EFG İSTANBUL HOLDİNG A.Ş.

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of EFG İstanbul Holding A.Ş.

We have audited the accompanying financial statements of EFG İstanbul Holding A.Ş. ("the Company") which comprise the balance sheet as of 31 December 2013 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on 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, the auditor considers 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.

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Opinion

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of EFG İstanbul Holding A.Ş. as of 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Haluk Yalçın, SMMM
Partner

Istanbul, 18 December 2014

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EFG İSTANBUL HOLDİNG A.Ş.

BALANCE SHEET AT 31 DECEMBER 2013

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

	Notes	31 December 2013	31 December 2012
ASSETS			
Current assets		**189,470,343**	**176,892,131**
Cash and cash equivalents	3	189,426,718	176,855,558
Other current assets	4	43,625	36,573
Total assets		**189,470,343**	**176,892,131**
LIABILITIES AND EQUITY			
Current liabilities		**1,612,820**	**846,418**
Current income tax liabilities	8	1,595,451	826,706
Other liabilities	4	17,369	19,712
Equity		**187,857,523**	**176,045,713**
Share capital	5	8,696,327	8,696,327
Adjustment to share capital	5	24,789,022	24,789,022
Legal reserves	5	817,034	817,034
Retained earnings		141,743,330	126,630,805
Net income for the year		11,811,810	15,112,525
Total liabilities and equity		**189,470,343**	**176,892,131**

The financial statements for the year ended 31 December 2013 have been approved by Mr. Taraboulous Alvertos and Mr. Psychogios Spyros. General Assembly has the power to amend the financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

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

	Notes	1 January - 31 December 2013	1 January - 31 December 2012
CONTINUING OPERATIONS			
Financial income, net	6	14,858,247	18,939,651
Gross profit		**14,858,247**	**18,939,651**
General administrative expenses (-)	7	93,205	48,995
Profit before tax from continuing operations		**14,765,042**	**18,890,656**
Tax expense from continuing operations			
- Taxes on income	8	(2,953,232)	(3,775,931)
- Deferred tax expense	8	-	(2,200)
Profit from continuing operations		**11,811,810**	**15,112,525**
Other comprehensive income		-	-
Total comprehensive income		**11,811,810**	**15,112,525**
Earnings per share (TL)	**9**	**1.36**	**1.74**

The accompanying explanations and notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

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

	Notes	Share Capital	Adjustment to Share Capital	Legal Reserves	Retained Earnings	Net Income for the Year	Total Equity
1 January 2012	**5**	**8,696,327**	**24,789,022**	**817,034**	**115,750,052**	**10,880,753**	**160,933,188**
Transfers to retained earnings		-	-	-	10,880,753	(10,880,753)	-
Net income for the period		-	-	-	-	15,112,525	15,112,525
31 December 2012	**5**	**8,696,327**	**24,789,022**	**817,034**	**126,630,805**	**15,112,525**	**176,045,713**
1 January 2013	**5**	**8,696,327**	**24,789,022**	**817,034**	**126,630,805**	**15,112,525**	**176,045,713**
Transfers to retained earnings		-	-	-	15,112,525	(15,112,525)	-
Net income for the period		-	-	-	-	11,811,810	11,811,810
31 December 2013	**5**	**8,696,327**	**24,789,022**	**817,034**	**141,743,330**	**11,811,810**	**187,857,523**

The accompanying explanations and notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

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

	Notes	1 January - 31 December 2013	1 January - 31 December 2012
Cash flows from operating activities:			
Net income for the period		11,811,810	15,112,525
Adjustments to reconcile net income to net cash from operating activities:			
Provision for taxation	8	2,953,232	3,778,131
Interest income	6	(14,858,471)	(18,939,651)
Interest received		14,487,720	18,015,774
Operating profit before changes in assets and liabilities:			
Net increase in other assets		(7,052)	(14,206)
Net (decrease)/increase in other liabilities and provisions		(2,343)	8,712
Taxes paid		(2,184,487)	(3,733,584)
Net cash from operating activities		**12,200,409**	**14,227,701**
Net increase in cash and cash equivalents		**12,200,409**	**14,227,701**
Cash and cash equivalents at the beginning of the period	3	174,669,964	160,442,263
Cash and cash equivalents at the end of the period	**3**	**186,870,373**	**174,669,964**

The accompanying explanations and notes form an integral part of these financial statements.

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

EFG İstanbul Holding A.Ş. (the "Company"), (previously named as HC İstanbul Holding A.Ş.), was established in April 1997 under the name İleri Yatırım Holding A.Ş..

