--	--	--	--
4.3	Other		--	--	--	--	--	--
4.4	Deferred Financial Leasing Expenses (-)		--	--	--	--	--	--
V.	SECURITIES ISSUED (Net)	28	60.000.000	--	60.000.000	54.499.856	--	54.499.856
5.1	Bonds		60.000.000	--	60.000.000	--	--	--
5.2	Assets Backed Securities		--	--	--	--	--	--
5.3	Securities		--	--	--	54.499.856	--	54.499.856
VI.	OTHER PAYABLES	14	5.559.242	--	5.559.242	284.226	--	284.226
VII.	OTHER LIABILITIES	29	--	--	--	--	--	--
7.1	Deposit		--	--	--	--	--	--
7.2	Other Liabilities		--	--	--	--	--	--
VIII.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR CASH FLOW HEDGES	16	--	--	--	--	--	--
8.1	Fair Value Hedge Risk		--	--	--	--	--	--
8.2	Cash Flow Hedge Risk		--	--	--	--	--	--
8.3	Foreign Operations Net Investment Risk Hedge		--	--	--	--	--	--
IX.	TAXES AND LIABILITIES PAYABLE	24.d	596.911	--	596.911	559.906	--	559.906
X.	PROVISIONS FOR LIABILITIES AND EXPENSES	30	363.941	--	363.941	203.156	--	203.156
10.1	Restricting Provision		--	--	--	--	--	--
10.2	Provision for Employee Benefits		363.941	--	363.941	203.156	--	203.156
10.3	Other Provisions		--	--	--	--	--	--
XI.	DEFERRED INCOME	23	258.297	--	258.297	233.873	--	233.873
XII.	CURRENT PERIOD TAX LIABILITIES	24.a	1.036.137	--	1.036.137	1.536.172	--	1.536.172
XIII.	DEFERRED TAX LIABILITIES	24.b	--	--	--	--	--	--
XIV.	SUBORDINATED LOANS	31	--	--	--	--	--	--
	<b>SUBTOTAL</b>		<b>349.440.609</b>	<b>--</b>	<b>349.440.609</b>	<b>326.896.202</b>	<b>--</b>	<b>326.896.202</b>
XV.	LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	26	--	--	--	--	--	--
15.1	Sale Purpose		--	--	--	--	--	--
15.2	Discontinued Operations Related		--	--	--	--	--	--
XVI.	SHAREHOLDERS' EQUITY	32	51.909.253	--	51.909.253	34.398.768	--	34.398.768
	Shareholders' Equity of the Parent Company		51.909.253	--	51.909.253	34.398.768	--	34.398.768
16.1	Paid-in Capital	32.1	25.500.000	--	25.500.000	8.500.000	--	8.500.000
16.2	Capital Reserves	32.2	--	--	--	--	--	--
16.2.1	Share Premium		--	--	--	--	--	--
16.2.2	Profits on Share Cancellation		--	--	--	--	--	--
16.2.3	Other Capital Reserves		--	--	--	--	--	--
16.3	Other Accumulated Comprehensive Income or Expenses Non-Reclassifiable to Profit or Loss		--	--	--	--	--	--
16.4	Other Accumulated Comprehensive Income or Expenses Reclassifiable to Profit or Loss		--	--	--	--	--	--
16.5	Profit Reserves	32.4	7.368.768	--	7.368.768	9.404.326	--	9.404.326
16.5.1	Legal Reserves		1.633.551	--	1.633.551	699.138	--	699.138
16.5.2	Statutory Reserves		--	--	--	--	--	--
16.5.3	Extraordinary Reserves		5.735.217	--	5.735.217	8.705.188	--	8.705.188
16.5.4	Other Profit Reserves		--	--	--	--	--	--
16.6	Profit or Loss		19.040.485	--	19.040.485	16.494.442	--	16.494.442
16.6.1	Retained Profit or Loss	32.5	--	--	--	--	--	--
16.6.2	Net Retained Profit or Loss for the Period		19.040.485	--	19.040.485	16.494.442	--	16.494.442
	Shares Other Than Parent Company	32.6	--	--	--	--	--	--
	<b>TOTAL LIABILITIES</b>		<b>401.349.862</b>	<b>--</b>	<b>401.349.862</b>	<b>361.294.970</b>	<b>--</b>	<b>361.294.970</b>

**ARTI DEĞER**  
ULUSLARARASI BAĞIMSIZ DENETİM VE  
YEMİNLİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

**AK FAKTORİNG ANONİM ŞİRKETİ**  
STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF DECEMBER 31, 2015

OFF-BALANCE SHEET ITEMS		TURKISH LIRA (TRL)						
		Audited Current Period			Audited Prior Period			
		December 31, 2015			December 31, 2014			
		TRL	FC	Total	TRL	FC	Total	
I.	RISK OF FACTORING OPERATIONS ASSUMED		--	--	--	--	--	--
II.	RISK OF FACTORING OPERATIONS NOT ASSUMED		36.612.454	--	36.612.454	30.562.090	62.990	30.625.080
III.	GUARANTEES RECEIVED	43.1.a	1.603.111.905	26.833.992	1.629.945.897	948.217.639	22.603.048	970.820.687
IV.	GUARANTEES GIVEN	43.1.b	1.651.632	--	1.651.632	217.792	--	217.792
V.	COMMITMENTS	44	--	--	--	--	--	--
5.1	Irrevocable Commitments		--	--	--	--	--	--
5.2	Revocable Commitments		--	--	--	--	--	--
5.2.1	Lease Commitments		--	--	--	--	--	--
5.2.1.1	Financial Leasing Commitments		--	--	--	--	--	--
5.2.1.2	Operating Lease Commitments		--	--	--	--	--	--
5.2.2	Other		--	--	--	--	--	--
5.3	Lending Commitments		--	--	--	--	--	--
5.4	Guarantees Issued in Favor of Customers		--	--	--	--	--	--
VI.	DERIVATIVE FINANCIAL INSTRUMENTS		--	--	--	--	--	--
6.1	Derivative Financial Instruments for Cash Flow Hedges		--	--	--	--	--	--
6.1.1	Fair Value Hedge Risk Transactions		--	--	--	--	--	--
6.1.2	Cash Flow Hedge Risk Transactions		--	--	--	--	--	--
6.1.3	Foreign Operations Net Investment Risk Hedge Transactions		--	--	--	--	--	--
6.2	Trading Operations		--	--	--	--	--	--
6.2.1	Future Trading Transactions		--	--	--	--	--	--
6.2.2	Swap Trading Transactions		--	--	--	--	--	--
6.2.3	Exchange Option Transactions		--	--	--	--	--	--
6.2.4	Future Trading Transactions		--	--	--	--	--	--
6.2.5	Other		--	--	--	--	--	--
VII.	CUSTODY ASSETS	43.2	351.907.035	47.724.666	399.631.701	333.202.851	27.000.656	360.203.507
<b>TOTAL STATEMENT OF OFF-BALANCE SHEET ITEMS</b>			<b>1.993.283.026</b>	<b>74.558.658</b>	<b>2.067.841.684</b>	<b>1.312.200.372</b>	<b>49.666.694</b>	<b>1.361.867.066</b>

**AK FAKTORİNG ANONİM ŞİRKETİ**  
**PROFIT OR LOSS STATEMENT FOR THE PERIOD DECEMBER 31, 2015**

INCOME AND EXPENSE ITEMS	Notes	TURKISH LIRA (TRL)	
		Audited	Audited
		Current Period	Prior Period
		January 01 - December 31, 2015	January 01 - December 31, 2014
<b>I. OPERATING INCOME</b>		86.408.140	63.633.587
<b>FACTORING INCOME</b>	33	86.408.140	63.633.587
1.1 Interests Received from Factoring Receivables		84.912.541	63.000.020
1.1.1 Reduced		70.436.419	57.386.217
1.1.2 Other		14.476.122	5.613.803
1.2 Fees and Commissions Received from Factoring Receivables		1.495.599	633.567
1.2.1 Reduced		1.438.945	621.303
1.2.2 Other		56.654	12.264
<b>INCOME FROM FINANCING LOANS</b>	34	--	--
1.3 Interest Income from Financial Loans		--	--
1.4 Commission Income from Financial Loans		--	--
<b>LEASING INCOME</b>	35	--	--
1.1 Financial Leasing Income		--	--
1.2 Operational Leasing Income		--	--
1.2 Fees and Commission Income on Leasing Operations		--	--
<b>II. FINANCING EXPENSES (-)</b>	36	(47.218.209)	(35.104.600)
2.1 Interest Paid for Loans Used		(37.954.180)	(29.576.107)
2.2 Interest Paid for Liabilities from Factoring Transactions		--	--
2.3 Financial Leasing Expenses		--	--
2.4 Interest Given for Issued Securities		(6.100.350)	(3.410.791)
2.5 Other Interest Expenses		--	--
2.6 Fees and Commissions Paid		(3.163.679)	(2.117.702)
<b>III. GROSS PROFIT AND LOSS (I+II)</b>		39.189.931	28.528.987
<b>IV. OPERATING EXPENSES (-)</b>	37	(7.992.897)	(6.484.640)
4.1 Staff Expenses		(5.358.427)	(4.401.108)
4.2 Expenses of Provisions for Termination Indemnities		(159.552)	(121.690)
4.3 Research and Development Expenses		--	--
4.4 General Operating Expenses		(2.439.819)	(1.937.650)
4.5 Other		(35.099)	(24.192)
<b>V. GROSS OPERATING PROFIT AND LOSS (I+II)</b>		31.197.034	22.044.347
<b>VI. OTHER OPERATING INCOME</b>	38	7.199.209	2.677.290
6.1 Interest Received from Banks		13	2.620
6.2 Interest Received from Reserve Repurchase Agreements		--	--
6.3 Interest Received from Securities		100.982	806.252
6.3.1 Marketable Securities in the Trade Book		--	--
6.3.2 Fair Value Difference FV Categorized as Profit / Loss Statement		--	--
6.3.3 Financial Assets Ready to Sale		--	--
6.3.4 Investments to be Held Until Maturity		100.982	806.252
6.4 Dividend Income		--	--
6.5 Profit from Capital Market Transactions		--	--
6.5.1 Derivative Financial Instruments Transactions		--	--
6.5.2 Other		--	--
6.6 Foreign Exchange Gains		7.009.300	1.802.890
6.7 Other		88.914	65.528
<b>VII. SPECIAL PROVISIONS FOR NON-PERFORMING RECEIVABLES (-)</b>	39	(7.829.157)	(1.706.337)
<b>VIII. OTHER OPERATING INCOME (-)</b>	40	(6.785.923)	(2.379.344)
8.1 Impairment Losses on Securities		--	--
8.1.1 Fair Value Difference FV Impairment Loss Categorized as Profit / Loss Statement		--	--
8.1.2 Financial Assets Ready to Sale		--	--
8.1.3 Investments to be Held Until Maturity		--	--
8.2 Impairment Loss of Fixed Assets		--	--
8.2.1 Impairment Loss of Tangible Fixed Assets		--	--
8.2.2 Impairment Loss of Assets Held for Sale and Fixed Assets Related to Discontinued Operations		--	--
8.2.3 Special Assessment Impairment Loss		--	--
8.2.4 Impairment Loss of Other Intangible Fixed Assets		--	--
8.2.5 Impairment Loss of Subsidiaries, Affiliates and Joint Venture		--	--
8.3 Loss on Derivative Financial Transactions		--	--
8.4 Foreign Exchange Losses		(6.785.923)	(2.379.344)
8.5 Other		--	--
<b>IX. NET OPERATING INCOME AND EXPENSES (V+...+VIII)</b>		23.781.163	20.635.956
<b>X. INCOME RESULTED FROM MERGES</b>		--	--
<b>XI. PROFIT/LOSS ON NET MONETARY POSITION</b>		--	--
<b>XII. PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX (IX+X+XI)</b>		23.781.163	20.635.956
<b>XIII. INCOME TAX EXPENSE FROM CONTINUING OPERATIONS (±)</b>		(4.740.678)	(4.141.514)
13.1 Current Tax Provisions	24.c	(4.790.605)	(4.157.701)
13.2 Deferred Tax Cost Effectiveness (-)	24.b	(11.699)	(5.736)
13.3 Deferred Tax Income Effectiveness (+)	24.b	61.626	21.923
<b>XIV. NET PROFIT AND LOSS SUSTAINED ACTIVITIES (NET) (XV±XVI)</b>		19.040.485	16.494.442
<b>XV. INCOME FROM DISCONTINUED OPERATIONS</b>		--	--
15.1 Income from Assets Held for Sale		--	--
15.2 Profit on Sale of Associates, Subsidiaries and Jointly Controlled Entities		--	--
15.3 Other Income from Discontinued Operations		--	--
<b>XVI. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		--	--
16.1 Expense on Assets Held for Sale		--	--
16.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities		--	--
16.3 Other Expenses from Discontinued Operations		--	--
<b>XVII. PRE TAX PROFIT AND LOSS ON DISCONTINUED ACTIVITIES (XV-XVI)</b>		--	--
<b>XVIII. TAX PROVISIONS FROM DISCONTINUED OPERATIONS (±)</b>		--	--
18.1 Current Tax Provisions		--	--
18.2 Deferred Tax Cost Effectiveness (-)		--	--
18.3 Deferred Tax Income Effectiveness (+)		--	--
<b>XIX. PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XVII±XVIII)</b>		--	--
<b>XX. MINORITY SHARES</b>		--	--
<b>XX. NET PROFIT / LOSS (XIV+XIX)</b>		19.040.485	16.494.442
<b>EARNINGS PER SHARE</b>	41	1,02	1,94
Earnings Per Share from Continued Operations (Complete TRL)		1,02	1,94
Earnings Per Share from Discontinued Operations (Complete TRL)		--	--
<b>DILUTED EARNINGS PER SHARE</b>		1,02	1,94
Earnings Per Share from Continued Operations (Complete TRL)		1,02	1,94
Earnings Per Share from Discontinued Operations (Complete TRL)		--	--



