

**İŞ GİRİŞİM SERMAYESİ  
YATIRIM ORTAKLIĞI A.Ş.**

Condensed Interim Financial Statements  
As at and for the Three-Month Period Ended  
31 March 2016

*(Convenience Translation of Financial Statements  
and Related Disclosures and Footnotes  
Originally Issued in Turkish)*

<b>TABLE OF CONTENTS</b>		<b>PAGE</b>
CONDENSED <u>INTERIM</u> STATEMENT OF FINANCIAL POSITION		1-2
CONDENSED <u>INTERIM</u> STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		3
CONDENSED <u>INTERIM</u> STATEMENT OF CHANGES IN EQUITY		4
CONDENSED INTERIM STATEMENT OF CASH FLOWS		5
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS		
NOTE 1	ORGANIZATION OF THE COMPANY AND NATURE OF OPERATIONS	6
NOTE 2	BASIS OF PRESENTATION	6-11
NOTE 3	SEGMENT REPORTING	11
NOTE 4	SEASONALITY OF OPERATIONS	11
NOTE 5	RELATED PARTIES	12-15
NOTE 6	CASH AND CASH EQUIVALENTS	16
NOTE 7	FINANCIAL INVESTMENTS	17-19
NOTE 8	TANGIBLE ASSETS	19
NOTE 9	INTANGIBLE ASSETS	20
NOTE 10	PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	20
NOTE 11	EMPLOYEE BENEFITS	20
NOTE 12	CAPITAL AND RESERVES	21-22
NOTE 13	EARNINGS PER SHARE	22
NOTE 14	NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	22-28
NOTE 15	FINANCIAL INSTRUMENTS	28-29
NOTE 16	OTHER ISSUES THAT SIGNIFICANTLY AFFECT FINANCIAL STATEMENTS OR OTHER MATTERS REQUIRED TO BE EXPLAINED FOR CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS	29
NOTE 17	EVENTS AFTER THE REPORTING PERIOD	29
ADDITIONAL NOTE	CONTROL OF COMPLIANCE WITH RESTRICTIONS ON THE INVESTMENT PORTFOLIO, FINANCIAL LOANS AND TOTAL EXPENSES	30-31

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Notes	Not Reviewed 31 March 2016	Audited 31 December 2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	23,156,365	11,601,590
Financial Investments	7	93,726,903	104,500,617
Other Receivables		1,180	1,180
Prepaid Expenses		163,425	246,926
Other Current Assets		496,134	446,497
<b>TOTAL CURRENT ASSETS</b>		<b>117,544,007</b>	<b>116,796,810</b>
<b>Non-current Assets</b>			
Other Receivables		150	150
- Other Receivables from Related Parties	5	150	150
Financial Investments	7	141,870,532	141,871,120
Tangible Assets	8	211,963	236,135
Intangible Assets	9	24,086	30,032
<b>TOTAL NON-CURRENT ASSETS</b>		<b>142,106,731</b>	<b>142,137,437</b>
<b>TOTAL ASSETS</b>		<b>259,650,738</b>	<b>258,934,247</b>

The accompanying notes are an integral part of these condensed interim financial statements.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Notes	Not Reviewed 31 March 2016	Audited 31 December 2015
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade Payables		4,700	3,763
- <i>Due to Related Parties</i>	5	4,700	3,763
- Other Payables		940	750
Employee Benefit Payables		44,524	36,912
Short-Term Provisions		1,377,049	1,878,814
- <i>Short-Term Employee Benefits</i>	11	1,377,049	1,878,814
Other Current Liabilities		598,616	1,187,640
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,025,829</b>	<b>3,107,879</b>
<b>Non-current Liabilities</b>			
Long-Term Provisions		673,333	720,027
- <i>Long-Term Employee Benefits</i>	11	673,333	720,027
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>673,333</b>	<b>720,027</b>
<b>TOTAL LIABILITIES</b>		<b>2,699,162</b>	<b>3,827,906</b>
<b>EQUITY</b>			
Share Capital	12	74,652,480	74,652,480
Adjustments to Share Capital		21,606,400	21,606,400
Other Comprehensive Income/Expense Items That will not to be Reclassified to Profit or Loss		(2,972)	-
- <i>Gain on revaluation and re-measurement</i>		(2,972)	-
Share Premiums		7,000,000	7,000,000
Legal Reserves	12	20,700,306	20,488,276
Retained Earnings		131,147,155	130,586,536
Profit for the Period		1,848,207	772,649
<b>TOTAL EQUITY</b>		<b>256,951,576</b>	<b>255,106,341</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>259,650,738</b>	<b>258,934,247</b>

The accompanying notes are an integral part of these condensed interim financial statements.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Notes	<u>Not Reviewed</u> <u>1 January-31</u> <u>March 2016</u>	<u>Not Reviewed</u> <u>1 January-31</u> <u>March 2015</u>
<b>CONTINUING OPERATIONS</b>			
Revenue	4	4,260,941	3,506,670
Cost of Sales (-)		-	-
<b>GROSS PROFIT</b>		<b>4,260,941</b>	<b>3,506,670</b>
General Administrative Expenses (-)	4	(2,344,645)	(2,265,750)
Other Operating Income		200	1,214
Other Operating Expenses (-)		(68,289)	(47,519)
<b>OPERATING PROFIT</b>		<b>1,848,207</b>	<b>1,194,615</b>
<b>PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS</b>		<b>1,848,207</b>	<b>1,194,615</b>
<b>Income Tax from Continuing Operations</b>		-	-
<b>PROFIT FOR THE PERIOD</b>		<b>1,848,207</b>	<b>1,194,615</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>1,848,207</b>	-
<del>Expense</del> Items That will not <del>to</del> be Reclassified to Profit or Loss		(2,972)	-
<b>OTHER COMPREHENSIVE INCOME</b>		<b>1,845,235</b>	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,845,235</b>	<b>1,194,615</b>
<b>Basic and Diluted Earnings per Share</b>	13	<b>0.024757</b>	<b>0.016002</b>
<b>PAID-IN CAPITAL</b>		<b>74,652,480</b>	<b>74,652,480</b>

The accompanying notes are an integral part of these condensed interim financial statements.

**İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016**

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

Notes	Share Capital	Other Comprehensive Income/Expense that <b>will not be</b> <b>may be</b> Reclassified to Profit or Loss	Adjustments To Share Capital	Share Premium	Legal Reserves	Retained Earnings		Total
		Remeasurements of <b>D</b> efined <b>B</b> enefit <b>L</b> iability				Profit For the <b>Period</b> <b>Year</b>	Retained Earnings	
<b>Balance at 1 January 2015</b>	<b>74,652,480</b>	-	<b>21,606,400</b>	<b>7,000,000</b>	<b>19,185,249</b>	<b>14,597,568</b>	<b>127,370,080</b>	<b>264,411,777</b>
Transfers	12 -	-	-	-	1,303,027	(14,597,568)	13,294,541	-
Total comprehensive income	-	-	-	-	-	1,194,615	-	1,194,615
Dividends	12 -	-	-	-	-	-	(10,078,085)	(10,078,085)
<b>Balance at 31 March 2015</b>	<b>74,652,480</b>	-	<b>21,606,400</b>	<b>7,000,000</b>	<b>20,488,276</b>	<b>1,194,615</b>	<b>130,586,536</b>	<b>255,528,307</b>

Notes	Share Capital	Other Comprehensive Income/Expense that <b>will not -may</b> <b>be</b> Reclassified to Profit or Loss	Adjustments To Share Capital	Share Premium	Legal Reserves	Retained Earnings		Total
		Remeasurements of <b>D</b> efined <b>B</b> enefit <b>L</b> iability				Profit For the <b>Period</b> <b>Year</b>	Retained Earnings	
<b>Balance at 1 January 2016</b>	<b>74,652,480</b>	-	<b>21,606,400</b>	<b>7,000,000</b>	<b>20,488,276</b>	<b>772,649</b>	<b>130,586,536</b>	<b>255,106,341</b>
Transfers	12 -	-	-	-	212,030	(772,649)	560,619	-
Total comprehensive income	-	(2,972)	-	-	-	1,848,207	-	1,845,235
<b>Balance at 31 March 2016</b>	<b>74,652,480</b>	<b>(2,972)</b>	<b>21,606,400</b>	<b>7,000,000</b>	<b>20,700,306</b>	<b>1,848,207</b>	<b>131,147,155</b>	<b>256,951,576</b>

The accompanying notes are an integral part of these condensed interim financial statements.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

