

**Global Menkul Değerler  
Anonim Şirketi and Its Affiliates**

Consolidated Financial Statements  
for the Year Ended December 31, 2014  
Together with Auditor's Report

Legal Bağımsız Denetim Yeminli Mali  
Müşavirlik Anonim Şirketi

March 11, 2015

*This report consists of 2 page Auditor's  
Report and 40 pages consolidated financial  
statements and footnotes.*

**Global Menkul Deęerler  
Anonim Őirketi and Its Affiliates**

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## **Independent Auditor’s Report**

**To the Board of Directors of**

**Global Menkul Değerler Anonim Şirketi**

We have audited the accompanying financial statements of Global Menkul Değerler Anonim Şirketi (“the Company”) and its affiliates (referred together as “the Group”) which comprise the balance sheet as at December 31, 2014, and the statement of income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other notes to the financial statements.

### ***Management’s Responsibility Related to the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Turkish Accounting Standards (‘TAS’) issued by the Public Oversight Accounting and Auditing Standards Authority (‘POA’) and for the necessary internal controls for the purpose of the presentation of the consolidated financial statements free of material misstatements or errors.

### ***Responsibilities of the Independent Auditor***

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. Our audit is conducted in accordance with the independent auditing standards issued by the Capital Market Board of Turkey (‘CMB’). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the accompanying consolidated financial statements present fairly, the financial position of the Group as of December 31, 2014 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with TAS.

***Reports Regarding Independent Auditor's Responsibilities Arising from Other Relevant Regulations***

Based on the Article 402 of the 6102 numbered Turkish Commercial Law, Board of Directors has performed relevant disclosures and submitted necessary documents. Additionally, there is no material matter that the bookkeeping order for the period between January 01 and December 31, 2014 is inconvenient to the Laws and the regulations stated in the Group's article of association.

**İstanbul**

**March 11, 2015**

**Legal Bağımsız Denetim Yeminli Mali Müşavirlik Anonim Şirketi**

**Korkut Yet, YMM**

***In Charge Partner***

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**Global Menkul Değerler Anonim Şirketi**

Consolidated Balance Sheet as of December 31, 2014

(Amounts are expressed in Turkish Lira (TRY) unless otherwise indicated.)

<b>ASSETS</b>	<i>Notes</i>	<b>Audited</b>	<b>Audited</b>
		<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<b>CURRENT ASSETS</b>		<b>123,167,417</b>	<b>95,236,940</b>
Cash and cash equivalents	4	13,211,347	21,912,842
Financial investments	5	737,942	13,471,729
Trade receivables	7	107,671,090	58,533,999
- Trade receivables from related parties	26	18,986,263	18,192,511
- Other trade receivables		88,684,827	40,341,488
Other receivables	8	2,291	2,291
- Other receivables from related parties	26	2,291	2,291
- Other receivables		--	--
Prepaid expenses		513,177	553,463
Prepaid taxes	24	319,591	337,925
Other current assets	15	711,979	424,691
<b>NON CURRENT ASSETS</b>		<b>7,529,509</b>	<b>6,991,569</b>
Other receivables	8	649,285	557,682
Financial investments	5	5,809,709	4,924,998
Tangible fixed assets	9	782,566	1,201,310
Intangible fixed assets	10	23,636	34,434
Deferred tax assets	24	264,313	273,145
<b>TOTAL ASSETS</b>		<b>130,696,926</b>	<b>102,228,509</b>
<b>LIABILITIES AND EQUITY</b>			
<b>SHORT TERM LIABILITIES</b>		<b>79,304,088</b>	<b>49,846,281</b>
Short term borrowings	6	19,500,000	26,933,565
Trade payables	7	57,160,795	20,795,110
- Trade payables to related parties	26	25,961	303,331
- Other trade payables	8	57,134,834	20,491,779
Other payables	24	922,510	843,308
Tax payable on income		--	--
Reserve for employee benefits	13	559,330	538,563
Liabilities for investments accounted under equity method	14	1,161,453	735,735
<b>LONG TERM LIABILITIES</b>		<b>761,477</b>	<b>824,805</b>
Reserve for employee benefits	13	761,477	824,805
<b>EQUITY</b>	16	<b>50,631,361</b>	<b>51,557,423</b>
Paid in capital		40,000,000	40,000,000
Inflation effect on share capital		150,406	150,406
Share premiums		6,233,176	6,233,176
Cumulative comprehensive income and expenses reclassified profit and loss:			
- Revaluation surplus/deficit		167,072	442,073
- Foreign currency translation difference		(142,459)	(148,950)
Legal reserves		1,854,617	1,854,617
Prior years' profit		3,026,101	3,065,558
Current year's net profit or (loss)		(657,552)	(39,457)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>130,696,926</b>	<b>102,228,509</b>

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

**Global Menkul Değerler Anonim Şirketi**  
Consolidated Comprehensive Statement of Income  
For the Year Ended December 31, 2014  
(Amounts are expressed in Turkish Lira (TRY) unless otherwise indicated.)

	<i>Notes</i>	<b>Audited Dec. 31, 2014</b>	<b>Audited Dec. 31, 2013</b>
Turnover, net	17	7,976,061,420	9,006,125,155
Cost of sales	17	(7,955,224,714)	(8,982,465,799)
<b>GROSS PROFIT</b>		<b>20,836,706</b>	<b>23,659,356</b>
Marketing, selling and distribution expenses	18	(1,493,456)	(1,401,824)
General administrative expenses	18	(23,653,497)	(24,466,466)
Other operational income	20	2,769,251	648,777
Other operational expenses		(199,389)	(179,184)
<b>OPERATIONAL PROFIT OR (LOSS)</b>		<b>(1,740,385)</b>	<b>(1,739,341)</b>
Income from investing activities	21	1,065,686	1,097,619
Losses from investment activities		(74,572)	(1,381)
Losses from investments accounted using equity method	14	(425,718)	(411,513)
<b>PROFIT BEFORE FINANCIAL ACTIVITIES</b>		<b>(1,174,989)</b>	<b>(1,054,616)</b>
Financial income	22	3,367,193	3,174,171
Financial expenses	23	(2,840,924)	(2,113,670)
<b>PROFIT / (LOSS) BEFORE TAX FOR CONTINUING OPERATIONS</b>		<b>(648,720)</b>	<b>5,885</b>
<b>Taxes for continuing operations</b>	24	(8,832)	(45,342)
- Current year's income tax		--	--
- Deferred tax income/(expense)		(8,832)	(45,342)
<b>NET PROFIT / (LOSS) FOR CONTINUING OPERATIONS</b>		<b>(657,552)</b>	<b>(39,457)</b>
<b>Other comprehensive income:</b>			
- Revaluation profits/(losses)	16	(275,001)	(368,506)
- Foreign currency translation differences		6,491	710
<b>NET COMPREHENSIVE PROFIT/(LOSS) FOR CONTINUING OPERATIONS</b>		<b>(268,510)</b>	<b>(367,796)</b>
<b>TOTAL COMPREHENSIVE PROFIT / (LOSS)</b>		<b>(926,062)</b>	<b>(407,253)</b>
<b>Earnings per share</b>	25	<b>(0,0164)</b>	<b>(0,0010)</b>

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

**Global Menkul Değerler Anonim Şirketi**  
Consolidated Statement of Changes in Equity  
For the Year Ended December 31, 2014  
(Amounts are expressed in Turkish Lira (TRY) unless otherwise indicated.)

	Notes	Paid in capital	Inflation effect on share capital	Share premiums	Revaluation surplus / (deficit)	Foreign currency translation differences	Legal reserves	Prior years' profit	Current year's net profit/(loss)	Total
<b>Balances as of Jan. 01, 2013</b>	16	40,000,000	150,406	6,233,176	810,579	(149,660)	695,084	3,333,283	891,808	51,964,676
<b>Total comprehensive income</b>										
Current year's loss		--	--	--	--	--	--	--	(39,457)	(39,457)
<u>Other comprehensive income</u>										
Revaluation losses	16	--	--	--	(368,506)	--	--	--	--	(368,506)
Foreign currency translation difference	16	--	--	--	--	710	--	--	--	710
<b>Total comprehensive income</b>		--	--	--	<b>(368,506)</b>	<b>710</b>	--	--	--	<b>(367,796)</b>
Transfers	16	--	--	--	--	--	1,159,533	(267,725)	(891,808)	--
<b>Balances as of Dec. 31, 2013</b>	16	40,000,000	150,406	6,233,176	442,073	(148,950)	1,854,617	3,065,558	(39,457)	51,557,423
<b>Balances as of Jan. 01, 2014</b>		40,000,000	150,406	6,233,176	442,073	(148,950)	1,854,617	3,065,558	(39,457)	51,557,423
<b>Total comprehensive income</b>										
Current year's loss		--	--	--	--	--	--	--	(657,552)	(657,552)
<u>Other comprehensive income</u>										
Revaluation losses	16	--	--	--	(275,001)	--	--	--	--	(275,001)
Foreign currency translation difference	16	--	--	--	--	6,491	--	--	--	6,491
<b>Total comprehensive income</b>		--	--	--	<b>(275,001)</b>	<b>6,491</b>	--	--	--	<b>(268,510)</b>
Transfers	16	--	--	--	--	--	--	(39,457)	39,457	--
<b>Balances as of Dec. 31, 2014</b>	16	40,000,000	150,406	6,233,176	167,072	(142,459)	1,854,617	3,026,101	(657,552)	50,631,361

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

**Global Menkul Değerler Anonim Şirketi**  
Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2014  
(Amounts are expressed in Turkish Lira (TRY) unless otherwise indicated.)