**AK FAKTORİNG ANONİM ŞİRKETİ**  
OTHER COMPREHENSIVE INCOME STATEMENTS FOR THE PERIOD ENDED JANUARY 01 - DECEMBER 31 2015 AND 2014

	Notes	TURKISH LIRA (TRL)	
		Audited	Audited
		Current Period	Current Period
		January 01 - December 31, 2015	January 01 - December 31, 2014
<b>CURRENT PERIOD PROFIT/LOSS</b>		19.040.485	16.494.442
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Other accumulated comprehensive income or expenses non-re-classifiable to profit or loss</b>			
Revaluation increase / decrease of fixed tangible assets		--	--
Revaluation increase / decrease of fixed intangible assets		--	--
Defined Benefit Plans Re-measurement Gains / Losses		--	--
Shares not to be classified as profit/loss from other comprehensive income of investments valued by equity method		--	--
Other comprehensive income elements not to be classified as other profit or loss		--	--
Taxes regarding other comprehensive income not to be reclassified as profit/loss		--	--
Tax income /loss of the period		--	--
Deferred tax income /loss		--	--
<b>Other accumulated comprehensive income or expenses classifiable to profit or loss</b>		--	--
Foreign currency exchange difference		--	--
Revaluation and/or classification earnings/losses of financial assets ready for sale		--	--
Cash Flow Hedge Earnings / Losses		--	--
Investment hedge earnings/losses related to foreign operations		--	--
Shares to be classified as profit/loss from other comprehensive income of investments valued by equity method		--	--
Other comprehensive income elements to be classified as other profit or loss		--	--
Taxes regarding other comprehensive income to be reclassified as profit/loss		--	--
Tax income /loss of the period		--	--
Deferred tax income /loss		--	--
<b>OTHER COMPREHENSIVE INCOME</b>		--	--
<b>TOTAL COMPREHENSIVE INCOME</b>		19.040.485	16.494.442
<b>Distribution of the Total Comprehensive Income</b>			
Minority Interest		--	--
Parent Company Shares		19.040.485	16.494.442

AK FAKTORİNG ANONİM ŞİRKETİ  
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JANUARY 01 - DECEMBER 31, 2015 AND 2014

CHANGES IN EQUITY	Notes	Paid in Capital	Other accumulated comprehensive income or expenses non-re-classifiable to profit or loss						Statutory Reserves	Extraordinary Reserves	Other Reserves	Prior Period Profit/Loss	Current Period Profit/Loss	Shares other than parent company	Total Equity
			1	2	3	4	5	6							
<b>PRIOR PERIOD</b>															
<b>January 01 - December 31, 2014</b>															
I.											7.502				
II.		8.500.000						324.113	1.579.713			7.492.998			17.904.326
2.1															
2.2															
III.	32	8.500.000						324.113	1.579.713		7.502	7.492.998			17.904.326
IV.															
V.															
VI.															
VII.															
VIII.															
IX.															
X.															
XI.															
XII.															
12.1								375.025	7.125.475		(7.502)	16.494.442			16.494.442
12.2								375.025	7.125.475		(7.502)	(7.492.998)			(7.492.998)
12.3															
								699.138	8.705.188			16.494.442			34.398.768
<b>Balance at the End of Period (III+IV+.....+XI+XII+XIII)</b>															
<b>CURRENT PERIOD</b>															
<b>January 01 - December 31, 2015</b>															
I.															
II.		8.500.000						699.138	8.705.188			16.494.442			34.398.768
2.1															
2.2															
III.	32	8.500.000						699.138	8.705.188			16.494.442			34.398.768
IV.															
V.															
VI.															
VII.		17.000.000													
VIII.															
IX.															
X.															
XI.															
XII.															
12.1								934.413	5.735.217			19.040.485			19.040.485
12.2								934.413	5.735.217			(16.494.442)			(1.530.000)
12.3															
								1.633.551	5.735.217			19.040.485			51.909.253
<b>Balance at the End of Period (III+IV+.....+XI+XII+XIII)</b>															

1. Fixed assets accumulated revaluation increase/decrease
2. Defined benefit plans accumulated re-measurement earnings/losses
3. Other (accumulated amounts of other comprehensive earnings not to be classified as profit or loss and shares not to be classified as profit/loss from other comprehensive earnings)
4. Foreign currency difference
5. Accumulated revaluation and/or classification earnings/losses of financial assets ready for sale
6. Other (cash flow hedge earnings/losses, accumulated amounts of other comprehensive earnings elements to be classified as profit or loss and shares to be classified as profit/loss from other comprehensive earnings)

**AK FAKTORİNG ANONİM ŞİRKETİ**  
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JANUARY 01 - DECEMBER 31, 2015 AND 2014

	Notes	TURKISH LIRA (TRL)	
		Audited Current Period	Audited Prior Period
		January 01 - December 31, 2015	January 01 - December 31, 2014
<b>A. CASH FLOWS OF MAIN OPERATIONS</b>			
1.1 Operating profit on assets and liabilities subject of main operation prior to change		25.144.110	26.929.025
1.1.1 Interests Received / Leasing Earnings	33	84.365.448	62.776.205
1.1.2 Interest Paid	27, 36	(45.061.129)	(26.142.865)
1.1.5 Fees and Commissions Received	33	1.495.599	633.567
1.1.6 Other earnings acquired	38, 40	(2.851.780)	(1.080.257)
1.1.7 Collections from receivable on follow up accounted as loss	15	84.289	65.435
1.1.8 Cash payments to staff and service providers	37	(7.597.677)	(6.217.652)
1.1.9 Taxes Paid	24	(5.290.640)	(3.105.408)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>(47.359.759)</b>	<b>(145.990.800)</b>
1.2.1 Net (Increase) / Decrease in Factoring Receivables	11	(53.272.258)	(143.304.466)
1.2.6 Net (Increase) / Decrease in Other Assets	14, 23, 25	172.984	(3.123.113)
1.2.6 Net (Increase) / Decrease in Factoring Payables	11	436.936	178.556
1.2.8 Net (Increase) / Decrease in Matured Debt	14, 24.d	5.312.021	210.445
1.2.9 Net (Increase) / Decrease in Other Liabilities	29, 31	(9.442)	47.778
<b>I. Net Cash Provided from / (Used in) Operating Activities</b>		<b>(22.215.649)</b>	<b>(119.061.775)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
2.3 Securities and Properties Purchased	21, 22	(542.087)	(18.981)
2.4 Securities and Properties Sold	21, 22	--	376
2.9 Other Cash Flows Related to Investment Activities	7	6.005.036	(2.746.003)
<b>II. Net Cash Used in Investing Activities</b>		<b>5.462.949</b>	<b>(2.764.608)</b>
<b>C. CASH FLOWS RELATED TO FINANCIAL ACTIVITIES</b>			
3.1 Cash provided by credits and securities issued	27, 28	18.116.875	122.088.671
3.4 Dividend Payments		(1.530.000)	--
<b>III. Net Cash Used in Financing Activities</b>		<b>16.588.875</b>	<b>122.088.671</b>
<b>IV. Currency Exchange Rate Difference's Influence on Cash and Cash Equivalent Assets</b>		<b>--</b>	<b>--</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(165.825)</b>	<b>262.288</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period</b>	<b>6, 8</b>	<b>563.330</b>	<b>301.042</b>
<b>VII. Cash and Cash Equivalents at the End of the Period</b>	<b>6, 8</b>	<b>397.505</b>	<b>563.330</b>

**ARTI BEĞER**  
ULUSLARARASI BAĞIMSIZ DENETİM VE  
YEMİNLİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

# AK FAKTORİNG ANONİM ŞİRKETİ

## AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS

(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

### 1. ORGANIZATION AND NATURE OF OPERATIONS

Ak Faktoring Anonim Şirketi was established with the title of "Ak Faktoring Hizmetleri Ticaret Anonim Şirketi" on September 18, 1992. The title of the company has been decided to change by unanimous vote as "Ak Faktoring Anonim Şirketi" at the Extraordinary General Meeting of the Company held on October 12, 2012. The decision was announced in the Trade Registry Gazette numbered 8183 on October 31, 2012 and the company's title was registered as "Ak Faktoring Anonim Şirketi".

The company operates at address which is "Büyükdere Cad. Özsezen İş Merkezi C Blok No: 126 Kat: 9 Esentepe, Şişli / İstanbul". The main activity of the Company is to provide factoring services to industrial and commercial companies. The Company continues their factoring activities in one geographical region (Turkey).

The shareholding structure of the company is as follows:

	December 31, 2015		December 31, 2014	
	Amount	%	Amount	%
Altın Has Holding A.Ş.	% 100,00	25.499.625	% 100,00	8.499.875
İnan Altınbaş	> 1	75	> 1	25
Hüseyin Altınbaş	> 1	75	> 1	25
Abdülhamit Yurt	> 1	75	> 1	25
Atilla Keskin	> 1	75	> 1	25
Vedat Bayat	> 1	75	> 1	25
	% 100,00	25.500.000	% 100,00	8.500.000

As of December 31, 2015, the number of employees is 47. (December 31, 2014 - 45).

### 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

#### 2.1. Basis of Presentation

##### 2.1.1. Applied Accounting Standards

The Company's activities are accounted for in accordance with the Turkish Accounting Standards within the scope of the Communiqué on the Uniform Chart of Accounts and Explanatory Notes which will be applied to Financial Leasing, Factoring and Financing Companies which is published in the Official Gazette dated December 24, 2013 and numbered 28861.

In accounting for activities, provisions of the regulations have been applied about prepared on the basis of "Financial Leasing, Factoring and Financing Companies Law" which is published in the Official Gazette dated December 13, 2012, numbered 28496 and Accounting Practices and Financial Tables of Financial Leasing, Factoring, and Financing Companies which is published in Official Gazette dated December 24, 2013 and numbered 28861.

The Annex 1 of the Law No. 2499 was cancelled by the Decree No. 660 which is entered into force and to be published in the Official Gazette on November 2, 2011. And Public Oversight, Accounting and Auditing Standards Institution ("Institution") was established. In preparation of the financial statements, Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS / TFRS") and related annex and interpretations ("TAS / TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("KGK") have been taken a basis.

**ARTI DEĞER**  
ULUSLARARASI BAĞIMSIZ DENETİM VE  
YEMİNLİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)**

**2.1. Basis of Presentation (Cont'd)**

**2.1.2. Functional and Reporting Currency**

The functional currency of the Company is the Turkish Lira (TL) and the reporting currency is also Turkish Lira (TL).

The Company's financial statements have been subject to inflation adjustments in accordance with "Turkish Accounting Standard related to Financial Reporting in Hyperinflationary Economies" ("TAS 29") until December 31, 2004. The indicators that require inflation accounting application is stated to have been removed with general instruction issued by the Banking Regulation and Supervision Agency ("BRSA") dated April 28, 2005. And the application of inflation accounting has been terminated as of January 1, 2005.

