

**Fiba Faktoring Anonim Şirketi**

Financial Statements  
As at 31 December 2014  
With Independent Auditors' Report Thereon

## Independent auditors' report

To the Board of Directors of  
Fiba Faktoring Anonim Şirketi  
İstanbul,

### *Report on the Financial Statements,*

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

### *Management's responsibility for the financial statements*

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

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects the financial position of Fiba Faktoring Anonim Şirketi as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

## Emphasis of Matter

We draw attention to Note 2.a of the accompanying financial statements which describes the effect of accounting for business combination of two entities under common control namely Fiba Faktoring A.Ş. and Girişim Faktoring A.Ş.. As of 31 December 2014, Fiba Faktoring A.Ş. was merged with Girişim Faktoring A.Ş. by using pooling of interest method, "by taking over" entire assets and liabilities of Girişim Faktoring A.Ş.. Accordingly, the financial statement of Fiba Faktoring A.Ş. as of 31 December 2013, is restated and presented comparatively as if the merger of Fiba Faktoring A.Ş. and Girişim Faktoring A.Ş. occurred at 1 January 2013.

**DRT Bağımsız Denetim ve ŞMMM A.Ş.**

**DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.**

**Member of DELOITTE TOUCHE TOHMATSU LIMITED**

İstanbul, 27 February 2015

**Fiba Faktoring Anonim Şirketi****Statement of Financial Position****As at 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

	<i>Notes</i>	<b>Audited</b> <b>31/12/2014</b>	<b>Restated</b> <b>Audited</b> <b>31/12/2013</b>	<b>Restated</b> <b>Audited</b> <b>31/12/2012</b>
<b>Assets</b>				
Cash and cash equivalents	10	95,770	181,144	142,166
Factoring receivables	11	892,203	998,975	1,016,181
Investment securities	12	94,960	66,931	166,292
Property and equipment	13	3,995	4,465	4,583
Intangible assets	14	270	295	363
Assets held for sale		-	-	3,945
Other assets	15	21,394	23,090	2,797
Derivative financial instruments	18	3,597	452	8,084
Taxes receivable on income		-	21	55
Deferred tax assets	8	14,531	19,951	8,027
<b>Total assets</b>		<b>1,126,720</b>	<b>1,295,324</b>	<b>1,352,493</b>
<b>Liabilities</b>				
Loans and borrowings	16	840,204	845,456	830,255
Securities issued		-	-	95,224
Factoring payables	11	1,445	302	402
Other liabilities	17	1,718	12,041	2,258
Derivative financial instruments	18	18,386	87,404	4,233
Taxes payable on income	8	-	207	1,474
Employee benefits	19	1,999	1,959	1,747
<b>Total liabilities</b>		<b>863,752</b>	<b>947,369</b>	<b>935,593</b>
<b>Equity</b>				
Share capital	20	81,110	81,110	63,610
Legal reserves	20	35,672	32,172	28,528
Retained earnings		146,186	234,673	324,762
<b>Total equity</b>		<b>262,968</b>	<b>347,955</b>	<b>416,900</b>
<b>Total liabilities and equity</b>		<b>1,126,720</b>	<b>1,295,324</b>	<b>1,352,493</b>

The notes on pages 5 to 46 are an integral part of these financial statements.

**Fiba Faktoring Anonim Şirketi****Statement of Comprehensive Income**

As at 31 December 2014

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

	<i>Notes</i>	<b>Audited 2014</b>	<b>Restated Audited 2013</b>
<b>Interest income</b>			
Interest income on factoring receivables		136,087	105,612
Interest income on cash and cash equivalents		3,961	1,489
<b>Total interest income</b>		<b>140,048</b>	<b>107,101</b>
<b>Interest expense</b>			
Interest expense on loans and borrowings		(85,616)	(55,453)
Interest expense on securities issued		-	(7,744)
<b>Total interest expense</b>		<b>(85,616)</b>	<b>(63,197)</b>
<b>Net interest income</b>		<b>54,432</b>	<b>43,904</b>
Fee and commission income on factoring transactions		5,334	6,155
Fee and commission expense on factoring transactions		(295)	(327)
Other commission expenses, net		-	(1,343)
<b>Net fee and commission income</b>		<b>5,039</b>	<b>4,485</b>
<b>Operating income</b>		<b>59,471</b>	<b>48,389</b>
Net trading gain/(loss)	9	43,812	(81,972)
Foreign exchange gains/(losses), net		(20,037)	(604)
Dividend income	23	10	98
Gain on sale of investment securities	12	-	29,040
Other operating income		68	351
<b>Other operating income/(expenses)</b>		<b>23,853</b>	<b>(53,087)</b>
Net impairment loss on financial assets	11	(19,041)	(6,385)
Personnel expenses	5	(26,825)	(22,526)
Administrative expenses	6	(8,449)	(8,602)
Depreciation and amortisation	13,14	(537)	(541)
Other expenses	7	(5,854)	(7,017)
<b>Profit /(loss) before income taxes</b>		<b>22,618</b>	<b>(49,769)</b>
Income tax expense	8	(5,420)	9,672
<b>Net profit for the period</b>		<b>17,198</b>	<b>(40,097)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of income tax		(251)	-
<b>Total comprehensive income for the period</b>		<b>16,947</b>	<b>(40,097)</b>

The notes on pages 5 to 46 are an integral part of these financial statements.

**Fiba Faktoring Anonim Şirketi**

**Statement of Changes in Equity  
For the Year Ended 31 December 2014**

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

	Notes	Share capital	Legal & other reserves	Retained earnings	Total Equity
<b>Previously Reported Balances at 1 January 2013</b>		<b>48,500</b>	<b>15,566</b>	<b>123,815</b>	<b>187,881</b>
Effect of business combinations under common control	2 (a)	15,110	12,962	200,927	228,999
<b>Restated Balances at 1 January 2013</b>		<b>63,610</b>	<b>28,528</b>	<b>324,742</b>	<b>416,880</b>
<i>Total comprehensive income for the period:</i>					
Profit		-	-	(40,097)	(40,097)
Transfer to legal reserves		-	3,644	(3,644)	-
Total comprehensive income for the period		-	3,644	(43,741)	(40,097)
<i>Transactions with owners, recorded directly in equity:</i>					
Dividends	20	-	-	(28,848)	(28,848)
Transfers to share capital		17,500	-	(17,500)	-
Other		-	-	20	20
Total transactions with owners recorded directly in equity		17,500	-	(46,328)	(28,828)
<b>Balances at 31 December 2013</b>	20	<b>81,110</b>	<b>32,172</b>	<b>234,673</b>	<b>347,955</b>
<b>Balances at 1 January 2014</b>		<b>81,110</b>	<b>32,172</b>	<b>234,673</b>	<b>347,955</b>
<i>Total comprehensive income for the period:</i>					
Profit		-	-	17,198	17,198
Other comprehensive income		-	-	(251)	(251)
Total comprehensive income for the period		-	-	16,947	16,947
<i>Transactions with owners, recorded directly in equity:</i>					
Dividends	20	-	-	(101,934)	(101,934)
Transfer to legal reserves		-	3,500	(3,500)	-
Total transactions with owners recorded directly in equity		-	3,500	(105,434)	(101,934)
<b>Balances at 31 December 2014</b>	20	<b>81,110</b>	<b>35,672</b>	<b>146,186</b>	<b>262,968</b>

The notes on pages 5 to 46 are an integral part of these financial statements.

**Fiba Faktoring Anonim Şirketi****Statement of Cash Flows****For the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

	Notes	Audited 2014	Restated Audited 2013
<b>Cash flows from operating activities:</b>			
Net profit / (loss) for the year		17,198	(40,097)
<b>Adjustments for:</b>			
Depreciation and amortisation	13,14	603	540
Provision for reserve for employee severance payments, net	19	656	297
Provision for vacation pay liability	19	(162)	91
Derivative financial instruments	18	(72,163)	90,803
Net interest and fee accruals		(4,053)	7,710
Dividend income	25	(10)	(98)
Deferred tax (credit)/expense	8	5,420	(11,924)
Current tax expense	8	-	2,252
Provision for doubtful receivables	11	19,041	6,385
Gain on sale of investments		-	(29,040)
Unrealized foreign exchange losses/(gain) (net)		(5,116)	(7,625)
		<b>(38,586)</b>	<b>19,294</b>
Change in factoring receivables		86,390	(6,299)
Change in other assets		22,156	(28,196)
Change in factoring payables		1,143	(100)
Net change in loans and bank borrowings		(689)	12,816
Change in other liabilities		126	(217)
Employee severance paid	19	(903)	(176)
Taxes (paid)/received		(207)	(3,553)
Proceeds from recoveries of impaired factoring receivables	11	1,010	739
<b>Net cash provided from/(used in) operating activities</b>		<b>70,440</b>	<b>(5,692)</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property and equipment	13	(73)	(304)
Disposal of property and equipment		-	8
Acquisition of investment securities	12	(27,579)	(23)
Disposal of investment securities		-	128,425
Acquisition of intangible assets	14	(35)	(58)
Dividend received		10	98
<b>Net cash provided from/(used in) investing activities</b>		<b>(27,677)</b>	<b>128,146</b>
<b>Cash flows from financing activities:</b>			
Cash used for repayment of securities issued		-	(100,000)
Dividends paid	20	(111,934)	(18,848)
<b>Net cash provided from/(used in) financing activities</b>		<b>(111,934)</b>	<b>(118,848)</b>
Effects of foreign exchange rate fluctuations on cash and cash equivalents		5,116	7,625
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(64,056)</b>	<b>11,231</b>
Cash and cash equivalents at 1 January	10	153,059	141,828
<b>Cash and cash equivalents at 31 December</b>	<b>10</b>	<b>89,004</b>	<b>153,059</b>

The notes on pages 5 to 46 are an integral part of these financial statements.