	<i>Notes</i>	<b>Audited</b>	<b>Audited</b>
		<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<b>A. Cash flows from operating activities:</b>			
<b>Current year's net loss</b>		<b>(657,552)</b>	<b>(39,457)</b>
<i>Adjustments:</i>			
Depreciation and amortization expenses	9,10,19	471,223	558,470
Reversal of provision for doubtful accounts	7	(21,498)	(935)
Increase in reserve for employee termination benefits	13,19	170,352	174,671
Increase in reserve for unused vacation pay	13	62,018	44,934
Increase in reserve for personnel premiums	13	4,370	--
Deferred tax (income) / expense	24	8,832	45,342
Interest income	22	(3,010,833)	(2,993,555)
Gain on sale of tangible fixed assets	21	(48,892)	(75,142)
Losses incurred from investments accounted using equity method	14	425,718	411,513
Foreign currency translation differences	16	6,491	710
<b>Operational losses before changes in working capital</b>		<b>(2,589,771)</b>	<b>(1,873,449)</b>
Change in blocked deposits	4	966,844	(326,149)
Change in financial investments	5	11,574,075	(9,407,553)
Change in trade receivables	7	(49,115,593)	11,069,150
Change in other receivables	8	(91,603)	5,137,260
Change in other current assets	15	(228,668)	(200,719)
Change in trade payables	7	36,365,685	4,090,720
Change in other payables	8	79,202	(100,155)
Personnel premiums paid	13	--	(40,323)
Vacation pays paid	13	(45,621)	(12,986)
Employee termination benefits paid	13	(233,680)	(118,018)
<b>Net cash generated from / (used in) operational activities</b>		<b>(3,319,130)</b>	<b>8,217,778</b>
<b>B. Cash flows from investing activities</b>			
Additions to tangible fixed assets, net	9,10	(88,336)	(203,710)
Net cash from sales of tangible fixed assets		95,547	91,142
<b>Net cash generated from / (used in) investing activities</b>		<b>7,211</b>	<b>(112,568)</b>
<b>C. Cash flows from financials activities</b>			
Interests received		3,024,558	2,993,555
Change in financial borrowings	6	(7,433,565)	(12,424,317)
<b>Net cash used in financial activities</b>		<b>(4,409,007)</b>	<b>(9,430,762)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(7,720,926)</b>	<b>(1,325,552)</b>
Cash and cash equivalents – Beginning of the year	2.2.16	11,422,968	12,748,520
<b>Cash and cash equivalents – End of the year</b>	2.2.16	<b>3,702,042</b>	<b>11,422,968</b>

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

## Global Menkul Değerler Anonim Şirketi

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2014

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

### 1 Organization and Business of the Company

Global Menkul Değerler Anonim Şirketi (“Global Menkul”) was incorporated on October 01, 2004. The principal operational activity of the Company is to perform capital market operations in line with the Capital Market Laws and Regulations.

Global Menkul, received following authorization documents from Capital Market Board:

- Investment Consultancy Authorization Document
- Securities Purchase Sales Authorization Document Through Repurchase and Reverse Repurchase Commitment
- IPO Intermediary Authorization Document
- Sales Purchase Intermediary Authorization Document
- Portfolio Management Authorization Document
- Securities Bearing Credit, Short Selling and Borrowed Transactions for the Securities Authorization Document
- Intermediary for Sales and Purchase of Derivative Instruments Authorization Document

The registered address of Global Menkul “Rıhtım Caddesi No: 51 34425 Karaköy İstanbul”. As of December 31, 2014, total number of the employee working for Global Menkul is 153 (December 31, 2013: 161 employee). As of December 31, 2014, Global Menkul has 5 branch and 8 liaison office (December 31, 2013: 5 branch and 8 liaison office).

Global Menkul is a subsidiary of Global Yatırım Holding Anonim Şirketi (“Global Holding”).

As of December 31, 2014 and 2013, ownership detail of the Company is as follows:

	2014		2013	
	%	Amount – TRY	%	Amount – TRY
Global Holding	67.434	26,973,769	70.022	28,008,718
Ges Enerji AŞ (“GesEnerji”)	--	--	5.653	2,261,000
AZ International Holdings	10.000	4,000,000	5.000	2,000,000
Public offerings	22.566	9,026,230	19.325	7,730,281
Other	0.000	1	0.000	1
Total	100.00	40,000,000	100.00	40,000,000

%25 of the Company’s shares is traded in Borsa İstanbul A.Ş. (“BIAS”) since June 29, 2011. A portion of the shares owned by Global Holding and total shares owned by Ges Enerji represent shares traded in BIAS.

The Company’s all shares are ordinary shares.

Global Securities (USA), Inc. (“Global USA”) totally owned by Global Menkul was incorporated in August, 1995 and registered to the National Association of Securities Dealer- Security Exchange Commission. As of December 31, 2014, Global USA is in liquidation process and there are no working personnel (December 31, 2013: None).

CJSC Global Securities Kazakhstan (“Global Kazakhstan”), totally owned by Global Menkul was incorporated in March, 1998. As of December 31, 2014, Global Kazakhstan is in liquidation process and there are no working personnel (December 31, 2013: None).

IEG Global Kurumsal Finansman, was incorporated on May, 17 2011 through 50% - 50% partnership between the Company and IEG (Deutschland) GmbH, a leading corporate finance company in Europe. Share capital of IEG Global Kurumsal Finansman is TRY 50,000.

Hereinafter, Global Menkul together with the subsidiaries included in consolidation is referred to as “the Company”.

## **2 Basis for the Presentation of the Consolidated Financial Statements**

### **2.1 Basis for the Presentation**

#### **2.1.1 Accounting Policies Applied**

Global Menkul, being as the Parent Company, keeps its accounting records and prepares its TRY denominated financial statements in accordance with the Chart of Accounts issued by the Capital Market Board (“CMB”); Turkish Commercial Law and Turkish Procedural Law. Subsidiaries keep their accounting records in line with the related countries regulations and prepare their financial statements based on the related currencies.

The accompanying consolidated financial statements are prepared in accordance with Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority (‘POA’) based on the ‘Declaration of the Basis of Financial Reporting in Capital Market’ (“Declaration”) issued in the Trade Registrar Gazette dated June 13, 2013 and numbered 28676.

During the preparation of the consolidated financial statements dated December 31, 2014, the bases are used in line with the 20/670 numbered and June 07, 2013 dated notification issued by the by Capital Market Board disclosed in the “Announcement for the Financial Statement and Footnote Formats”,

POA has issued the following Committee Decision for the companies preparing their financial statements in accordance with TAS in order to increase comparability, verifiability and understandability of the information submitting through financial statements.

Based on the ‘Committee Decision for the Determination of the Scope of the TAS Application’ financial statement examples and related user guide, is prepared in order to standardize of the financial statements, simplify auditing of them and increase the comparability, understandability and verifiability of the information submitting through financial statements. This decision is effective for the reporting period starting its issuance date, i.e. May 20, 2013. The Group made necessary reclassification in order to be in line with this regulation.

#### **2.1.2 Reporting and Functional Currency**

The functional and reporting currency of Global Menkul is TRY. The functional currency of the subsidiaries included in consolidation is US Dollar. Consolidated financial statements are presented in TRY.

#### **2.1.3 Basis for Consolidation**

The subsidiaries’ financial statements included in the consolidation are prepared as of the dates in line with the consolidated financial statements. During the preparation of the subsidiaries’ financial statements, necessary adjustments and reclassifications are made to be in line with the accounting principles applied by Global Menkul.

##### **2.1.3.1 Subsidiaries**

The subsidiaries are determined based on the following principles:

- (a) Whether Global Menkul has more than %50 use of right in the companies directly or indirectly owned by Global Menkul or
- (b) Whether Global Menkul has control power or right on the financial and operational policies of the companies although has not more than %50 use of right,

related company is included in the consolidation..

**Global Menkul Değerler Anonim Şirketi**

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2014

*(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

Control power represents directly or indirectly management of the companies' financial and operational policies by Global Menkul. The subsidiaries' financial statements are included to the consolidation for the period between the startup and finalization of the management's control.

The following table represents the names and ownership percentages of the subsidiaries directly or indirectly controlled by Global Menkul:

	(%) <b>2014</b>	(%) <b>2013</b>
Global USA	100	100
Global Kazakhstan	100	100

As Global Menkul has 100% ownership on the subsidiaries, there is no minority interest. Accordingly, related minority interest is not included in the accompanying consolidated financial statements.

**2.1.3.2 Joint Ventures**

Joint venture is formed by one or more than one entrepreneur partner in order to realize a sole economic operation.

In the accompanying consolidated financial statements, the joint venture namely as 'IEG Global Kurumsal Finansman' is accounted based on the equity method. Equity method represents the reflection of the increase or decrease in the investee's equity to the net book value shown in the investor company's financial statements. If the Global Menkul's share received from the IEG Global Kurumsal Finansman's equity exceeds its recorded value, investments accounted under equity method are shown in the consolidated financial statements as zero. After decrease the value of the investment accounted under equity method in the financial statements as zero, additional liabilities arising from for the purpose of performing its operational activities are shown under the 'Liabilities for the investments accounted under equity method'.

The financial statements of the joint venture are prepared in line with the same accounting period and policies applied by the Company.

As of December 31, 2014 and 2013, share percentages of the joint venture are shown as follows:

	(%) <b>2014</b>	(%) <b>2013</b>
IEG Global Kurumsal Finansman Danışmanlık AŞ ("IEG Global Kurumsal Finansman")	50	50

**2.1.3.3 Adjustments for the Consolidation**

The balance sheets and comprehensive income statements of the subsidiaries included in the consolidation are consolidated by using full consolidation method and therefore, the recorded values shown in the Global Menkul's assets and equities of the subsidiaries are eliminated. Transaction and outstanding balances between the companies included in consolidated are directly eliminated.

#### **2.1.4 Changes in Accounting Policies**

Material changes in the accounting policies and material errors identified are applied retrospectively and prior period financial statements are adjusted accordingly. The Company applied current year's accounting policies consistent with that of the preceding year.

#### **2.1.5 The New Standards and Interpretations Not Effective as of December 31, 2014**

The Company applied all standards and interpretations applicable and mandatory as of December 31, 2014.