İleri Yatırım Holding A.Ş. sold to a group of investors, HC Securities & Investment S.A.E., Paulo Zapparoli, Hussein Choucri and Hussein El Sherbiny with a share transfer agreement signed on 28 June 2001. İleri Yatırım Holding A.Ş.'s name was changed to HC İstanbul Holding A.Ş., this change of name was announced in the Official Gazette (no.5448) on 20 December 2001.

The Company was the main shareholder of EFG İstanbul Menkul Değerler A.Ş. (previously named as HC İstanbul Menkul Değerler A.Ş.). Due to the change in shareholders of HC İstanbul Holding A.Ş. the Company's trade name was changed to EFG İstanbul Holding A.Ş.. This change was announced in the Trade Registry Gazette dated 23 May 2005, numbered 6308.

The shares of EFG İstanbul Holding A.Ş. were purchased by Eurobank Ergasias S.A. which became the main shareholder of the Company by the announcement dated 27 August 2007 and numbered 2007/5. The shares of the subsidiary EFG İstanbul Menkul Değerler A.Ş. were purchased by Eurobank Tekfen A.Ş. by the announcement dated 28 September 2007 and numbered 24535.

The Company is registered in Turkey at the following address: Büyükdere Cad, No: 118/8 , Floor:8 34394 Esentepe Şişli/İstanbul.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

Accounting Standards

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code and tax legislation.

The financial statements are based on the statutory records on historical cost convention, with adjustments and reclassifications for the purpose of fair presentation in accordance with International Financial Reporting Standards ("IFRS").

Offsetting

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

Adoption of new or revised international financial reporting standards and interpretations

The Company adopted the standards, amendments and interpretations published by the IASB and International Financial Reporting Interpretation Committee ("IFRIC") and which are mandatory for the accounting periods beginning on or after 1 January 2013.

2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

New standards, amendments and interpretations

- IAS 1 (amendment), "Presentation of financial statements", is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. Early adoption is permitted.
- IAS 19 (amendment), "Employee benefits", is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. Early adoption is permitted.
- IFRS 1 (amendment), "First time adoption', on government loans", is effective for annual periods beginning on or after 1 January 2013. The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008.
- IFRS 7 (amendment), "'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2013. The amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare US GAAP financial statements.
- IFRS 10, 11 and 12 on transition guidance (amendment), is effective for annual periods beginning on or after 1 January 2012. The amendment also provide additional transition relief in IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosure related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for the periods before IFRS 12 is applied.
- Annual Improvements to IFRSs 2011 is effective for annual periods beginning on or after 1 January 2013. Amendments affect five standards: IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.

    - IFRS 1, 'First time adoption'
    - IFRS 3, 'Business combinations'
    - IFRS 13, 'Fair value measurement' and'
    - IAS 40, 'Investment property'
    - TAS/IAS 34, 'Interim financial reporting.

- IFRS 10, "Consolidated financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 11, "Joint arrangements", is effective for annual periods beginning on or after 1 January 2013. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- IFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013. The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- IFRS 13, "Fair value measurement", is effective for annual periods beginning on or after 1 January 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.
- IAS 27 (revised), "Separate financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
- IAS 28 (revised), "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013. The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

New IFRS Standards, amendments and IFRIC's effective after 1 January 2014:

- IAS 32 (amendment), "'Financial instruments: Presentation', on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities is effective for annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.
- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- Amendment to IAS 39 'Financial Instruments: Recognition and Measurement' - 'Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.
- IFRS 9 'Financial instruments' – classification and measurement; is effective for annual periods beginning on or after 1 January 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives.

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions.
- Amendments to IFRS 9, 'Financial instruments', regarding general hedge. These amendments to IFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.
- Amendment to IAS 19 regarding defined benefit plans; ; is effective for annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:

    - IFRS 2, 'Share-based payment'
    - IFRS 3, 'Business Combinations'
    - IFRS 8, 'Operating segments'
    - IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets'Consequential amendments to IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets', and
    - IAS 39, Financial instruments – Recognition and measurement'

- Annual improvements 2013; is effective for annual periods beginning on or after 1 July 2014. The amendments include changes from the 2011-2-13 cycle of the annual improvements project that affect 4 standards:

    - IFRS 1, 'First time adoption'
    - IFRS 3, 'Business combinations'
    - IFRS 13, 'Fair value measurement' and
    - IAS 40, 'Investment property'

The Company management does not foresee any material impact of adoption of the aforementioned standards and interpretations on the financial statements of the Company in the upcoming periods.

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below:

(a) Foreign exchange transactions

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions and monetary assets and liabilities denominated in foreign currencies translated by using year-end exchange rates of Central Bank of the Republic of Turkey’s bid rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

(b) Earnings per share

Earnings per share disclosed in these statements of income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the year concerned (Note 9).

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

(c) Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts its financial statements if such subsequent events arise which require an adjustment to the financial statements (Note 13).