**2.1.3. Adjustment of Financial Statements in Hyperinflationary Periods**

The Company's financial statements have been subject to inflation adjustments in accordance with "Turkish Accounting Standard related to Financial Reporting in Hyperinflationary Economies" ("TAS 29") until December 31, 2004. The indicators that require inflation accounting application is stated to have been removed with general instruction issued by the Banking Regulation and Supervision Agency ("BRSA") dated April 28, 2005. And the application of inflation accounting has been terminated as of January 1, 2005.

**2.1.4. Offsetting**

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

**2.2. Changes in Accounting Policies**

Significant changes in accounting policies and identified significant accounting errors are applied, retrospectively and the prior period financial statements are restated. The Company has applied their accounting policies consistent with the previous financial year.

**2.3. Changes in the Accounting Estimates and Errors**

If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods. They are recognized both in the period where the change is applied and future periods prospectively. Correction of error are considered by retrospectively and the prior period financial statements are restated.

The preparation of financial statements in accordance with the Reporting Standards requires that management is to apply policies, to make decisions affected by reported amounts of assets, liabilities, income and expenses to make estimates and assumptions. Actual results may differ from these estimates. The estimates and the assumptions underlying estimates are constantly being reviewed. The updates to the accounting estimates are based on the period which is made the updates and on subsequent periods affected by these updates.

## AK FAKTORİNG ANONİM ŞİRKETİ

### AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS

(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

### 2.4. Comparative Information and Adjustment Financial Statements of Previous Period

The current period financial statements and footnotes are presented comparatively with the prior period financial statements and footnotes. In order to comply with the presentation of the current period financial statements, comparative information is reclassified when it is necessary.

The accounting principles are applied by the Company and showed consistency with accounting principles applied in previous periods. The estimates and the assumptions underlying estimates are constantly being reviewed. The updates to the accounting estimates are based on the period which is made the updates and on subsequent periods affected by these updates.

### 2.5 New and Revised Turkish Accounting Standards

#### a) The amendments in TAS affecting the amounts and footnotes reported in the financial statements

None.

#### b) Standards, effective after the year of 2015 and do not have any impact on the Company's financial statements, amendments and interpretations to existing standards

TAS 19 (Amendment)	<i>Employee Benefits 1</i>
Annual Improvements related to 2010-2012 Term	<i>TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 and TAS 38, TAS 24, TFRS 9, TAS 37, TAS 39 1</i>
Annual Improvements related to 2011-2013 Term	<i>TFRS 3, TFRS 13, TAS 40 1</i>

<sup>1</sup> It's valid as of financial periods beginning after June 30, 2014.

#### TAS 19 (Amendments) Employee Benefits

This change clarifies how to related with service period when the contributions made by employees or third parties are connected to service periods. In addition, the company is permitted to recognize such contributions as a reduction in the service cost for the service provided for the service, when the amount of contribution is an independent from service year.

**AFTİ DEĞER**  
ULUSLARARASI BAĞIMSIZ DENETİM VE  
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## AK FAKTORİNG ANONİM ŞİRKETİ

### AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS

(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

#### 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

##### 2.5 New and Revised Turkish Accounting Standards (Cont'd)

b) Standards, effective after the year of 2015 and do not have any impact on the Company's financial statements, amendments and interpretations to existing standards (Cont'd)

##### Annual Improvements related to 2010-2012 Term

**TFRS 2:** TFRS 2 amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'.

**TFRS 3:** TFRS 3 clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.

**TFRS 8:** TFRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.

**TFRS 13:** TFRS 13 clarifies that issuing TFRS 13 and amending TFRS 9 and TAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

**TAS 24:** TAS 24 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Annual Improvements for the 2010-2012 Period have led to amendments in TFRS 9, TAS 37 and TAS 39 standards respectively.

##### Annual Improvements related to 2011-2013 Term

**TFRS 3:** TFRS 3 clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

**TFRS 13:** TFRS 13 clarifies that the scope of the portfolio exception defined in paragraph 52.

**TAS 40:** TAS 40 clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in TFRS 3 as defined in TAS 40 requires the separate application of both standards independently of each other.

**ARTI DEĞER**  
ULUSLARARASI BAĞIMSIZ DENETİM VE  
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## AK FAKTORİNG ANONİM ŞİRKETİ

### AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS

(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

### 2.5 New and Revised Turkish Accounting Standards (Cont'd)

#### c) New and revised TFRSs in issue but not yet effective

The Company has not applied the following new and revised TFRSs that have been issued but are not yet effective.

TFRS 9	<i>Financial Instruments</i>
Amendments to TFRS 9 and TFRS 7	<i>Mandatory Effective Date of TFRS 9 and Transition Disclosures</i>
Amendments to TAS 16 and TAS 38	<i>Acceptable methods of depreciation and amortization <sup>1</sup></i>
Amendments to TAS 16 and TAS 41 with TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	<i>Agriculture, Bearer Plants <sup>1</sup></i>
Amendments to TFRS 11 and TFRS 1	<i>Accounting for Acquisitions of Interests in Joint Operations<sup>1</sup></i>
Annual Improvements related to 2011-2013 Term	<i>TFRS 1 <sup>2</sup></i>
Amendments to TAS 1	<i>Explanation Provisions <sup>2</sup></i>
Annual Improvements related to 2012-2014 Term	<i>TFRS 5, TFRS 7, TAS 34, TAS 19 <sup>2</sup></i>
Amendments to TAS 27	<i>Equity Method in Individual Financial Statements <sup>2</sup></i>
Amendments to TFRS 10 and TAS 28	<i>Asset Sales or Investments between Investor and Affiliate or Joint Venture <sup>2</sup></i>
Amendments to TFRS 10, TFRS 12, and TAS 28	<i>Investment Enterprises: Application of Consolidation Exemptions <sup>2</sup></i>
TFRS 14	<i>Deferred Accounts Based on Editing <sup>2</sup></i>

<sup>1</sup> Amendments are valid at accounting period which starts after December 30, 2015 accounting period.

<sup>2</sup> Amendments are valid at accounting period which starts after January 1, 2016 accounting period.

#### TFRS 9 Financial Instruments

TFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets, TFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for de-recognition.

#### Amendments to TFRS 9 and TFRS 7 Mandatory Effective Date and Transition Disclosures

For TFRS 9, the mandatory implementation date has been delayed but not before the date of 01 January, 2018.

#### Amendments to TAS 16 and TAS 38 Acceptable methods of depreciation and amortization

This amendment clarifies that that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

**ARTI DEĞER**  
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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)**

**2.5 New and Revised Turkish Accounting Standards (Cont'd)**

**c) New and revised TFRSs in issue but not yet effective (Cont'd)**

**TAS 16 and TAS 41 (Amendments) with TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 (Changes) Agricultures: Carrier plants**

This standard 'carrier plants' instead of TAS 41 standard, tangible assets under the classification after initial recognition and registration to enable the measured according to the cost or revaluation basis specifies be dealt with under the TAS 16 standard. This standard also 'bearing plants' used for the production or supply of agricultural products likely to be sold to give the product more than one term as agricultural products other than expected and insignificant residual sales of living is very low is defined as a plant. This raised the standard of the products bearing plants is covered by the TAS 41 standard is also indicated. Changes in TAS 16 and TAS 41 resulted in changes in TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40

**Amendments to TFRS 11 ve TFRS 1 Accounting for Acquisitions of Interests in Joint Operations**

This standard, the acquirer shares constituting a joint business activity:

- Except for the violation of the rules set out in TFRS 11, TFRS 3 and application of all accounting transactions related to other design located in a business combination, and
- TFRS 3 and other design predicts the information required to be disclosed relating to the business combination in accordance with the description.

This change to TFRS 11 led to changes in the standard of TFRS1 notified.

**Annual Improvements related to 2011-2013 Term**

**TFRS 1:** This change clarifies which versions of TMS are to be used, when the entity applies TMS for the first time.

**Amendments to TAS 1 'Explanation Provisions'**

These changes include narrow-focus improvements in the areas of obligation that are required to present financial statements of financial statement preparation.

**Annual Improvements related to 2012-2014 Term**

**TFRS 5:** TFRS 5 introduces additional disclosures when a fixed asset held for sale is classified as held for sale asset to the partners or vice versa and the classification of an asset as held for distribution by the partners is terminated.

**TFRS 7:** TFRS 7 provides additional information whether a service contract is a transferred asset and the clarification of the settlement process in the interim financial statements.

**TAS 34:** TAS 34 clarifies 'Interim financial reporting' regarding disclosure of information.

Annual Improvements for the period 2012-2014 led to amendments in the relevant areas of TAS 19 standard.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5 New and Revised Turkish Accounting Standards (Cont'd)

c) New and revised TFRSs in issue but not yet effective (Cont'd)

**Amendments to TAS 27, 'Separate financial statements' on the equity method**

These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

**Amendments to TFRS 10, 'Consolidated financial statements' and TAS 28, 'Investments in associates and joint ventures'**

The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

**TFRS 10, TFRS 12 and TAS 28 (Amendments) Investment Operations: Application of Consolidation Exemptions**

This amendment clarifies the problems arising during the implementation of the consolidation exception of investment enterprises as follows:

- The exceptional situation regarding the preparation of the financial statements for the intermediary company, even when an investment enterprise evaluates all subsidiaries at fair value, is valid for the parent company, which is a subsidiary of the investment enterprise.
- In the case of a subsidiary that provides services related to the parent company's investment enterprise, this subsidiary should not be included in the consolidation.
- Where an associate or a joint venture is accounted for by the equity method, it may continue to use the fair value measurement that it applies for investing in an investment enterprise in a non-aiming investor or shares in a business partnership.
- An investment enterprise that measures all of its subsidiaries at fair value, provides the disclosures required by the TFRS 12 standard regarding to investment enterprises.

**TFRS 14 Regulatory Deferral Accounts**

TFRS 14 'Regulatory deferral accounts' permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous TFRS requirements when they adopt TFRS.

TFRS 14 has led to amendments to the TFRS 1 standard.

These standards, changes and improvements are assessed on the Company's financial condition and the likely impact on its performance.

## AK FAKTORİNG ANONİM ŞİRKETİ

### AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS

(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

### 2.6. Summary of Significant Accounting Policies

#### a. Revenue Recognition

Interest, commission and fee income from factoring transactions are recognized on an accrual basis unearned portions of interest income from factoring transactions are also shown on an accrual basis. The doubtful factoring receivables are accounted for by deducting receivable receivables.

#### b. Financial Instruments

##### Financial Assets

Financial assets classified as financial assets at fair value through profit or loss and financial assets other than those at fair value through profit or loss are accounted for at the fair market value and the total amount of the expenditures that can be directly related to the purchase transaction. As a result of the purchase or sale of financial assets that are subject to the delivery condition of the investment instruments in accordance with the period determined by the related market are recorded or removed from recorded at the transaction date.

Financial assets are classified as "financial assets at fair value through profit or loss", "investments held-to-maturity", "available-for-sale financial assets" and "loans and receivables". The classification is determined at the time of initial recognition, depending on the purpose and nature of the acquisition of the financial asset.

##### Effective Interest Method

The effective interest method is the valuation of the financial asset at amortized cost and the redistribution method in which the relevant interest income is related. Effective interest rate which reduces the estimated cash receipts to be collected over the expected life of the financial instrument or, where appropriate, for a shorter period of time to the net present value of the related financial asset.

Income related to financial assets other than financial assets at fair value through profit or loss are calculated by using the effective interest method.

##### Fair value through profit / loss assets

Financial assets at fair value through profit or loss are which held for trading purposes and not acquired for trading purposes and financial assets that are accounted for in this category during initial recognition. Financial assets are classified in the category, when a financial asset is acquired for short-term withdrawal or when it is concluded that a more accurate accounting presentation will be achieved during initial accounting. Financial assets that are derivative financial instruments that are not designated as an effective hedge against financial risk are also classified as financial assets at fair value through profit or loss.

Private sector investments based on credit, which are included in financial investments, are classified as trading securities for purchase and sale. Valuation gains and losses are recognized at fair value to be reflected in income statements in their subsequent valuation. Investments are where there is no reliable fair value, are valued at the discounted cost value. The discounted cost is calculated by the effective interest rate method.

##### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.6. Summary of Significant Accounting Policies

b. Financial Instruments (Cont'd)

Available-For-Sale Financial Assets

Company that are traded in an active market are classified as being available- for-sale financial assets and are stated at fair value. The Company 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 stated at fair value. Similarly, investments in unquoted equity investments that are not traded in an active market but are also classified as available-for-sale financial assets and stated at cost since the fair value of these investments cannot be measured reliably. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss.

Available-for-sale monetary assets denominated in foreign currencies are determined on the basis of the currency in which the fair value is expressed and it is converted from the valid currency at the end of the reporting period. Foreign exchange gains / (losses) recognized in the income statement are determined based on the monetary asset's amortized cost value. Other foreign exchange gains and losses are recognized in other comprehensive income.

Factoring Receivables and Other Receivables

Factoring receivables and other receivables are accounted at their fair value at the date of initial recognition during the reporting periods after the first registration date, other receivables other than factoring receivables are stated at amortized cost by using the effective interest method. Factoring transactions are presented with their carrying values in subsequent reporting periods. During the first registration of factoring receivables, the prediction is that the registered values approximate to its fair value due to the consideration of the discount.

Specific provisions and free provisions are reserved for factoring receivables in accordance with the "Regulation on Accounting Applications and Financial Tables of Financial Leasing, Factoring and Financing Companies" published in the Official Gazette No. 28861 dated 24 December 2013 by BRSA.

Impairment in Financial Assets

Financial assets other than financial assets at fair value through profit or loss, are assessed whether any indication that a financial asset or a group of financial assets has suffered an impairment at each balance sheet date. When the occurrence of one or more events after the initial recognition of the financial asset and when there is an objective evidence that the related impairment loss is impaired as a result of the impact on the estimated future cash flow of the related financial asset or group of assets that can be reliably estimated, is depreciated and impairment loss occurs. The impairment loss for loans and receivables is the difference between the present value of the expected future cash flows which is discounted at the financial asset's original interest rate, and the carrying amount.

Except factoring receivables, the impairment is directly deducted from the carrying amount of the related financial asset in all other financial assets. In case the receivables cannot be collected, the respective amount is deducted from the provision account. Changes in the provision account are recognized in the income statement.

Except for available-for-sale equity instruments, if the impairment loss decreases in the following period and if the decrease can be associated with an event occurring after the recognition of the impairment loss, in case the impairment of the investment has never been accounted at the date on which the previously recognized impairment loss impairment is to be cancelled, it is cancelled in profit / loss as not exceeding the amount of the amortized cost.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.6. Summary of Significant Accounting Policies

b. Financial Instruments (Cont'd)

Cash and Cash Equivalents

Cash and cash equivalents include balances with maturity of less than three months from the date of acquisition, including cash and deposits in banks. This caption also includes other short-term, highly liquid investments that are readily convertible to known amounts of cash and specific demand deposits. The book value of these assets approximates their fair value.

Derivative Financial Instruments and Financial Liability Protection Accounting

The activities of the Company primarily expose the entity and expose it to financial risks that are subject to changes in interest rates. The company use derivative financial instruments (mainly exchange rate forward contracts) in order to manage the financial risks associated with currency and interest rate fluctuations related to future foreign currency and credit transactions. Derivative financial instruments are recorded at fair value at the date of the contract and are accounted for at fair value at subsequent reporting periods. Derivative financial instruments are recognized as held for trading because all necessary conditions are not fulfilled in order to be recognized as an item in hedge of hedge accounting, while providing hedge accounting. And the gain or loss realized by means of the related instruments is associated with the profit and loss statement.

Financial Liabilities

The Company's financial liabilities and equity instruments are classified in accordance with the definition of a contractual arrangement, a financial obligation and a tool based on equity. The contract representing the right of remaining assets after deducting all debts of the Company, is a financial instrument based on equity.

The accounting policies applied for based upon certain financial liabilities and equity instruments are given below.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

Fair Value Difference Financial Liabilities Reflected in Profit or Loss

Financial liabilities at fair value through profit or loss are accounted for at fair value and they are revalued at the balance sheet date at fair value at each reporting period. The change in fair value is recognized in the income statement. Net gains or losses recognized in the income statement also include the interest paid for such financial liability.

Other Financial Liabilities

Other financial liabilities, including financial liabilities, are initially recognized at fair value, net of transaction costs.

Other financial liabilities are accounted with the interest rate calculated over the effective interest rate in subsequent periods and amortized cost using the effective interest method.

The effective interest method is the calculation of the amortized cost of the financial liability and the way in which the related interest expense is related to the redistribution. Effective interest rate which reduces the estimated cash receipts to be collected over the expected life of the financial instrument or, where appropriate, for a shorter period of time to the net present value of the related financial asset.

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## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

### 2.6. Summary of Significant Accounting Policies

#### c. *Tangible Fixed Assets and Depreciation*

Tangible assets are reflected accumulated depreciation and permanent value losses by deduction from the carrying value of the items accounted for using the effective interest method as of 31 December 2004 for items that were acquired before 01 January 2005 and the purchase cost value for items purchased after 31 December 2004.

Depreciation is amortized on a straight-line basis over the estimated useful lives of the tangible assets. Estimated useful lives of the related assets are as follows:

	Years
Furniture and fixtures	5 -10

Profit or loss arising from deduction of tangible assets are determined by comparing the amounts recovered and the amounts collected. And it is reflected in related income and expense accounts in the current period.

Costs of providing new products or services including costs of opening a new activity, advertising costs; costs to do business in a new location or with a new customer segment including training cost of staff; costs such as general management costs cannot be directly associated with the asset, thus, not included in the acquisition cost due to the fact that they are not included in the purchase price of the tangible asset and because the asset is not put in place to bring it into the necessary position and status so that it can operate in the direction of the management's objectives.

#### d. *Intangible Assets and Depreciation*

The intangible assets are taken into the financial statements in according with the criteria of being identifiable, having control over the related resource and the existence of an economic benefit expected to be obtained in the future. In this framework, expenditures related to training activities, expenditures related to advertising and promotional activities, partially or fully reorganization expenditures and expenditure on initial activities, except those that can be included in the cost of tangible assets are taken into financial statements as expense when they are accrued.

#### e. *Impairment of Assets*

The impairment test is applied when it is not possible to recover the carrying amount for assets subject to repayment or when events occur. An impairment loss is recognized when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the big one of the fair value or value in use after deduction of the selling costs. For the purpose of assessing impairment, assets are grouped at the lowest level where the identifiable cash flows are present (cash-generating units). Non-financial assets subject to impairment are reviewed at each reporting date for possible cancellation of impairment.

#### f. *Capital Increases*

Capital increases from existing shareholders are approved and registered at annual general meetings and they are accounted over their nominal values.

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## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

### 2.6. Summary of Significant Accounting Policies

#### *g. Provisions for severance payment*

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as UMS 19 (revised) "Employee Benefits" ("UMS 19").

The retirement pay liability recognized in the statement of financial position is calculated according to the net present value of the estimated future salary obligations of all employees due to retirement and reflected in the financial statements. All actuarial losses and gains are accounted for under other comprehensive income.

#### *h. Provisions, Contingent Assets and Liabilities*

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### *i. Borrowing Costs*

All borrowing costs are recorded in the income statement for the periods in which are incurred.

#### *j. The Effects of Changes in Foreign Exchange Rates*

The financial statements of each Company is presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position of each entity are expressed in Turkish Liras (TRY).

The exchange rates used by the Company as of December 31, 2015 and December, 31 2014 are as follows:

	TRY / USD	TRY / EUR	TRY / GBP
December 31, 2015	: 2,9076	3,1776	4,3007
December 31, 2014	: 2,3189	2,8207	3,5961

A foreign currency transaction should be recorded initially at the rate of exchange at the date of the transaction. Assets and liabilities for each statement of financial position presented are translated to Turkish Liras (TRY) at the buying rate of TCMB at the date of that balance sheet.

#### *k. Earnings per Share*

In Turkey, companies can increase their capital by distributing "bonus shares" they distribute from their previous years' profits to their shareholders. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been determined taking into account the retrospective effects of such stock distributions.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.6. Summary of Significant Accounting Policies

*l. Subsequent Events*

Events after the balance sheet date comprise any events between the balance sheet date and the date of authorization of the financial statements for issue, even if any events after the balance sheet date occurred subsequent to the announcement on the Company's profit or following the publicly disclosed financial information.

The Company restates its financial statements if such adjusting subsequent events arise.

*m. Finance Leasing*

Leasing – The Company as Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Acquired assets, lease, rental, or at the date the fair value of the asset at the lower of the present value of the minimum lease payments is activated by using. The corresponding liability to the lessor is shown in the balance sheet as a finance lease obligation. Finance lease payments finance charges and reduction of the lease obligation are divided as to the payment of the principal that provides, and thus allows us to calculate interest on the balance remaining principal of the debt at a fixed rate. Financial expenses the Company's general policy details, which include financing costs capitalized within the scope of the above except for the portion of the borrowing are recognized in profit or loss. Contingent rents are recorded as an expense in the period in which they are incurred.

*n. Taxation*

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. The subsidiaries of the Company have deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future.

Deferred tax assets and liability are not recognized in which case arising from initial recognition of goodwill or an asset/liability (except business combinations) which, at the time of the transaction, does not affect either the accounting or the taxable profit.



2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.6. Summary of Significant Accounting Policies (Cont'd)

n. *Taxation (Cont'd)*

Deferred tax assets for deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, are only recognized to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilized.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. Deferred tax assets or a portion of the deferred tax asset will allow to obtain the full benefits of sufficient taxable income to the extent that it is not possible, reduce the carrying value of deferred tax assets.

Deferred taxes assets resulted from these types of investments and shares are calculated under the condition that it has the high probability that the related differences will be extinct in the future and the adequate profit will be gain to exploit these differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the balance sheet date. The measurement reflects the entity's expectations, at the end of the reporting period, as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled.

Deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the entity has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realize the asset and settle the liability at the same time.

Items which are associated with items recognized directly in equity or accounted as liabilities or current tax, except for those arising from initial recognition of business combinations and deferred tax are accounted as expense or income in the income statement.

The tax effect is taken into account in the business combination, in the calculation of goodwill or in determining the excess of the cost of the acquisition over the fair value of the acquire identifiable assets, liabilities and contingent liabilities of the acquired subsidiary.

n. *Cash flow statement*

In the cash flow statement, cash flows for the period in a format that is classified according to the investment and financing activities. Cash flows from operating activities represent the cash flows of the Company's operations. Cash flows related to investing activities shows the Company's investment activities (asset investments and financial investments). Cash flows relating to financing activities represent the resources used in the Company's financing activities and the repayment of these funds.

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#### 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

##### 2.6. Summary of Significant Accounting Policies (Cont'd)

###### o. Related Party

The ability of a party to be considered as a related party to the Company depends on the following criteria:

- (a) The subject party, directly or indirectly through one or more intermediaries:
  - (i) Has control or joint control over the reporting entity; (including subsidiaries and affiliates in the same business segment subsidiaries)
  - (ii) has significant influence over the reporting entity; or
  - (iii) has joint control over the reporting entity,
- (b) The party is a subsidiary of the entity;
- (c) The party has a business partnership that the entity is a joint venture;
- (d) The party is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
- (e) The party is a close family member of any individual referred to in (a) or (d);
- (f) The party is an entity that is controlled, jointly controlled or under significant influence, or in which any individual referred to in (d) or (e) has significant voting rights, directly or indirectly, or
- (g) It requires that the entity has benefit plans that are provided to the employees of the entity or an entity that is a related party of the entity after they leave the company.

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. In the following financial statements, the shareholders of the Company, its affiliates and the companies associated with them, their key managers and other known groups are referred to as related parties.

###### p. Segment reporting

Reporting of Financial Information by Segments is reporting in accordance with different kinds of products and services produced financial information and different geographic regions where the business operates about the better understanding of the past performance of the enterprises by the financial statement users, the better assessment of risks and yields and being able to make a more accurate decision about the enterprise as a whole.

###### r. Government Incentives and Grants

All government grants, including grants non-monetary government stated at fair value, reasonable assurance can be obtained by businesses will be fulfilled and the grants by the company's requirements for obtaining recognized in the financial statements when they are incurred.

It may be waived loans obtained from the state, in the event there is a reasonable assurance that the company will fulfill the conditions of the waiver is accepted as a government grant. The Company does not have any incentives or grants as of 31 December 2015 and 31 December 2014.