The new standards, interpretations and related updates not effective as of December 31, 2014 and have not been applied for the preparation of the accompanying consolidated financial statements as presented as below:

##### TFRS 9 Financial Instruments

TFRS 9 brings new requirements for the financial liabilities. Changes in TFRS 9, related to the valuation differences arising from fair values of those liabilities, will affect the measurement of them. According to the amendment, it is required that the portion of credit risk of the financial liabilities' fair value differences should be shown in the other comprehensive income statement. Such amendment will be effective at January 01, 2015. The Group has not planned to apply of this standard earlier and no evaluation has been made arising from the application of this standard.

#### **2.1.6 Changes and Errors in Accounting Estimates**

If the changes in accounting estimates are related to only for one period, this change is applied for the related year. If the changes in accounting estimates are related to the subsequent years, this change is applied both for the related and subsequent years. Material accounting errors identified are applied retrospectively and adjusted prior period financial statements are prepared. As of December 31, 2014, there is no change in accounting estimates in respect to the period ended December 31, 2013.

## **2.2 Summary of the Significant Accounting Policies**

### **2.2.1 Sales Revenues, Financial Income and Expenses**

#### *Capital markets intermediary services*

Intermediary services fees from capital markets arising from the transactions in the name of customers are reflected to the income statement at the dates of purchase/sales transactions. In line with the management's estimation and interpretation, accruals on income arising from those transactions are reflected to the income statement, unless there is collectability doubt.

#### *Interest income*

Interest income from the customers are reported within 'Sales Revenues' (Note 17), whereas, interest income from bank deposits are reported within 'Financial Income' (Note 21).

#### *Gains/Losses on sales and purchase of marketable securities*

Gains/Losses on sales and purchases of marketable securities are reflected to the income statement when the sale/purchase orders are given.

**Global Menkul Değerler Anonim Şirketi**

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2014

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

*Funds used within reverse repurchase agreements*

Funds used within reverse repurchase agreements having short maturity represent government bonds and T-Bills acquired together with the back sales commitment. The portion of the price difference between purchase and back sales is accrued as financial income.

*Commission income*

Commission income represent the commissions received for the financial services and are accounted at the date of the service given.

*Other*

Interest expenses are accounted as to accrual basis. Other income and expenses are also accounted as to accrual basis.

**2.2.2 Tangible Fixed Assets**

For the tangible fixed assets owned by the parent company and acquired before January 01, 2005, are stated over the restated acquisition costs based on the inflation indices valid as of December 31, 2004; whereas for the tangible fixed assets acquired after January 01, 2005 are stated over the acquisition costs less accumulated depreciation and permanent impairments. Tangible fixed assets owned by the subsidiaries are stated over the net book values denominated original currencies and then translated into TRY at the exchange rates prevailing at the dates of the period ends.

*Subsequent expenses*

Expenses arising from the change of a part of an asset can be charged into income statement or capitalized. If the subsequent expenses increase the economic life of those assets, they can be capitalized. Other subsequent expenses are charged to the income statement.

*Depreciation*

Economic lives of tangible fixed assets are as follows:

Machinery and equipment	4-5 year
Office equipment	5 year
Motor vehicles	5 year
Leasehold improvements	5 year

Depreciation on tangible fixed assets is provided over their economic useful lives by using straight line method.

**2.2.3 Intangible Fixed Assets**

Intangible fixed assets represent software and EDP programmes. Software and EDP programmes are stated over the acquisition cost less accumulated amortization and permanent impairments. Amortization of intangible fixed assets is provided over their economic useful lives having maximum 3 years by using straight line method.

#### **2.2.4 Impairment of Assets**

##### *Financial assets*

When events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, an existence of impairment is recognized.

The impairment of a financial asset stated at amortized cost represents the difference between its recorded value and its net present value of its estimated future cash flows discounted by using effective interest rate. The Company tests any impairments of financial assets separately.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or has decreased. The reversal is recognized in income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase in equity.

##### *Non-Financial Assets*

During each reporting period, the Company evaluates whether any indication about impairment of an asset. If there exists such indication, an estimation is made about recoverable amount of this asset. If the recorded value of this asset exceeds its recoverable amount, there exists impairment. Recoverable amount represents the higher of its selling price or its usage value. Usage value represents the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Losses arising from impairments are accounted in the comprehensive income statement. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or has decreased. The reversal is recognized in income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase in equity.

#### **2.2.5 Borrowing Costs**

All financial expenses are recorded to the period when incurred.

#### **2.2.6 Financial Instruments**

The Company's all financial instruments consist of non-derivative financial instruments.

The Company's financial instruments represents cash and cash equivalents, financial investments, trade and other receivables, trade and other payables and financial borrowings.

Except for the below stated matters, during the first inclusion to the financial statements, financial instruments are valued at their fair values. The matters related to the valuation of those non derivative instruments subsequent to first inclusion to the financial statements are described as follows:

The Company records a financial instrument, if and if, to become a party to the agreement related to this financial instrument. Financial assets are taken out from the records when the Company fails its rights on the cash flows of those assets. This happens when the financial asset is sold, expired or abandoned from the rights. Financial asset sales and purchases during the ordinary course of business are accounted at the dates of purchase or sales commitments of those assets. Financial payables are taken out from the accounts when the liabilities have fulfilled, cancelled or fully matured.

*Financial investments*

Non derivative financial investments, other than financial assets whose fair value differences are reflected to the income statement, are recorded to the balance sheet over their market values. After the first initial recording, financial instruments having no market value and having of lack of measure of their price, are recorded to the books of accounts over their cost values. Financial instruments other than those and other assets available for sale are measured through their market values.

*Financial assets whose fair value differences are reflected to the income statement*

Financial assets whose fair value differences are reflected to the income statement represent financial assets held for the purpose. Purchase and sales financial asset held for the purpose to dispose it in the short maturity is classified in this category. Assets shown in this category are classified as current assets.

*Available for sale financial assets*

Equity instruments held by the Company and traded in an active market quoted to the stock exchange together with some borrowing notes are classified as available for sale financial assets and stated at the fair values. The Company has equity instruments not traded in an active market and not quoted to the stock exchange but classified as available for sale financial assets and they are stated at cost.

Dividends related to the available for sale equity instruments are recorded in the income statement when there is a right to receive of them.

*Cash and cash equivalents*

Cash and cash equivalents representing cash on hand together with the bank deposits having less than three months' maturity are stated at their cost values. Cash and cash equivalent assets represent short term liquid investments converted easily to cash, having no more than three months' maturity and having no impairment risk.

*Bank loans*

Bank loans are recorded over their cost values. During the subsequent periods to the initial recording, they are reflected to the financial statements over their net present values discounted by using effective interest rates and the differences between the initial costs are charges to the income statement.

*Other*

Trade receivables/payables and other receivables/payables having short term nature are stated at their cost values.

*Ordinary share certificates*

Ordinary share certificates are classified as equity. Dividends distributed over the ordinary share certificates are classified as dividends payable through decrease from accumulated profits at the period of the decision taken for dividend distribution.

**2.2.7 Foreign Currency Transactions**

Foreign currency transactions are translated into TRY at the rates prevailing at the dates of transactions. Assets and liabilities denominated in foreign currencies are translated at the rate prevailing at the reporting date. Exchange differences arising from these transactions are reflected to the comprehensive income statement.

As of December 31, 2014 and 2013, exchange rates used by the Company are as follows:

	<b>2014</b>	<b>2013</b>
US Dollar	2.3189	2.1343
Euro	2.8207	2.9365

### **2.2.8 Offsetting**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

### **2.2.9 Provisions, Contingent Liabilities and Contingent Assets**

In order to record any provision to the consolidated financial statements, it is required that the Company should have an existing legal obligation coming from past circumstances, a potential issue should exist to exclude the Company's sources having economic benefit in order to realize this obligation and an estimation should be made about the value of this obligation. If these criteria does not come into existence, the Company should disclose those matters in the footnotes.

Until realization contingent assets are not accounted and only disclosed in the footnotes.

### **2.2.10 Lease Transactions**

Operational lease transactions are recorded to the income statements at the periods when occurred.

### **2.2.11 Related Parties**

The companies having direct or indirect influence or control through shareholding, rights based on agreements, family relations and so on are referred to as related parties. The shareholders and the company's management are also referred to as related parties.

For the purpose of these financial statements, the Company's shareholders, group companies having indirect share capital relation, board of directors and top management are referred to as 'Related Parties' (Note 25).

### **2.2.12 Taxes Calculated Over Enterprise Profit**

Incomes taxes represent current tax and deferred taxes. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement 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 income tax is provided for in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

The tax effects of the transactions that are accounted directly in the equity are also reflected to the equity.

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When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

### *Arrangement of transfer pricing*

13. Article of the Corporation Tax Law describes the subject of transfer pricing. Application details of transfer pricing are disclosed on the General Notification issued November 18, 2007.

If the taxpayers are entered into a non-arms length basis relation with the related parties, an opinion is to be set as transfer of profits through transfer pricing. The profit distributions acquired through such kind of transactions cannot be deducted from the tax bases.

### **2.2.13 Employee Benefits**

Under the applicable law and union agreements, severance payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

Calculation of employee termination benefits is based on the ceiling rates declared by the government. As of December 31, 2014 and 2013, the ceiling rates are TRY 3,439 and TRY 3,254 respectively.

### **2.2.14 Earnings Per Share**

Earnings per share shown in the consolidated comprehensive income statement are calculated by dividing net profit to the weighted average number of the shares.

Weighted average number of the shares is calculated by taking number of shares at the beginning of the period and number of shares issued during the period and then find the weighted average of them as for daily basis (Note 25). The companies in Turkey can increase their share capital through issuing free shares arising from the distribution of prior years' profits. During the calculation of earning per shares, these kinds of free share distribution are considered as issued shares.

### **2.2.15 Subsequent Events**

In case some events that require correction after the balance sheet date, the Company shall correct the amounts from the financial statements in accordance with the current situation. The matters that do not require correction after balance sheet date shall be explained in footnotes of financial statements, if they have an effect on economic decisions of the financial statement users.