	Notes	Not Reviewed	Not Reviewed
		1 January-31 March 2016	1 January-31 March 2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period		1,848,207	1,194,615
<b>Adjustments to reconcile net profit/loss</b>			
Depreciation	8	44,716	45,553
Amortization	9	5,946	5,476
Increase in vacation pay liability		161,871	76,165
Increase in severance pay liability		13,079	8,750
Change in expense accruals		(316,308)	(92,072)
Fair value gain/loss		-	13,000
Change in fair value of investment securities (net)		(1,324,190)	42,276
Interest received		(220,918)	(499,802)
<b>İşletme sermayesinde gerçekleşen değişimler</b>			
Interest received		54,132	508,766
(Increase)/decrease in other receivables and current assets		33,864	(181,421)
Increase/(decrease) in trade payables		937	(498,701)
(Decrease) in other payables		(264,914)	(68,149)
<b>Net cash from operating activities</b>		<b>(689,959)</b>	<b>34,103</b>
Severance payments	11	(62,745)	-
Vacation payments		(106,185)	-
Bonus payments	11	(557,451)	(520,353)
<b>Net cash from operating activities</b>		<b>(689,959)</b>	<b>34,103</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease in financial investments		12,098,492	12,796,402
Acquisition of tangible assets	8	(20,544)	(12,255)
Acquisition of intangible assets	9	-	(11,210)
<b>Net cash from investing activities</b>		<b>12,077,948</b>	<b>12,772,937</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	12	-	(10,078,085)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(10,078,085)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)</b>			
		<b>11,387,989</b>	<b>2,728,955</b>
<b>D. EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD</b>			
		-	-
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
		<b>11,586,247</b>	<b>26,883,834</b>
<b>NET INCREASE/(DECREASE) IN CASH EQUIVALENTS (A+B+C+D)</b>			
		<b>11,387,989</b>	<b>2,728,955</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>			
	6	<b>22,974,236</b>	<b>29,612,789</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 1. ORGANIZATION OF THE COMPANY AND NATURE OF OPERATIONS

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("the Company" or "İş Girişim Sermayesi"), was established in İstanbul, Turkey. The registered address of the Company is İş Kuleleri Kule 2, Kat:2, Levent, İstanbul. Türkiye İş Bankası A.Ş. is the ultimate shareholder of the Company. The Company's shares are traded in the İstanbul Stock Exchange since 2004.

The Company operates in private equity business.

Private equity: Investing in venture capital companies which are established or will be established in Turkey and has potential to grow and need resources.

As at 31 March 2016, the Company has 18 employees (31 December 2015: 19 employees).

#### 2. BASIS OF PRESENTATION

##### 2.1 Basis of Presentation

###### a) Approval of Financial Statements

The Company's condensed interim financial statements as at 31 March 2016 have been approved by the Board of Directors and authorization for issue has been given on 27 April 2016. The General Assembly has power to amend the financial statements after their issue.

###### b) Preparation of Financial Statements and Statement of Compliance with TAS

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

The accompanying financial statements are prepared in accordance with the Communiqué numbered II-14.1, "Basis for Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards ("TAS") which are published by Public Oversight Accounting and Auditing Standards Authority ("POA"). TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

The accompanying condensed interim financial statements as at 31 March 2016 have been prepared in accordance with the communiqué numbered 20/670 "Announcement on Financial Statements and Footnote Formats" published by Capital Markets Board ("CMB") dated 7 June 2013.

The accompanying condensed interim financial statements of the Company as at and for the three-month period ended 31 March 2016 have been prepared in compliance with Turkish Accounting Standard 34 *Interim Financial Reporting* ("TAS 34"). Condensed interim financial statements do not need to include the full set of information and explanations required to be presented in annual financial statements and should be considered in conjunction with the Company's annual financial statements as at 31 December 2015.

###### c) Basis of Measurement

The accompanying condensed interim financial statements have been prepared based on the historical cost, except for the investment securities which are measured at fair value.



## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 2. BASIS OF PRESENTATION (continued)

##### Basis of Presentation (continued)

##### d) Functional and Reporting Currency

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). Functional currency and presentation currency of the Company is Turkish Lira ("TL").

The foreign exchange rates used by the Company as at 31 March 2016 and 31 December 2015 are as follows:

	<u>31 March 2016</u>	<u>31 December 2015</u>
US Dollar	2.8334	2.9076
Euro	3.2081	3.1776

##### e) Comparative Information

The accompanying condensed interim financial statements are presented comparatively in order to enable readers to understand the trends in the Company's financial position, performance and cash flows. Where necessary, in order to meet the consistency with the presentation of the financial statements in the current year, comparative figures are reclassified and material changes are disclosed in the related notes.

##### f) Consolidation Exemptions

According to TFRS 10 Consolidated Financial Statements, investment entity:

- (a) Obtains funds from one or more investors for the purpose of providing investment management services,
- (b) its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of its investments on a fair value basis.

While the entity evaluates whether it meets the above mentioned definition, it also considers whether it has the significant features of the investment entities mentioned below:

- (a) Has more than one investment,
- (b) Has more than one investor,
- (c) Has investors who are not related parties, and
- (d) Has partnership shares in the form of equity and suchlike shares.

Since the Company meets the above requirements, it does not consolidate its subsidiaries. Instead, it measures investments in its subsidiaries and associate according to TFRS 10 by recognizing the changes in the fair value to the profit or loss.

#### 2.2 Changes in Accounting Policies

Accounting policies applied during the preparation of the condensed interim financial statements as at and for the three-month period ended 31 March 2016 are consistent with the accounting policies applied during the preparation of the financial statements for the year ended 31 December 2015.

#### 2.3 Changes in Accounting Estimates and Errors

Effect of changes in accounting estimates, if it is only related to one period, is recognized in the period that the change is made, if it is related with the future periods, is recognized in the current period and also in future periods, prospectively. There is no significant change in accounting estimates of the Company during the current period.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 2. BASIS OF PRESENTATION (continued)

##### 2.3 Changes in Accounting Estimates and Errors (continued)

Material accounting errors are corrected retrospectively and the prior period financial statements are restated accordingly.

##### 2.4 Summary of Significant Accounting Policies

Accounting policies applied during the preparation of the condensed interim financial statements are consistent with the accounting policies applied during the preparation of the financial statements for the year ended 31 December 2015.

##### 2.5 Significant Accounting Estimates and Judgements

The preparation of condensed interim financial statements necessitates the management of the Company to make 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 recognized in the period in which the estimate is revised and in any future periods affected.

There is no significant change in the estimation and judgements of the management of the Company during the preparation of the condensed interim financial statements compared to the year ended 31 December 2015.

The estimates are used particularly in the following notes:

Note 7 Determination of fair value of the subsidiaries and the associates

Shares of the subsidiaries and the associates are not publicly traded. When determining the fair values of the subsidiaries and the associates, Discounted Cash Flows ("DCF") method of the income approach has been used. Discount and growth rates used are as follows:

<u>Name of subsidiary or associate</u>	<u>Discount rates</u>	<u>Ongoing growth rates</u>
Toksöz Spor Malzemeleri Ticaret AŞ ("Toksöz")	% 16.6-% 17.6	% 4.5-% 5.5
Numnum Yiyecek ve İçecek A.Ş. ("Numnum")	% 16.8-% 17.8	% 4.0-% 6.0
Nevotek Bilişim Ses ve İletişim Sistemleri Sanayi ve Ticaret A.Ş. ("Nevotek")	% 11.6-% 12.6	% 1.6-% 2.6
Radore Veri Hizmetleri Anonim Şirketi'nin ("Radore")	% 14.1-% 15.1	% 4.5-% 5.5
Ortopro Tıbbi Aletler Sanayi ve Ticaret A.Ş. ("Ortopro")	% 19.1-% 20.1	% 4.5-% 5.5
Mika Tur Seyahat Acenteliği ve Turizm A.Ş. ("Tatil Budur")	% 16.0-% 22.0	% 7.5-% 9.5

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

## 2. BASIS OF PRESENTATION (continued)

### 2.6 New standards and interpretations not yet adopted as of 31 March 2016

*Standards that are published but not effective and not adopted earlier*

#### **TFRS 9 - Financial Instruments – Classification and measurement**

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2018. Phase 1 of this new TFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Company does not expect the early adoption of the Standard and has not evaluated the impact of it on the financial position and performance of the Company.