## Fiba Faktoring Anonim Şirketi

Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

### 1 Reporting entity

Fiba Faktoring Anonim Şirketi ("Fiba Faktoring" or the "Company") was established in 1992 to provide factoring services to industrial and commercial firms, and is registered in Turkey.

The address of the registered office of Fiba Faktoring is as follows:

1. Levent Plaza A Blok Kat: 2, Büyükdere Caddesi No: 173 1. Levent 34330 İstanbul-Turkey.

The number of employees of the Company as at 31 December 2014 is 124 (31 December 2013: 172).

The Company's principal activity is to provide factoring services substantially in one geographical segment (Turkey).

### Merger of Fiba Faktoring A.Ş. with Girişim Faktoring A.Ş. by "taking over" Girişim Faktoring A.Ş.

Fiba Faktoring A.Ş. has merged with Girişim Faktoring A.Ş., which operates within the Fiba Group together with Fiba Faktoring A.Ş. in the same business line, by the transfer of all assets and liabilities of Girişim Faktoring A.Ş. as a whole to Fiba Faktoring A.Ş. pursuant to the decisions of the respective Board of Directors of both Fiba Faktoring A.Ş. and Girişim Faktoring A.Ş. taken on 5 August 2014. Each decision has been approved on 29 December 2015 in the respective Extraordinary General Meetings of Fiba Faktoring A.Ş. and Girişim Faktoring A.Ş. and registered in the Trade Register on 31 December 2015. With the registration of the merger in the Trade Register, Girişim Faktoring A.Ş. has been dissolved without liquidation and the merger has been completed.

Resulting from the aforementioned merger, the following shareholders of Girişim Faktoring A.Ş. have all received registered share certificates. Fiba Holding A.Ş., has received certificate of 100.184 registered shares with a nominal value of 1 TL each amounting to 100.184 (full) TL, Fina Holding A.Ş. has received certificate of 32.511.275 registered shares with a nominal value of 1 TL each amounting to 32.511.275 (full) TL, Hüsnü M. Özyeğin has received certificate of 18 registered shares with a nominal value of 1 TL each amounting to 18 (full) TL and Fiba Alışveriş Merk. Gel. İnş. Paz. ve Tic. A.Ş. received certificate of 163 registered shares with a nominal value of 1 TL each amounting to 163 (full) TL.

After the merger transaction as mentioned above, the composition of the authorised and paid-in share capital of Fiba Faktoring A.Ş. is as follows:

	31 December 2014		31 December 2013	
	Number of shares	Share (%)	Number of shares	Share (%)
Fiba Holding AŞ	46,198	57	46,198	57
Fina Holding AŞ	34,912	43	34,912	43
Others	<1	<1	<1	<1
	<b>81,110</b>	<b>100</b>	<b>81,110</b>	<b>100</b>

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

## **2 Basis of preparation**

### **(a) Statement of compliance**

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira ("TL") in accordance with the Uniform Chart of Accounts issued by Banking Regulation and Supervision Agency ("BRSA"), the Turkish Commercial Code (the "TCC"), and Tax Legislation. The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The financial statements were approved by the Company management on 27 February 2015. The General Assembly and other regulatory bodies have the power to amend the statutory financial statements after their issue.

### **Accounting for Business Combinations Under Common Control**

Combination of entities under common control are accounted by the pooling of interest method based on the carrying amounts of the merged entities under common control. No goodwill arises on such transactions and the effect of business combinations under common control is accounted under equity in retained earnings account. The financial statements are prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and presented comparatively from the beginning of the reporting period in which the common control occurred.

As of 31 December 2014, Fiba Faktoring A.Ş. was merged with Girişim Faktoring A.Ş. by using pooling of interest method, "by taking over" entire assets and liabilities of Girişim Faktoring A.Ş.. The financial statement of Fiba Faktoring A.Ş. as of 31 December 2013 is prepared as if the merger of Fiba Faktoring A.Ş. and Girişim Faktoring A.Ş. occurred at 1 January 2013. The effect of business combination under common control on the financial statements as of 1 January 2013 and 31 December 2013 has been stated as follows:

# Fiba Faktoring Anonim Şirketi

## Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

### 2 Basis of preparation (continued)

#### (a) Statement of compliance (continued)

#### Accounting for Business Combinations Under Common Control (continued)

31 December 2013					
	Reported Fiba Faktoring A.Ş.	Reported Girişim Faktoring A.Ş.	Combined Financial Statements	Merger Effect	As Restated
<b>Assets</b>					
Cash and cash equivalents	19,655	161,489	181,144	-	181,144
Factoring receivables	676,702	322,273	998,975	-	998,975
Investment securities	614	66,442	67,056	(125)	66,931
Property and equipment	4,133	332	4,465	-	4,465
Intangible assets	271	24	295	-	295
Assets held for sale	-	-	-	-	-
Other assets	20,533	2,557	23,090	-	23,090
Derivative financial instruments	452	-	452	-	452
Taxes receivable on income	-	21	21	-	21
Deferred tax assets	7,781	12,170	19,951	-	19,951
<b>Total assets</b>	<b>730,141</b>	<b>565,308</b>	<b>1,295,449</b>	<b>(125)</b>	<b>1,295,324</b>
<b>Liabilities</b>					
Loans and borrowings	539,430	306,026	845,456	-	845,456
Securities issued	-	-	-	-	-
Factoring payables	229	73	302	-	302
Other liabilities	1,510	10,513	12,023	-	12,023
Derivative financial instruments	36,582	50,822	87,404	-	87,404
Taxes payable on income	207	-	207	-	207
Employee benefits	1,466	511	1,977	-	1,977
Total equity	150,717	197,363	348,080	(125)	347,955
<b>Total liabilities and equity</b>	<b>730,141</b>	<b>565,308</b>	<b>1,295,449</b>	<b>(125)</b>	<b>1,295,324</b>
01 January 2013					
	As previously Reported Fiba Faktoring A.Ş.	As previously Reported Girişim Faktoring A.Ş.	Combined Financial Statements	Merger Effect	As Restated
<b>Assets</b>					
Cash and cash equivalents	120,680	21,486	142,166	-	142,166
Factoring receivables	726,889	289,292	1,016,181	-	1,016,181
Investment securities	691	165,726	166,417	(125)	166,292
Property and equipment	4,206	377	4,583	-	4,583
Intangible assets	315	48	363	-	363
Assets held for sale	3,065	880	3,945	-	3,945
Other assets	1,130	1,667	2,797	-	2,797
Derivative financial instruments	5,371	2,713	8,084	-	8,084
Taxes receivable on income	-	55	55	-	55
Deferred tax assets	177	7,850	8,027	-	8,027
<b>Total assets</b>	<b>862,524</b>	<b>490,094</b>	<b>1,352,618</b>	<b>(125)</b>	<b>1,352,493</b>
<b>Liabilities</b>					
Loans and borrowings	572,222	258,033	830,255	-	830,255
Securities issued	95,224	-	95,224	-	95,224
Factoring payables	331	71	402	-	402
Other liabilities	1,663	595	2,258	-	2,258
Derivative financial instruments	2,380	1,853	4,233	-	4,233
Taxes payable on income	1,474	-	1,474	-	1,474
Employee benefits	1,329	418	1,747	-	1,747
Total equity	187,901	229,124	417,025	(125)	416,900
<b>Total liabilities and equity</b>	<b>862,524</b>	<b>490,094</b>	<b>1,352,618</b>	<b>(125)</b>	<b>1,352,493</b>

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***2 Basis of preparation (continued)****(a) Statement of compliance (continued)****Accounting for Business Combinations Under Common Control (continued)**

	1 January -31 December 2013				
	As previously Reported Fiba Faktoring A.Ş.	As previously Reported Girişim Faktoring A.Ş.	Combined Financial Statements	Merger Effect	As Restated
<b>Statement of Comprehensive Income</b>					
Interest income	75,508	31,593	107,101	-	107,101
Interest expense	(42,188)	(21,009)	(63,197)	-	(63,197)
Net fee and commission income	4,093	392	4,485	-	4,485
Other operating income/(expense)	(32,490)	(20,597)	(53,087)	-	(53,087)
Net impairment loss on financial assets	(4,144)	(2,241)	(6,385)	-	(6,385)
Other non-operating income/(expense)	(29,302)	(9,384)	(38,686)	-	(38,686)
<b>Profit before income taxes</b>	<b>(28,523)</b>	<b>(21,246)</b>	<b>(49,769)</b>	-	<b>(49,769)</b>
Income tax expense	5,352	4,320	9,672	-	9,672
<b>Net profit for the period</b>	<b>(23,171)</b>	<b>(16,926)</b>	<b>(40,097)</b>	-	<b>(40,097)</b>

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis, as adjusted for the effects of inflation that ended at 31 December 2005 except for the derivative financial instruments and financial assets at fair value through profit or loss which are measured at fair value.