###### s. Non-current assets held for sale and discontinued operations

###### i) Non-current assets held for sale

If the company intends to purchase a fixed asset and if the sale is likely to occur within 12 months, the related asset is classified as held for sale in the statement of financial position. Equipment held for sale are valued at the lower of carrying amount or fair value. Recoverability of the carrying amount is measured not by the use of the asset but by sale.

Assets received as collateral by the Company are classified as held for sale after their acquisition, when it comes to reducing the cash collection ability of the funds used.

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#### 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont'd)

##### 2.6. Summary of Significant Accounting Policies (Cont'd)

##### s. Non-current assets held for sale and discontinued operations (Cont'd)

###### ii) Discontinued operations

An entity is a party to a binding sales contract for almost all of the assets that can be directly attributed to the discontinued operation or approval of a detailed and formal plan by the board of directors or similar managing body concerning the suspension or if an announcement is made about the related plan, Public disclosure is made.

Related provisions are complied with in the scope of impairment of assets in discontinued operations on the basis of financial statements and valuation principles, provisions, contingent assets and liabilities, tangible assets, and benefits The Company has no discontinued operations as of 31 December 2015 and 31 December 2014.

#### 3. BUSINESS COMBINATIONS

None. (31 December 2014 - None).

#### 4. JOINT VENTURES

None. (31 December 2014 - None).

#### 5. SEGMENT REPORTING

None. (31 December 2014 - None).

#### 6. CASH AND CASH EQUIVALENTS AND THE CENTRAL BANK

	31 December 2015		31 December 2014	
	TRY	Other	TRY	Other
Cash	1.765	--	6.250	--
	<b>1.765</b>	<b>--</b>	<b>6.250</b>	<b>--</b>

#### 7. FAIR VALUE DIFFERENCES REFLECTED to P/L (NET)

	31 December 2015		31 December 2014	
	TRY	Other	TRY	Other
Private sector bond cost	--	--	5.831.704	--
Interest income accrual	--	--	86.666	--
	<b>--</b>	<b>--</b>	<b>5.918.370</b>	<b>--</b>

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7. BANKS

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Demand deposit	392.878	2.862	557.080	--
Time deposit	--	--	--	--
	<b>392.878</b>	<b>2.862</b>	<b>557.080</b>	<b>--</b>

8. RECEIVABLES FROM REVERSE REPO TRANSACTIONS

None. (December 31, 2014 – None.)

9. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)

None. (December 31, 2014 – None.)

10. FACTORING RECEIVABLES / PAYABLES

a. *Factoring Receivables*

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Discounted factoring receivables	327.809.268	--	322.534.340	--
Other factoring receivables	63.650.485	14.746.930	36.135.152	4.237.799
Restructured factoring receivables	346.500	--	546.500	--
Interest income accrual of factoring receivables	1.726.476	--	991.722	--
Unearned interest income from factoring receivables (-)	(17.967.301)	--	(17.848.601)	(43.642)
	<b>375.565.428</b>	<b>14.746.930</b>	<b>342.359.113</b>	<b>4.194.157</b>

Maturity distribution of factoring receivables:

December 31, 2015	Up to	Up to	Between 3	Between 1	Total
	1 month	3 months	months and 1 year	month and 5 years	
Factoring receivables	6.810.683	109.280.120	247.616.245	26.605.310	390.312.358
December 31, 2014	Up to	Up to	Between 3	Between 1	Total
	1 month	3 months	months and 1 year	month and 5 years	
Factoring receivables	6.677.491	107.218.124	219.067.241	13.590.414	346.553.270

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#### 11. FACTORING RECEIVABLES / PAYABLES – cont'd

##### a. Factoring Receivables – cont'd

The details of factoring receivables according to the sectors are as follows:

Sector	December 31, 2015		December 31, 2014	
	Amount ('000)		Amount ('000)	
Construction	121.050		121.025	
Textile and textile products industry	41.840		43.193	
Transport vehicles industry	41.198		25.935	
Other manufacturing industry	30.643		24.999	
Wholesale and retail trade services	27.364		12.583	
Other social and personal services	24.483		19.475	
Removing mines that produces energy	23.295		19.595	
Hotels and restaurants (tourism)	21.879		15.629	
Rubber and plastic products industry	13.172		42	
Food, beverage and tobacco industry	11.241		7.757	
Transport, storage and communication	10.964		16.277	
Metal main industry and processed material production	10.061		24.501	
Other non-metallic industry	7.275		4.630	
Leather and leather products industry	5.558		6.022	
Chemical and chemical products and synthetic industry	5.438		2.704	
Electrical and optical appliances industry	5.087		3.730	
Agriculture	4.415		16.000	
The paper and paper products industry	3.121		109	
Machinery and equipment industry	196		240	
	408.280		364.446	

##### b. Factoring Payables

As at 31 December 2015 and 31 December 2014, the details of short-term factoring payables are as follows:

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Factoring payables	702.259	--	265.323	--
	702.259	--	265.323	--

Factoring payables represent amounts that have been collected on behalf of the factoring customers and which have not yet been deposited into the accounts of the related factoring customers.

#### 12. FINANCE CREDITS

None. (December 31, 2014 – None.)

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**13. RECEIVABLES / PAYABLES FROM LEASING TRANSACTIONS**

None. (December 31, 2014 – None.)

**14. OTHER RECEIVABLES / PAYABLES****a) Other Receivables**

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Miscellaneous receivables	1.832.088	--	1.626.430	--
<i>BSMV from customers</i>	1.268.727	--	1.204.261	--
<i>Other</i>	563.361	--	422.169	--
	<b>1.832.088</b>	<b>--</b>	<b>1.626.430</b>	<b>--</b>

**b) Other Payables**

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Miscellaneous debts	5.559.242	--	284.226	--
<i>Payables to sellers</i>	5.557.371	--	283.637	--
<i>Due to related parties (Not 42.2)</i>	5.478.126	--	246.225	--
<i>Debts to other parties</i>	79.245	--	37.412	--
<i>Due to personnel</i>	1.871	--	589	--
	<b>5.559.242</b>	<b>--</b>	<b>284.226</b>	<b>--</b>

**14. NON-PERFORMING RECEIVABLES**

As of 31 December 2015 and 31 December 2014, the details of the non-performing factoring receivables and provision of the Company are as follows:

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Non-performing receivables	14.560.403	--	5.581.339	--
Special provisions (-)	(8.629.410)	--	(2.153.402)	--
<b>Non-performing receivables, net</b>	<b>5.930.993</b>	<b>--</b>	<b>3.427.937</b>	<b>--</b>

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**15. NON-PERFORMING RECEIVABLES – cont'd**

	December 31, 2015		December 31, 2014	
	Total non-performing factoring receivables	Provision	Total non-performing factoring receivables	Provision
Overdue within 1-3 months	811.912	(40.595)	--	--
Overdue within 3-6 months	216.615	(43.815)	4.290.166	(939.433)
Overdue within 6-12 months	9.973.752	(4.986.876)	432.618	(355.414)
Overdue within 1 years and more	3.558.124	(3.558.124)	858.555	(858.555)
	<b>14.560.403</b>	<b>(8.629.410)</b>	<b>5.581.339</b>	<b>(2.153.402)</b>

The movement of provision for factoring receivables as of 31 December 2015 and 31 December 2014 is as follows:

	December 31, 2015	December 31, 2014
Opening balance, January 01	(2.153.402)	(512.500)
Expenses for the period (Note 39)	(7.829.157)	(1.706.337)
Transferred receivables (*)	1.268.860	--
Cancelled provisions (Note 38)	84.289	65.435
<b>Closing balance</b>	<b>(8.629.410)</b>	<b>(2.153.402)</b>

(\*) The Company has transferred its factoring receivables to " Final Varlık Yönetim A.Ş. " which were booked as provision totally before and has no possibility to collect.

**16. DERIVATIVE AND FINANCIAL ASSETS AND LIABILITIES**

None. (December 31, 2014 – None.)

**17. INVESTMENTS HELD TO MATURITY (Net)**

None. (December 31, 2014 – None.)

**18. SUBSIDIARIES (Net)**

None. (December 31, 2014 – None.)

**19. JOINT VENTURES (Net)**

None. (December 31, 2014 – None.)

**20. AFFILIATES (Net)**

None. (December 31, 2014 – None.)

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**21. TANGIBLES (Net)**

Movements of property, plant and equipment for the period 01 January - 31 December 2015 and 2014 are as follows:

<b>Cost</b>	<b>Furniture and fixtures</b>
<b>January 01, 2014</b>	<b>279.701</b>
Additions	12.092
Disposals (-)	(590)
<b>December 31, 2014</b>	<b>291.203</b>
Additions	542.087
Disposals (-)	--
<b>December 31, 2015</b>	<b>833.290</b>
<b>Accumulated depreciation</b>	
<b>January 01, 2014</b>	<b>83.411</b>
Depreciation expense	63.944
Disposals (-)	(214)
<b>December 31, 2014</b>	<b>147.141</b>
Depreciation expense	148.145
Disposals (-)	--
<b>December 31, 2015</b>	<b>295.286</b>
<b>Net registered value</b>	
<b>January 01, 2014</b>	<b>196.290</b>
<b>December 31, 2014</b>	<b>144.062</b>
<b>December 31, 2015</b>	<b>538.004</b>

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**22. INTANGIBLES (Net)**

Movements of intangibles for the period 01 January - 31 December 2015 and 2014 are as follows:

<b>Cost</b>	<b>Rights</b>
<b>January 01, 2014</b>	<b>225.290</b>
Additions	6.889
Disposals (-)	--
<b>December 31, 2014</b>	<b>232.179</b>
Additions	--
Disposals (-)	--
<b>December 31, 2015</b>	<b>232.179</b>
<b>Accumulated Depreciation</b>	
<b>January 01, 2014</b>	<b>76.302</b>
Additions	57.162
Disposals (-)	--
<b>December 31, 2014</b>	<b>133.464</b>
Additions	52.424
Disposals (-)	--
<b>December 31, 2015</b>	<b>185.888</b>
<b>Net registered value</b>	
<b>January 01, 2014</b>	<b>148.988</b>
<b>December 31, 2014</b>	<b>98.715</b>
<b>December 31, 2015</b>	<b>46.291</b>

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#### 23. PREPAID EXPENSES AND DEFERRED INCOME

Prepaid expenses	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Prepaid interest expenses	1.888.579	--	2.669.030	--
Other	331.782	--	271.491	--
	<b>2.220.361</b>	<b>--</b>	<b>2.940.521</b>	<b>--</b>

  

Deferred Income	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Commission income collected for cash	258.297	--	233.873	--
	<b>258.297</b>	<b>--</b>	<b>233.873</b>	<b>--</b>

#### 24. TAX ASSETS AND LIABILITIES

##### a) Corporate tax

In Turkey, the corporation tax rate of the fiscal year 2015 is 20% (31 December 2014: 20%). Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, exempt income (exemption for participation in subsidiaries, exemption for investment incentive allowance etc.) and allowances (such as research and development expenditure allowances). No further tax is payable unless the profit is distributed.

The Law on the Amendment to the Tax Procedural Law, the Income Tax Law and the Corporate Tax Law No. 5024 published in the Official Gazette on 30 December 2003, income or corporation's taxpayers who determine their earnings on a balance sheet basis prepares their financial statements by adjusting the inflation since January 01, 2004. According to the law, for making inflation adjustment, the cumulative interest rate (DIE TEFE increase rate) of last 36 months exceeding %100 and last 12 months (DIE TEFE increase rate) exceeding %10. Inflation adjustment was not made for 2008, 2009 and 2010 as these conditions were not met.

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% (31 December 2014: 15%). An increase in capital via issuing bonus shares is not considered profit distribution and thus does not incur withholding tax.

Companies declare their advance tax returns at 20% (2014: 20%) on their quarterly financial profits and pay until the 14th day of the second month following that period and pay till the 17th day. The temporary tax paid during the year shall be deducted from the corporation tax that will be calculated on the tax declaration of the institutions that will be given in the following year. If the temporary tax amount paid remains in spite of the indictment, this amount can be refunded, or any other financial debt to the state can be deducted.

There are many exemptions in Corporate Tax Law regarding corporations. Those related to the Company are explained below:

##### *Exemption for Domestic Participation Gains:*

Dividend gains from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

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#### 25. TAX ASSETS AND LIABILITIES – cont'd

##### b) Corporate tax – cont'd

###### *Emission Premium Exemption*

The issued shares that is from the foundation of incorporated company or increasing capital, emission premium gains from excess of nominal value are exemption from corporate tax.