#### **TFRS 9 Financial Instruments: Classification and Measurement**

~~The new standard, together with the amendment published in December 2012, is going to be effective for the reporting periods beginning from 1 January 2018 onwards. TFRS 9 introduces new requirements for the classification and measurement of financial assets. The amendments made in TFRS 9 will principally affect classification and measurement of financial assets and financial liabilities measured at fair value and will require the changes in the fair value of such financial liabilities related to credit risk to be recognized in the statement of other comprehensive income. Earlier adoption of the Standard is permitted. The Company is not planning to early adoption of this standard and the potential effects of this Standard on the financial position and performance of the have not been evaluated.~~

#### **The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA**

#### **The new standards, amendments and interpretations that are issued by IASB but not issued by POA**

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued to TFRS by the POA, thus they do not constitute part of TFRS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. The Company will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

~~The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued to TFRS by the POA, thus they do not constitute part of TFRS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. Company will make the necessary changes to its financial statements after the new standards and interpretations are issued and become effective under TFRS.~~

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

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging transactions. Further, the new standard removes the 1 January 2015 effective date of IFRS 9. The new version of IFRS 9 issued after IFRS 9 (2013) introduces the mandatory effective date of 1 January 2018 for

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

IFRS 9, with early adoption permitted. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

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

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

#### **IFRS 9 Financial Instruments (2014)**

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from TAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

~~IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from TMS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.~~

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 2. BASIS OF PRESENTATION (continued)

##### 2.6 New standards and interpretations not yet adopted as of 31 March 2016

*The new standards, amendments and interpretations that are issued by IASB but not issued by POA (continued)*

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

The standard is the result of a joint project and IASB and FASB which replaces existing IFRS and US GAAP guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Company expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognizing revenue over time. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

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

~~The standard replaces existing IFRS and US GAAP guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Company expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognizing revenue over time. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.~~

##### **IFRS 16 Leases**

On 13 January 2016, IASB published the new leasing standard which will replace IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently change IAS 40 Investment Properties. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts IFRS 15-Revenue from Contracts with Customers. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

##### **IFRS 16 Leases**

~~On 13 January 2016, IASB published the new leasing standard which will replace IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently change IAS 40 Investment Properties. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts IFRS 15 Revenue from Contracts with Customers. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.~~

##### **Amendments to IAS 7 – Disclosure Initiative**

IAS 7 Statement of Cash Flows has been amended as part of the IASB's broader disclosure initiative to improve presentation and disclosure in financial statements. The amendments will require disclosures that

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for periods beginning on or after 1 January 2017, with earlier application permitted. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

#### ***Amendments to IAS 7—Disclosure Initiative***

~~IAS 7 Statement of Cash Flows has been amended as part of the IASB's broader disclosure initiative to improve presentation and disclosure in financial statements. The amendments will require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for periods beginning on or after 1 January 2017, with earlier application permitted. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.~~

#### ***Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses***

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are effective for annual periods beginning on or after 1 January 2017. The Company does not expect that the amendments will have an impact on financial position or performance of the Company.

#### ***Amendments to IAS 12—Recognition of Deferred Tax Assets for Unrealized Losses***

~~The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are effective for annual periods beginning on or after 1 January 2017. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.~~

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 2. BASIS OF PRESENTATION (continued)

##### 2.7 Control of compliance with restrictions on the investment portfolio, financial loans and total expenses

The information contained in the additional note related to Control of Compliance With Restrictions on the Investment Portfolio, Financial Loans and Total Expenses, is summary information derived from the financial statements according to "Communiqué on Financial Reporting in Capital Market" of CMB and this information has been prepared in accordance with the control of portfolio, financial loans and total expenses limits compliance, of CMB's "Communiqué on Principles Regarding Real Estate Investment Trusts", numbered III-48.3 published in the Official Gazette on 9 October 2013.

#### 3. SEGMENT REPORTING

The Company operates only in private equity business. The Company management ~~measures~~ ~~monitors~~ its financial investments according to their fair value. Information regarding to those financial investments is disclosed in Note 7.

#### 4. SEASONAL CHANGES OF OPERATIONS

Operations of the Company are not significantly affected by seasonality. For the three-month period ended 31 March 2016, the Company's sales amounting to TL 4,260,941 consist of interest income on deposits and ~~reverse repos~~ ~~Takasbank operations~~, net gain on marketable securities, net income from long term financial investments and dividend income (31 March 2015: TL 3,506,670). In the same period, general administration ~~expenses~~ are -TL 2,344,645 (31 March 2015: TL 2,265,750).



## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 5. RELATED PARTIES

The Company's ultimate shareholder is Türkiye İş Bankası A.Ş..

#### Benefits provided to key management personnel:

Benefits provided to key management personnel during the period are as follows:

	<u>31 March 2016</u>	<u>31 March 2015</u>
Salaries and other benefits	1,177,142	965,034
	<u>1,177,142</u>	<u>965,034</u>

Key management compensation includes salaries, bonuses and insurance and other benefits.

The details of the transactions between the Company and other related parties are as follows.

<u>Financial investments</u>	<u>31 March 2016</u>	<u>31 December 2015</u>
Investment funds		
İş Portföy Second Stock Fund	4,123,966	3,733,619
İş Portföy Hedef Hedge Fund	3,220,167	3,119,641
	<u>7,344,133</u>	<u>6,853,260</u>

<u>Financial investments</u>	<u>31 March 2016</u>	<u>31 December 2015</u>
Private sector bonds		
İş Finansal Kiralama A.Ş.	4,487,610	12,103,517
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	2,607,640	2,604,160
İş Yatırım Menkul Değerler A.Ş.	1,889,300	973,770
İş Faktoring A.Ş.	1,612,580	3,436,178
	<u>10,597,130</u>	<u>19,117,625</u>

<u>Financial investments</u>	<u>31 March 2016</u>	<u>31 December 2015</u>
Shares quoted to stock exchange		
İş Yatırım Ortaklığı A.Ş.	4,464,166	4,723,711
	<u>4,464,166</u>	<u>4,723,711</u>

<u>Cash and cash equivalents</u>	<u>31 March 2016</u>	<u>31 December 2015</u>
Türkiye İş Bankası A.Ş. <u>vadeli mevduat</u> <u>time deposits</u>	21,381,484	10,299,700
Türkiye İş Bankası A.Ş. <u>demand deposits</u> <u>vadesiz mevduat</u>	2,170	44
	<u>21,383,654</u>	<u>10,299,744</u>

**İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

**5. RELATED PARTIES (continued)**

Balances with related parties	31 March 2016			
	<u>Alacaklar</u> <u>Receivables</u>		<u>Borçlar</u> <u>Payables</u>	
	<u>Kısa vadeli</u> <u>Current</u>		<u>Kısa vadeli</u> <u>Current</u>	
	<u>Ticari</u> <u>Trade</u>	<u>Diğer</u> <u>Other</u>	<u>Ticari</u> <u>Trade</u>	<u>Diğer</u> <u>Other</u>
	<u>arı</u> <u>ari</u>	<u>olmayan</u> <u>olmayan</u>	<u>arı</u> <u>ari</u>	<u>olmayan</u> <u>olmayan</u>
Anadolu Anonim Türk Sigorta Şirketi	-	-	(1,122)	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	(3,484)	-
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	-	-	(94)	-
	-	-	<b>(4,700)</b>	-

Balances with related parties	31 December 2015			
	<u>Receivables</u> <u>Alacaklar</u>		<u>Payables</u> <u>Borçlar</u>	
	<u>Current</u> <u>Kısa vadeli</u>		<u>Current</u> <u>Kısa vadeli</u>	
	<u>Trade</u> <u>Ticari</u>	<u>Other</u> <u>Diğer</u>	<u>Trade</u> <u>Ticari</u>	<u>Other</u> <u>Diğer</u>
	<u>ari</u> <u>ari</u>	<u>olmayan</u> <u>olmayan</u>	<u>ari</u> <u>ari</u>	<u>olmayan</u> <u>olmayan</u>
Anadolu Anonim Türk Sigorta Şirketi	-	-	(2,682)	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	(1,081)	-
	-	-	<b>(3,763)</b>	-

Balances with related parties	31 March 2016			
	<u>Receivables</u> <u>Alacaklar</u>		<u>Payables</u> <u>Borçlar</u>	
	<u>Uzun vadeli</u> <u>Non-Current</u>		<u>Uzun vadeli</u> <u>Non-Current</u>	
	<u>Trade</u> <u>Ticari</u>	<u>Other</u> <u>Diğer</u>	<u>Trade</u> <u>Ticari</u>	<u>Other</u> <u>Diğer</u>
	<u>ari</u> <u>ari</u>	<u>olmayan</u> <u>olmayan</u>	<u>ari</u> <u>ari</u>	<u>olmayan</u> <u>olmayan</u>
Other	-	150	-	-
	-	<b>150</b>	-	-

Balances with related parties	31 December 2015			
	<u>Receivables</u> <u>Alacaklar</u>		<u>Payables</u> <u>Borçlar</u>	
	<u>Non-Current</u> <u>Uzun vadeli</u>		<u>Non-Current</u> <u>Uzun vadeli</u>	
	<u>Trade</u> <u>Ticari</u>	<u>Other</u> <u>Diğer</u>	<u>Trade</u> <u>Ticari</u>	<u>Other</u> <u>Diğer</u>
	<u>ari</u> <u>ari</u>	<u>olmayan</u> <u>olmayan</u>	<u>ari</u> <u>ari</u>	<u>olmayan</u> <u>olmayan</u>
Other	-	150	-	-
	-	<b>150</b>	-	-

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 5. RELATED PARTIES (continued)

Transactions with related parties	<u>1 January – 31 March 2016</u>						
	Interest received	Service expenses	Insurance expenses	Transaction and advisory commission expenses	Rent expenses	Dividend income	Other expenses
Numnum Yiyecek ve İçecek A.Ş.	-	-	-	-	-	-	(2,514)
Türkiye İş Bankası A.Ş.	220,918	(13,283)	-	(1,780)	-	-	-
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	-	(129,026)	-	-
İş Yatırım Menkul Değerler A.Ş.	-	-	-	(61,476)	-	-	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	-	-	-	-	(37,997)
Anadolu Anonim Türk Sigorta Şirketi	-	-	(21,814)	-	-	-	-
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	-	(3,046)	-	-	-	-	-
İş Yatırım Ortaklığı A.Ş.	-	-	-	-	-	648,861	-
	<b>220,918</b>	<b>(16,329)</b>	<b>(21,814)</b>	<b>(63,256)</b>	<b>(129,026)</b>	<b>648,861</b>	<b>(40,511)</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 5. RELATED PARTIES (continued)