The methods used to measure fair values are discussed further in note 4.

**(c) Functional and presentation currency**

These financial statements are presented in TL, which is the Company's functional currency.

**(d) Use of estimates and judgments**

The preparation of the financial statements requires in conformity with IFRSs management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

In particular, information about significant assumptions and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3(d) and (e) Useful lives of property and equipment and intangible assets
- Note 4 – Determination of fair values
- Note 8 – Taxation
- Note 11 – Factoring receivables – Allowance for doubtful receivables
- Note 20 – Derivative financial instruments
- Note 21 – Employee benefits
- Note 23 – Financial risk management
- Note 24 – Commitments and contingencies

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

### **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

#### **(a) Accounting in hyperinflationary economies**

International Accounting Standard ("IAS") No. 29, which deals with the effects of inflation in the financial statements, requires that financial statements prepared in the currency of a hyperinflationary economy to be stated in terms of the measuring unit current at the reporting date and the corresponding figures for previous years be restated in the same terms. One characteristic that necessitates the application of IAS 29 is a cumulative three year inflation rate approaching or exceeding 100%.

The cumulative three-year inflation rate in Turkey was 35.61% as at 31 December 2005, based on the Turkish nation-wide wholesale price indices announced by Turkish Statistical Institute. This, together with the sustained positive trend in the quantitative factors such as financial and economic stabilisation, decrease in the interest rates and the appreciation of TL against the US Dollars ("USD"), have been taken into consideration to categorise Turkey as a non-hyperinflationary economy under IAS 29 effective from 1 January 2006. Therefore, IAS 29 has not been applied to the financial statements as at and for the year ended 31 December 2013 and 2012.

#### **(b) Foreign currency transactions**

Transactions in foreign currencies are translated to TL at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to TL at the exchange rates ruling at the reporting date announced by Central Bank of Turkey ("CBT"). Gains and losses arising from foreign currency transactions are recognised in profit or loss.

Foreign currency translation rates used by the Company as at 31 December are as follows:

	<u>2014</u>	<u>2013</u>
USD	2.3189	2.1343
Euro ("EUR")	2.8207	2.9365
GBP	3.5961	3.5114

#### **(c) Financial instruments**

##### ***Non-derivative financial instruments***

Non-derivative financial instruments comprise cash and cash equivalents, factoring receivables, investments, other receivables, factoring payables, loans and borrowings, securities issued and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial instruments are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the instrument.

Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

### **3 Significant accounting policies (continued)**

#### **(c) Financial instruments (continued)**

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, demand deposits and time deposits at banks having original maturity less than 3 months and readily to be used by the Company or not blocked for any other purpose.

Time deposits are measured at amortised cost using the effective interest method. Demand deposits are measured at cost.

Accounting for interest income and expense is discussed in note 3 (m).

##### *Factoring receivables*

Factoring receivables are measured at amortised cost less specific allowances for uncollectibility and unearned interest income. Specific allowances are made against the carrying amount of factoring receivables and that are identified as being impaired based on regular reviews of outstanding balances to reduce factoring receivables to their recoverable amounts. When a factoring receivable is known to be uncollectible, all the necessary legal procedures have been completed, and the final loss has been determined, receivable is written off immediately.

##### *Loans and borrowings*

Loans and borrowings and securities issued are recognised initially at fair value, net of any transaction costs incurred. Subsequent to initial recognition, loans and borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings.

##### *Investments*

Investments in equity securities are classified as available-for-sale assets. Available-for-sale assets are financial assets that are not held for trading purposes, or held to maturity. Investments in equity securities, which are not quoted in an active market, are measured at cost less impairment losses, if any, as their fair values cannot be estimated reasonably.

When equity investments are disposed of, any resulting gain or loss is recognised in profit or loss as the difference between the sales price and the carrying amount of the investment.

##### *Other*

Other non-derivative financial and liabilities are measured at amortised cost.

##### **Derivative financial instruments**

The Company holds derivative financial instruments for trading purposes. The Company engages in currency swap, forward and option contracts.

Derivatives held for trading are recognised initially at fair value; attributable transaction costs are recognised in profit and loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in its fair value are recognised in profit or loss.

##### **Share capital**

###### *Ordinary shares*

Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of ant tax effect.

Share capital increased pro-rata to existing shareholders is accounted for at par value as approved at the annual meeting of shareholders.

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

### **3 Significant accounting policies (continued)**

#### **(d) Property and equipment**

##### ***Recognition and measurement***

Items of property and equipment acquired before 1 January 2006 are measured at cost as adjusted for the effects of inflation in TL units current at 31 December 2005 pursuant to IAS 29 less accumulated depreciation and impairment losses, if any. Property and equipment acquired after 1 January 2006 are measured at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of a component of an item at property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized on a net basis within "other operating income" or "other expenses" in profit or loss.

##### ***Subsequent costs***

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

##### ***Depreciation***

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment.

The estimated useful lives for the current and comparative years are as follows:

Buildings	50 years
Motor vehicles	5 years
Furniture and fixtures	5 years

Leasehold improvements are amortised over the shorter of the lease period and their useful lives.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **(e) Intangible assets**

Intangible assets represent computer software licenses. Intangible assets acquired before 1 January 2006 are measured at cost as adjusted for the effects of inflation in TL units current at 31 December 2005 pursuant to IAS 29, less accumulated amortisation, and impairment losses, if any. Intangible assets acquired after 1 January 2006 are measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative years are 3 years.

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

### **3 Significant accounting policies (continued)**

#### **(f) Leased assets**

Leases where the entire risks and rewards incident to ownership of an asset are substantially transferred to the Company, are classified as tangible assets acquired by financial lease. Upon the initial recognition tangible assets acquired by financial lease are measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and leased assets are not recognized on the Company's statement of financial position.

#### **(g) Assets held for sale**

Assets held for sale consist of apartments, which had been pledged against the factoring receivables from the customers, purchased by the Company when the customers are not able to repay their debts to the Company. Assets held for sale are subsequently measured at the lower of carrying value or fair value less cost to sell and depreciation of the related asset is ceased.

The carrying amounts of the Company's asset held for sale are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

Impairment losses are recognised in profit or loss. Gains from reversal of impairment are not recognised in excess of any cumulative impairment loss.

#### **(h) Impairment**

##### ***Financial assets***

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available-for-sale financial assets is calculated by reference to its current fair value.

Financial assets are tested for impairment on an individual basis.

Impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

### **3 Significant accounting policies (continued)**

#### **(h) Impairment (continued)**

##### ***Non-financial assets***

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(i) Employee benefits**

##### ***Reserve for employee severance payments***

In accordance with the existing social legislation in Turkey, the Company is required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of an agreed formula, are subject to certain upper limits and are recognised in the accompanying financial statements as accrued. The reserve has been calculated by estimating the present value of the future obligation of the Company that may arise from the retirement of the employees.

The actuarial gains and losses are recognized in other comprehensive income. However, the company management evaluated the impact of actuarial gain/loss on the current year financial statements and accounted all actuarial gain/losses in the income statement due to the fact that post tax impact is not material.

As at 31 December, the assumptions used in the calculation are as follows:

	<b>2014</b>	<b>2013</b>
Net discount rate	3.17%	3.17%
Expected salary / limit increase	5.00%	5.00%
Turnover rate to estimate the probability of	95.22%	95.22%

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

#### **3 Significant accounting policies (continued)**

##### **(j) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

##### **(k) 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 recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **(l) Related parties**

For the purpose of accompanying financial statements, the shareholders, key management personnel and the Board members, and in each case, together with their families and companies controlled by/affiliated with them; and investments are considered and referred to as the related parties.

##### **(m) Interest income and expense**

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in profit or loss include interest on financial assets and liabilities at amortised cost on an effective interest rate basis.

##### **(n) Fees and commission**

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income are recognised in profit or loss as the related services are provided.

Other fees and commission expense are expensed in profit or loss as the services are received.

##### **(o) Dividends**

Dividend income is recognised when the right to receive income is established.

##### **(p) Net trading gain or loss**

Net trading gain or loss comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences.

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

### **3 Significant accounting policies (continued)**

#### **(r) Income tax**

Income tax expense comprises current tax and deferred tax. Income tax is recognised in profit and loss, except to the extent that it relates to items recognised directly in equity or, in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities and assets are recognised when it is probable that the future economic benefits resulting from the reversal of taxable temporary differences will flow to or from the Company. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Currently enacted tax rates are used to determine deferred taxes on income.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

#### **(s) Events after the reporting period**

Events after the reporting period are events that occur between reporting date and the authorisation date for the issuance of the financial statements and may impact the Company positively or negatively. If there is evidence of such events as at reporting date or if such events occur after reporting date and if adjustments are necessary, the Company's financial statements are adjusted according to the new situation. The Company discloses the post-reporting date events that are not adjusting events but material.

#### **(t) New and revised international financial reporting standards (IFRSs)**

##### **a) Amendments to IFRSs affecting amounts reported and/or disclosures in the financial statements**

None.

##### **b) New and Revised IFRSs applied with no material effect on the consolidated financial statements**

Amendments to IFRS 10, 11, IAS 27	<i>Investment Entities<sup>1</sup></i>
Amendments to IAS 32	<i>Offsetting Financial Assets and Financial Liabilities<sup>1</sup></i>
Amendments to IAS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets<sup>1</sup></i>
Amendments to IAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting<sup>1</sup></i>
IFRIC 21	<i>Levies<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014.