###### *Exemption for Foreign Affiliate Earnings*

The Company that has no legal head office located in Turkey, participating in 10% or more of the corporation for at least one year continuously for a period of one year from the capital of a joint stock company or limited liability company, At least 15% (the main activity subject to financing or insurance companies, at least the rate of the corporate tax applied in Turkey), and the transfer of the taxes to the Turkey until the taxation declaration of the annual corporations related to the taxation period Subsidiary earnings are exempt from corporate tax.

###### *Exemption from Sales Gains for Real Estate, Subsidiary Share, Subscription Right, Founder and Preemptive Bonds*

75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property, which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

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

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.

###### *Transfer Pricing*

Article 13 of Corporation Tax Law numbered 5520 introduces new arrangements about the transfer pricing came into force as of 1 January 2007. Significant changes took place in the arrangements related to the transfer pricing following the respective article based on the transfer pricing guidance of EU and OECD. In this framework, the entities are required to use the prices or amounts to be determined according to the peers for the purpose of sales or service buy and sale transactions carried out with affiliated persons. The principle of suitability with the peers means that the price or amount to be used for the purpose of goods or service buy and sale carried out with the affiliated persons is suitable for the price or amount that would have arisen if there had been no relation between them. The entities will determine the prices or amounts suitable for the peers that will be applied for the purpose of transactions carried out with the affiliated persons by using the methods laid out in the respective law according to the nature of the transaction.

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**24. TAX ASSETS AND LIABILITIES – cont'd****a) Corporate tax – cont'd**

The details of current tax asset / (liability) as of 31 December 2015 and 31 December 2014 are as follows:

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Corporate tax	(4.790.605)	--	(4.157.701)	--
Prepaid taxes and funds (-)	3.754.468	--	2.621.529	--
<b>Total tax assets / (liabilities), net</b>	<b>(1.036.137)</b>	<b>--</b>	<b>(1.536.172)</b>	<b>--</b>

**b) Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities.

The rate to be applied to deferred tax assets and liabilities calculated using liability method over temporary differences in the prospective periods is 20% for the Company (2014 – 20%).

Movement of deferred tax details in the periods ended on December 31, 2015 and December 31, 2014 are as follows:

	Cumulative temporary difference		Deferred tax	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>Deferred tax assets:</b>				
Provision for severance pay	(294.499)	(164.730)	58.900	32.946
Provision for unused annual leave	(69.442)	(38.426)	13.888	7.685
<b>Total deferred tax assets</b>	<b>(363.941)</b>	<b>(203.156)</b>	<b>72.788</b>	<b>40.631</b>
<b>Deferred tax liabilities:</b>				
Intangible and intangibles	2.630	91.480	(526)	(18.296)
<b>Total deferred tax liabilities</b>	<b>2.630</b>	<b>91.480</b>	<b>(526)</b>	<b>(18.296)</b>
<b>Deferred tax assets, net</b>	<b>(361.311)</b>	<b>(111.676)</b>	<b>72.262</b>	<b>22.335</b>

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<b>Movement of tax assets / (liabilities)</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
Opening balance, January 01	22.335	6.148
Deferred tax income / (expense)	49.927	16.187
<b>Closing balance</b>	<b>72.262</b>	<b>22.335</b>

**c) Provision for operating tax**

The tax provision in the profit and loss statements is summarized below:

	<b>January, 01 – December 31, 2015</b>	<b>January, 01 – December 31, 2014</b>
Current period tax income / (expense), net	(4.790.605)	(4.157.701)
Deferred tax income / (expense), net	49.927	16.187
	<b>(4.740.678)</b>	<b>(4.141.514)</b>

**d) Taxes and Liabilities to be paid**

	<b>December 31, 2015</b>		<b>December 31, 2014</b>	
	<b>TRY</b>	<b>Other</b>	<b>TRY</b>	<b>Other</b>
Income tax	100.104	--	87.889	--
BSMV	398.454	--	381.830	--
Stamp duty	2.800	--	2.514	--
SSI premiums to be paid	95.553	--	87.673	--
	<b>596.911</b>	<b>--</b>	<b>559.906</b>	<b>--</b>

**25. OTHER ASSETS**

None. (December 31, 2014 – None.)

**26. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET) AND PAYABLES****a) Assets held for sale**

None. (December 31, 2014 – None.)

**b) Discontinued operations**

None. (December 31, 2014 – None.)

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**27. BANK LOANS**

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Bank loans	223.440.613	--	191.362.902	--
Funds provided from factoring companies	46.645.775	--	58.606.611	--
Loans from abroad	5.000.000	--	14.000.000	--
Interest accrual	5.837.434	--	5.344.177	--
	<b>280.923.822</b>	<b>--</b>	<b>269.313.690</b>	<b>--</b>

**28. ISSUED BONDS AND SECURITIES (Net)**

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Issued securities	60.000.000	--	53.000.000	--
<i>Bonds</i>	60.000.000	--	--	--
<i>Securities</i>	--	--	53.000.000	--
Interest of securities/bonds issued	--	--	1.499.856	--
<i>Bonds</i>	--	--	--	--
<i>Securities</i>	--	--	1.499.856	--
	<b>60.000.000</b>	<b>--</b>	<b>54.499.856</b>	<b>--</b>

As of December 31, 2015

As of September 30, 2015 the Company has issued bonds that is amount of TRY 60.000.000 with a maturity of 1 year. Bonds issued through Tacirler Yatırım Menkul Değerler Anonim Şirketi. The first interest coupon payment was made on 31 December 2015 and the other coupon payments will be made on 31 March 2016, 30 June 2016 and 29 September 2016. The principal payment will be made with the last coupon payment.

The Company has obtained permission from the Capital Markets Board for the issuance of debt instruments amounting to TRY 40.000.000 as of November 5, 2015 but has not issued any borrowing instrument related to this permission as of the report date.

As of December 31, 2014

On October 01, 2014 the Company has issued bonds that is amount of TRY 38.000.000 with a maturity of 1 year to be sold to qualified investors. Bonds issued through Tacirler Yatırım Menkul Değerler Anonim Şirketi.

The company has issued bonds to be sold to qualified investors on February 19, 2013 with a maturity of 2 years and payments in every 3 months, totally amount to TRY – 15.000.000. Bonds issued through Tacirler Yatırım Menkul Değerler Anonim Şirketi.

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#### 29. OTHER LIABILITIES

None. (December 31, 2014 – None.)

#### 30. PAYABLES AND EXPENSE PROVISION

	December 31, 2015		December 31, 2014	
	TRY	Other	TRY	Other
Provision for severance pay	294.499	--	164.730	--
Provision for unused annual leave	69.442	--	38.426	--
	<b>363.941</b>	<b>--</b>	<b>203.156</b>	<b>--</b>

#### EMPLOYEE BENEFITS

##### Provision for severance pay

In accordance with the provisions of the current Labour Code, there is a liability to pay severance pay to employees if the contract is terminated in the way to entitled to take severance pay. Furthermore, in accordance with the Social Insurance Law No: 506 dated March 6, 1981, numbered 2422 and dated August 25, 1999, numbered 4447 and amended article 60 of the current Social Insurance Law, there is liability to pay severance pay to the employees who have right to leave job by taking severance pay.

The amount payable consists of one month's salary limited to a maximum of TRY-3.828,37 for each year of service as of 31 December 2015 (31 December 2014: 3.438,22TL).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2015, 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. The provisions at the respective balance sheet dates have been calculated with the assumption of %2,99(2014: %2,36) real discount calculated by using %7,00 (2014: %6,10) annual inflation rate and %10,30 (2014: %8,60) discount rate.

Movement of severance pay	December 31, 2015	December 31, 2014
January 01	164.730	43.040
Service cost	129.769	121.690
<b>Closing balance</b>	<b>294.499</b>	<b>164.730</b>

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#### 31. LOANS SIMILAR WITH CAPITAL

None. (December 31, 2014: None.)

#### 32. EQUITY

##### 32.1. Paid in capital and capital reserves

The paid in capital of the Company is TRY 25.500.000 that is consisted of 25.500.000 shares that each share is amount to TRY 1. (December 31, 2014: TRY 8.500.000 / 8.500.000 issued share.)

The own and rates of the shares are as follows:

	December 31, 2015		December 31, 2015	
	Amount	%	Amount	%
Altın Has Holding A.Ş.	% 100,00	25.499.625	% 100,00	8.499.875
İnan Altınbaş	> 1	75	> 1	25
Hüseyin Altınbaş	> 1	75	> 1	25
Abdülhamit Yurt	> 1	75	> 1	25
Atilla Keskin	> 1	75	> 1	25
Vedat Bayat	> 1	75	> 1	25
	% 100,00	25.500.000	% 100,00	8.500.000

There are no privileges granted to shares.

##### 32.2. Capital reserves

None. (December 31, 2014 – None.)

##### 32.3.a Other comprehensive income and expenses that will not be classified in profit or loss statement.

None. (December 31, 2014 – None.)

##### 32.3.b Other comprehensive income and expenses that will be classified in profit or loss statement.

None. (December 31, 2014 – None.)

##### 32.4. Profit reserves

	December 31, 2015		December 31, 2015	
	TRY	Other	TRY	Other
Legal reserves	1.633.551	--	699.138	--
Extraordinary reserves	5.735.217	--	8.705.188	--
	7.368.768	--	9.404.326	--

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#### 32. EQUITY – cont'd

##### 32.5. Retained Earnings

None. (December 31, 2014 – None.)

##### 32.6. Minority Interests

None. (December 31, 2014 – None.)

#### 33. FACTORING INCOME

	January 01 - December 31, 2015	January 01 - December 31, 2014
Interest income	84.912.541	63.000.020
Fee and commission income	1.495.599	633.567
	<b>86.408.140</b>	<b>63.633.587</b>

#### 34. FINANCE LOAN INCOME

None. (January 01-December 31, 2014 – None.)

#### 35. LEASING INCOME

None. (January 01-December 31, 2014 – None.)

#### 36. FINANCIAL EXPENSES

	January 01 - December 31, 2015	January 01 - December 31, 2014
Interest paid to the loans used (Domestic)	(36.965.113)	(27.759.416)
Interest paid to the loans used (Abroad)	(989.067)	(1.816.691)
Interest expense on issued securities	(6.100.350)	(3.410.791)
Fees and commission expenses	(3.163.679)	(2.117.702)
	<b>(47.218.209)</b>	<b>(35.104.600)</b>

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**37. OPERATING EXPENSES**

	January 01 - December 31, 2015	January 01 - December 31, 2014
Personnel expenses	(5.358.427)	(4.401.108)
Provision for severance pay	(159.552)	(121.690)
General operating expenses	(2.439.819)	(1.937.650)
<i>Office rent and dues</i>	(469.900)	(431.508)
<i>Taxes and fees</i>	(366.441)	(351.119)
<i>Vehicle rental expenses</i>	(360.180)	(308.152)
<i>Office expenses</i>	(289.254)	(214.442)
<i>Communication expenses</i>	(75.686)	(60.154)
<i>Depreciation and amortization expenses</i>	(200.569)	(121.106)
<i>Fuel expenses</i>	(110.201)	(113.143)
<i>Consultancy expenses</i>	(165.765)	(101.636)
<i>Bank transaction costs</i>	(245.320)	(129.601)
<i>Transportation expenses</i>	(56.004)	(44.344)
<i>Stationery expenses</i>	(30.880)	(26.346)
<i>Travel expenses</i>	(25.319)	(17.163)
<i>Repair and maintenance expenses</i>	(2.562)	(931)
<i>Subscription fees</i>	(880)	(1.335)
<i>Legal cases expenses</i>	(27.380)	(2.624)
<i>Other</i>	(13.478)	(14.046)
<i>Other expenses (Unused annual leave)</i>	(35.099)	(24.192)
	<b>(7.992.897)</b>	<b>(6.484.640)</b>

**38. OTHER OPERATING INCOME**

	January 01 - December 31, 2015	January 01 - December 31, 2014
Foreign exchange profits	7.009.300	1.802.890
Interest income from banks	13	2.620
No longer required provision for factoring receivables (Note 15)	84.289	65.435
Other interest income	100.982	806.252
<i>Interest income from issued securities</i>	100.982	806.252
Other income except interest	4.625	93
<i>Other</i>	4.625	93
	<b>7.199.209</b>	<b>2.677.290</b>

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### AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS

(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

#### 39. PROVISION FOR NON-PERFORMING RECEIVABLES

	January 01 - December 31, 2015	January 01 - December 31, 2014
Special provision for non-performing receivables expenses (Note: 15)	(7.829.157)	(1.706.337)
	<b>(7.829.157)</b>	<b>(1.706.337)</b>

#### 40. OTHER OPERATING EXPENSES

	January 01 - December 31, 2015	January 01 - December 31, 2014
Foreign Exchange losses	(6.785.923)	(2.379.344)
	<b>(6.785.923)</b>	<b>(2.379.344)</b>

#### 41. EARNINGS PER SHARE

	January 01 - December 31, 2015	January 01 - December 31, 2014
Total issued shares at the beginning of the period	8.500.000	8.500.000
Issued bonus shares	17.000.000	--
Total issued shares at the end of the period	25.500.000	8.500.000
Total issued weighted average shares	18.728.022	8.500.000
<b>Net profit / (loss) (TRY)</b>	<b>19.040.485</b>	<b>16.494.442</b>
Earnings per share (%)	101,67 %	194,05 %
Earnings per share (TRY)	1,02 TL	1,94 TL

There is no privilege to participate in the profit of the company.