1 January – 31 March 2015

Transactions with related parties	Interest received	Service expenses	Insurance expenses	Transaction and advisory commission expenses	Rent expenses	Dividend income	Other expenses
Numnum Yiyecek ve İçecek A.Ş.	-	-	-	-	-	-	(3,842)
Türkiye İş Bankası A.Ş.	312,593	-	-	(759)	-	-	-
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	-	(120,293)	-	-
İş Yatırım Menkul Değerler A.Ş.	-	-	-	(222,551)	-	-	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	-	-	-	-	(31,197)
Anadolu Anonim Türk Sigorta Şirketi	-	-	(23,676)	-	-	-	-
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	-	(2,952)	-	-	-	-	-
İş Yatırım Ortaklığı A.Ş.	-	-	-	-	-	970,697	-
	<b>312,593</b>	<b>(2,952)</b>	<b>(23,676)</b>	<b>(223,310)</b>	<b>(120,293)</b>	<b>970,697</b>	<b>(35,039)</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 6. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as at 31 March 2016 and 31 December 2015 are as follows:

	<u>31 March 2016</u>	<u>31 December 2015</u>
Cash on hand	266	352
Cash at banks	21,385,454	10,300,695
<i>Demand deposits</i>	3,970	995
<i>Time deposits with a maturity less than 3 months</i>	21,381,484	10,299,700
Receivables from Takasbank money market transactions	1,770,645	1,300,543
	<u><b>23,156,365</b></u>	<u><b>11,601,590</b></u>

Reconciliation between the elements comprising cash and cash equivalents in the statement of financial position and statement of cash flows:

	<u>31 March 2016</u>	<u>31 March 2015</u>
Cash and cash equivalents	23,156,365	29,845,683
Less: Accrued interest	(182,129)	(232,894)
	<u><b>22,974,236</b></u>	<u><b>29,612,789</b></u>

As at 31 March 2016, the Company has no restricted deposits (31 December 2015: None).

As at 31 March 2016 and 31 December 2015 interest and maturity details of the bank deposits are as follows:

<u>31 March 2016</u>				
	<u>Interest rate</u>		<u>Maturity</u>	<u>Amount</u>
	<u>%</u>		<u>Currency</u>	<u>TL</u>
TL Time Deposit	13.60	4 <del>April</del> <del>Nisan</del> -2016	TL	15,375,091
TL Time Deposit	13.00	2 <del>May</del> <del>ayıs</del> -2016	TL	6,006,393
				<u><b>21,381,484</b></u>
<u>31 December 2015</u>				
	<u>Interest rate</u>		<u>Maturity</u>	<u>Amount</u>
	<u>%</u>		<u>Currency</u>	<u>TL</u>
TL Time Deposit	13.50	29 January 2016	TL	10,024,774
TL Time Deposit	3.50	4 January 2016	TL	274,926
				<u><b>10,299,700</b></u>

Foreign currency risks, interest rate risks and sensitivity analysis for Company's financial asset and liabilities are ~~disclosed~~explained in Note 14.

As at 31 March 2016, gross interest rate on Takasbank money market transactions is 13.30% (31 December 2015: ~~%15.25%~~).

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 7. FINANCIAL INVESTMENTS

##### 7.1 Short term financial investments

	31 March 2016	31 December 2015
Financial investments designated at fair value through profit or loss	93,726,903	104,500,617
	<b>93,726,903</b>	<b>104,500,617</b>

	31 March 2016	
	Nominal (*)	Fair Value
Private sector bonds	38,070,000	38,467,192
Government bonds	18,200,000	28,234,802
Mutual funds	925,851,630	22,560,743
Shares quoted to stock exchange	5,190,891	4,464,166
		<b>93,726,903</b>

	31 December 2015	
	Nominal (*)	Fair Value
Private sector bonds	49,070,000	49,457,905
Government bonds	18,200,000	27,601,326
Mutual funds	1,071,835,029	22,717,675
Shares quoted to stock exchange	5,190,891	4,723,711
		<b>104,500,617</b>

(\*)\_Nominal values of mutual funds and securities quoted in ~~an active market~~ stock exchange are presented in units, government bonds and private sector bonds are presented in TL.

As at 31 March 2016, interest rates of private sector bonds and government bonds held for trading are between the rates 9.41% and 15.38% per annum (31 December 2015: between 9.49%-15.01% per annum).

##### 7.2 Long term financial investments

As at 31 March 2016 and 31 December 2015, details of private equity investments are as follows:

	31 March 2016	31 December 2015
Investments held-to-maturity	10,010,762	10,011,350
Financial investments designated at fair value through profit or loss	131,859,770	131,859,770
	<b>141,870,532</b>	<b>141,871,120</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 7. FINANCIAL INVESTMENTS (continued)

##### 7.2 Long term financial investments (continued)

###### Investments held-to-maturity-~~af~~

As at 31 March 2016 and 31 December 2015, details of investments held-to-maturity are as follows:

<u>Company Name</u>	<u>Nominal</u>	<u>31 March 2016</u>	<u>31 December 2015</u>
Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. Debt Instrument	10,000,000	10,010,762	10,011,350
	<b>10,000,000</b>	<b>10,010,762</b>	<b>10,011,350</b>

Since these investments are not contemplated to be disposed of in the short term, they are classified as long term investments.

###### Financial investments designated at fair value through profit or loss

As at 31 March 2016 and 31 December 2015, fair value details of the subsidiaries and the associates are as follows:

<u>Name of subsidiary/associate</u>	<u>31 March 2016</u>	<u>31 December 2015</u>
Toksöz Spor	35,542,100	35,542,100
Ortopro	33,457,905	33,457,905
Numnum	23,447,736	23,447,736
Radore	15,960,450	15,960,450
Nevotek	13,101,579	13,101,579
Tatil Budur	10,350,000	10,350,000
	<b>131,859,770</b>	<b>131,859,770</b>

As at 31 March 2016 and 31 December 2015, details of the Company's subsidiaries and associates are as follows:

<u>Subsidiaries and associates</u>	<u>Acquisition date</u>	<u>Place of establishment and operation</u>	<u>Share of capital (%)</u>		<u>Voting power</u>
			<u>31 March 2016</u>	<u>31 December 2015</u>	
Nevotek		<u>Türkiye</u> <u>Turkey</u>	81.24	81.24	81.24
Ortopro	<u>10.12.2007</u> <u>13 November</u>	<u>Turkey</u> <u>Türkiye</u> <u>Turkey</u> <u>Türkiye</u>	83.64	83.64	83.64
Toksöz Spor	<u>2012</u> <u>13.11.2012</u> <u>5 December</u>	<u>Turkey</u> <u>Türkiye</u>	55.00	55.00	55.00
Num Num	<u>2012</u> <u>05.12.2012</u> <u>1 December</u>	<u>Turkey</u> <u>Türkiye</u>	61.66	61.66	61.66
Radore	<u>2014</u> <u>01.12.2014</u> <u>06.11.2015</u>	<u>Turkey</u> <u>Türkiye</u>	25.50	25.50	25.50
Tatil Budur	<u>November 2015</u>		20.00	20.00	20.00

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 7. FINANCIAL INVESTMENTS (continued)

##### 7.2 | ~~Long-term~~**Non-Current** financial investments (continued)

###### Financial investments designated at fair value through profit or loss (continued)

Discounted cash flow method is used to determine fair values. Valuation model considers the present value of the expected payment, discounted using a risk adjusted discounted rate. The expected payment is determined by considering the possible scenarios of forecast earnings before interest tax depreciation and amortisation ("EBITDA"), the amount to be paid under each scenario and the probability of each scenario. Subsidiaries' estimated annual revenue growth rate is between 1.6% with 9.50% estimated EBITDA ratio is between 10.5% with 40.5%, estimated discount rates are between 11.6% and 22.0%.

Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.

For the fair values of subsidiaries, reasonably possible changes at 31 March 2016 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Sensitivity Analysis 31 March 2016	Profit or Loss	
	Increase	Decrease
Annual revenue growth rate (0.5% change)	3,973,649	(3,640,469)
EBITDA, gross profit ratio (0.5% change)	4,785,450	(4,785,450)
<del>Discount rate arranged by using risk</del> <b>Risk-adjusted discount rate</b> (0.5% change)	7,745,841	(7,092,441)

There is no contractual restriction on the ability of the subsidiaries and the associates to transfer funds to the Company in the form of dividends or repayment of loans and advances given.

The Company does not have any commitments or intentions to provide financial support to the subsidiaries and the associates, including those that aims to assist the subsidiaries and the associates to obtain financial support, except ~~for~~ the Ortopro shares ~~put up~~**which have been pledged as collateral as disclosed**~~explained~~ in Note 10.