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

#### **3 Significant accounting policies (continued)**

##### **(t) New and revised international financial reporting standards (IFRSs) (continued)**

###### **Amendments to IFRS 10, 11, IAS 27 *Investment Entities***

This amendment with the additional provisions of IFRS 10 provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

###### **Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities***

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

###### **Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets***

As a consequence of IFRS 13 *Fair Value Measurements*, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non-financial assets and paragraphs 130 and 134 of IAS 36 has been changed.

###### **Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting***

This amendment to IAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

###### **IFRIC 21 *Levies***

IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

### **3 Significant accounting policies (continued)**

#### **(t) New and revised international financial reporting standards (IFRSs) (continued)**

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

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	<i>Financial Instruments</i> <sup>5</sup>
Amendments to IAS 19	<i>Defined Benefit Plans: Employee Contributions</i> <sup>1</sup>
Annual Improvements to 2010-2012 Cycle	<i>IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 38, IAS 24</i> <sup>1</sup>
Annual Improvements to 2011-2013 Cycle	<i>IFRS 1, IFRS 3, IFRS 13, IAS 40</i> <sup>1</sup>
IFRS 14	<i>Regulatory Deferral Accounts</i> <sup>2</sup>
Amendments to IFRS 11	<i>Accounting for Acquisition of Interests in Joint operations</i> <sup>2</sup>
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> <sup>2</sup>
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i> <sup>2</sup>
IFRS 15	<i>Revenue from Contracts with Customers</i> <sup>4</sup>
Amendments to IAS 27	<i>Equity Method in Separate Financial Statements</i> <sup>2</sup>
Amendments to IAS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>2</sup>
Annual Improvements to 2012-2014 Cycle	<i>IFRS 5, IFRS 7, IAS 9, IAS 34</i> <sup>3</sup>
Amendments to IAS 1	<i>Disclosure Initiative</i> <sup>2</sup>
Amendments to IFRS 10, IFRS 12 and IAS 28	<i>Investment Entities: Applying the Consolidation Exception</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2014.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2016.

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2016.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2017.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2018.

#### **IFRS 9 Financial Instruments**

IFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income (FVTOCI) measurement category for certain simple debt instruments.

#### **Amendments to IAS 19 Defined Benefit Plans: Employee Contributions**

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognized as a reduction in the service cost in the period in which the related service is rendered.

## **Fiba Faktoring Anonim Şirketi**

Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

### **3 Significant accounting policies (continued)**

#### **(t) New and revised international financial reporting standards (IFRSs) (continued)**

##### **Annual Improvements to 2010-2012 Cycle**

**IFRS 2:** Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'

**IFRS 3:** Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

**IFRS 8:** Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

**IFRS 13:** Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

**IAS 16 and IAS 38:** Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

**IAS 24:** Clarify how payments to entities providing management services are to be disclosed.

##### **Annual Improvements to 2011-2013 Cycle**

**IFRS 1:** Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only).

**IFRS 3:** Clarify 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.

**IFRS 13:** Clarify the scope of the portfolio exception in paragraph 52.

**IAS 40:** Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

##### **IFRS 14 Regulatory Deferral Accounts**

IFRS 14 *Regulatory Deferral Accounts* permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

IFRS 14 was issued by the IASB on 30 January 2014 and is applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016.

##### **Amendments to IFRS 11 Accounting for Acquisition of Interests in Joint operations**

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRSs for business combinations.

## **Fiba Faktoring Anonim Şirketi**

### **Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

#### **3 Significant accounting policies (continued)**

##### **(t) New and revised international financial reporting standards (IFRSs) (continued)**

#### **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation***

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 amortisation 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.

#### **Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants***

This amendment include "bearer plants" within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16. The amendment also introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of IAS 41.

#### **IFRS 15 *Revenue from Contracts with Customers***

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when the entity satisfies a performance obligation.

#### **Amendments to IAS 27 *Equity Method in Separate Financial Statements***

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

#### **Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

**Fiba Faktoring Anonim Şirketi**

**Notes to the Financial Statements**

**As at and for the Year Ended 31 December 2014**

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

**3 Significant accounting policies (continued)**

**(t) New and revised international financial reporting standards (IFRSs) (continued)**

**Annual Improvements 2012-2014 Cycle**

**IFRS 5:** Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

**IFRS 7:** Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements

**IAS 9:** Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid

**IAS 34:** Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

**Amendments to IAS 1 Disclosure Initiative**

This amendment addresses perceived impediments to preparers exercising their judgement in presenting their financial reports.

## Fiba Faktoring Anonim Şirketi

### Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

#### 4 Determination of fair values

##### *Accounting classification and fair values*

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

The estimated fair values of financial instruments have been determined using available market information by the Company, and where it exists, appropriate valuation methodologies. However, judgment is necessary required to interpret market data to determine the estimated fair value. While management has used available market information in estimating the fair values of financial instruments, the market information may not be fully reflective of the value that could be realised in the current circumstances. Management has estimated that the fair value of certain financial instruments is not materially different than their recorded values due to their short-term nature except for long term factoring receivables and loans and borrowings.

The investments that are classified as available-for-sale do not have a quoted market price in an active market and other methods of reasonably estimating their market values would be inappropriate, accordingly they are stated at cost, including the adjustments for the effects of inflation till 31 December 2005, less impairment losses, if any.

Financial assets at fair value through profit or loss are measured based on quoted market prices at the end of the reporting period.

As at 31 December, the carrying amounts and fair values of financial instruments are as follows:

	2014		2013	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
<b><i>Financial assets</i></b>				
Cash and cash equivalents	95,770	95,770	181,141	181,141
Available for sale	94,960	94,960	-	-
Factoring receivables	892,203	892,203	998,540	998,540
Derivative financial assets	3,597	3,597	452	452
<b><i>Financial liabilities</i></b>				
Loans and borrowings	840,204	841,153	845,456	846,063
Factoring payables	1,445	1,445	302	302
Derivative financial liabilities	18,386	18,386	87,404	87,404

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***4 Determination of fair values (continued)***Fair value hierarchy*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<b>31 December 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Available for sale	28,030	-	-	28,030
Derivative financial assets	-	3,597	-	3,597
<b>Total financial assets</b>	<b>28,030</b>	<b>3,597</b>	<b>-</b>	<b>31,627</b>
Derivative financial liabilities	-	18,386	-	18,386
<b>Total financial liabilities</b>	<b>-</b>	<b>18,386</b>	<b>-</b>	<b>18,386</b>

<b>31 December 2013</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative financial assets	-	452	-	452
<b>Total financial assets</b>	<b>-</b>	<b>452</b>	<b>-</b>	<b>452</b>
Derivative financial liabilities	-	87,404	-	87,404
<b>Total financial liabilities</b>	<b>-</b>	<b>87,404</b>	<b>-</b>	<b>87,404</b>

**5 Personnel expenses**

For the years ended 31 December, personnel expenses comprised the following:

	<b>2014</b>	<b>2013</b>
Salary expenses	16,117	16,099
Premiums and bonuses to employees	5,396	2,643
Severance payment and other personnel provision	2,144	193
Compulsory social security obligations	1,960	1,836
Meal expenses	558	547
Health expenses	534	495
Expense / (reversal) for employee severance payments (Note 21)	(247)	121
Expense / (reversal) in vacation pay liability (Note 21)	(162)	91
Others	525	501
	<b>26,825</b>	<b>22,526</b>

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***6 Administrative expenses**

For the years ended 31 December, administrative expenses comprised the following:

	<b>2014</b>	<b>2013</b>
Office rent, contribution, maintenance, cleaning expenses	3,196	2,465
Traveling, operational lease and other vehicle expenses	1,926	1,982
Consultancy expenses	958	1,053
Lawsuit expenses	614	497
Depreciation and amortisation expenses	603	540
Communication expenses	451	447
Taxes, duties, charges and funds	389	562
IT expenses	85	308
Notary expenses	70	228
Advertising expenses	66	82
Other	628	979
	<b>8,986</b>	<b>9,143</b>

**7 Other expenses**

For the years ended 31 December, other expenses comprised the following:

	<b>2014</b>	<b>2013</b>
Donations	3,616	5,984
Bank charges	1,107	656
Others	1,131	377
	<b>5,854</b>	<b>7,017</b>

For the year ended 31 December 2014, donations include contributions made to "Hüsnü Özyeğin Foundation" amounting TL 5 (31 December 2013: TL 1,451), to Hüsnü Özyeğin University amounting to TL 3,550 (31 December 2013: TL 4,500 TL), to "AÇEV" amounting TL 16 (31 December 2013: TL 7) and to other various foundations amounting to TL 45 (31 December 2013: TL 27).

## Fiba Faktoring Anonim Şirketi

### Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

#### 8 Taxation

As at 31 December 2014, corporate income tax is levied at the rate of 20% (31 December 2013: 20%) on the statutory corporate income tax base, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes. There is also a withholding tax levied at a certain rate on the dividends paid and is accrued only at the time of such payments. Some of the deduction rates included in the 15<sup>th</sup> and 30<sup>th</sup> articles of the Law no. 5520 on the Corporate Tax, was redefined according to the cabinet decision numbered 2006/10731, which was announced at Trade Registry Gazette of 23 July 2006-26237. In this context, withholding tax rate on dividend payments which are made to the companies except those are settled in Turkey or generate income in Turkey via a business or a regular agent was increased to 15% from 10%.

