



2015

Activity Report



KREDİ GARANTİ FONU



KREDİ GARANTİ FONU



YÖNETİM KURULUNUN YILLIK FAALİYET RAPORUNA İLİŞKİN BAĞIMSIZ DENETÇİ RAPORU

Kredi Garanti Fonu A.Ş. Yönetim Kurulu' na

Yönetim Kurulu'nun Yıllık Faaliyet Raporunun Bağımsız Denetim Standartları Çerçevesinde Denetimine İlişkin Rapor

Kredi Garanti Fonu A.Ş.'nin ("Şirket") 31 Aralık 2015 tarihinde sona eren hesap dönemine ilişkin yıllık faaliyet raporunu, denetlemiş bulunuyoruz.

Yönetim Kurulu'nun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu

Şirket Yönetimi, 6102 sayılı Türk Ticaret Kanunu'nun ("TTK") 514'ncü maddesi ve Şirketlerin Yıllık Faaliyet Raporunun Asgari İçeriğinin Belirlenmesi Hakkında Yönetmelik ("Yönetmelik") hükümleri uyarınca yıllık faaliyet raporunun finansal tablolarla tutarlı olacak ve gerçeği yansıtacak şekilde hazırlanmasından ve bu nitelikteki bir faaliyet raporunun hazırlanmasını sağlamak için gerekli gördüğü iç kontrolden sorumludur.

Bağımsız Denetçinin Sorumluluğu

Sorumluluğumuz, Şirket' in faaliyet raporuna yönelik olarak TTK'nın 397'nci maddesi ve Yönetmelik çerçevesinde yaptığımız bağımsız denetime dayanarak, bu faaliyet raporunda yer alan finansal bilgilerin Şirket'in 09 Mart 2016 tarihli bağımsız denetçi raporuna konu olan finansal tablolarıyla tutarlı olup olmadığı ve gerçeği yansıtıp yansıtmadığı hakkında görüş vermektir.

Yaptığımız bağımsız denetim, Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu tarafından yayımlanan Türkiye Denetim Standartları'nın bir parçası olan Bağımsız Denetim Standartları'na ("BDS") uygun olarak yürütülmüştür. Bu standartlar, etik hükümlere uygunluk sağlanmasını ve bağımsız denetimin, faaliyet raporunda yer alan finansal bilgilerin finansal tablolarla tutarlı olup olmadığına ve gerçeği yansıtıp yansıtmadığına dair makul güvence elde etmek üzere planlanarak yürütülmesini gerektirmektedir.

Bağımsız denetim, tarihi finansal bilgiler hakkında denetim kanıtı elde etmek amacıyla denetim prosedürlerinin uygulanmasını içerir. Bu prosedürlerin seçimi, bağımsız denetçinin mesleki muhakemesine dayanır.

Bağımsız denetim sırasında elde ettiğimiz bağımsız denetim kanıtlarının, görüşümüzün oluşturulması için yeterli ve uygun bir dayanak oluşturduğuna inanıyoruz.

Görüş

Görüşümüze göre, Yönetim Kurulu'nun yıllık faaliyet raporunun Finansal Tablolar başlıklı 4. bölümünde yer alan Vergi Usul Kanunu hükümlerine göre hazırlanmış finansal tablolar ve finansal değerlendirmeleri içeren bilgiler, denetimini yapmış olduğumuz finansal tablolar ile tutarlılık göstermemektedir. Bu husus dışında görüşümüze göre, yıllık faaliyet raporu içinde yer alan finansal bilgiler, tüm önemli yönleriyle, denetlenen finansal tablolarla tutarlıdır ve gerçeği yansıtmaktadır.



Mevzuattan Kaynaklanan Diğer Yükümlülükler

TTK'nın 402'nci maddesinin üçüncü fıkrası uyarınca BDS 570 "İşletmenin Sürekliliği" çerçevesinde, işletmenin öngürülebilir gelecekte faaliyetlerini sürdüremeyeceğine ilişkin raporlanması gereken önemlilikte bir hususa rastlanmamıştır.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL



GÜRELİ
YEMİNLİ MALİ MÜŞAVİRLİK VE
BAĞIMSIZ DENETİM HİZM. A.Ş.
Dr. M.Özgür GÜNEL
Sorumlu Denetçi

(İstanbul, 09.03.2016)

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AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING OF KREDİ GARANTİ FONU A.Ş. ON 30/03/2016

1. Opening and formation of the Meeting Chairmanship,
2. Authorization of the Meeting Chairmanship for the signing of the meeting minutes on behalf of the General Assembly,
3. Reading, deliberation, and endorsement of the "Activity Report of the Board of Directors" related to the activities in 2015,
4. Reading, deliberation, and endorsement of the Independent Audit Institution's Report,
5. Reading, deliberation, and endorsement of the financial statements,
6. Release of the Members of the Board of Directors from the 2015 activities and accounts of our company,
7. Deliberation and endorsement of the requests of the banks that wish to join our company as shareholders,
8. Selection of the independent audit company,
9. Determination of the salary and daily allowances to be paid to the Chairman and members of the board of directors,
10. Wishes and requests,
11. Closing.

Supporting and supplementary finance instruments have become very important in the access of SMEs to financing, along with the products provided by the banking sector.