The Company does not have any contractual agreements which may require it, its subsidiaries and associates to provide financial support to a non-consolidated, controlled, restructured entity, including events and conditions that may expose it to losses.

#### 8. TANGIBLE ASSETS

As at 31 March 2016, net tangible assets of the Company is amounting to TL 211,963 (31 December 2015: TL 236,135). The additions to tangible assets are amounting to TL 20,544 in the current ~~period~~**period** .-(31 March 2015: TL 12,255). For the three-month period ended 31 March 2016, depreciation expense is amounting to TL 44,716 (31 March 2015: TL 45,553). In the current period, there is no tangible assets sold (31 March 2015: None).

As at 31 March 2016 and 31 December 2015, there is no pledge/mortgage on tangible assets.



## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 9. INTANGIBLE ASSETS

As at 31 March 2016, net intangible assets which consist of computer software is amounting to TL 24,086 (31 December 2015: TL 30,032). There ~~is~~ are no additions to intangible assets in the current period (31 March 2015: 11,210). For the three-month period ended 31 March 2016, amortization expense is amounting to TL 5,5,946 (31 March 2015: TL 5,476). In the current period, there is no intangible asset sold (31 March 2015: None).

As at 31 March 2016 and 31 December 2015, there is no pledge/mortgage on intangible assets.

#### 10. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The Company has obtained the shares representing 20% of Tatil Budur completely on 6 November 2015 in return for an upfront fee of TL 10,350,000. The remaining balance of the final purchase consideration, which is to be determined based on the share price adjustment mechanisms stated on the purchase contract, less the upfront payment, will be paid later on.

~~The shares of İş Girişim Sermayesi in Ortopro have been pledged in order to obtain a 5-year maturity term loan assigned to Ortopro from by Yapı Kredi Bankası A.Ş. amounting to maximum of TL 20,000,000 for the purpose of restructuring Ortopro's short-term loans, shares of İŞ GSYO in Ortopro are pledged.~~

#### 11. EMPLOYEE BENEFITS

As at 31 March 2016 and 31 December 2015, the details of the Company's employee benefits are as follows:

	<u>31 March 2016</u>	<u>31 December 2015</u>
<b>Short term</b>		
Provision for employee bonuses	818,448	1,375,899
Vacation pay liability	558,601	502,915
	<u>1,377,049</u>	<u>1,878,814</u>
<b>Long term</b>		
Provision for employee bonuses	586,179	586,179
Reserve for employee severance payments	87,154	133,848
	<u>673,333</u>	<u>720,027</u>

As at 31 March 2016, the reserve for severance pay liability is based on the monthly ceiling amounting to TL 4,092.53 (31 December 2015: TL 3,828.37).

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Consequently, in the accompanying statement of financial position as at 31 March 2016, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. The provision at the end of the reporting period has been calculated assuming an annual inflation rate of 6.15% (31 December 2015: 6.15%) and an interest rate of 10.80% (31 December 2015: 10.80%) resulting in a net discount rate of approximately 4.38% (31 December 2015: 4.38%) The anticipated rate of forfeitures is also considered.

In the current period, the Company has made bonus payments amounting to TL 557,451 ~~-(31 March 2015: TL 520,353)~~, severance payments amounting to TL 62,745 ~~451 (31 March 2015: None)~~ and ~~vacation payments~~ amounting to TL 106,185 (31 March 2015: bonus payments TL 520,353~~None~~).

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 12. CAPITAL AND RESERVES

##### a) Share Capital

As at 31 March 2016 and 31 December 2015, the capital structure of the Company is as follows:

Shareholders	Group	%	31 March		31 December	
			2016	%	2015	
İş Yatırım Menkul Değerler A.Ş.	A	8.9	6,635,776	8.9	6,635,776	
İş Yatırım Menkul Değerler A.Ş.	B	20.1	15,018,515	20.1	15,018,515	
Türkiye Sınai Kalkınma Bankası A.Ş.	B	16.7	12,442,079	16.7	12,442,079	
Türkiye Teknoloji Geliştirme Vakfı	B	11.1	8,294,719	11.1	8,294,719	
Other	B	12.0	8,958,298	12.0	8,958,298	
Publicly held	B	31.2	23,303,093	31.2	23,303,093	
<b>Nominal capital</b>			<b>74,652,480</b>		<b>74,652,480</b>	

As at 31 March 2016 the Company's share capital consists of 7,465,248,000 unit shares (31 December 2015: 7,465,248,000 shares). The par value of each share is TL 0.01 (31 December 2015: TL 0.01 per share).

The nominal share capital of the Company amounting to TL 74,652,480 comprised of Group A and Group B shares, amounting to TL 6,635,776 and TL 68,016,704, respectively. Group A shareholders have the privilege during the BOD election to nominate four members of the total seven members. In addition, one of the members of the Board representing Group B, is elected among the candidates nominated by Türkiye Teknoloji Geliştirme Vakfı unless their share in issued capital is below TL 2,000,000

During the capital increase, in exchange for Group A shares Group A, in exchange for Group B shares Group B shares is issued. During the capital increase through the restriction of pre-emption rights, only the Group B shares can be issued.

No preferred shares can be issued, except for the preferred shares giving the right to suggest candidate while electing the two thirds of the BOD members or giving dividend right. The fractional number is rounded when calculating the two thirds of the BOD members. After going to public, no preferences can be created including the preference to suggest candidate to the BOD membership and preference for taking dividend

##### Legal Reserves

In accordance with Turkish Commercial Code, legal reserves consist of first and second legal reserves. First legal reserves are generated by annual appropriations amounting to 5% of income disclosed in the Company's statutory accounts until it reaches 20% of historical based paid-in share capital (not adjusted for the effects of inflation). Second legal reserve is generated by 10% over the total of cash dividend distribution after the first legal reserves and dividend distributions. The Company has performed transfer to legal reserves amounting to TL 212,030 in year 2016 (31 December 2015: TL 1,303,027). As at 31 March 2016, the Company has legal reserves amounting to TL 20,700,306 (31 December 2015: TL 20,488,276).

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 12. ÖZKAYNAKLAR (devamı)

##### c) Dividend

The Company distributes dividend in accordance with requirements in Turkish Commercial Code and Capital Market Regulations.

In accordance with the resolutions dated 16 March 2016 in the General Assembly of the Company, it has been decided not to distribute dividends (31 December 2015: TL 10,078,085 dividend in cash).

#### 13. EARNINGS PER SHARE

	<u>1 January- 31 March 2016</u>	<u>1 January- 31 March 2015</u>
<b>Earnings per share</b>		
Weighted average number of shares available during the period (full amount)	74,652,480	74,652,480
<b>Total</b>	<u><b>74,652,480</b></u>	<u><b>74,652,480</b></u>
<b>Net profit for the period</b>	<u><b>1,848,207</b></u>	<u><b>1,194,615</b></u>
Basic and diluted earnings per share (TL 1 nominal value)	<u>0.024757</u>	<u>0.016002</u>

#### 14. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

There has been no change in the Company's exposure to market risks or the manner which it manages and measures the risk compared to previous year.

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 14. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

##### Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The foreign currency denominated assets and liabilities of monetary and non-monetary items as at the end of the reporting period are as follows:

	TL (Functional currency)	US Dollar	Euro	Other
<b>31 March 2016</b>				
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets	2,069	-	645	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	2,069	-	645	-
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	2,069	-	645	-
10. Trade Payables	-	-	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	(156,435)	(9,440)	(40,425)	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. SHORT TERM FINANCIAL LIABILITIES	(156,435)	(9,440)	(40,425)	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. LONG TERM LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	(156,435)	(9,440)	(40,425)	-
19. Off balance sheet derivatives net asset/liability position (19a-19b)	-	-	-	-
19a. Active off balance sheet derivative(foreign currency)	-	-	-	-
19b. Passive off balance sheet derivative(foreign currency)	-	-	-	-
20. Net foreign currency asset liability position	-	-	-	-
21. Net foreign currency asset / (liability) (position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a))	(154,366)	(9,440)	(39,780)	-
22. Fair value of derivative instruments used in foreign currency hedge	(154,366)	(9,440)	(39,780)	-
23. Hedged portion of foreign currency assets	-	-	-	-
24. Hedged portion of foreign currency liabilities	-	-	-	-
23. Export	-	-	-	-
24. Import	-	-	-	-
18. TOTAL LIABILITIES	-	-	-	-
19. Off balance sheet derivatives net asset/liability	-	-	-	-

Biçimlendirilmiş: Aralık Önce: 6 nk,  
Sonra: 6 nk

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 14. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

##### *Foreign currency risk management (continued)*

	TL (Functional currency)	US Dollar	Euro	Other
<b>31 December 2015</b>				
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets	-	-	-	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
<b>4. CURRENT ASSETS</b>	-	-	-	-
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. NON-CURRENT ASSETS</b>	-	-	-	-
<b>9. TOTAL ASSETS</b>	-	-	-	-
10. Trade Payables	-	-	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	(495,098)	(126,095)	(40,425)	-
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. SHORT TERM FİNANCIAL LIABILITES</b>	<b>(495,098)</b>	<b>(126,095)</b>	<b>(40,425)</b>	<b>-</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. LONG TERM LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>(495,098)</b>	<b>(126,095)</b>	<b>(40,425)</b>	<b>-</b>
19. Off balance sheet derivatives net asset/liability position (19a-19b)	-	-	-	-
19a. Active off balance sheet derivative(foreign currency)	-	-	-	-
19b. Passive off balance sheet derivative(foreign currency)	-	-	-	-
20. Net foreign currency asset liability position	-	-	-	-
21. Net foreign currency asset / (liability) (position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a))	(495,098)	(126,095)	(40,425)	-
22. Fair value of derivative instruments used in foreign currency hedge	(495,098)	(126,095)	(40,425)	-
23. Hedged portion of foreign currency assets	-	-	-	-
24. Hedged portion of foreign currency liabilities	-	-	-	-
23. Export	-	-	-	-
24. Import	-	-	-	-
<b>18. TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19. Off balance sheet derivatives net asset/liability	-	-	-	-

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 14. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

##### Foreign currency risk management (continued)

##### Foreign currency risk sensitivity analysis

The Company is mainly exposed to foreign currency risks in US Dollar and Euro.