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. 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.

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

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

75% of gains on disposal of investment in equity securities and properties which were held for at least 2 years within the assets of acquirer entity after acquisition, are exempt from taxation if such gains are added to paid-in capital or kept under equity as restricted funds for at least 5 years.

The income tax expense for the years ended 31 December comprised the following items:

	2014	2013
<b>Current tax expense</b>		
Current tax	-	(2,252)
	-	(2,252)
<b>Deferred tax (expense)/credit</b>		
Origination and reversal of temporary differences	(5,420)	11,924
	(5,420)	11,924
<b>Income tax expense</b>	<b>(5,420)</b>	<b>9,672</b>

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***8 Taxation (continued)**

The reported income tax for the years ended 31 December are different than the amounts computed by applying the statutory tax rate to profit before tax as shown in the following reconciliation:

	<b>2014</b>	<b>2013</b>
	<b>Amount</b>	<b>Amount</b>
Reported profit before income tax <sup>(*)</sup>	22,618	(49,769)
Income tax using the domestic corporation tax rate	(4,524)	9,954
Non-deductible expenses	(898)	(419)
Tax exempt income	2	19
Others	-	118
<b>Total income tax expense</b>	<b>(5,420)</b>	<b>9,672</b>

(\*) Reported profit before amount includes tax amnesty expenses.

In accordance with the related regulation for prepaid taxes on income, advance payments during the year are being deducted from the final tax liability computed over current year operations. Accordingly, the income tax expense is not equal to the final tax liability appearing on the statement of financial position.

The taxes payable on income as at 31 December comprised the following:

	<b>2014</b>	<b>2013</b>
Taxes on income	-	2,252
Less: Taxes paid in advance	-	(2,066)
<b>Taxes payable on income</b>	<b>-</b>	<b>186</b>

At 31 December, deferred tax assets and liabilities were attributable to the items detailed in the table below:

<b>At 31 December</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Assets</b>		<b>Liabilities</b>		<b>Net</b>	
Carried forward tax losses	5,719	-	-	-	5,719	-
Factoring receivables	5,580	2,347	-	-	5,580	2,347
Derivative financial instruments	2,958	17,390	-	-	2,958	17,390
Employee benefits	400	393	-	-	400	393
Loans and borrowings	-	-	120	163	(120)	(163)
Property and equipments	-	-	6	16	(6)	(16)
	<b>14,657</b>	<b>20,130</b>	<b>126</b>	<b>179</b>	<b>14,531</b>	<b>19,951</b>

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***8 Taxation (continued)**

As at 31 December 2014 and 2013, there is no unrecognised deferred tax asset and liabilities.

The expiry date of tax loss carry forwards for the years ended 31 December is as follows:

	<b>2014</b>	<b>2013</b>
31 December 2019	28,596	-
<b>Total</b>	<b>28,596</b>	<b>-</b>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movement of deferred assets and (liabilities) for the years ended 31 December are as follows:

	<b>2014</b>	<b>2013</b>
Balance at 1 January	19,951	8,027
Deferred tax credit/(expense) recognised in profit or loss	(5,420)	11,924
<b>Balance at 31 December</b>	<b>14,531</b>	<b>19,951</b>

**9 Net trading gain / (loss)**

For the years ended 31 December, net trading gain comprised the following:

	<b>2014</b>	<b>2013</b>
Net gain/(loss) from derivative financial instruments	43,812	(81,972)
	<b>43,812</b>	<b>(81,972)</b>

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***10 Cash and cash equivalents**

As at 31 December, cash and cash equivalents comprised the following:

	<b>2014</b>	<b>2013</b>
Cash at banks		
- demand deposits	19,248	43,473
- time deposits	76,522	137,668
Cash on hand	-	3
<b>Total cash and cash equivalents</b>	<b>95,770</b>	<b>181,144</b>
Blocked cash	(6,725)	(28,044)
Accrued interest on time deposits	(41)	(41)
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>89,004</b>	<b>153,059</b>

As at 31 December 2014 and 2013, cash and cash equivalents include cash balances on hand, demand deposits and time deposits with original maturity periods of less than three month and over-night time deposits.

As at 31 December 2013, TL denominated time deposits amounting to TL 15,343 has an average interest rate of 7.83%, Euro denominated time deposits amounting to Euro 560 has an average interest rate of 0.05%, US Dollar denominated time deposits amounting to USD 25,685 has an average interest rate of 2.14% (31 December 2013: TL 131,465 -5.67%; EUR 1,800 - 1.40%; USD 410 - 0.20%).

**Fiba Faktoring Anonim Şirketi**

## Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

**11 Factoring receivables and payables**

As at 31 December, factoring receivables comprised the following:

	<b>2014</b>	<b>2013</b>
Domestic factoring receivables	866,826	962,122
Export factoring receivables	36,490	49,119
Impaired factoring receivables	66,824	45,419
<b>Factoring receivables, gross</b>	<b>970,140</b>	<b>1,056,660</b>
Unearned income on factoring transactions	(16,261)	(15,050)
Allowance for impaired factoring receivables	(61,676)	(42,635)
<b>Factoring receivables, net</b>	<b>892,203</b>	<b>998,975</b>

As at 31 December 2014, factoring receivables amounting to TL 57,578 mature above one year (31 December 2013: TL 42,891).

	<b>2014</b>	<b>2013</b>
Balance at 1 January	42,635	45,315
Provision, net of recoveries, transfer	19,041	(2,680)
<i>Transfers (*)</i>	-	(9,065)
<i>Allowance for the year</i>	<i>20,051</i>	<i>7,124</i>
<i>Recoveries of amounts previously provided</i>	<i>(1,010)</i>	<i>(739)</i>
<b>Balance at 31 December</b>	<b>61,676</b>	<b>42,635</b>

(\*) As of 31 December 2013 the Company sold its impaired factoring receivables amounting to TL 9,065 having net book value of zero with a sale price of TL 50 to Girişim Varlık Yönetimi A.Ş.

Movements in the allowance for doubtful receivables for the years ended 31 December were as follows:

As at 31 December, the ageing analysis of the impaired factoring receivables are as follows:

	<b>2014</b>		<b>2013</b>	
	<b>Gross Amount</b>	<b>Provision</b>	<b>Gross Amount</b>	<b>Provision</b>
Undue	1,112	516	1,326	81
Overdue 1 to 3 months	2,864	2,513	816	250
Overdue 3 to 6 months	772	228	2,877	2,796
Overdue 6 to 12 months	6,473	3,160	2,952	2,392
Overdue over 1 year	55,603	55,259	37,448	37,116
<b>Total</b>	<b>66,824</b>	<b>61,676</b>	<b>45,419</b>	<b>42,635</b>

Details of the collaterals obtained from customers are presented in Note 24.

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***11 Factoring receivables and payables (continued)***Factoring payables*

As at 31 December, factoring payables are as follows:

	<b>2014</b>	<b>2013</b>
Domestic factoring payables	304	250
Export factoring payables	1,141	52
	<b>1,445</b>	<b>302</b>

Factoring payables represent the amounts collected on behalf of customers but not yet paid at the end of the reporting period.

**12 Investment securities****Investments in securities available-for-sale**

As at 31 December, the Company holds securities in the following details:

	<b>2014</b>	<b>2013</b>
<u>Debt Securities</u>		
Private bank bonds	28,030	-
<u>Equity Securities</u>		
Non - quoted	66,930	66,931
	<b>94,960</b>	<b>66,931</b>

As at 31 December, the Company holds equity securities in the following companies:

	<b>2014</b>		<b>2013</b>	
	<b>Carrying value</b>	<b>% of ownership</b>	<b>Carrying value</b>	<b>% of ownership</b>
Credit Europe Group N.V. ("Credit Europe")	66,190	2.00	66,190	2.00
Fiba Alışveriş Mer. Gel. İnş. ve Paz. Tic. A.Ş.	728	0.16	728	0.16
Kapital Holding A.Ş.	10	-	10	-
Others	2	-	3	-
<b>Total</b>	<b>66,930</b>		<b>66,931</b>	

The Company's above non-quoted equity shares are accounted at cost since their fair values are not reliably measured.

As at 31 December, contractual maturities of the debt securities in the following details:

	<b>2014</b>	<b>2013</b>
<u>Long Term</u>		
Up to 5 years	11,462	-
More than five years	16,568	-
	<b>28,030</b>	<b>-</b>

As of 31 December 2014, interest rates of the debt securities are 8.00 % and 8.50%.