### **2.2.16 Cash Flow Statement**

In order to disclose changes in net assets or financial position, the Company prepares statement of cash flows as an integral part of other financial statements.

Cash flows are classified according to operating, investment and finance activities in the statement of cash flows.

Cash flows from operating activities represent cash flows arising from the Company's intermediary and portfolio management operations. Cash flows from investing activities represent cash flows from long term investments and financial investments. Cash flows from financial activities represent funds used in the operations and repayments of those funds.

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As of December 31, 2014 and 2013, cash and cash equivalents shown in the statements of cash flows are as follows:

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	13,211,347	21,912,842
Blocked deposit (Note 4)	(9,509,305)	(10,476,149)
Accrued income bank deposits	--	(13,725)
<b>Cash and cash equivalents as per statement of cash flow</b>	<b><u>3,702,042</u></b>	<b><u>11,422,968</u></b>

### 2.2.17 Material Accounting Valuations, Estimations and Assumptions

In order to prepare consolidated financial statements in accordance with Notification Nr. 29, it is required that the management has to make estimations and assumptions affecting assets, liabilities and income statement items. Realizations may differ from those estimations.

Estimations and assumptions which are bases of those assumptions are reviewed continuously. Effects of the updates in the accounting estimates are recorded during the update period and subsequent periods. Footnote estimations used are as follows:

- Note 7 – Trade Receivables
- Note 11 – Provisions, contingent assets and liabilities
- Note 14 – Reserve for Employee Benefits
- Note 28 – Fair Values of Financial Instruments

## 3 Segment Reporting

As the Company's management does not follows financial performances and distribution of sources as to separate segments, no segmental reporting has been performed. Additionally, as the foreign subsidiaries are in liquidation process and do not have any material effect on the consolidated financial statements, no geographical reporting has been performed.

## 4 Cash and Cash Equivalents

As of December 31, 2014 and 2013, cash and cash equivalents represents:

	<u>2014</u>	<u>2013</u>
Cash on hand	80,678	68,966
Banks	13,130,669	21,843,876
- Demand deposit	4,994,817	3,752,726
TRY	4,637,096	3,450,236
USD	357,721	302,490
- Time deposit	8,135,852	18,091,150
TRY	8,135,852	18,091,150
<b>Total cash and cash equivalents</b>	<b><u>13,211,347</u></b>	<b><u>21,912,842</u></b>

As of December 31, 2014, interest rates on time deposits are between 7.64-11.00% and have maturities less than 3 months (December 31, 2013: 6.75-9.90%, maturity 1 month).

As of December 31, 2014, there is blockage on the bank deposit amounting to TRY 9,509,305 given as guarantee of the letters of guarantee received by the Company. (December 31, 2013: TRY 10,476,149).

## 5 Financial Investments

As of December 31, 2014 and 2013, short term financial investments are as follows:

Financial assets whose fair value differences are reflected to the income	2014		2013	
	Nominal Value	Recorded Value	Nominal Value	Recorded Value
Securities given for repurchase	--	--	12,274,321	11,933,565
Government bonds	627,064	623,484	1,314,485	1,309,859
Investment funds		11,513		8,584
Shares		102,945		219,722
<b>Short term financial investments</b>		<b>737,942</b>		<b>13,471,729</b>

As of December 31, 2014 and 2013, long term financial investments are as follows:

	2014		2013	
	Nominal Value	Recorded Value	Nominal Value	Recorded Value
<b>Available for sale financial assets:</b>				
Shares of BIAS Takas ve Saklama Bankası AŞ (“Takasbank”)	4,500,000	5,625,000	3,500,000	4,900,000
BİST A.Ş.	159,711	159,711	--	--
		<b>5,784,711</b>		<b>4,900,000</b>
<b>Other long term financial assets:</b>				
IEG Kurumsal Finansman Danışmanlık AŞ (“IEG Kurumsal Finansman”)	24,998	24,998	24,998	24,998
		<b>24,998</b>		<b>24,998</b>
<b>Total of long term financial investments</b>		<b>5,809,709</b>		<b>4,924,998</b>

IEG Global Kurumsal Finansman, was incorporated on May, 17 2011 through 50% - 50% partnership between the Company and IEG (Deutschland) GmbH, a leading corporate finance company in Europe. As the activities have not started as of the reporting date, it has not been included to the consolidation. Share capital of IEG Kurumsal Finansman is TRY 50,000.

As of December 31, 2014, the financial investments having book value of TRY 596,028 are pledged by the banks in return for the letters of guarantee received from them and given to BIAS as guarantee (December 31 2013: TRY 445,478). As of December 31, 2014, government bonds having book value of TRY 538,410 has given to the Futures and Options Market (‘FOM’) for the guarantee of transactions (December 31, 2013: TRY 108,224).

## 6 Borrowings

As of December 31, 2014 and 2013, the Company’s financial borrowings are as follows:

	2014	2013
Payable to Stock Exchange Money Market	19,500,000	15,000,000

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Funds payable from repurchase	--	11,933,565
	<b>19,500,000</b>	<b>26,933,565</b>

As of December 31, 2014, interest intervals for the funds utilized from repurchase transactions and for the stock exchange money market are 3.00-5.00% (December 31, 2013: 3.00-5.00%), and 4.00-10.50% (December 31, 2013: 4.00-10.50%) respectively..

As of December 31, 2014, letters of guarantee amounting to TRY 39,425,000 have given in favor of stock exchange money market. (December 31, 2013: TRY 39,425,000)

## 7 Trade Receivables and Payables

As of December 31, 2014 and 2013, trade receivables consist of:

	<b>2014</b>	<b>2013</b>
Customers having credits	33,157,671	21,831,525
Receivables from related parties( <i>Note 26</i> )	11,963,661	18,181,966
Customer clearance receivables arising from futures	5,620,600	8,827,436
Receivables from stock exchange money market	48,643,000	8,673,000
Doubtful trade receivables	1,238,373	1,259,871
Reserve for doubtful trade receivables	(1,238,373)	(1,259,871)
Receivables from customers	1,218,086	964,036
Receivables from shareholders( <i>Note 26</i> )	7,022,602	10,545
Other	45,470	45,491
	<b>107,671,090</b>	<b>58,533,999</b>

Movements in reserve for doubtful receivables for the years ended December 31, 2014 and 2013 are as follows:

	<b>2014</b>	<b>2013</b>
<b>Beginning balance</b>	1,259,871	1,260,806
Collections within the period	(21,498)	(935)
<b>Ending balance</b>	<b>1,238,373</b>	<b>1,259,871</b>

As of December 31, 2014 and 2013, trade payables represent:

	<b>2014</b>	<b>2013</b>
Customer clearance payables arising from futures	5,595,647	8,789,325

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Payables to the stock exchange money market	48.637.126	8,670,230
Payables to customers	2,588,728	2,707,538
Payables to suppliers	313,333	324,686
Payables to the related parties ( <i>Note 26</i> )	25,961	303,331
	<b>57,160,795</b>	<b>20,795,110</b>

**8 Other Receivables and Payables*****Short Term Other Receivables***

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

	<b>2014</b>	<b>2013</b>
Other receivables	--	--
Other receivables from related parties ( <i>Note 26</i> )	2,291	2,291
	<b>2,291</b>	<b>2,291</b>

***Long Term Other Receivables***

As of December 31, 2014, long term other receivables represent rent and electricity deposits amounting to TRY 649,285 (December 31, 2013: TRY 557,682).

***Other Payables***

As of December 31, 2014 and 2013, other payables represent:

	<b>2014</b>	<b>2013</b>
Taxes and duties payable	526,153	436,739
Social security premiums payable	217,705	215,378
Withholding payables	154,789	125,351
Others	23,863	65,840
	<b>922,510</b>	<b>843,308</b>

## 9 Tangible Fixed Assets

Movements in tangible fixed assets for the period ended December 31, 2014 are as follows:

<b>Cost</b>	<b>Jan 01, 2014</b>	<b>Addition</b>	<b>Disposal</b>	<b>Translation Difference</b>	<b>Dec 31, 2014</b>
Buildings	47,000	--	(47,000)	--	--
Motor vehicles	66,433	--	--	--	66,433
Machinery and equipment	21,478,093	88,336	--	3,735	21,570,164
Office equipment	5,187,748	--	--	35,259	5,223,007
Leasehold improvements	5,832,378	--	--	29,633	5,862,011
	<b>32,611,652</b>	<b>88,336</b>	<b>(47,000)</b>	<b>68,627</b>	<b>32,721,615</b>
<b>Accumulated Depreciation</b>	<b>Jan 01, 2014</b>	<b>Depreciation Charge</b>	<b>Disposal</b>	<b>Translation Difference</b>	<b>Dec 31, 2014</b>
Buildings	345	--	(345)	--	--
Motor vehicles	51,085	5,950	--	--	57,035
Machinery and equipment	20,530,912	365,424	--	3,735	20,900,071
Office equipment	5,155,229	11,752	--	35,259	5,202,240
Leasehold improvements	5,672,771	77,299	--	29,633	5,779,703
	<b>31,410,342</b>	<b>460,425</b>	<b>(345)</b>	<b>68,627</b>	<b>31,939,049</b>
<b>Tangible fixed assets, net</b>	<b>1,201,310</b>				<b>782,566</b>

Movements in tangible fixed assets for the period ended December 31, 2013 are as follows:

<b>Cost</b>	<b>Jan 01, 2013</b>	<b>Addition</b>	<b>Disposal</b>	<b>Translation Difference</b>	<b>Dec 31, 2013</b>
Buildings	130,433	--	(64,000)	--	66,433
Motor vehicles	21,350,379	122,749	--	4,965	21,478,093
Machinery and equipment	5,138,625	2,250	--	46,873	5,187,748
Office equipment	5,792,985	--	--	39,393	5,832,378
Leasehold improvements	<b>32,412,422</b>	<b>171,999</b>	<b>(64,000)</b>	<b>91,231</b>	<b>32,611,652</b>
<b>Accumulated Depreciation</b>	<b>Jan 01, 2013</b>	<b>Depreciation Charge</b>	<b>Disposal</b>	<b>Translation Difference</b>	<b>Dec 31, 2013</b>
Buildings	--	345	--	--	345
Motor vehicles	81,402	17,683	(48,000)	--	51,085
Machinery and equipment	20,164,180	361,767	--	4,965	20,530,912
Office equipment	5,094,924	13,432	--	46,873	5,155,229
Leasehold improvements	5,473,779	159,599	--	39,393	5,672,771
	<b>30,814,285</b>	<b>552,826</b>	<b>(48,000)</b>	<b>91,231</b>	<b>31,410,342</b>
<b>Tangible fixed assets, net</b>	<b>1,598,137</b>				<b>1,201,310</b>

As of December 31, 2014, total insurance coverage over tangible fixed assets is amounting to TRY 14,244,093 (December 31, 2013: TRY 13,232,313).