The following table shows the Company's sensitivity to a 10% increase and decrease in US Dollar and Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity.

31 March 2016				
	Profit / Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
10% appreciation / depreciation of TL against the U.S. Dollar				
1 - US Dollar net asset / liability	(2,675)	2,675	-	-
2- Portion secured from US Dollar (-)	-	-	-	-
<b>3- US Dollar net effect (1 +2)</b>	<b>(2,675)</b>	<b>2,675</b>	-	-
10% appreciation / depreciation of TL against Euro				
4 - Euro net asset / liability	(12,762)	12,762	-	-
5 - Portion secured from Euro (-)	-	-	-	-
<b>6 - Euro net effect (4+5)</b>	<b>(12,762)</b>	<b>12,762</b>	-	-
10% appreciation / depreciation of TL against other currencies				
7- Other foreign currency net asset / liability	-	-	-	-
8- Portion secured from other currency (-)	-	-	-	-
<b>9- Other currency net effect (7+8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3 + 6 +9)</b>	<b>(15,437)</b>	<b>15,437</b>	<b>-</b>	<b>-</b>

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 14. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

##### Foreign currency risk management (continued)

##### Foreign currency risk sensitivity analysis (continued)

	31 March 2015			
	Profit / Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
10% appreciation / depreciation of TL against the U.S. Dollar				
1 - US Dollar net asset / liability	(6,510)	6,510	-	-
2- Portion secured from US Dollar (-)	-	-	-	-
<b>3- US Dollar net effect (1 +2)</b>	<b>(6,510)</b>	<b>6,510</b>	-	-
10% appreciation / depreciation of TL against Euro				
4 - Euro net asset / liability	(520)	520	-	-
5 - Portion secured from Euro (-)	-	-	-	-
<b>6 - Euro net effect (4+5)</b>	<b>(520)</b>	<b>520</b>	-	-
10% appreciation / depreciation of TL against other currencies				
7- Other foreign currency net asset / liability	-	-	-	-
8- Portion secured from other currency (-)	-	-	-	-
<b>9- Other currency net effect (7+8)</b>	<b>(7,030)</b>	<b>7,030</b>	-	-
<b>TOTAL (3 + 6 +9)</b>	<b>(7,030)</b>	<b>7,030</b>	-	-

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 14. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

##### Interest rate risk

Changes in market interest rates causing fluctuations in the prices of financial instruments of the Company's interest rate risk leads to the necessity to deal with.

Interest positions as at the end of the reporting period 31 March 2016 and 31 December 2015 are as follows:

##### Interest Position Table

<b>Fixed interest rate instruments</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Financial assets		
Financial assets at fair value through profit or loss	44,757,163	47,479,668
Time deposits	21,381,484	10,299,700
Takasbank money market receivables	1,770,645	1,300,543
	<b>67,909,292</b>	<b>59,079,911</b>
<b>Floating interest rate instruments</b>		
Financial assets		
Financial assets at fair value through profit or loss	21,944,831	29,579,563
Financial assets held to maturity	10,010,762	10,011,350
	<b>31,955,593</b>	<b>39,590,913</b>

Bıçimlendirilmiş Tablo

Fixed and variable income securities that are classified as designated at fair value through profit and loss in the Company's statement of financial position are exposed to price risk depending on interest rate changes. As at 31 March 2016 and 31 March 2015 according to the analysis that the Company calculated, effect on fixed and variable income securities' market value and the Company's net profit/loss, under the assumption that all other variables remain constant, in the case of 1% interest rate increase or decrease of TL denominated securities and Eurobonds, presented below.

##### **31 March 2016**

<b>Type of risk</b>	<b>Risk rate</b>	<b>Direction of risk</b>	<b>Effect on net profit</b>
Interest rate risk	%1	Increase	(1,469,314)
		Decrease	1,434,144

##### **31 March 2015**

<b>Type of risk</b>	<b>Risk rate</b>	<b>Direction of risk</b>	<b>Effect on net profit</b>
Interest rate risk	%1	Increase	(1,787,842)
		Decrease	1,880,688



## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

#### 14. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

##### *Other price risks*

The Company's portfolio in equities and mutual funds, which are publicly traded, is exposed to price risk.

According to the statement of financial position as at 31 March 2016, in case of 10% increase/decrease, if all the other variables remain constant, in the value of stock investment that are in the Company's portfolio, with the effect of equity investment designated at fair value through profit or loss and stock-indexed investment fund, net profit would be TL 446,417 (31 March 2015: TL 467,180) ~~higher~~~~lower~~/~~lower~~~~higher~~.

According to the statement of financial position as at 31 March 2016, in case of 1% increase/decrease, if all the other variables remain constant, in the value of investment fund that are in the Company's portfolio, with the effect of investment funds designated at fair value through profit or loss, net profit would be TL 225,613 (31 March 2015: TL 290,877) ~~higher~~~~lower~~/~~lower~~~~higher~~.

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

##### — Fair Value of Financial Instruments:

Fair value of financial assets and liabilities is identified 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 is 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).
- ~~Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).~~

Biçimlendirilmiş: Girinti: İlk satır: 0  
cm

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

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

Classification of fair values of financial assets and liabilities is as follows:

Financial assets	31 March 2016	Fair value hierarchy at the end of the reporting period		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at fair value through profit or loss	225,586,673	93,726,903	-	131,859,770
Cash and cash equivalents	-	-	-	-
Takasbank money market	1,770,645	1,770,645	-	-
<b>Total</b>	<b>227,357,318</b>	<b>95,497,548</b>	<b>-</b>	<b>131,859,770</b>

  

Financial assets	31 December 2015	Fair value hierarchy at the end of the reporting period		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at fair value through profit or loss	236,360,387	104,500,617	-	131,859,770
Cash and cash equivalents	-	-	-	-
Takasbank money market	1,300,543	1,300,543	-	-
<b>Total</b>	<b>237,660,930</b>	<b>105,801,160</b>	<b>-</b>	<b>131,859,770</b>

Biçimlendirilmiş Tablo

~~In the current period, 3.seviye gerçeğe uygun değerler tutarında dönem içerisinde bir değişiklik olmamıştır.~~ there was no change on the fair values measured with Level 3 inputs.

#### 16. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER MATTERS REQUIRED TO BE EXPLAINED FOR CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None.

#### 17. EVENTS AFTER REPORTING PERIOD

None.

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

### ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH RESTRICTIONS ON THE INVESTMENT PORTFOLIO, FINANCIAL LOANS AND TOTAL EXPENSES