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***13 Property and equipment**

Movements in property and equipment for the years ended 31 December were as follows:

	<b>Buildings <sup>(*)</sup></b>	<b>Furniture and fixtures</b>	<b>Motor vehicles</b>	<b>Leasehold improvements</b>	<b>Others <sup>(**)</sup></b>	<b>Total</b>
<b>Cost</b>						
Balance at 1 January 2013	2,545	2,324	66	2,834	1,531	9,300
Additions	-	92	-	212	-	304
Disposals	-	(13)	-	-	-	(13)
<b>Balance at 31 December 2013</b>	<b>2,545</b>	<b>2,403</b>	<b>66</b>	<b>3,046</b>	<b>1,531</b>	<b>9,591</b>
Balance at 1 January 2014	2,545	2,403	66	3,046	1,531	9,591
Additions	-	56	-	17	-	73
Disposals	-	-	(66)	-	-	(66)
Reclassification and adjustment effects	-	(1,437)	-	(1,316)	-	(2,753)
<b>Balance at 31 December 2014</b>	<b>2,545</b>	<b>1,022</b>	<b>-</b>	<b>1,747</b>	<b>1,531</b>	<b>6,845</b>
<b>Accumulated depreciation</b>						
Balance at 1 January 2013	399	1,875	66	2,377	-	4,717
Depreciation for the year	51	179	-	184	-	414
Disposals	-	(5)	-	-	-	(5)
<b>Balance at 31 December 2013</b>	<b>450</b>	<b>2,049</b>	<b>66</b>	<b>2,561</b>	<b>-</b>	<b>5,126</b>
Balance at 1 January 2014	450	2,049	66	2,561	-	5,126
Depreciation for the year	50	151	-	342	-	543
Disposals	-	-	(66)	-	-	(66)
Reclassification and adjustment effects	-	(1,437)	-	(1,316)	-	(2,753)
<b>Balance at 31 December 2014</b>	<b>500</b>	<b>763</b>	<b>-</b>	<b>1,587</b>	<b>-</b>	<b>2,850</b>
<b>Carrying amounts</b>						
At 1 January 2013	2,146	449	-	457	1,531	4,583
<b>At 31 December 2013</b>	<b>2,095</b>	<b>354</b>	<b>-</b>	<b>485</b>	<b>1,531</b>	<b>4,465</b>
At 1 January 2014	2,095	354	-	485	1,531	4,465
<b>At 31 December 2014</b>	<b>2,045</b>	<b>259</b>	<b>-</b>	<b>160</b>	<b>1,531</b>	<b>3,995</b>

(\*) As at 31 December 2014, TL 2,045 (31 December 2013: TL 2,095) of net carrying value of building was acquired through finance lease contracts.

(\*\*) Others comprised of collection of paintings which are not amortised.

There is no pledge or liens on property and equipment.

As at 31 December 2014, total insurance coverage on property and equipment amounted to TL 14,193 (31 December 2013: TL 8,667) and TL 22 is paid as insurance premium (31 December 2013: TL 35).

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***14 Intangible assets**

Movements in intangible assets for the years ended 31 December were as follows:

	<b>Software</b>
<b>Cost</b>	
Balance at 1 January 2013	1,897
Additions	58
<b>Balance at 31 December 2013</b>	<b>1,955</b>
Balance at 1 January 2014	<b>1,955</b>
Additions	35
Reclassification and adjustment effects	(1,326)
<b>Balance at 31 December 2014</b>	<b>664</b>
<b>Accumulated amortisation</b>	
Balance at 1 January 2013	1,534
Amortisation for the year	126
<b>Balance at 31 December 2013</b>	<b>1,660</b>
Balance at 1 January 2014	<b>1,660</b>
Amortisation for the year	60
Reclassification and adjustment effects	(1,326)
<b>Balance at 31 December 2014</b>	<b>394</b>
<b>Carrying amounts</b>	
At 1 January 2013	363
<b>At 31 December 2013</b>	<b>295</b>
At 1 January 2014	295
<b>At 31 December 2014</b>	<b>270</b>

As at 31 December 2014 and 2013, there is no internally generated software.

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***15 Other assets**

As at 31 December, other assets comprised the following:

	<b>2014</b>	<b>2013</b>
Advances given	152	195
Prepaid expenses	312	611
Others	1,421	1,895
Assets acquired in return of factoring receivables	19,509	20,389
	<b>21,394</b>	<b>23,090</b>

**16 Loans and borrowings**

As at 31 December, loans and borrowings comprised the following:

<b>2014</b>					
	<b>Original amount</b>	<b>Nominal interest rate (%) <sup>(*)</sup></b>	<b>TL amount</b>		
			<b>Up to 1 year</b>	<b>1 year and over</b>	<b>Total loans and borrowings</b>
TL	672,660	8,00-12,50	631,667	40,993	672,660
USD	52,830	2,85-3,90	122,508	-	122,508
Euro	15,966	2,13-3,00	45,036	-	45,036
TL			<b>799,211</b>	<b>40,993</b>	<b>840,204</b>

  

<b>2013</b>					
	<b>Original amount</b>	<b>Nominal interest rate (%) <sup>(*)</sup></b>	<b>TL amount</b>		
			<b>Up to 1 year</b>	<b>1 year and over</b>	<b>Total loans and borrowings</b>
TL	655,123	8,00-12,55	562,188	99,916	662,104
USD	67,287	2,90-5,00	41,972	101,873	143,845
Euro	5,000	2.80	14,774	-	14,774
Ruble	381,816	10.65	24,733	-	24,733
TL			<b>643,667</b>	<b>201,789</b>	<b>845,456</b>

<sup>(\*)</sup>These rates represent the range of nominal interest rates of outstanding borrowings with fixed and floating rates as at 31 December 2014 and 2013.

As at 31 December 2014, loans and borrowings amounting are TL 375,624, USD 25,000 and Euro 12,000 secured by Fiba Holding AŞ, TL 20,000, and USD 10,000 secured by Fina Holding AŞ (31 December 2013: TL 447,194, USD 34,300 and Ruble 315,000 secured by Fiba Holding AŞ, TL 10,000, and USD 10,000 secured by Fina Holding AŞ).

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***17 Other liabilities**

As at 31 December, other liabilities comprised the following:

	<b>2014</b>	<b>2013</b>
Taxes and duties payable other than on income	1,251	1,413
Payables to suppliers	341	345
Payables to related parties ( <i>Note 23</i> )	-	10,050
Others	126	233
	<b>1,718</b>	<b>12,041</b>

**18 Derivative financial instruments**

The Company uses the currency swap, forward and option derivative instruments. "Currency swaps" are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies. Forward contracts are commitments to either purchase or sell a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Accumulative boosted forward transaction is a type of forward contract in which the transaction occurs every work day throughout the agreed time period based on the conditions of the agreement.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Company's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in foreign exchange rates and interest rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

The fair values of derivative instruments held as at 31 December, which represent the carrying values are as follows:

	<b>31 December 2014</b>		<b>31 December 2013</b>	
	<u><i>Assets</i></u>	<u><i>Liabilities</i></u>	<u><i>Assets</i></u>	<u><i>Liabilities</i></u>
Currency swaps	2,389	(2,434)	439	(20,652)
Currency forwards	1,205	(169)	13	(1,954)
Accumulative boosted forward transactions	-	(7,348)	-	(54,274)
Currency options	3	(66)	-	(4,152)
Interest rate swap	-	(8,369)	-	(6,372)
	<b>3,597</b>	<b>(18,386)</b>	<b>452</b>	<b>(87,404)</b>

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***19 Employee benefits**

As at 31 December, employee benefits comprised the following:

	<b>2014</b>	<b>2013</b>
Reserve for employee severance payments	834	1,081
Vacation pay liability	716	878
Other employee provisions	449	-
	<b>1,999</b>	<b>1,959</b>

**19.1 Reserve for employee severance payments**

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay, maximum of TL 3,541.37 (whole) at 31 December 2014 (31 December 2013: TL 3,438.22 (whole)) per year of employment at the rate of pay applicable at the date of retirement or termination. The principal assumption used in the calculation of the total liability is that the maximum liability for each year of service will increase in line with inflation semi-annually.

As at and for the years ended 31 December, movements in the reserve for employee severance payments were as follows:

	<b>2014</b>	<b>2013</b>
Balance at 1 January	1,081	960
Interest cost	34	120
Service cost	622	101
Payment during the year	(903)	(176)
Actuarial difference	-	76
<b>Balance at 31 December</b>	<b>834</b>	<b>1,081</b>

Actuarial differences are recognized in profit or loss.

**19.2 Vacation pay liability**

In accordance with current labour law, the Company makes payments for unused vacations of employees. The liability is calculated by the remaining vacation days multiplied by one day's pay.

For the years ended 31 December, movements in the vacation pay liability were as follows:

	<b>2014</b>	<b>2013</b>
Balance at 1 January	878	787
(Reversal) / Expense during the year	(162)	91
<b>Balance at 31 December</b>	<b>716</b>	<b>878</b>

## Fiba Faktoring Anonim Şirketi

### Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

## 20 Equity

### 20.1 Paid-in capital

As of 31 December 2014, Fiba Faktoring A.Ş. was merged with Girişim Faktoring A.Ş. by using pooling of interest method, "by taking over" entire assets and liabilities of Girişim Faktoring A.Ş., thus paid in capital of Fiba Faktoring A.Ş. increased at amount of TL 32,610 (Note 1 and Note 2).

At 31 December 2013, the nominal paid-in capital of the Company comprises 81,109,700 shares (31 December 2013: 81,709,700) of TL 1 each. There are no privileged shares of the Company.

For the years ended 31 December, the composition of the authorised and paid-in share capital was as follows:

	31 December 2014		31 December 2013	
	Number of shares	Share (%)	Number of shares	Share (%)
Fiba Holding AŞ	46,198	57	46,198	57
Fina Holding AŞ	34,912	43	34,912	43
Others	<1	<1	<1	<1
	<b>81,110</b>	<b>100</b>	<b>81,110</b>	<b>100</b>

During the prior period, the Company management has made a classification from share capital to retained earnings amounting to TL 3,305 starting from the earliest period presented in this report in order to align paid in capital balance with the statutory records.