As of December 31, 2014, there is no pledge over tangible fixed assets. (December 31, 2013: None).

## 10 Intangible Fixed Assets

Movements in intangible fixed assets for the period ended December 31, 2014 are as follows:

<b>Cost</b>	<b>Jan 01, 2014</b>	<b>Addition</b>	<b>Disposal</b>	<b>Translation Difference</b>	<b>Dec 31, 2014</b>
Preopening expenses	5,163,125	--	--	--	5,163,125
Rights (*)	4,495,425	--	--	--	4,495,425
	<b>9,658,550</b>	--	--	--	<b>9,658,550</b>
<b>Accumulated Amortization</b>	<b>Jan 01, 2014</b>	<b>Depreciation Charge</b>	<b>Disposal</b>	<b>Translation Difference</b>	<b>Dec 31, 2014</b>
Preopening expenses	5,163,125	--	--	--	5,163,125
Rights (*)	4,460,991	10,798	--	--	4,471,789
	<b>9,624,116</b>	<b>10,798</b>	--	--	<b>9,643,914</b>
<b>Intangible fixed assets, net</b>	<b>34,434</b>				<b>23,636</b>

Movements in intangible fixed assets for the period ended December 31, 2013 are as follows:

<b>Cost</b>	<b>Jan 01, 2013</b>	<b>Addition</b>	<b>Disposal</b>	<b>Translation Difference</b>	<b>Dec 31, 2013</b>
Preopening expenses	5,163,125	--	--	--	5,163,125
Rights (*)	4,463,714	31,711	--	--	4,495,425
	<b>9,626,839</b>	<b>31,711</b>	--	--	<b>9,658,550</b>
<b>Accumulated Amortization</b>	<b>Jan 01, 2013</b>	<b>Depreciation Charge</b>	<b>Disposal</b>	<b>Translation Difference</b>	<b>Dec 31, 2013</b>
Preopening expenses	5,163,125	--	--	--	5,163,125
Rights (*)	4,455,347	5,644	--	--	4,460,991
	<b>9,618,472</b>	<b>5,644</b>	--	--	<b>9,624,116</b>
<b>Intangible fixed assets, net</b>	<b>8,367</b>				<b>34,434</b>

(\* ) As of December 31, 2014 and 2013, rights represent computer software.

As of December 31, 2014 and 2013, the Company does not have any intangible asset formed within itself.

## 11 Provisions, Contingent Assets and Liabilities

### *Short Term Provisions*

As of December 31, 2014 and 2013, the Company does not have any short term provision.

### *Provisions for court expenses*

As of the current year, the Company does not have any provision for court expenses.

### *Provisions for penalty payment to CMB*

As of December 31, 2014 and 2013, there is no provision for money penalties arising from the irregularities to CMB regulations.

### *Other*

The Company manages 9 investment funds incorporated under the Capital Market regulations (December 31, 2013 – 9). The Company, hence, performs security sales and purchases as well as marketing of fund participation documents in the name of these investment funds. In return for these services, investment funds receive management fees.

## 12 Commitments

As of December 31, 2014 and 2013, the tables showing guarantee, pledge and mortgage (GPM) position given by the Company:

GPM's given by Global Menkul	<b>2014</b>	<b>2013</b>
A.Total amount of GPMs given in the name of its entity	43,372,476	48,839,362
B.Total of GPMs given in the name of subsidiaries	--	--
C.Total amount of GPMs given for in order to guarantee of the 3 <sup>rd</sup> parties payables	--	--
D.Total Amount of Other GPMs	--	--
i. Total amount of GPMs given in the name of parent company	--	--
ii. Total amount of GPMs given to the related parties other than those stated in Section B and C	--	--
iii.Total amount of GPMs given in the name of 3 <sup>rd</sup> parties other than those stated in Section C	--	--
	<b>43,372,476</b>	<b>48,839,362</b>

As of December 31, 2014, the percentage of the other GPMs into Global Menkul's equity is 0% (December 31, 2013: 0%).

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As of December 31, 2014 and 2013, the Company's commitments are as follows:

	<u>2014</u>	<u>2013</u>
<b>Customer Guarantees:</b>		
FOM	5,595,647	8,789,325
	<u><b>5,595,647</b></u>	<u><b>8,789,325</b></u>
<b>Letters of Guarantee Given:</b>		
Clearance House	39,425,000	39,425,000
BIAS	8,300,000	8,300,000
Given to CMB as guarantee	51,448	--
	<u><b>47,776,448</b></u>	<u><b>47,725,000</b></u>

As of December 31, 2014 and 2013, the guarantees are given to FOM, BIAS and Clearing House for the purposes of guarantee for the transaction in FOM, limits for the transaction in the securities and bonds market, guarantee for the Money Market loans, guarantee for guarantee funds and blockage for being CMB intermediary entity. Additionally, securities stated in Note 5 are given as pledge or guarantee.

Customer guarantees are not included to the GPM tables.

### 13 Reserve for Employee Benefits

*Reserves for the short term employee benefits*

As of December 31, 2014 and 2013, detail of the reserves for the short term employee benefits is as follows:

	<u>2014</u>	<u>2013</u>
Reserve for vacation pay	505,540	489,143
Reserve for personnel premiums	53,790	49,420
<b>Total</b>	<u><b>559,330</b></u>	<u><b>538,563</b></u>

*Reserve for Vacation pay*

In accordance with the Turkish Labor Law, in case of termination of labor agreement, the Company is liable to make payments to the beneficiary calculated over the unused vacation days.

As of December 31, 2014 and 2013, movements of reserve for vacation pay are as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	489,143	457,195
Increase during the period	62,018	44,934
Payments made during the period	(45,621)	(12,986)
<b>Ending balance</b>	<u><b>505,540</b></u>	<u><b>489,143</b></u>

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*Reserve for personnel premiums*

As of December 31, 2014 and 2013, movements of reserve for personnel premiums are as follows:

	<b>2014</b>	<b>2013</b>
Beginning balance	49,420	89,743
Increase during the period	4,370	--
Payments made during the period	--	(40,323)
<b>Ending balance</b>	<b>53,790</b>	<b>49,420</b>

*Reserves for the long term employee benefits*

As of December 31, 2014, reserves for the long term employee benefits representing reserve for retirement pay is amounted to TRY 761,477 (December 31, 2013: TRY 824,805).

*Reserve for retirement pay*

In accordance with existing social legislation, Global Menkul is required to make lump-sum termination indemnities to each Turkish employee who has completed one year of service with the Company, and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. As of December 31, 2014, this indemnity is calculated based on the gross salary taking into consideration of the annual ceiling limit as TRY 3,438 (December 31, 2013 – TRY 3,254) Such payments are not required to be funded. Therefore no fund is reserved for such payments in the accompanying financial statements.

Based on the TAS 19, ‘Employee Benefits’, the retirement benefit obligation recognized in the consolidated balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

As of December 31, 2014 and 2013, movements of reserve for employee termination benefits are as follows:

	<b>2014</b>	<b>2013</b>
Beginning balance	824,805	768,152
Increase during the period	170,352	174,671
Payments made during the period	(233,680)	(118,018)
<b>Ending balance</b>	<b>761,477</b>	<b>824,805</b>

Expenses recorded to the income statement are included in general administrative expenses.

## **14 Liabilities for the Investments Accounted Under Equity Method**

As of December 31, 2014, net assets IEG Global Kurumsal Finansman have a negative value of TRY 2,322,907. The funds given by Global Menkul for the financing of the expenditures made by this newly founded company, the payable representing TRY 1,161,453 are accounted in the consolidated financial statements. (December 31, 2013 – TRY 735,735).

Movements of the investments accounted under equity method are as follows:

	<b>2014</b>	<b>2013</b>
Beginning balance	735,735	324,222
Current year’s expense share	425,718	411,513
<b>Ending balance</b>	<b>1,161,453</b>	<b>735,735</b>

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As of December 31, 2014 and 2013, total of assets, liabilities and equity together with summary of income statements are presented as follows:

	<b>2014</b>	<b>2013</b>
Total assets	254,129	131,725
Total liabilities	(2,577,036)	(1,603,195)
<b>Net assets</b>	<b>(2,322,907)</b>	<b>(1,471,470)</b>
	<b>2014</b>	<b>2013</b>
Revenues	449,370	266,408
Expenses	(1,184,402)	(1,089,434)
<b>Net loss for the period</b>	<b>(735,032)</b>	<b>(823,026)</b>

## 15 Other Assets and Liabilities

### *Other Current Assets*

As of December 31, 2014 and 2013, other current assets represent:

	<b>2014</b>	<b>2013</b>
Personnel advances	711,979	424,691
Deductible Value Added Tax	--	--
<b>Total</b>	<b>711,979</b>	<b>424,691</b>

## 16 Equity

### *Share capital*

As of December 31, 2014, the registered capital of Global Menkul is TRY 40,000,000. (December 31, 2013: 40,000,000 TL). As of December 31, 2014, share capital consists of 40,000,000 number of shares of par value TRY 1 each. (December 31, 2013 – 40,000,000 number of shares of par value TRY 1 each).