(d) Related parties

For the purpose of these financial statements, the shareholders, key management personnel and Board members, in each case together with companies controlled by or affiliated with them are considered and referred to as related parties (Note 10).

(e) Deferred tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income taxes.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized (Note 8).

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(f) Reporting of cash flows

For the purposes of cash flows statement, cash and cash equivalents include cash due from banks, trading and available-for-sale securities with original maturity periods of less than three months (Note 3).

(g) Taxation on corporate income

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognized in operating expenses (Note 8).

C. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparation of financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during financial period. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 December 2013	**31 December 2012**
Cash	244	61
Banks		
Time deposits	188,472,345	176,839,086
Demand deposits	954,129	16,411
	189,426,718	**176,855,558**

As of 31 December 2013 time deposits in TL have a weighted average interest of 9.00% (31 December 2012: 8.50%).

Cash and cash equivalents of the Company is shown in cash flow statement in 31 December 2013 and 2012 by deducing interest accruals:

	31 December 2013	**31 December 2012**
Cash and cash equivalents	189,426,718	176,855,558
Interest accruals	(2,556,345)	(2,185,594)
	186,870,373	**174,669,964**

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

NOTE 4 - OTHER ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
Other current assets		
Value Added Taxes receivable	43,625	31,237
Advances given	-	5,336
	43,625	**36,573**
Other current liabilities		
Expense accruals	9,345	13,393
Taxes and duties payable	8,024	6,319
	17,369	**19,712**

NOTE 5 - EQUITY

Share Capital

The share capital of the Company is TL8,696,327 (31 December 2012: TL8,696,327) and consists of TL 1 (31 December 2012: TL8,696,327) authorized shares with a nominal value of TL1 each.

At 31 December 2013 and 2012 the issued and fully paid-in share capital held is as follows:

	31 December 2013		31 December 2012	
Shareholders	**TL**	**Share %**	**TL**	**Share %**
Eurobank Ergasias S.A.	8,696,323	100	8,696,323	100
Other	4	-	4	-
	8,696,327	**100**	**8,696,327**	**100**
Adjustment to share capital	24,789,022		24,789,022	
Total paid-in share capital	**33,485,349**		**33,485,349**	

Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital due to the inflation adjustments.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, without limit. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

As of 31 December 2013 legal reserve of the Company amount to TL817,034 (31 December 2012: TL817,034).

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

NOTE 6 - FINANCIAL INCOME/(EXPENSES), NET

	31 December 2013	31 December 2012
Financial income		
Interest income from time deposits	14,858,471	18,939,651
	14,858,471	**18,939,651**
Financial expense		
Foreign exchange loss	(224)	-
	(224)	**-**
Financial income, net	**14,858,247**	**18,939,651**

NOTE 7 - GENERAL ADMINISTRATIVE EXPENSES

	31 December 2013	31 December 2012
Consultancy fees	60,610	37,829
Subscription fees	10,046	9,090
Other	22,549	2,076
	93,205	**48,995**

NOTE 8 - TAX ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
Corporate tax payable	2,953,232	3,775,931
Prepaid taxes	(1,357,781)	(2,949,225)
Tax liability, net	**1,595,451**	**826,706**
Current tax expense	2,953,232	3,775,931
Deferred tax expense	-	2,200
	2,953,232	**3,778,131**

Expected income tax reconciliation using the Company's statutory tax rate:

	31 December 2013	31 December 2012
Profit before tax	14,765,042	18,890,656
Theoretical income tax at the applicable tax rate of 20%	2,953,008	3,778,131
Additions	224	-
Current year tax expense	**2,953,232**	**3,778,131**

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

NOTE 8 - TAX ASSETS AND LIABILITIES (Continued)

Many clauses of Corporate Tax Law No.5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No.26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2013 (2012: %20) The corporate tax rate is calculated on the total income of the Company after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

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

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period 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.

The Company recognizes deferred income tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS and its statutory tax financial statements.

Tax rates used for deferred tax assets and liabilities calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming periods under the liability method is 20%. As of 31 December 2013 and 2012, there are no deferred tax assets or liabilities calculated on temporary differences.

Movement of deferred income tax assets in 2013 and 2012 is as follows:

	2013	**2012**
At 1 January	-	2,200
Charge to the statement of income	-	(2,200)
At 31 December	-	-

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

NOTE 9 - EARNINGS PER SHARE

Earnings per share are calculated through division of net profit to weighted average number of shares.