### 20.2 Legal reserves

The legal reserves, which are included in retained earnings, are established by annual appropriations amounting to 5% of income disclosed in the Company's statutory accounts until it reaches 20% of paid-in share capital (first legal reserve). Without limit, a further 10% of dividend distributions in excess of 5% of paid-in capital is to be appropriated to increase legal reserves (second legal reserve). The first legal reserve is restricted and is not available for distribution as dividend unless it exceeds 50% of share capital. In the accompanying financial statements, the total of the legal reserves amounted to TL 35,672 as at 31 December 2014 (31 December 2013: legal reserves TL 32,172).

### 20.3 Retained earnings

75% of gains on disposal of investment in equity securities and properties which were held for at least 2 years within the assets of acquirer entity after acquisition are exempt from taxation if such gains are added to paid-in capital or kept under equity as restricted funds for at least 5 years. As at 31 December 2014, retained earnings balance is comprised of such restricted funds amounting to TL 149,603 (31 December 2013: TL 272,475).

As per the General Assembly Meeting on 27 January 2014, it was decided offset accumulated losses with 2013 profit and the above mentioned restricted funds for which the time limitation has expired. The remaining amount has been decided to be distributed as dividend at amounting TL 102,446 after the required legal reserve amount has been deducted. After merger explained in note 2, TL 512 dividend is eliminated in the financial statements since it was distributed to Fiba Faktoring AŞ.

## **Fiba Faktoring Anonim Şirketi**

Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

*(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)*

### **21 Financial risk management**

The Company has exposure to the following risks during the course of its operations:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### **Credit risk**

The Company is subject to credit risk through its factoring operations. Risk Management and Analysis Department is responsible to manage the credit risk. The Company requires a certain amount of collateral in respect of its financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit.

At reporting date, there were no significant concentrations of credit risk on customer basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***21 Financial risk management (continued)****Credit risk (continued)***Exposure to credit risk*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<i>Note</i>	<b>2014</b>	<b>2013</b>
Factoring receivables	<i>11</i>	892,203	998,975
Derivative financial instruments	<i>18</i>	3,597	452
Other assets (*)	<i>15</i>	1,421	1,895
Cash and cash equivalents	<i>10</i>	95,770	181,144
<b>Total</b>		<b>992,991</b>	<b>1,182,466</b>

(\*) Non-financial instruments such as, prepaid expenses, assets acquired in return factoring receivables and advances given are excluded from other assets.

As at 31 December 2014, financial assets that are past due but not impaired comprised of factoring receivables amounting to TL 7,647 (31 December 2013: TL 20,113).

Transactions involving derivatives are mainly with related parties.

The Company establishes an allowance for doubtful receivables that represents its estimate of incurred losses in respect of factoring receivables. This allowance includes the specific loss component that relates to individual customer exposures.

The Company has obtained the following collaterals for its factoring receivables at 31 December:

	<b>2014</b>	<b>2013</b>
Customer notes and cheques obtained as collateral	1,604,154	2,130,039
Mortgages	38,502	36,494
Pledges	20,400	20,400
	<b>1,663,056</b>	<b>2,186,933</b>

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its liquidity position on a periodic basis, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically, the Company ensures that it has sufficient liquid assets to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. To manage liquidity risk arising from financial liabilities, the Company holds liquid assets mainly comprising cash and cash equivalents and investments in debt securities for which there is an active market. These assets can be readily sold to meet liquidity requirements.

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***21 Financial risk management (continued)****Liquidity risk (continued)**

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements on undiscounted basis.

<b>31 December 2014</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>3 months or less</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>
<b>Non-derivative financial liabilities</b>					
Loans and borrowings	840,204	862,723	430,446	384,447	47,830
Factoring payables	1,445	1,445	1,445	-	-
Other liabilities (*)	389	389	389	-	-
<b>Total</b>	<b>842,038</b>	<b>864,557</b>	<b>432,280</b>	<b>384,447</b>	<b>47,830</b>

<b>31 December 2013</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>3 months or less</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>
<b>Non-derivative financial liabilities</b>					
Loans and borrowings	845,456	881,280	361,238	303,261	216,781
Securities issued	-	-	-	-	-
Factoring payables	302	302	302	-	-
Other liabilities (*)	10,491	10,491	10,491	-	-
<b>Total</b>	<b>856,249</b>	<b>892,073</b>	<b>372,031</b>	<b>303,261</b>	<b>216,781</b>

(\*) Other liabilities exclude withholding taxes and duties payable.

**Fiba Faktoring Anonim Şirketi**

## Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

**21 Financial risk management (continued)****Liquidity risk (continued)**

The table below shows the notional amounts of derivative instruments analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

	31 December 2014				
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Currency swaps:					
Purchases	93,931	-	43,250	-	137,181
Sales	91,450	-	43,938	-	135,388
Interest Rate Swaps					
Purchases	-	35,519	-	-	35,519
Sales	-	43,221	-	-	43,221
Currency options					
Purchases	85	42,311	-	-	42,396
Sales	88	47,790	-	-	47,878
Forward					
Purchases	29,528	2,886	592	-	33,006
Sales	28,519	2,908	565	-	31,992
Accumulated boosted forwards:					
Purchases	3,256	-	55,035	-	58,291
Sales	3,714	-	56,652	-	60,366
Total of purchases	126,800	80,716	98,877	-	306,393
Total of sales	123,771	93,919	101,155	-	318,845
<b>Total of transactions</b>	<b>250,571</b>	<b>174,635</b>	<b>200,032</b>	<b>-</b>	<b>625,238</b>

  

	31 December 2013				
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Currency swaps:					
Purchases	137,260	52,027	138,405	35,950	363,642
Sales	-	-	-	-	-
Interest Rate Swaps					
Purchases	-	1,360	-	39,780	41,140
Sales	-	-	-	-	-
Currency options					
Purchases	4,136	8,272	38,097	-	50,505
Sales	-	-	-	-	-
Forward					
Purchases	10,732	5,635	10,136	-	26,503
Sales	-	-	-	-	-
Accumulated boosted forwards:					
Purchases	57,924	110,406	296,570	152,329	617,229
Sales	-	-	-	-	-
Total of purchases	205,253	170,184	474,281	221,573	1,071,291
Total of sales	210,052	177,700	483,208	228,059	1,099,019
<b>Total of transactions</b>	<b>415,305</b>	<b>347,884</b>	<b>957,489</b>	<b>449,632</b>	<b>2,170,310</b>

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***21 Financial risk management (continued)****Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

*Interest rate risk*

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows of fair values of financial instruments because of a change in market interest rates. All the financial instruments have fixed interest rates except for a portion of factoring receivables and loans and borrowings which have floating interest rate.

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities, the Company is also exposed to basis risk which is the difference in repricing characteristics of the various floating rate indices, such as year-end libor and different types of interest. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Company's business strategies.

The tables below summarise average effective interest rates by major currencies for monetary financial instruments at 31 December:

	31 December 2014					31 December 2013				
	USD (%)	Euro (%)	Ruble (%)	GBP (%)	TL (%)	USD (%)	Euro (%)	Ruble (%)	GBP (%)	TL (%)
<b>Assets</b>										
Cash at banks										
- Time deposits	2.14	0.05	-	-	7.83	0.20	1.14	-	-	5.70
Factoring receivables	7.47	6.62	-	8.25	13.85	7.33	7.16	-	8.09	12.93
<b>Liabilities</b>										
Loans and borrowings	3.45	2.72	-	-	10.70	3.55	3.97	10.65	-	9.29

**Fiba Faktoring Anonim Şirketi**

## Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

**21 Financial risk management (continued)****Market risk (continued)***Interest rate profile*

	Carrying amount	
	2014	2013
<b>Fixed rate instruments</b>		
Factoring receivables	588,410	675,174
Time deposits	76,522	137,668
Securities issued	28,030	-
Factoring payables	(1,445)	(302)
Loans and borrowings	(840,204)	(845,456)
<b>Variable rate instruments</b>		
Factoring receivables	303,793	323,801

At 31 December, the interest rate profile of the interest-bearing financial instruments was:

*Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Additionally, the Company does not account for any fixed rate financial assets and liabilities as available-for-sale. Therefore a change in interest rates at the reporting date would not directly affect equity.

*Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 31 December 2013.

	Profit or loss		Equity <sup>(*)</sup>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 December 2014</b>				
Variable rate instruments	3,038	(3,038)	3,038	(3,038)
	3,038	(3,038)	3,038	(3,038)
<b>31 December 2013</b>				
Variable rate instruments	3,238	(3,238)	3,238	(3,238)
	3,238	(3,238)	3,238	(3,238)

(\*) Equity effect includes the profit or loss effect of the related financial instruments.

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***21 Financial risk management (continued)****Market risk (continued)***Foreign currency risk*

The Company is exposed to currency risk through transactions (such as factoring operations and borrowings) in foreign currencies. As the currency in which the Company presents its financial statements is TL, the financial statements are affected by movements in the exchange rates against TL.