#### 42. DISCLOSURE OF RELATED PARTY

##### 42.1. Receivables from related parties

None. (December 31, 2014 - None.)

  
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**42. DISCLOSURE OF RELATED PARTY – cont'd****42.2. Due to related parties**

	December 31, 2015	December 31, 2014
<b>Due to related parties (Note -14)</b>		
<u>Due to group companies</u>	5.478.126	246.225
Altınhas Holding A.Ş. ( Other)	5.150.000	--
Altınhas Holding A.Ş. (Trade )	328.126	246.225
<b>Total</b>	<b>5.478.126</b>	<b>246.225</b>

**42.3. Guarantee, pledges, mortgages from related parties**

Pledge	December 31, 2015	December 31, 2014
- TRY	436.750.000	298.750.000
- EURO	4.000.000	4.000.000
- USD\$	25.000.000	25.000.000

**42.4. Payments to related parties(Expenses)**

	January 01 - December 31, 2015	January 01 - December 31, 2014
<b>Altınhas Holding A.Ş.</b>	<b>4.197.105</b>	<b>3.157.431</b>
Office rent and building	463.629	431.508
IT expenses	35.502	--
Pledge commission	2.416.549	2.043.097
Vehicle rent and fuel expenses	368.796	421.294
Miscellaneous expenses	19.385	40.440
Interest expenses	893.243	221.092
<b>Altınbaş Holding A.Ş.</b>	<b>--</b>	<b>46.367</b>
Private health insurance	--	46.367
<b>Total</b>	<b>4.197.105</b>	<b>3.203.798</b>

**42.5 Income from related parties**

	January 01 - December 31, 2015	January 01 - December 31, 2014
Final Varlık Yönetim A.Ş. (Note 15)	5.000	--
<b>Total</b>	<b>5.000</b>	<b>--</b>

Income is resulted from the receivables that is transferred by the company. (Note -15)

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(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))**42. DISCLOSURE OF RELATED PARTY – cont'd****42.6 Fees and Similar Benefits Paid to Senior Managers**

	January 01 - December 31, 2015	January 01 - December 31, 2014
Fees and similar benefits	560.000	408.000
	<b>560.000</b>	<b>408.000</b>

**43. CONTINGENT ASSETS AND LIABILITIES****43.1. Off Balance Sheet Commitments****a) Guarantees Taken**

As of December 31, 2015 and December 31, 2014, the guarantees received against the Company's factoring receivables are as follows:

	December 31, 2015		December 31, 2015	
	TRY	Other	TRY	Other
Guarantee checks from customers	1.474.974.905	7.590.135	888.080.639	1.333.971
Guarantee notes taken from customers	137.000	19.243.857	137.000	21.269.077
Customer mortgages	124.500.000	--	60.000.000	--
Customer pledges	3.500.000	--	--	--
	<b>1.603.111.905</b>	<b>26.833.992</b>	<b>948.217.639</b>	<b>22.603.048</b>

**b) Guarantees, pledges and mortgages given (GPM)**

	December 31, 2015		December 31, 2015	
	TRY	Other	TRY	Other
Letter of guarantee given	1.651.632	--	217.792	--
	<b>1.651.632</b>	<b>--</b>	<b>217.792</b>	<b>--</b>

**43.2. Securities**

As of December 31, 2015 and December 31, 2014, the assets held by the Company as factoring receivables are as follows:

	December 31, 2015		December 31, 2015	
	TRY	Other	TRY	Other
Customer cheques	320.527.761	36.325.536	296.087.800	20.785.420
Customer notes	31.379.274	11.399.130	37.115.051	6.215.236
	<b>351.907.035</b>	<b>47.724.666</b>	<b>333.202.851</b>	<b>27.000.656</b>

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### AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS (Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

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#### 43. CONTINGENT ASSETS AND LIABILITIES – cont'd

##### 43.3. Ongoing Lawsuits

As of December 31, 2015:

The Company has started legal follow-up for TRY 8.629.410 of total TRY 14.560.403.

In the accompanying financial statements, the necessary provisions are made with respect to the ongoing lawsuits filed by the Company.

As of December 31, 2014:

The Company has started legal follow-up for TRY 2.153.402 of total TRY 5.581.339.

In the accompanying financial statements, the necessary provisions are made with respect to the ongoing lawsuits filed by the Company.

#### 44. COMMITMENTS

None. (December 31, 2014 - None.)

#### 45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

##### Risk Management Objectives and Principles

The significant financial instruments of Company are receivables from factoring operating, bank loans, bonds payables and financial payables that includes funds which was used by related parties. The main aim of these financial instruments is to operate the main activity and provide the funding source. The most important risks arising from the financial instruments of the Company are interest rate risk, liquidity risk, exchange risk and credit risk.

The Company follows the related risks summarized below and developing policies mentioned below for those risks.

##### Credit Risk

Credit risk is the risk of suffering loss in terms of financial because of not meeting the obligation of financial instrument by the other side. The Company tries to manage the credit risk by limiting transactions and constantly valuating the reliability of the parties to whom it relates. According to company procedures, all customers who want to work with credits are passed through loan review stages and necessary guarantees are taken. In addition, the receivables are continuously monitored and the Company's suspicious credit / receivable risk is minimized.

The carrying values in the statement of financial position reflect the Company's maximum credit risk.

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(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

Risk Management Objectives and Principles – cont'd

Credit Risk – cont'd

December 31, 2015	Receivables										Held assets until to maturity
	Trade receivables		Doubtful receivables		Financial loans		Other receivables		Banks		
	Related party	Other	Related party	Other	Related party	Other	Related party	Other			
Maximum credit risk to which the company exposed as of the date of reporting (A+B+C+D+E)	--	390.312.358	--	5.930.993	--	--	--	--	1.832.088	395.740	--
- Part of maximum risk that is secured with guarantee	--	128.000.000	--	--	--	--	--	--	--	--	--
A. Net book values of financial assets which are not overdue or exposed to decrease in value	--	390.312.358	--	--	--	--	--	--	1.832.088	395.740	--
B. Book values of financial assets of which conditions are renegotiated otherwise exposed to overdue or decrease in value	--	--	--	--	--	--	--	--	--	--	--
C. Net book values of assets of which are overdue but not have decreased values	--	--	--	5.930.993	--	--	--	--	--	--	--
- Overdue (Gross book value)	--	--	--	14.560.403	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	(8.629.410)	--	--	--	--	--	--	--
- Net value of maximum risk that is secured with guarantee	--	--	--	--	--	--	--	--	--	--	--
- Not overdue (Gross book value)	--	--	--	--	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--	--	--	--	--
D. Off-balance sheet risk	--	--	--	--	--	--	--	--	--	--	--

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45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

Risk Management Objectives and Principles – cont'd

Credit Risk – cont'd

	Receivables										Held assets until to maturity Financial loans Related party
	Trade receivables		Doubtful receivables		Financial loans		Trade receivables		Banks Doubtful receivables Related party	Other	
	Related party	Other	Related party	Other	Other	Related party	Related party	Other			
December 31, 2014	--	346.553.270	--	3.427.937	--	--	--	--	557.080	1.626.430	--
Maximum credit risk to which the company exposed as of the date of reporting (A+B+C+D+E)											
- Part of maximum risk that is secured with guarantee	--	60.000.000	--	--	--	--	--	--	--	--	--
A. Net book values of financial assets which are not overdue or exposed to decrease in value	--	346.553.270	--	--	--	--	--	--	557.080	1.626.430	--
B. Book values of financial assets of which conditions are renegotiated otherwise exposed to overdue or decrease in value	--	--	--	--	--	--	--	--	--	--	--
C. Net book values of assets of which are overdue but not have decreased values	--	--	--	3.427.937	--	--	--	--	--	--	--
- Overdue (Gross book value)	--	--	--	5.581.339	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	(2.153.402)	--	--	--	--	--	--	--
-Not overdue (Gross book value)	--	--	--	--	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--	--	--	--	--
D. Off-balance sheet risk	--	--	--	--	--	--	--	--	--	--	--

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### 45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

#### Risk Management Objectives and Principles – cont'd

##### Liquidity Risk

Liquidity risk is the risk that a company cannot meet its funding needs. Liquidity risk is reduced by balancing cash inflows and outflows with the support of credits given by reliable lenders.

The details of financial assets and liabilities according to their maturity is presented considering the period of the financial statement to the maturity date.

The maturity details of non-derivative financial liabilities as of 31 December 2015 and 31 December 2014 is as follows:

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45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

Risk Management Objectives and Principles – cont'd

Liquidity Risk – cont'd

The maturity details of non-derivative financial liabilities as of 31 December 2015 is as follows:

Maturity according to contracts	Book Value	Cash outflow according to agreement (=I+II+III+IV)	Up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and more (IV)
Non-Derivative Financial Liabilities	341.626.081	341.626.081	178.541.081	163.085.000	--	--
Loans	280.923.822	280.923.822	177.838.822	103.085.000	--	--
Factoring payables	702.259	702.259	702.259	--	--	--
Issued securities	60.000.000	60.000.000	--	60.000.000	--	--

Expected Maturity	Book Value	Cash outflow according to agreement (=I+II+III+IV)	Up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and more (IV)
Non-Derivative Financial Liabilities	5.559.242	5.559.242	--	5.559.242	--	--
Other payables	5.559.242	5.559.242	--	5.559.242	--	--

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45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

Risk Management Objectives and Principles – cont'd

Liquidity Risk – cont'd

The maturity details of non-derivative financial liabilities as of 31 December 2014 is as follows:

Maturity according to contracts	Book Value	Cash outflow according to agreement (=I+II+III+IV)	Up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and more (IV)
Non-Derivative Financial Liabilities	324.078.869	324.078.869	165.974.869	131.296.000	26.808.000	--
Loans	269.313.690	269.313.690	149.209.690	93.296.000	26.808.000	--
Factoring payables	265.323	265.323	265.323	--	--	--
Issued securities	54.499.856	54.499.856	16.499.856	38.000.000	--	--

Expected Maturity	Book Value	Cash outflow according to agreement (=I+II+III+IV)	Up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and more (IV)
Non-Derivative Financial Liabilities	284.226	284.226	284.226	--	--	--
Other payables	284.226	284.226	284.226	--	--	--

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### AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS (Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

#### 45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

##### Risk Management Objectives and Principles – cont'd

###### Market Risk:

Market risk is the risk of affect the Company negatively depending the changes in interest, foreign exchange rates, and other financial contracts. The main risk for the Company is the changes in interest and foreign exchange rate.