	31 December 2013	31 December 2012
Profit attributable to equity holders of the Company	11,811,810	15,112,525
Weighted average number of ordinary shares in issue	8,696,327	8,696,327
Earnings per share (TL)	**1.36**	**1.74**

NOTE 10 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances with related parties at 31 December 2013 and 2012 are as follows:

Bank deposits due from related parties	31 December 2013	31 December 2012
Eurobank Private Bank Luxemburg S.A.	188,708,014	176,839,844
Burgan Bank	718,460	15,653
	189,426,474	**176,855,497**

b) As of 31 December 2013 and 2012 interest income from related parties are as follows:

Interest income from related parties	31 December 2013	31 December 2012
Eurobank Private Bank Luxemburg S.A.	14,858,471	18,939,651
	14,858,471	**18,939,651**

c) Salaries and other benefits paid to the Board of Directors and top management:

Total salaries and benefits paid to members of the Board of Directors and other top management amount does not exist (31 December 2012: None).

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

NOTE 11 - FINANCIAL RISK MANAGEMENT

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

i. Information on credit risk

The Company's credit risk is primarily attributable to bank deposits. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment.

	Trade Receivables		Other Receivables		
31 December 2013	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**Bank deposits (*)**
Maximum credit risk exposure as of the financial statements date	**-**	**-**	**-**	**-**	**189,426,474**
Net book value of financial assets which are neither past due nor impaired	-	-	-	-	189,426,474
Net book value of impaired financial assets	-	-	-	-	-
- Past due financial assets (Gross)	-	-	-	-	-
- Impairment charge	-	-	-	-	-
- Collateralized portion of the net exposure	-	-	-	-	-

(*) Bank deposits include related party deposits (Note 10).

	Trade Receivables		Other Receivables		
31 December 2012	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**Bank deposits (*)**
Maximum credit risk exposure as of the financial statements date	**-**	**-**	**-**	**-**	**176,855,497**
Net book value of financial assets which are neither past due nor impaired	-	-	-	-	176,855,497
Net book value of impaired financial assets	-	-	-	-	-
- Past due financial assets (Gross)	-	-	-	-	-
- Impairment charge	-	-	-	-	-
- Collateralized portion of the net exposure	-	-	-	-	-

(*) Bank deposits include related party deposits (Note 10).

For the purposes of the table above, collaterals and other guarantees which increase the collectability of the financial asset are not taken into account.

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

NOTE 11 - FINANCIAL RISK MANAGEMENT (Continued)

ii. Information on liquidity risk

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient liquidity. A decrease in funding sources mainly due to market instability or a decrease in credit risk results in liquidity risk. The Company manages the liquidity risk by maintaining sufficient cash and other liquid assets in order to fund the current and prospective debt requirements.

The Company does not have any derivative or other financial liabilities.

iii. Information on market risk

Foreign currency risk

Assets and liabilities denominated in foreign currency held by the Company at 31 December 2013 and 2012 in original currency and total TL equivalents are as follows:

	31 December 2013		31 December 2012	
	TL Equivalent	EUR	TL Equivalent	EUR
Total assets	**-**	**-**	**-**	**-**
Other liabilities	2,029	691	-	-
Total liabilities	**2,029**	**691**	**-**	**-**
Net foreign currency position	**(2,029)**	**(691)**	**-**	**-**

Foreign currency sensitivity analysis

31 December 2013

	Profit/loss		Shareholder's equity	
	Appreciation of foreign	Depreciation of foreign	Appreciation of foreign	Depreciation of foreign
10% change in EUR foreign currency rate				
EUR net asset/(liability)	(203)	203	(203)	203
Hedged portion against EUR risk (-)	-	-	-	-
Net effect of EUR	**(203)**	**203**	**(203)**	**203**

31 December 2012

	Profit/loss		Shareholder's equity	
	Appreciation of foreign	Depreciation of foreign	Appreciation of foreign	Depreciation of foreign
10% change in EUR foreign currency rate				
EUR net asset/(liability)	-	-	-	-
Hedged portion against EUR risk (-)	-	-	-	-
Net effect of EUR	**-**	**-**	**-**	**-**

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

NOTE 12 - FINANCIAL INSTRUMENTS

Fair value of the financial instruments

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

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

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets:

The fair values of certain financial assets carried at cost, including cash and due from banks, are considered to approximate their respective carrying values.

Financial liabilities:

The fair value of monetary liabilities is considered to approximate their respective carrying values.

The fair values and carrying values of financial asset and liabilities of the Company are as follows:

	31 December 2013		31 December 2012	
	Fair value	**Carrying value**	**Fair value**	**Carrying value**
Cash and cash equivalents	189,566,092	189,426,718	177,233,807	176,855,558

NOTE 13 - SUBSEQUENT EVENTS

According to the decision taken in the Board of Directors' meeting held on 17 July 2014, the trade name of the Company will be changed to "ERB İstanbul Holding A.Ş.". The change of the Company's trade name will be approved in the forthcoming General Assembly meeting.

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