At 31 December, the currency risk exposures were as follows (TL equivalents):

<b>2014</b>				<b>TL</b>
	<b>USD</b>	<b>Euro</b>	<b>Other</b>	<b>Total</b>
<b>Foreign currency monetary assets</b>				
Cash and cash equivalents	67,577	6,418	2,594	76,589
Available for sale	28,030	-	-	28,030
Factoring receivables	37,868	54,671	1,649	94,188
Other assets	23	-	-	23
Total foreign currency monetary assets	133,498	61,089	4,243	198,830
<b>Foreign currency monetary liabilities</b>				
Loans and borrowings	122,508	45,036	-	167,544
Factoring payables	-	1,141	-	1,141
Other liabilities	3	46	1	50
Total foreign currency monetary liabilities	122,511	46,223	1	168,735
<b>Gross exposure</b>	<b>10,987</b>	<b>14,866</b>	<b>4,242</b>	<b>30,095</b>
Off balance sheet net notional position	(54,880)	(113,549)	-	(168,429)
<b>Net position</b>	<b>(43,893)</b>	<b>(98,683)</b>	<b>4,242</b>	<b>(138,334)</b>

<b>2013</b>				<b>TL</b>
	<b>USD</b>	<b>Euro</b>	<b>Other</b>	<b>Total</b>
<b>Foreign currency monetary assets</b>				
Cash and cash equivalents	10,944	33,627	388	44,959
Available for sale	-	-	-	-
Factoring receivables	52,977	54,426	3,434	110,837
Total foreign currency monetary assets	63,921	88,053	3,822	155,796
<b>Foreign currency monetary liabilities</b>				
Loans and borrowings	143,845	14,774	24,733	183,352
Factoring payables	-	52	-	52
Other liabilities	6	56	9	71
Total foreign currency monetary liabilities	143,851	14,882	24,742	183,475
<b>Gross exposure</b>	<b>(79,930)</b>	<b>73,171</b>	<b>(20,920)</b>	<b>(27,679)</b>
Off balance sheet net notional position	(259,663)	(154,863)	22,698	(391,828)
<b>Net position</b>	<b>(339,593)</b>	<b>(81,692)</b>	<b>1,778</b>	<b>(419,507)</b>

**Fiba Faktoring Anonim Şirketi**

## Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

**21 Financial risk management (continued)****Market risk (continued)***Foreign currency sensitivity analysis*

A 10 percent weakening of TL against the foreign currencies at 31 December 2014 would have increased (decreased) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 31 December 2013.

<b>31 December 2014</b>	<b>Equity</b>	<b>Profit or loss</b>
USD	(4,389)	(4,389)
Euro	(9,868)	(9,868)
Other	424	424
	<b>(13,833)</b>	<b>(13,833)</b>

<b>31 December 2013</b>	<b>Equity</b>	<b>Profit or loss</b>
USD	(33,960)	(33,960)
Euro	(8,169)	(8,169)
Other	178	178
	<b>(41,951)</b>	<b>(41,951)</b>

A 10 percent strengthening of the TL against the foreign currencies at 31 December 2014 and 2013 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

*Capital management*

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to meet local regulatory requirements. As per the "Leasing, Factoring and Financial Companies Law" No. 6361, published in the Official Gazette dated 13 December 2012, minimum paid-in capital requirement of the Company is TL 20,000. The Company's paid-in capital is above the minimum limits.

As at 31 December 2014 and 2013, ratio of net debt to equity is presented below:

	<b>2014</b>	<b>2013</b>
Total liabilities	863,752	947,369
Minus: Cash and cash equivalents	(95,770)	(181,141)
Net debt	767,982	766,228
Total equity	262,968	347,955
Net debt/equity ratio	2.92	2.20

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***22 Commitments and contingencies**

Commitments and contingent liabilities arising in the ordinary course of business comprised the following items:

	2014	2013
Letter of guarantees given	8,462	7,650
	<b>8,462</b>	<b>7,650</b>

**23 Related party disclosures**

For the purpose of accompanying financial statements, the shareholders, key management personnel and the Board members, and in each case, together with their families and companies controlled by/affiliated with them; and investments are considered and referred to as the related parties. A number of transactions are entered into with the related parties in the normal course of business.

As at 31 December, the Company had the following balances outstanding from its related parties:

	2014	2013
<b>Cash at banks</b>		
Credit Europe Bank NV – time	-	3,223
Credit Europe Bank NV – demand	4,512	307
Credit Europe Bank Suisse – time	-	128,365
Credit Europe Bank Suisse – demand	6,786	38,004
Fibabanka AŞ – time	2,000	-
Fibabanka AŞ – demand	692	204
	<b>13,990</b>	<b>170,103</b>
<b>Other Payables</b>		
Fina Holding A.Ş. (*)	-	10,000
Fiba Holding A.Ş.	9	50
	<b>9</b>	<b>10,050</b>

(\*) Dividend payable to Fina Holding from profit of year 2012.

**Fiba Faktoring Anonim Şirketi**

## Notes to the Financial Statements

As at and for the Year Ended 31 December 2014

(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

**23 Related party disclosures (continued)**

As at 31 December 2014 and 2013, derivative transactions with related parties with the TL equivalent of the notional amounts are as follows:

Derivative financial instruments – notional amounts	2014	
	Purchase	Sale
Credit Europe Bank NV– currency swaps	19,551	20,057
Credit Europe Bank NV– interest rate swaps	35,519	43,221
Credit Europe Bank NV – accumulative boosted forward transactions	56,841	58,626
Credit Europe Bank Suisse – accumulative boosted forward transactions	1,451	1,739
Credit Europe Bank Suisse – currency options	42,311	47,790
	<b>155,673</b>	<b>171,433</b>

Derivative financial instruments – notional amounts	2013	
	Purchase	Sale
Credit Europe Bank NV– currency swaps	105,857	111,114
Credit Europe Bank NV– currency forwards	9,261	9,940
Credit Europe Bank NV– interest rate swaps	38,360	41,140
Credit Europe Bank NV – accumulative boosted forward transactions	247,007	245,164
Credit Europe Bank Suisse – accumulative boosted forward transactions	94,679	103,918
Credit Europe Bank Suisse – currency options	48,556	50,505
	<b>543,720</b>	<b>561,781</b>

	2014	2013
<b>Derivative financial instruments – carrying values</b>		
Credit Europe Bank NV – currency swaps	(1,270)	(9,499)
Credit Europe Bank NV– currency forwards	-	(971)
Credit Europe Bank NV – interest rate swaps	(8,369)	(6,372)
Credit Europe Bank NV– accumulated boosted forward transactions	(6,710)	(25,670)
Credit Europe Bank Suisse – accumulated boosted forward transactions	(638)	(28,603)
Credit Europe Bank Suisse – currency options	(66)	(4,152)
	<b>(16,986)</b>	<b>(71,115)</b>

	2014	2013
<b>Interest income on cash and cash equivalents</b>		
Fibabanka AŞ	66	171
Credit Europe Bank Suisse	606	7
Credit Europe Bank NV	83	7
	<b>755</b>	<b>185</b>

<b>Dividend income</b>		
Fiba AVM A.Ş.	10	-
	<b>10</b>	<b>-</b>

**Fiba Faktoring Anonim Şirketi****Notes to the Financial Statements****As at and for the Year Ended 31 December 2014***(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)***23 Related party disclosures (continued)**

For the years ended 31 December, the transactions with the related parties are summarised below:

	2014	2013
<b>Other operating income</b>		
Credit Europe Bank NV - <i>Trading gain from derivatives</i>	64,278	3,734
Credit Europe Bank Suisse - <i>Trading gain from derivatives</i>	33,532	3,128
Credit Europe Bank NV - <i>Gain on sale from available for sale</i>	-	29,040
	<b>97,810</b>	<b>35,902</b>
<b>Interest expense on loans and borrowings</b>		
Credit Europe Bank NV	439	665
Credit Europe Bank Suisse	-	270
	<b>439</b>	<b>935</b>
	<b>2014</b>	<b>2013</b>
<b>Administrative expenses</b>		
Fibabanka	-	73
Fiba Holding A.Ş.	50	73
Girişim Varlık Yönetimi A.Ş.	12	22
Fiba Gayrimenkul Gel. İnş. ve Yat. A.Ş.	9	10
Fina Holding A.Ş.	12	1
Özyeğin Üniversitesi	-	1
	<b>83</b>	<b>180</b>
<b>Donations</b>		
Hüsni Özyeğin University	3,550	4,500
Hüsni Özyeğin Foundation	5	1,451
AÇEV	16	7
	<b>3,571</b>	<b>5,958</b>
<b>Other expenses</b>		
Credit Europe Bank NV - <i>Trading gain from derivatives</i>	45,832	23,208
Credit Europe Bank Suisse - <i>Trading gain from derivatives</i>	28,404	24,213
Credit Europe Bank NV - <i>Other</i>	333	254
Credit Europe Bank Suisse - <i>Other</i>	36	57
Girişim Alacak Yönetimi A.Ş. - <i>Other</i>	-	42
Fiba Bank A.Ş. - <i>Other</i>	6	20
Marka Mağazacılık A.Ş. - <i>Other</i>	11	16
Anadolu Japan Turizm A.Ş. - <i>Other</i>	-	7
Girişim Varlık Yönetimi A.Ş. - <i>Other</i>	83	5
Fiba Emeklilik ve Hayat A.Ş.	39	-
	<b>74,744</b>	<b>47,822</b>

Total benefit of key management for the year ended 31 December 2014 amounted to TL 2,886 (31 December 2013: TL 2,772).

**24 Subsequent events**

None.