##### a) Foreign Exchange Position and Sensitivity Analysis

The Company is exposed to foreign currency risk because of the exchange rate using in translation of assets and liabilities to local currency. Company analysis the foreign exchange risk with foreign currency

	December 31, 2015	December 31, 2014
Assets in foreign currency (*)	36.770.422	16.849.312
Liabilities in foreign currency (-) (**)	(35.614.820)	(16.322.738)
<b>Net foreign currency position</b>	<b>1.155.602</b>	<b>526.574</b>

(\*) Total of indexed to foreign currency and foreign currency factoring receivables

(\*\*) Indexed to foreign currency bank loans

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45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

Risk Management Objectives and Principles – cont'd

a) Foreign Exchange Position and Sensitivity Analysis – cont'd

Foreign Exchange Position				
December 31, 2015				
	TRY Equivalent (Reporting Currency)	USD	EUR	GBP
1. Factoring Receivables	36.767.560	4.311.365	2.984.928	3.428.960
2a. Monetary Financial Assets (including cash, banks)	2.862	1	900	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
<b>4. Current Assets (1+2+3)</b>	<b>36.770.422</b>	<b>4.311.366</b>	<b>2.985.828</b>	<b>3.428.960</b>
5. Factoring Receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
<b>8. Non-Current Assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets (4+8)</b>	<b>36.770.422</b>	<b>4.311.366</b>	<b>2.985.828</b>	<b>3.428.960</b>
10. Factoring Payables	--	--	--	--
11. Financial Liabilities	35.614.820	4.214.057	2.711.197	3.428.960
12a. Other monetary financial liabilities	--	--	--	--
12b. Other non-monetary financial liabilities	--	--	--	--
<b>13. Current Liabilities (10+11+12)</b>	<b>35.614.820</b>	<b>4.214.057</b>	<b>2.711.197</b>	<b>3.428.960</b>
14. Factoring Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other monetary financial liabilities	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>35.614.820</b>	<b>4.214.057</b>	<b>2.711.197</b>	<b>3.428.960</b>
19. Net asset / liability position of off- balance sheet derivative instruments	--	--	--	--
19a. Hedged amount of assets	--	--	--	--
19b. Hedged amount of liabilities position	--	--	--	--
<b>20. Net foreign currency position asset / liabilities (9-18+19)</b>	<b>1.155.602</b>	<b>97.309</b>	<b>274.631</b>	<b>--</b>
<b>21. Net foreign currency asset/liability position of monetary items</b>	<b>1.155.602</b>	<b>97.309</b>	<b>274.631</b>	<b>--</b>
22. Fair value of derivative instruments used in foreign currency hedge	--	--	--	--
23. Hedged of foreign currency assets	--	--	--	--
24. Hedged of foreign currency liabilities	--	--	--	--
25. Export	--	--	--	--
26. Import	--	--	--	--

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Risk Management Objectives and Principles – cont'd

a) Foreign Exchange Position and Sensitivity Analysis – cont'd

Foreign Exchange Position				
December 31, 2014				
	TRY Equivalent (Reporting Currency)	USD	EUR	GBP
1. Factoring Receivables	16.849.312	3.481.182	3.111.568	--
2a. Monetary Financial Assets (including cash, banks)	--	--	--	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
<b>4. Current Assets (1+2+3)</b>	<b>16.849.312</b>	<b>3.481.182</b>	<b>3.111.568</b>	<b>--</b>
5. Factoring Receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
<b>8. Non-Current Assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets (4+8)</b>	<b>16.849.312</b>	<b>3.481.182</b>	<b>3.111.568</b>	<b>--</b>
10. Factoring Payables	--	--	--	--
11. Financial Liabilities	16.322.738	3.389.492	3.000.264	--
12a. Other monetary financial liabilities	--	--	--	--
12b. Other non-monetary financial liabilities	--	--	--	--
<b>13. Current Liabilities (10+11+12)</b>	<b>16.322.738</b>	<b>3.389.492</b>	<b>3.000.264</b>	<b>--</b>
14. Factoring Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other monetary financial liabilities	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>16.322.738</b>	<b>3.389.492</b>	<b>3.000.264</b>	<b>--</b>
19. Net asset / liability position of off- balance sheet derivative instruments	--	--	--	--
19a. Hedged amount of assets	--	--	--	--
19b. Hedged amount of liabilities position	--	--	--	--
<b>20. Net foreign currency position asset / liabilities (9-18+19)</b>	<b>526.574</b>	<b>91.690</b>	<b>111.304</b>	<b>--</b>
<b>21. Net foreign currency asset/liability position of monetary items</b>	<b>526.574</b>	<b>91.690</b>	<b>111.304</b>	<b>--</b>
22. Fair value of derivative instruments used in foreign currency hedge	--	--	--	--
23. Hedged of foreign currency assets	--	--	--	--
24. Hedged of foreign currency liabilities	--	--	--	--
25. Export	--	--	--	--
26. Import	--	--	--	--

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#### 45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

##### Foreign Currency Sensitivity Analysis

###### Foreign Currency Risk:

Company uses the foreign exchange position to dedicate the foreign currency risk. According to the foreign exchange position, Company measures foreign currency risk periodically that will arise from changes in the foreign exchange rate.

Foreign currency risk is being controlled by balancing the assets and liabilities in the foreign currency. In this context, foreign exchange position is estimated by considering the changes in assets and liabilities in the foreign currency in the next interim financial period. After estimating the foreign exchange position, Company determines the derivative product and the volume of the derivate product that may be used according to the conditions of the market and expectations. If the exchange currency position is open, Company is buyer of foreign currency. If the exchange currency position is close, Company is seller of foreign currency and apply to derivative transactions.

The Company's foreign currency risk-sensitive financial assets are cash in foreign currency (cash, deposits in the bank), factoring receivables in foreign currencies and other receivables in foreign currencies and current assets. The Company's foreign currency risk-sensitive financial liabilities are trade payables and bank loans that is indexed to bank loans.

	December 31, 2015		December 31, 2014	
	At balance sheet date	At the report date	At balance sheet date	At the report date
USD \$	2,9076	2,9348	2,3189	2,5077
EURO €	3,1776	3,2714	2,8207	2,8148
GBP	4,3007	4,2527	3,5961	3,8596

**ARTI DEĞER**  
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YEMİNLİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

AK FAKTORİNG ANONİM ŞİRKETİ

AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS

(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

Foreign Currency Sensitivity Analysis– cont'd

As of balance sheet date, the effect of changes in foreign exchange rate to foreign currency position:

Foreign Currency Sensitivity Analysis						
December 31, 2015						
		Profit/Loss		Equity		
		Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency	
In case of appreciation / depreciation of USD against TRY at 10%						
1- USD net asset/liabilities		28.294	(28.294)	---	---	---
2- Part of hedged (-)		---	---	---	---	---
3- USD net effect (1+2)		28.294	(28.294)	---	---	---
In case of appreciation / depreciation of EUR against TRY at 10%						
4- EUR net asset/liabilities		87.267	(87.267)	---	---	---
5- Part of hedged (-)		---	---	---	---	---
6- EUR USD net effect (4+5)		87.267	(87.267)	---	---	---
In case of appreciation / depreciation of GBP against TRY at 10%						
7- GBP net asset/liabilities		---	---	---	---	---
8- Part of hedged (-)		---	---	---	---	---
9- Other net effect (7+8)		---	---	---	---	---
<b>TOTAL (3+6+9)</b>		<b>115.560</b>	<b>(115.560)</b>	<b>---</b>	<b>---</b>	<b>---</b>

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45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

Foreign Currency Sensitivity Analysis-- cont'd

Foreign Currency Sensitivity Analysis						
December 31, 2014						
	Profit/Loss		Equity			
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency		
In case of appreciation / depreciation of USD against TRY at 10%						
1- USD net asset/liabilities	21.262	(21.262)	---	---	---	---
2- Part of hedged (-)	---	---	---	---	---	---
<b>3- USD net effect (1+2)</b>	<b>21.262</b>	<b>(21.262)</b>	---	---	---	---
In case of appreciation / depreciation of EUR against TRY at 10%						
4- EUR net asset/liabilities	31.395	(31.395)	---	---	---	---
5- Part of hedged (-)	---	---	---	---	---	---
<b>6- EUR USD net effect (4+5)</b>	<b>31.395</b>	<b>(31.395)</b>	---	---	---	---
In case of appreciation / depreciation of GBP against TRY at 10%						
7- GBP net asset/liabilities	---	---	---	---	---	---
8- Part of hedged (-)	---	---	---	---	---	---
<b>9- Other net effect (7+8)</b>	---	---	---	---	---	---
<b>TOTAL (3+6+9)</b>	<b>52.657</b>	<b>(52.657)</b>	---	---	---	---

**ART DİJİTAL**  
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# AK FAKTORİNG ANONİM ŞİRKETİ

## AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS (Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

### 45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

#### a) Interest Rate Position and Sensitivity Analysis

##### Interest Rate Position:

The Company's sensitive financial assets are factoring receivables and sensitive financial liabilities are bank loans, issued securities and payables to related parties.

The Company manages payments and receivables with similar maturities, so they project to balance interest increase and decrease.

Weighted average interest rates applied to sensitive assets and liabilities of the Company are as follows:

%	December 31, 2015				December 31, 2015			
	TRY	USD\$	EUR	GBP	TRY	USD\$	EUR	GBP
<b><u>Assets</u></b>								
Bank deposits	--	--	--	--	--	--	--	--
Financial assets held for trading	--	--	--	--	13,06	--	--	--
Factoring receivables	22,01	12,05	11,65	12,00	21,02	13,73	12,74	--
<b><u>Liabilities</u></b>								
Loans	13,63	4,20	3,65	5,50	11,66	4,49	4,23	--
Factoring payables	--	--	--	--	--	--	--	--
Issued securities	15,67	--	--	--	13,06	--	--	--

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# AK FAKTORİNG ANONİM ŞİRKETİ

## AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS

(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

### 45. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS – cont'd

#### a) Interest Rate Position and Sensitivity Analysis

The interest position of the Company is as follows:

Interest Position		
	December 31, 2015	December 31, 2014
<b>Fixed interest financial instruments</b>	<b>153.116.019</b>	<b>135.823.728</b>
Factoring receivables	390.312.358	346.553.270
Loans (-)	(236.494.080)	(210.464.219)
Factoring payables (-)	(702.259)	(265.323)
<b>Variable rate financial instruments</b>	<b>(104.429.742)</b>	<b>(107.430.957)</b>
Financial assets for trading	--	5.918.370
Loans (-)	(44.429.742)	(58.849.471)
Issued securities (-)	(60.000.000)	(54.499.856)

If interest rate increase/(decrease) by 1 point, it will increase/(decrease) the net profit that is in the accompanying income statement which is amount to TRY 1.044.297 (December 31, 2014: 1.074.310)

#### Capital Risk Management Policies and Procedures

In capital management, the Company aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations.

The Company follows capital by using debt to equity ratio. This rate is found by dividing net debt to total equity. Net debt is calculated by deducting cash and cash equivalents from total payable amount (as shown in balance sheet, trade and other payables and loans).

	December 31, 2015	December 31, 2014
Total payables	349.440.609	326.896.202
<u>Less:</u>		
Cash and cash equivalents	(1.765)	(6.250)
Banks	(395.740)	(557.080)
<b>Net debt</b>	<b>349.043.104</b>	<b>326.332.872</b>
Total equity	51.909.253	34.398.768
Debt/Equity Ratio	% 14,87	% 10,54

The primary purpose of the Board of Company is to maximize the shareholder value and maintain a strong credit rating and healthy capital ratios. The company manages and corrects capital structure according to the changes in economic conditions. As of December 31, 2015 there is not any change in purpose, politics or process. (December 31, 2014 – None.)

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## AK FAKTORİNG ANONİM ŞİRKETİ

AS OF DECEMBER 31, 2015 NOTES TO THE FINANCIAL STATEMENTS  
(Amounts are expressed in Turkish Liras (TRY unless otherwise stated))

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### 46. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

The Company has determined the estimated fair values of its financial instruments by using available market information and appropriate valuation methods however, evaluating market information and estimating fair values requires interpretation and judgment. Consequently, the estimates presented may not necessarily indicative the amounts the of the Company could obtain in the market. The following methods and assumptions were used to estimate the fair value of financial instruments

**Financial Assets**– Monetary items in foreign currency are exchanged by using the exchange rate at the balance sheet date because they approximate their fair values. Financial assets are deemed to approximate their carrying values because having short-term maturity, making provision for possible loss according to the economic and sectoral conditions.

**Financial Liabilities** -- Monetary items in foreign currency are exchanged by using the exchange rate at the balance sheet date because they approximate their fair values. Financial assets and other liabilities are deemed to approximate their carrying values because having short-term maturity.

### 47. SUBSEQUENT EVENTS

None. (December 31, 2014 – None)

### 48. OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR PREVENT THE CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None. (December 31, 2014 – None)

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