Biçimlendirilmiş: Aralık Önce: 12 nk

Biçimlendirilmiş Tablo

	Financial Statement Captions	Regulations	31.03.2016 (TL)	31.12.2015 (TL)
A	Monetary and Capital Market Instruments	Article 20/1-(b)	116.883,268	116.102,207
B	Private Equity Investments	Article 20/1-(a)	141.870,532	141.871,120
C	Subsidiaries in Portfolio Management and Advisory Companies	Article 20/1-(d) and (e)	=	=
D	Other Assets	-	896,938	960,920
E	Total Assets	Article 3/1-(a)	259.650,738	258.934,247
F	Financial Borrowings	Article 29	=	=
G	Provisions, Contingent Assets and Liabilities	Article 20/2-(a)	=	=
H	Equity	-	256.951,576	255.106,341
I	Other Liabilities	-	2.699,162	3.827,906
E	Total Liabilities and Equity	Article 3/1-(a)	259.650,738	258.934,247
	<b>Other Financial Information</b>	<b>Regulations</b>	<b>31.03.2016 (TL)</b>	<b>31.12.2015 (TL)</b>
	Investments in Financial Market Instruments	Article 20/1-(b)		
	<b>I- Financial Market Instruments</b>	-	<b>95.497.548</b>	<b>105.801.160</b>
	<b>A- Government Bonds</b>	-	<b>28.234.802</b>	<b>27.601.326</b>
	TRT010420T19	-	1.683.850	1.622.790
	TRT060121T16	-	26.550.952	25.978.536
	<b>B- Private Sector Bonds</b>	-	<b>38.467.192</b>	<b>49.457.905</b>
	Akfen Holding A.Ş.	-	670.631	675.987
	Aksa Holding A.Ş.	-	2.542.025	2.549.200
	Bank Pozitif Kredi ve Kalkınma Bankası A.Ş.	-	2.019.800	2.000.000
	Creditwest Faktoring A.Ş.	-	8.524.006	8.464.018
	İs Faktoring A.Ş.	-	1.612.580	3.436.178
	İs Finansal Kiralama A.Ş.	-	4.487.610	12.103.517
	İs Gayrimenkul Yatırım Ortaklığı A.Ş.	-	2.607.640	2.604.160
	İs Yatırım Menkul Değerler A.Ş.	-	1.889.300	973.770
	Karsan Otomotiv San. ve Tic. A.Ş.	-	501.675	509.860
	Orfin Finansman A.Ş.	-	9.004.500	9.009.000
A1	Rönesans Holding A.Ş.	-	2.582.725	2.560.700
	Tiryaki Agro Gıda Sanayi ve Tic. A.Ş.	-	=	2.532.475
	Timur Gayrimenkul A.Ş.	-	2.024.700	2.039.040
	<b>C- Takasbank Money Market</b>	-	<b>1.770.645</b>	<b>1.300.543</b>
	<b>D- Investment Funds</b>	-	<b>22.560.743</b>	<b>22.717.675</b>
	İs Portföy Second Share Fund	-	4.123.966	3.733.619
	İstanbul Portföy Ark I Hedge Fund	-	2.361.450	2.428.790
	Azmut PYS the First Hedge Fund	-	3.730.590	3.642.276
	Azmut PYS Absolute Return Hedge Fund	-	2.038.286	2.138.981
	Logos Portföy Private Sector Debt Securities Fund	-	1.227.159	3.155.360
	Logos Portföy Dynamic Hedge Fund	-	611.090	1.340.307
	Azmut PYS the First Debt Securities Fund	-	2.870.493	2.790.494
	Taaleri Portföy Variable Fund	-	376.649	368.205
	İs Portföy Hedef Hedge Fund	-	3.220.167	3.119.641
	Ünlü Portföy the Second Variable Fund	-	2.000.893	=
	<b>E- Stocks</b>	-	<b>4.464.166</b>	<b>4.723.711</b>
	İs Yatırım Ortaklığı A.Ş.	-	4.464.166	4.723.711
A2	TL and FX Denominated Term-Demand Deposits / Private Current - Sharing Account	Article 20/1-(b)	21.385.720	10.301.047
B1	Collective Investment Institutions Established Abroad	Article 21/3-(c)	=	=
B2	Combination of Debt and Equity Financing	Article 21/3-(f)	=	=
B3	Non-Listed Shares of Publicly Traded Private Equity Companies	Article 21/3-(e)	=	=
B4	Special Purpose Company	Article 21/3-(g)	=	=
C1	Participation in Portfolio Management Company	Article 20/1-(e)	=	=
C2	Participation in Consulting Company	Article 20/1-(d)	=	=
F1	Short-Term Loans	Article 29/1	=	=
F2	Long-Term Loans	Article 29/1	=	=
F3	Short-Term Borrowing Instruments	Article 29/1	=	=
F4	Long-Term Borrowing Instruments	Article 29/1	=	=
F5	Other Short-Term Financial Borrowings	Article 29/1	=	=
F6	Other Long-Term Financial Borrowings	Article 29/1	=	=
G1	Pledged	Article 20/2-(a)	=	=
G2	Collateral	Article 20/2-(a)	=	=
G3	Mortgages	Article 20/1-(a)	=	=
I	Outsourced Services Expenses	Article 26/1	550,109	2.878,630

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

PORTFÖY SINIRLAMALARI, FİNANASAL BORÇ ve TOPLAM GİDER TUTARLARI				
	Bireysel Finansal Tablo Ana Kalemleri	Tebliğdeki İlgili Düzenleme	31.03.2016 (TL)	31.12.2015 (TL)
A	Para ve Sermaye Piyasası Araçları	Md.20/1-(b)	116,883,268	116,102,207
B	Girişim Sermayesi Yatırımları	Md.20/1-(a)	141,870,532	141,871,120
C	Portföy Yönetim Şirketi ve Danışmanlık Şirketindeki İştirakler	Md.20/1-(d) ve (e)	-	-
D	Diğer Varlıklar		896,938	960,920
E	Ortaklık Aktif Toplamı	Md.3/1-(a)	259,650,738	258,934,247
F	Finansal Borçlar	Md.29	-	-
G	Karşılıklar, Koşullu Varlık ve Yükümlülükler (Rehin, Teminat, İpotekler)	Md.20/2-(a)	-	-
H	Özsermaye		256,951,576	255,106,341
I	Diğer Kaynaklar		2,699,162	3,827,906
E	Ortaklık Toplam Kaynakları	Md.3/1-(a)	259,650,738	258,934,247
Bireysel Diğer Finansal Bilgiler				
	Tebliğdeki İlgili Düzenleme	31.03.2016 (TL)	31.12.2015 (TL)	
Sermaye Piyasası Araçlarına ve İşlemlerine Yapılan Yatırım				
Sermaye piyasası araçları				
A- Devlet Tahvil				
	TRT010420T19		95,497,548	105,801,160
	TRT060121T16		28,234,802	27,601,326
	TRT060121T16		1,683,850	1,622,790
	TRT060121T16		26,550,952	25,978,536
B- Özel Sektör Tahvil				
	Akfen Holding A.Ş.		38,467,192	49,457,905
	Akfen Holding A.Ş.		670,631	675,987
	Aksa Enerji Üretim A.Ş.		2,542,025	2,549,200
	Bank Pozitif Kredi ve Kalkınma Bankası A.Ş.		2,019,800	2,000,000
	Creditwest Faktoring A.Ş.		8,524,006	8,464,018
	İş Faktoring A.Ş.		1,612,580	3,436,178
	İş Finansal Kiralama A.Ş.		4,487,610	12,103,517
	İş Gayrimenkul Yatırım Ortaklığı A.Ş.		2,607,640	2,604,160
	İş Yatırım Menkul Değerler A.Ş.		1,889,300	973,770
	Karsan Otomotiv San. ve Tic. A.Ş.		501,675	509,860
	Orfin Finansman A.Ş.		9,004,500	9,009,000
	Rönesans Holding A.Ş.		2,582,725	2,560,700
	Tiryaki Agro Cıda Sanayi ve Tic. A.Ş.		-	2,332,475
	Timur Gayrimenkul A.Ş.		2,024,700	2,039,040
C- Takasbank Para Piyasası				
	Takasbank Para Piyasası		1,770,645	1,300,543
D- Yatırım Fonu				
	İş Portföy İkinci Hisse Senedi Fonu		22,560,743	22,717,675
	İş Portföy İkinci Hisse Senedi Fonu		4,123,966	3,733,619
	İstanbul Portföy Ark I Serbest Fon		2,361,450	2,428,790
	Azmut PYS Birinci Serbest Fon		3,730,590	3,642,276
	Azmut PYS Mutlak Getiri Hedefli Serbest Fon		2,038,286	2,138,981
	Logos Portföy Özel Sektör Borçlanma Araçları Fonu		1,227,159	3,155,360
	Logos Portföy Dinamik Dağılımlı Serbest Fon		611,090	1,340,307
	Azmut PYS Birinci Borçlanma Araçları Fonu		2,870,493	2,790,494
	Taaleri Portföy Değişken Fon		376,649	368,205
	İş Portföy Hedef Serbest Fon		3,220,167	3,119,641
	Unlu Portföy İkinci Değişken Fon		2,000,893	-
E- Hisse Senedi				
	İş Yatırım Ortaklığı A.Ş.		4,464,166	4,723,711
	İş Yatırım Ortaklığı A.Ş.		4,464,166	4,723,711
A2	TL ve Döviz Cinsinden Vadeli-Vadesiz Mevduat/Özel Cari - Katılma Hesabı	Md.20/1-(b)	21,385,720	10,301,047
B1	Furtuşmada Kurulu Kolektif Yatırım Kuruluşu	Md.21/3-(c)	-	-
B2	Borç ve Sermaye Karması Finansman	Md.21/3-(f)	-	-
B3	Halka Açık Girişim Şirketlerinin Borsa Dışı Payları	Md.21/3-(e)	-	-
B4	Özel Amaçlı Şirket	Md.21/3-(g)	-	-
C1	Portföy Yönetim Şirketine İştirak	Md.20/1-(e)	-	-
C2	Danışmanlık Şirketine İştirak	Md.20/1-(d)	-	-
F1	Kısa Vadeli Krediler	Md.29/1	-	-
F2	Uzun Vadeli Krediler	Md.29/1	-	-
F3	Kısa Vadeli Borçlanma Araçları	Md.29/1	-	-
F4	Uzun Vadeli Borçlanma Araçları	Md.29/1	-	-
F5	Diğer Kısa Vadeli Finansal Borçlar	Md.29/1	-	-
F6	Diğer Uzun Vadeli Finansal Borçlar	Md.29/1	-	-
G1	Rehin	Md.20/2-(a)	-	-
G2	Teminat	Md.20/2-(a)	-	-
G3	İpotekler	Md.20/1-(a)	-	-
I	Dişarıdan Sağlanan Hizmet Giderleri	Md.26/1	550,109	2,878,630