### *Inflation effect on share capital*

In accordance with the Notification XI-29, the capital contributions made by the Global Menkul's shareholders are restated through reflection of the inflation effect until December 31, 2004. The inflation effect on share capital is calculated as TRY 150,406 (December 31, 2013 – TRY 150,406).

### *Share premiums*

At June 29, 2011, % 25 of the Company's shares representing TRY 10,000,000 in nominal were sold through public offering over the value of TRY 1.65 for each share having nominal value of TRY 1.00. The resulting difference amounting to TRY 6,500,000 is recorded as 'Share Premiums' under equity. The expenditures made for this public offering amounting to TRY 266,824 are deducted share premium account under the equity.

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**Revaluation Surplus / Deficit**

As of December 31, 2014 and 2013, changes in the fair value differences of the available for sale financial assets are accounted in the revaluation surplus/deficit account under the equity.

For the years ended December 31, 2014 and 2013, movements in this account are as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	442,073	810,579
Decrease during the period	(275,001)	(368,506)
<b>Ending balance</b>	<b><u>167,072</u></b>	<b><u>442,073</u></b>

**Foreign currency translation differences**

The subsidiaries' financial statements are prepared denominated in USD. For the consolidation purpose, they are translated into TRY by using the Turkish Central Bank currency rate prevailing at the period end. Foreign currency differences arising from the translation of income and expense accounts by using period-average rates are accounted in the 'Foreign Currency Translation Difference' account under the equity.

For the years ended December 31, 2014 and 2013, movements in this account are as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	(148,950)	(149,660)
Increase /(Decrease) during the period	6,491	710
<b>Ending balance</b>	<b><u>(142,459)</u></b>	<b><u>(148,950)</u></b>

**Legal reserves**

In accordance with Turkish Commercial Law, legal reserves consist of 1<sup>st</sup> and 2<sup>nd</sup> legal reserves. 1<sup>st</sup> legal reserve is appropriated as 5% of the statutory profit until the 20% of the company's share capital. 2<sup>nd</sup> legal reserve is appropriated as 10% of the dividends in excess of 5% of the company's share capital. 1<sup>st</sup> and 2<sup>nd</sup> legal reserves cannot be distributed until 50% of the company's share capital, but can be used when the general reserve is exhausted.

As of December 31, 2014, legal reserves of Global Menkul represent TRY 1,854,617 (December 31, 2013: TRY 1,854,617).

**Prior years' profit**

As of December 31, 2014 and 2013 prior years' profit are as follows:

	<u>2014</u>	<u>2013</u>
Extraordinary reserves	4,435,342	4,435,342
Prior years' profit	(1,409,241)	(1,369,784)
<b>Total</b>	<b><u>3,026,101</u></b>	<b><u>3,065,558</u></b>

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**17 Turnover and Cost of Sales**

As of December 31, 2014 and 2013, turnover and cost of sales are as follows:

	<u>2014</u>	<u>2013</u>
<b>Sales revenues</b>		
Government bond sales	7,939,798,982	8,977,704,220
Share certificate sales	15,927,782	4,588,498
	<b>7,955,726,764</b>	<b>8,982,292,718</b>
<b>Service revenues</b>		
Intermediary commission income	12,364,272	15,205,397
Interest income on customer credits	7,421,345	8,121,990
Interest income in-arrears	--	250,401
Portfolio management commissions	638,704	504,773
Customer transaction fee income	512,517	607,636
Corporate finance consultancy income	15,626	22,556
Other service income	24,446	--
<b>Discounts on service revenues</b>		
Commission returns to the customers	(642,254)	(880,316)
<b>Service revenues, net</b>	<b>20,334,656</b>	<b>23,832,437</b>
<b>Turnover, net</b>	<b>7,976,061,420</b>	<b>9,006,125,155</b>
<b>Cost of sales</b>		
Government bond purchases	(7,939,380,444)	(8,977,845,219)
Share certificate purchases	(15,844,270)	(4,620,580)
	<b>(7,955,224,714)</b>	<b>(8,982,465,799)</b>
<b>Gross profit</b>	<b>20,836,706</b>	<b>23,659,356</b>

## **18 Marketing, Selling and Distribution Expenses, General Administrative Expenses**

### *Marketing, selling and distribution expenses*

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

	<u>2014</u>	<u>2013</u>
Stock exchange portion on share certificates	697,779	215,166
FOM commission expenses	392,590	433,689
Representation expenses	310,338	275,850
BIAS Exchange Protect expenses	66,955	436,848
Advertisement expenses	25,794	40,271
<b>Total</b>	<b><u>1,493,456</u></b>	<b><u>1,401,824</u></b>

### *General administrative expenses*

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

	<u>2014</u>	<u>2013</u>
Personnel expenses	15,387,306	15,632,322
Rent expenses	1,706,310	1,558,822
EDP expenses	1,572,353	1,433,417
Communication expenses	885,242	962,107
Consultancy expenses	246,826	368,703
Depreciation and amortization expenses	471,223	558,470
Vehicle expenses	454,087	443,485
Building management expenses	368,697	386,132
Taxes and duties	1,309,761	584,658
Travel expenses	179,565	188,217
Stationary expenses	81,654	187,184
Other	990,473	2,162,949
<b>Total</b>	<b><u>23,653,497</u></b>	<b><u>24,466,466</u></b>

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

	<u>2014</u>	<u>2013</u>
Salaries and wages	10,861,143	10,951,954
Other benefits utilized to personnel	1,581,850	1,213,052
Social security premiums	1,344,298	1,347,327
Personnel premium	1,072,515	1,562,983
Health insurance expenses	527,500	557,006
<b>Total</b>	<b><u>15,387,306</u></b>	<b><u>15,632,322</u></b>

## 19 Expenses as to Functions

The Company classifies expenses in the consolidated financial statements in accordance with their functions. Depreciation and amortization charges are amounted to TRY 471,223 (2013: TRY 558,470), whereas provision for employee termination benefits is amounted to TRY 170,352 (2013: TRY 174,671).

## 20 Other Operational Income

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

	<u>2014</u>	<u>2013</u>
Related party goodwill expenses	1,656,059	--
Consultancy income	206,452	164,507
Other	906,740	484,270
<b>Total</b>	<b><u>2,769,251</u></b>	<b><u>648,777</u></b>

## 21 Income from Investments

For the years ended December 31, 2014 and 2013, income from investments is as follows:

	<u>2014</u>	<u>2013</u>
Dividend income	1,005,054	1,022,477
Gain on sale of tangible fixed assets	48,892	75,142
Others	11,740	--
<b>Total</b>	<b><u>1,065,686</u></b>	<b><u>1,097,619</u></b>

## 22 Financial Income

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

	<u>2014</u>	<u>2013</u>
Interest income	3,024,558	2,993,555
Foreign exchange income	117,717	80,122
Other financial income	224,918	100,494
<b>Total</b>	<b><u>3,367,193</u></b>	<b><u>3,174,171</u></b>

## 23 Financial Expenses

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

	<u>2014</u>	<u>2013</u>
Interest and commission expenses on loans	2,493,805	1,524,360
Letter of guarantee commission expenses	268,430	547,423
Foreign exchange losses	78,689	41,887
<b>Total</b>	<b><u>2,840,924</u></b>	<b><u>2,113,670</u></b>

## 24 Taxes

Under the Turkish Tax Law, the corporation tax rate on the profits for the calendar year 2014 is 20% (2013: 20%). Taxable profits are calculated by addition of tax disallowed expenses to and deduction of tax exemptions (investment income exemption) and deductions (investment incentive deductions) from the profit disclosed in the statutory income.

Tax rates applicable for Global USA and Global Kazakhstan are 45.5% and 30% respectively.

Tax losses that are reported in the Corporation Tax return can be carried forward and deducted from the corporation tax base for a maximum of five consecutive years.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Deferred tax assets or liabilities are reflected to the accompanying consolidated financial statements assuming that those differences will be ceased during the future periods.

As of December 31, 2014 and 2013, the items subject to the deferred tax assets or liabilities are as follows:

	<u>2014</u>	<u>2013</u>
<i>Deferred tax assets:</i>		
Reserve for employee termination benefits	152,295	164,961
Reserve for unused vacation pays and personnel premiums	111,866	97,829
Other	152	10,355
<b>Total of deferred tax assets</b>	<b>264,313</b>	<b>273,145</b>
<i>Deferred tax liabilities:</i>		
Marketable security valuation differences	--	--
<b>Total of deferred tax liabilities</b>	<b>--</b>	<b>--</b>
<b>Deferred tax assets, net</b>	<b><u>264,313</u></b>	<b><u>273,145</u></b>

As of December 31, 2014 and 2013, movements in deferred tax assets are as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	273,145	318,487
Deferred tax income / (expense)	(8,832)	(45,342)
<b>Ending balance</b>	<b><u>264,313</u></b>	<b><u>273,145</u></b>

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As of December 31, 2014 and 2013, prepaid taxes represent the difference between corporation tax payable and prepaid withholding tax.

	<u>2014</u>	<u>2013</u>
Corporation tax payable	--	--
Prepaid withholdings	<u>(319,591)</u>	<u>(337,925)</u>
<b>Prepaid taxes</b>	<b><u>(319,591)</u></b>	<b><u>(337,925)</u></b>

For the year ended December 31, 2014 and 2013, tax income and expenses are as follows:

	<u>2014</u>	<u>2013</u>
Current period corporation tax expense	--	--
Deferred tax income / (expense)	<u>(8,832)</u>	<u>(45,342)</u>
<b>Tax income / (expense)</b>	<b><u>(8,832)</u></b>	<b><u>(45,342)</u></b>

## 25 Earnings Per Share

Earnings per share is calculated by dividing net profit to the weighted average number of the shares. As of December 31, 2014 and 2013, related calculation is as follows:

	<u>2014</u>	<u>2013</u>
Net profit /(loss) for the current year	<u>(657,552)</u>	<u>(39,457)</u>
<i>Weighted average number of the shares</i>	<u>40,000,000</u>	<u>40,000,000</u>
<b>Earnings / (losses) per ordinary share</b>	<b><u>(0.0164)</u></b>	<b><u>(0.0010)</u></b>

## 26 Related Parties

The Company's related parties are direct and indirect participations of Global Holding together with the top management and Company personnel:

### *Receivables from / Payables to the related parties*

As of December 31, 2014 and 2013, the Company's receivable and payables balances with the related parties are as follows:

	<u>2014</u>	<u>2013</u>
<i>Trade receivables from the shareholders</i>		
Global Holding		10,545
<b>Total (Note7)</b>		<b>10,545</b>
<i>Trade receivables from other related parties</i>		
Turkcom Turizm İnşaat Gıda Yatırımlar AŞ	8,373,032	10,000,715
GES Enerji A.Ş.	--	6,729,997
Global Financial Products Ltd.		--
IEG Global Kurumsal Finansman	1,252,201	1,071,614
Naturel Gaz San. Ve Tic. A.Ş.	56,619	56,686
Pera Gayrimenkul Yatırım Ortaklığı AŞ ("Pera GYO")	169,381	113,131
Az Global Portföy Yönetimi A.Ş. ("Az Global Portföy")	2,073,385	166,551
Global Liman İşletmeleri A.Ş. ("Global Liman")	38,431	42,601
Other	612	671
<b>Total (Note 7)</b>	<b>11,963,661</b>	<b>18,181,966</b>
<b>Total of trade receivables from related parties</b>	<b>18,986,263</b>	<b>18,192,511</b>
<i>Other receivables from related parties</i>		
Global Menkul Değerler B Type Investment Fund ("Global B Type Fund")	2,291	2,291
Global Menkul Değerler A Type Investment Fund ("Global A Type Fund")	--	--
<b>Total of other receivables from related parties (Note 8)</b>	<b>2,291</b>	<b>2,291</b>
	<u>2014</u>	<u>2013</u>
<i>Trade payables to other related parties</i>		
Global Sigorta Aracılık Hizmetleri A.Ş.	2,810	561
Global B Type Invesmtnet Fund	23,151	302,770
<b>Total of trade payables to other related parties (Note 7)</b>	<b>25,961</b>	<b>303,331</b>

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**Transactions with related parties**

For the years ended December 31, 2014 and 2013, transaction with related parties is as follows:

<b>Related party</b>	<b>Description of transaction</b>	<b>2014</b>	<b>2013</b>
Az Global Portföy	Intermediary commission income	102,321	175,369
Global Holding.	Intermediary commission income	6,182	13,413
Global Liman	Intermediary commission income	8,395	9,262
Global A Type Fund	Intermediary commission income	8,043	--
Turkcom Turizm İnş. Yatırımlar A.Ş.	Intermediary commission income	1,654	--
Ges Enerji	Intermediary commission income	--	111,445
Global Liman	Consultancy income	111,376	88,810
Pera GYO	Consultancy income	33,050	26,354
Naturel Gaz	Consultancy income	11,771	44,294
Az Global Portföy	Consultancy income	50,255	--
Global Holding	Interest income on customer loans	2,294,718	950,699
Turkcom Turizm İnş. Yatırımlar A.Ş.	Interest income on customer loans	1,603,967	--
Global Financial Products Ltd.	Interest income on customer loans	--	259,942
IEG Global Kurumsal Finansman	Interest income on customer loans	161,242	--
Global Liman	Interest income on customer loans	11,822	2,904
Az Global Portföy	Interest income on customer loans	5,916	16,150
Pera GYO	Interest income on customer loans	16,653	18,294
Naturel Gaz	Interest income on customer loans	8,405	2,842
GES Enerji	Interest income on customer loans	--	610,541
Global Holding	Portfolio management commission	349,300	--
Az Global Portföy	Portfolio management commission	239,296	313,554
GES Enerji	Portfolio management commission	--	302,250
IEG Global Kurumsal Finansman	Joint use reflection income	457,314	--
Global Holding	Joint use reflection income	88,219	134,160
Global Liman	Joint use reflection income	7,544	--
Pera GYO	Joint use reflection income	21,302	30,431
Naturel Gaz	Joint use reflection income	18,829	--
Az Global Portföy	Joint use reflection income	1,745,444	22,404
Other	Joint use reflection income	1,109	785
Global Holding	Rent expenses	(605,343)	(531,454)
Global Holding	Other expenses	(60,621)	(121,701)
Global Holding	Consultancy expenses	(177,781)	(120,320)
Ortadoğu Liman İşletmeleri	Consultancy expenses	--	(45,973)
Az Global Portföy	Other expenses	--	(7,777)
Ortadoğu Liman İşletmeleri	Other expenses	--	(31,921)

For the years ended December 31, 2014 and 2013, detail of the salaries and relevant benefits utilized to chairman, members of the board of directors, general manager, directors and other top management personnel is as follows:

	<b>2014</b>	<b>2013</b>
Salaries	3,154,496	2,531,760
Attendance fees	285,921	286,581
Premiums	113,996	298,988
Other long term benefits	62,318	55,914
Other	154,857	59,690
<b>Total</b>	<b>3,771,588</b>	<b>3,232,933</b>

## 27 The Nature and Level of the Risks Arising from Financial Instruments

The Company is exposed to various following risks:

- Credit Risk
- Liquidity Risk
- Market risk

This disclosure is made for the purpose of giving information about the Company's targets and policies when the Company expose to those risks.

The Company's Board of Directors is generally responsible for the settlement of the risk management facilities.

The Company's risk management policies are conducted for the determination of the risks exposed and analyzing those risks. The purpose of the risk management policies is to provide suitable risk limit controls, to follow those risks and to be in line with the limits.

### 27.1 Credit Risk

The Company performs intermediary and consultancy services in the name of individuals and companies. During the operations, the Company also performs security purchase and sales transactions. Within these operations, the Company may expose losses arising from the opposing party's noncompliance to the security purchase and sales agreements. In order to control and decrease of such transaction losses, the Company requests from the customers to keep cash or cash equivalents in their accounts. As of December 31, 2014, the Company's assets exposed to credit risk are as follows:

	Receivables					
	Trade Receivables		Other Receivables		Bank Deposits	Financial Investment
	Related Party	Others	Related Party	Others		
<b>Maximum credit risk exposed as of reporting period (A+B+C+D+E)</b>	<b>18,986,263</b>	<b>88,684,827</b>	<b>2,291</b>	--	<b>13,211,347</b>	<b>737,942</b>
A. Net book value of financial assets having no impairment or not overdue	18,986,263	88,684,827	2,291	--	13,211,347	737,942
B. Net book value of financial assets of which their conditions are revised if not subjected to impairment or considered to be overdue	--	--	--	--	--	--
C. Net book value of those assets overdue but not subject to impairment	--	--	--	--	--	--
D. Net book value of those subject to impairment	--	--	--	--	--	--
-Overdue (gross book value )	--	1,238,373	--	--	--	--
-Impairment (-)	--	(1,238,373)	--	--	--	--
E. Off balance sheet items having credit risk	--	--	--	---	--	--

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As of December 31, 2013, the Company's assets exposed to credit risk are as follows:

	<b>Receivables</b>					<b>Bank Deposits</b>	<b>Financial Investment</b>
	<b>Trade Receivables</b>		<b>Other Receivables</b>				
	<b>Related Party</b>		<b>Others</b>				
<b>Maximum credit risk exposed as of reporting period (A+B+C+D+E)</b>	<b>18,192,511</b>	<b>40,341,488</b>	<b>2,291</b>	<b>--</b>	<b>21,912,842</b>	<b>13,471,729</b>	
A. Net book value of financial assets having no impairment or not overdue	18,192,511	40,341,488	2,291	--	21,912,842	13,471,729	
B. Net book value of financial assets of which their conditions are revised if not subjected to impairment or considered to be overdue	--	--	--	--	--	--	
C. Net book value of those assets overdue but not subject to impairment	--	--	--	--	--	--	
D. Net book value of those subject to impairment	--	--	--	--	--	--	
-Overdue (gross book value )	--	1,259,871	--	--	--	--	
-Impairment (-)	--	(1,259,871)	--	--	--	--	
E. Off balance sheet items having credit risk	--	--	--	--	--	--	

As of December 31, 2014 and 2013, aging table of doubtful receivables is as follows:

	<b>Receivables</b>			
	<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Bank Deposits</b>	<b>Financial Investments</b>
<b>December 31, 2014</b>				
1-30 days past over its maturity	--	--	--	--
1-3 months past over its maturity	--	--	--	--
3-12 months past over its maturity	--	--	--	--
1-5 years past over its maturity	1,238,373	--	--	--
More than 5 years past over its maturity	--	--	--	--
Portion of it secured through guarantee	--	--	--	--
	<b>1,238,373</b>	<b>--</b>	<b>--</b>	<b>--</b>
	<b>Receivables</b>			
	<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Bank Deposits</b>	<b>Financial Investments</b>
<b>December 31, 2013</b>				
1-30 days past over its maturity	--	--	--	--
1-3 months past over its maturity	--	--	--	--
3-12 months past over its maturity	--	--	--	--
1-5 years past over its maturity	1,259,871	--	--	--
More than 5 years past over its maturity	--	--	--	--
Portion of it secured through guarantee	--	--	--	--
	<b>1,259,871</b>	<b>--</b>	<b>--</b>	<b>--</b>

## 27.2 Liquidity Risk

In accordance with the liquidity risk under the scope of Notification 34, Global Menkul is required to keep current assets at minimum to meet its current liabilities. However, in accordance with the capital adequacy base calculation disclosed in the capital management section in 27.4, deductible items together with items considered as 100% in the position risk and opposing party risk are considered as current assets.