	Portfolio Restrictions (*)	Regulations	31.03.2016	31.12.2015	Min./Max. Rate
1	Monetary and Capital Market Instruments	Article 22/1- (b)	45.02	44.84	≤%65

Biçimlendirilmiş Tablo

## İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

	Financial Market Instruments	Article 22/1- (c)	36.78	40.86	-
	A- Government Bonds	-	10.87	10.66	-
	TRT010420T19	-	0.65	0.63	≤%10
	TRT060121T16	-	10.23	10.03	≤%10
	B- Private Sector Bonds	-	14.81	19.1	-
	Akfen Holding A.Ş.	-	0.26	0.26	≤%10
	Aksa Holding A.Ş.	-	0.98	0.98	-
	Bank Pozitif Kredi ve Kalkınma Bankası A.Ş.	-	0.78	0.77	≤%10
	Creditwest Faktoring A.Ş.	-	3.28	3.27	≤%10
	İş Faktoring A.Ş.	-	0.62	1.33	≤%10
	İş Finansal Kiralama A.Ş.	-	1.73	4.67	≤%10
	İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	1.00	1.01	≤%10
	İş Yatırım Menkul Değerler A.Ş.	-	0.73	0.38	≤%10
	Karsan Otomotiv San. ve Tic. A.Ş.	-	0.19	0.2	≤%10
	Orfin Finansman A.Ş.	-	3.47	3.48	≤%10
	Rönesans Holding A.Ş.	-	0.99	0.99	≤%10
	Tiryaki Agro Gıda Sanayi ve Tic. A.Ş.	-	-	0.98	≤%10
	Timur Gayrimenkul A.Ş.	-	0.78	0.79	≤%10
	C- Takasbank Money Market	-	0.68	0.5	≤%10
	D- Investment Funds	-	8.69	8.77	-
	İş Portföy Second Share Fund	-	1.59	1.44	≤%10
	İstanbul Portföy Ark I Hedge Fund	-	0.91	0.94	≤%10
	Azimet PYS the First Hedge Fund	-	1.44	1.41	≤%10
	Azimet PYS Absolute Return Hedge Fund	-	0.79	0.83	≤%10
	Logos Portföy Private Sector Debt Securities Fund	-	0.47	1.22	≤%10
	Logos Portföy Dynamic Hedge Fund	-	0.24	0.52	≤%10
	Azimet PYS the First Debt Securities Fund	-	1.11	1.08	≤%10
	Taaleri Portföy Variable Fund	-	0.15	0.14	≤%10
	İş Portföy Hedef Hedge Fund	-	1.24	1.2	≤%10
	Ünlü Portföy the Second Variable Fund	-	0.77	-	≤%10
	E- Stocks	-	1.72	1.82	≤%10
	İş Yatırım Ortaklığı A.Ş.	-	1.72	1.82	≤%10
2	Private Equity Investments	Article 22/1- (b)(g)	54.64	54.79	≥%35
3	Participation in Portfolio Management Company	Article 22/1- (c)	-	-	≤%10
4	Collective Investment Institutions Established Abroad	Article 22/1- (e)	-	-	≤%49
5	Combination of Debt and Equity Financing	Article 22/1- (h)	-	-	≤%25
6	Non-Listed Shares of Publicly Traded Private Equity Companies	Article 22/1- (f)	-	-	≤%25
7	TL and FX Denominated Term-Demand Deposits / Private Current - Sharing Account (*)	Article 22/1- (i)	8.24	3.98	≤%20
8	Face Values Of Short-Term Borrowings and Debt Instruments (*)	Article 29	-	-	≤%50
9	Face Values Of Long-Term Borrowings and Debt Instruments	Article 29	-	-	≤%200
10	Pledged, Collateral and Mortgages	Article 22/1- (d)	-	-	≤%10
11	Outsourced Services Expenses	Article 26/1	0.21	1.11	≤%2.5
12					

# İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

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

PORTFÖY SINIRLAMALARI, FİNANSAL BORÇ ve TOPLAM GİDER SINIRI KONTROL TABLOSU: PAYLARINI HALKA ARZ EDEN ORTAKLIKLAR İÇİN					
Portföy Sınırlamaları (*)	Tebliğdeki İlgili Düzenleme	31.03.2016	31.12.2015	Asgari/Azami Oran	
1 Para ve sermaye piyasası araçları	M.d.22/1- (b)	45.02	44.84	≤%65	
Sermaye piyasası araçları	M.d.22/1- (c)	36.78	40.86		
A- Devlet Tahvili		10.87	10.66		
TRT010420T19		0.65	0.63	≤%10	
TRT060121T16		10.23	10.03	≤%10	
B- Özel Sektör Tahvili		14.81	19.10		
Akfen Holding A.Ş.		0.26	0.26	≤%10	
Aksa Enerji Üretim A.Ş.		0.98	0.98	≤%10	
Bank Pozitif Kredi ve Kalkınma Bankası A.Ş.		0.78	0.77	≤%10	
Creditwest Faktoring A.Ş.		3.28	3.27	≤%10	
İş Faktoring A.Ş.		0.62	1.33	≤%10	
İş Finansal Kiralama A.Ş.		1.73	4.67	≤%10	
İş Gayrimenkul Yatırım Ortaklığı A.Ş.		1.00	1.01	≤%10	
İş Yatırım Menkul Değerler A.Ş.		0.73	0.38	≤%10	
Karsan Otomotiv San. ve Tic. A.Ş.		0.19	0.20	≤%10	
Orfin Finansman A.Ş.		3.47	3.48	≤%10	
Rönesans Holding A.Ş.		0.99	0.99	≤%10	
Tiryaki Agro Gıda Sanayi ve Tic. A.Ş.		-	0.98	≤%10	
Timur Gayrimenkul A.Ş.		0.78	0.79	≤%10	
<del>C- Takasbank Para Piyasası</del>		<del>0.68</del>	<del>0.50</del>	<del>≤%10</del>	
D- Yatırım Fonu		8.69	8.77		
İş Portföy İkinci Hisse Senedi Fonu		1.59	1.44	≤%10	
Istanbul Portföy Ark 1 Serbest Fon		0.91	0.94	≤%10	
Azımut PYS Birinci Serbest Fon		1.44	1.41	≤%10	
Azımut PYS Mutlak Getiri Hedefli Serbest Fon		0.79	0.83	≤%10	
Logos Portföy Özel Sektör Borçlanma Araçları Fonu		0.47	1.22	≤%10	
Logos Portföy Dinamik Dağılımlı Serbest Fon		0.24	0.52	≤%10	
Azımut PYS Birinci Borçlanma Araçları Fonu		1.11	1.08	≤%10	
Taaleri Portföy Değişken Fon		0.15	0.14	≤%10	
İş Portföy Hedef Serbest Fon		1.24	1.20	≤%10	
Ünlü Portföy İkinci Değişken Fon		0.77	-	≤%10	
E- Hisse Senedi		1.72	1.82	≤%10	
İş Yatırım Ortaklığı A.Ş.		1.72	1.82	≤%10	
3 Girişim sermayesi yatırımları	M.d.22/1- (b)(g)	54.64	54.79	≥%35	
4 Portföy yönetim şirketi ve danışmanlık şirketindeki iştiraller	M.d.22/1- (ç)	-	-	≤%10	
5 Yurtdışında kurulu kolektif yatırım kuruluşu	M.d.22/1- (e)	-	-	≤%49	
6 Borç ve sermaye karması finansman	M.d.22/1- (h)	-	-	≤%25	
7 Halka açık girişim şirketi borsa dışı payları	M.d.22/1- (f)	-	-	≤%25	
8 TL ve Döviz Cinsinden Vadeli Vadesiz Mevduat/Özel Cari - Katılma Hesabı	M.d.22/1- (i)	8.24	3.98	≤%20	
9 Kısa vadeli Finansal Borçlar ve Borçlanma Araçlarının Nominal Değeri	M.d.29	-	-	≤%50	
10 Uzun Vadeli Finansal Borçlar ve Borçlanma Araçlarının Nominal Değeri	M.d.29	-	-	≤%200	
11 Rehmin Teminat ve İpotekler	M.d.22/1- (d)	-	-	≤%10	
12 Dışarıdan sağlanan hizmet giderleri	M.d.26/1	0.21	1.11	≤%2.5	

(\*)According to 22(g). Clause of the Venture Capital Investment Trusts Basis Communiqué, since the amount of investments made to the venture companies that are suitable for small and medium size enterprises requirements exceeds the 5% of the total assets, portfolio limitation rate is applied as 35% instead of 51%.

**Biçimlendirilmiş:** Girinti: Sol: 0 cm,  
Sekme durakları: 0 cm, Sola + Eskisi  
-1 cm