Based on the scope of Notification Nr. 24, as of December 31, 2014 and 2013, liquidity risks of Global Menkul are as follows:

	<u>2014</u>	<u>2013</u>
A. Current Assets	115,928,007	84,437,414
B. Short Term Payables	72,489,024	40,390,848
<b>Current Assets/ Short Term Payables (A/B)</b>	<b><u>1.60</u></b>	<b><u>2.09</u></b>

As of December 31, 2014, distribution of financial liabilities as to their maturities is as follows:

<u>Maturities based on agreements</u>	<u>Book value</u>	<u>Cash outflows based on agreements</u>	<u>Less than 3 months</u>	<u>Between 3-12 months</u>	<u>Between 1-5 years</u>	<u>More than 5 years</u>
Financial payables	19,500,000	19,500,000	19,500,000	--	--	--
Trade payables	57,160,795	57,160,795	57,160,795	--	--	--
Other payables	922,510	922,510	922,510	--	--	--
	<b>77,583,305</b>	<b>77,583,305</b>	<b>77,583,305</b>			

As of December 31, 2013, distribution of financial liabilities as to their maturities is as follows:

<u>Maturities based on agreements</u>	<u>Book value</u>	<u>Cash outflows based on agreements</u>	<u>Less than 3 months</u>	<u>Between 3-12 months</u>	<u>Between 1-5 years</u>	<u>More than 5 years</u>
Financial payables	26,933,565	26,933,565	26,933,565	--	--	--
Trade payables	20,795,110	20,795,110	20,795,110	--	--	--
Other payables	843,308	843,308	843,308	--	--	--
	<b>48,571,983</b>	<b>48,571,983</b>	<b>48,571,983</b>	--	--	--

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**27.3 Market Risk**

*Foreign currency risk*

As of December 31, 2014 and 2013, the Company's assets and liabilities denominated in currencies are as follows:

<i>In Total</i>	<b>2014</b> <b>(TRY Amount)</b>	<b>2013</b> <b>(TRY Amount)</b>
A. Assets denominated in foreign currency	357,721	302,490
B. Liabilities denominated in foreign currency	--	--
<b>Net foreign currency position (A+B)</b>	<b>357,721</b>	<b>302,490</b>

*In Detail Denominated in FX*

	<b>2014</b>			<b>2013</b>		
	<u>Type of Currency</u>	<u>FX Amount</u>	<u>TRY Amount</u>	<u>Type of Currency</u>	<u>FX Amount</u>	<u>TRY Amount</u>
<i>Assets</i>						
Cash and cash equivalents	US Dollar	154,263	357,721	US Dollar	141,728	302,490
Long term other receivables	US Dollar	--	--	US Dollar	--	--
	Euro		--	Euro	--	--
			--			--
<b>Total</b>			<b>357,721</b>			<b>302,490</b>
<i>Liabilities</i>						
Other payables	US Dollar	--	--	US Dollar	--	--
			--			--
<b>Net position</b>			<b>357,721</b>			<b>302,490</b>

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As of December 31, 2014, the increases/decreases in the income statement resulting from the 10% decrease/increase of Turkish Lira into foreign currencies are as follows:

<b>Foreign Currency Sensitivity Analysis Table</b>				
	<b>Income Statement</b>		<b>Equity (*)</b>	
	Revaluation of foreign currency	Devaluation of foreign currency	Revaluation of foreign currency	Devaluation of foreign currency
<b>Based on US Dollar:</b>				
1- Net assets/liability in US Dollar	35,772	(35,772)	--	--
2- Portion of USD secured from (-)	--	--	--	--
<b>3- Net effect of US Dollar (1+2)</b>	<b>35,772</b>	<b>(35,772)</b>	<b>--</b>	<b>--</b>
<b>Based on EURO:</b>				
4- Net assets/liability in Euro	--	--	--	--
5- Portion of Euro secured from (-)	--	--	--	--
<b>6- Net effect of Euro (4+5)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6)</b>	<b>35,772</b>	<b>(35,772)</b>	<b>--</b>	<b>--</b>

(\*) Does not include income statement effect.

As of December 31, 2013, the increases/decreases in the income statement resulting from the 10% decrease/increase of Turkish Lira into foreign currencies are as follows:

<b>Foreign Currency Sensitivity Analysis Table</b>				
	<b>Income Statement</b>		<b>Equity (*)</b>	
	Revaluation of foreign currency	Devaluation of foreign currency	Revaluation of foreign currency	Devaluation of foreign currency
<b>Based on US Dollar:</b>				
1- Net assets/liability in US Dollar	30,249	(30,249)	--	--
2- Portion of USD secured from (-)	--	--	--	--
<b>3- Net effect of US Dollar (1+2)</b>	<b>30,249</b>	<b>(30,249)</b>	<b>--</b>	<b>--</b>
<b>Based on EURO:</b>				
4- Net assets/liability in Euro	--	--	--	--
5- Portion of Euro secured from (-)	--	--	--	--
<b>6- Net effect of Euro (4+5)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6)</b>	<b>30,249</b>	<b>(30,249)</b>	<b>--</b>	<b>--</b>

(\*) Does not include income statement effect.

*Interest rate risk*

The Company measures cash items on hand as share certificates or bank deposits. As of December 31, 2014 and 2013, the Company's interest position is as follows:

**Interest Position Table**

		<b>2014</b>	<b>2013</b>
<b>Financial instruments having fixed interest rate</b>			
Financial assets	Trade receivables	33,157,671	21,831,525
	Financial assets whose fair value differences are reflected to income	737,942	13,471,729
	Bank deposits	8,135,852	18,091,150
Financial liabilities		(19,500,000)	(26,933,565)
		<b>22,531,465</b>	<b>26,460,839</b>
<b>Financial instruments having variable interest rate</b>			
Financial assets		--	--
Financial liabilities		--	--
		--	--

As of December 31, 2014 and 2013, as the Company does not have any financial instrument having variable interest rate, interest rate sensitivity analysis is not presented.

**27.4 Capital Management**

Global Menkul performs management of the risks arising from the financial instruments based on the scope of Serial V Nr. 34 "Notification Related to the Bases of the Capital and Capital Adequacies of the Intermediary Entities" ("Notification 34") issued by the CMB. Within the scope of Notification 34, Global Menkul is required to prepare capital adequacy base, provision for risk and liquidity requirement tables and send them to the CMB periodically.

As of December 31, 2014 and 2013, the equity liabilities of Global Menkul, calculated within the scope of Notification 34 should be TRY 2,139,000 TRY 2,120,000 respectively.

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Additionally, within the scope of Notification 34, the capital adequacy base required by Global Menkul represents the amount calculated as deduction of the following asset items from the assets of the equity Global Menkul representing utilized by the shareholders:

- a) Non-current assets;
- 1) Tangible fixed assets (net),
  - 2) Intangible fixed assets (net),
  - 3) Except of those who have transaction in the capital markets, financial long term assets after deduction of impairments and capital commitments,
  - 4) Other non-current assets,
- b) Receivables from the personnel, shareholders, participations and other related parties without any guarantee and capital market instruments issued by those individuals or entities. Individuals or institutions having direct or indirect relation.

As of December 31, 2014 and 2013, the capital adequacy bases of Global Menkul are TRY 43,535,170 and TRY 43,619,898 respectively. Capital adequacy base liability cannot be less than the items shown below:

- a) Minimum equity shown in the authorization documents owned.
- b) Provision for risk,
- c) Operational expenses realized during the last 3 months.

As of December 31, 2014 and 2013, the capital adequacy base of Global Menkul is above the items described above.

*Risk provision*

Within the scope of Notification 34, Global Menkul calculates risk provisions for the items shown in the balance sheet and off balance sheet. Also, within the scope of Notification 34, risk provision represent total of position risk, counterpart risk, concentration risk and foreign currency risk.

As of December 31, 2014 and 2013, within the scope of Notification 34, risk provision calculation is as follows:

	<b>2014</b>	<b>2013</b>
Position risk	7,050,912	5,638,893
Counterpart risk	1,768,626	1,880,925
Concentration risk	150,075	--
Foreign currency risk	--	--
<b>Total of risk provision</b>	<b>8,969,613</b>	<b>7,519,818</b>

## 28 Fair Values of Financial Instruments

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange. The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

### Financial assets

The fair values of certain financial assets carried at cost in the financial statements, including cash and cash equivalents plus the respective accrued interest and other financial assets are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fair values.

### Financial liabilities

Trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations.

### Classification of the fair value measurement

Measurement methods for the financial instruments valued as to their fair values are described as below. The measurement methods based on their levels are described as follows:

Level 1: Prices as to active markets for the identical assets or liabilities;

Level 2: Data for the prices other than those shown in Level 1 that is identifiable directly or indirectly;

Level 3: Data which have no observation to the market inputs:

<b>December 31,2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets whose fair value differences are reflected to income	737,942	--	--	737,942
Financial assets available for sale	--	5,809,709	--	5,809,709
	<b>737,942</b>	<b>5,809,709</b>	<b>--</b>	<b>6,547,651</b>

<b>December 31,2013</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets whose fair value differences are reflected to income	13,471,729	--	--	13,471,729
Financial assets available for sale	--	4,924,998	--	4,924,998
	<b>13,471,729</b>	<b>4,924,998</b>	<b>--</b>	<b>18,396,727</b>

During 2014 and 2013, there are no classifications from Level 2 to Level 1.

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**29. Other Matters Which are Significant to the Financial Statements or Which Should be Disclosed for the Purpose of True and Fair Interpretation of the Financial Statements**

None.

**30 Subsequent Events**

Based on the Company's special situation disclosure issued in the Public Disclosure Platform dated February 20, 2015 and February 23, 2015:

Share purchase agreement for acquisition of the shares of Eczacıbaşı Menkul Değerler A.Ş. totally owned by Eczacıbaşı Yatırım Holding Ortaklığı A.Ş., Eczacıbaşı Holding A.Ş. and EİS Eczacıbaşı İlaç Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. (and accordingly its subsidiary of the acquired company, namely Eczacıbaşı Portföy Yönetimi A.Ş.) has been signed. Share purchase amount will be announced to the public after the calculation of share prices based on the balance sheet date prepared as of the finalization of the share transfer. Transfer of shares will be finalized after the approvals of Capital Market Board of Turkey and Turkish Competition Authority.