Dear shareholders,

The role of SMEs, who are the main actors of our economy, cannot be ignored in the stable growth trend Turkish economy has been in for the last few years.

As new products and production systems will always be needed for development and growth, the long-term financing need of innovative businesses and new investments will never diminish.

Supporting and complementary finance instruments have become very important in the access of SMEs to financing, along with the products provided by the banking sector. Kredi Garanti Fonu has come into play exactly at this point and supported nearly 19 thousand SMEs' access to financing since its foundation.

Kredi Garanti Fonu continued its support for the SMEs in 2015 as well. The guarantee amount provided by KGF in 2015 rose by 76% compared to the previous year and occurred as 2.445 Million TL. The volume of the loans used by our SMEs thanks to our guarantee support rose in parallel with the guarantee amount.

All these figures have become even more valuable in 2015 which was marked by concerns related to global economic growth, dollar's recovery, and FED's interest rate hike. The importance of Kredi Garanti Fonu for our SMEs have become even more strategic in the recent period which saw two consecutive general elections domestically and increased geopolitical risks simultaneously.

We have taken on the challenging but at the same time proud task of supporting the growth, production and competitiveness increase of these businesses by focusing on SMEs and assisting innovative initiatives. This national duty we have assumed plays a key role in the enrichment of our country and the provision of new employment opportunities. Therefore, we will make a difference by continuing to work with the knowledge of what we are and where we stand.

Yours sincerely,

“This national duty we have assumed plays a key role in the enrichment of our country and the provision of new employment opportunities.”

FAİK YAVUZ

Chairman of the Board of Directors



As the General Director, I am delighted to be involved in the Kredi Garanti Fonu again, which I served as a “Member of the Board of Directors” between 2008 and 2011.

Dear shareholders,

I am proud to return to Kredi Garanti Fonu, to which I was a “Member of the Board of Directors” between 2008 and 2011, with the responsibility of the General Director. We will work together with a new soul and excitement to raise the flag of this strategic institution, which has gone from strength to strength until now, much higher.

The raison d’être of Kredi Garanti Fonu is to facilitate the access of the businesses which are the spine of our economy to financing and, hence, contribute to Turkey’s growth, development, and enrichment of our people. In the most concrete terms, our main benefit is to provide the cure to SMEs’ guarantee problem.

We are assuming a vital function for SMEs by eliminating warranty insufficiency as a barrier to financing. We make unique contributions to the country’s economy by ensuring the efficient functioning of the loan market and by making SMEs’ use of long-term investment loans possible. On the other hand, the support provided by KGF to businesses serves to the results of income distribution improvement, and employment increase. These results correspond to our country’s priority targets related to development and growth.

For us, growth cannot be stated with terms such as the increase in turnover, profit or sales. Growth means the growth of SMEs, sectors, and catchment areas we support by increasing their competitiveness. It means the incremental increase of the total support we provide to companies which are active in our economy and are promising despite seeming relatively weak for now. It means increasing the SME share in total loans. It means finding new financing opportunities from domestic and foreign resources, and increasing our contribution in the economy day by day.

Strategically, we focus not on the survival of SMEs but on their continued existence and effects as more competitive businesses.

We have a business plan which fundamentally supports innovative businesses, and prioritize their growth, production increase, and competitive advantages. The main reason why we place importance and prioritize businesses focused on innovation is to serve the stronger

growth of Turkey, the enrichment of export items, and the provision of new employment opportunities with high added value to our people.

As KGF, we have supported 18 thousand and 61 SMEs in total, 10 thousand and 362 being from the shareholder’s equity and 7 thousand and 681 being from Treasury resources. The total amount of the loans we have provided is 9.240 million TL and out total guarantee amount is 6.887 million TL. 3.313 SMEs have benefited from our foreign resource projects. We have provided guarantee at the volume of 140 million and 521 thousand Euros through these projects.

We have aimed to diminish the difference in the level of development in various regions and cities of our country through the “Greater Anatolia Guarantee Facility (GAGF)” program. Within this context, we have supported Micro SMEs and entrepreneurship active in 43 provinces which are relatively backward. We are about to complete the 4.5 million-Euro second phase of this program which is carried out based on the European Investment Fund’s counterguarantee. We will start the third phase application shortly.

Due to all these reasons, KGF continues to operate as an independent private company to which all important institutions in the economy and finance world are a party. And, due to all these benefits it provides, it deserves to be the accredited guarantee fund of the real sector.

Taking the results KGF has achieved so far into consideration, we will carry many projects into effect in the near future to reveal its real potential. “Loan Decision Module System” which will ensure the finalization of guarantee requests according to defined standards is one of these projects. We will accelerate the renewal of the arrangements related to the legislation by ensuring the correct and complete explanation of our mission to decision-making bodies. We will continue our promotion activities to explain Kredi Garanti Fonu in the best way.

We will adopt the slogan of “Guarantee of the Producing Turkey” in the new era in line with these objectives. We completely believe that we will achieve our goals with the support we receive from our customers, shareholders, employees, and business partners.

“Strategically, we focus not on the survival of SMEs but on their continued existence and effects as more competitive businesses.”

İSMET GERGERLİ
General Manager





1. FAİK YAVUZ

Chairman of the Board of Directors

3. ÖZER MATLI

Member of the Board of Directors

5. AHMET KARAKOÇ

Yönetim Kurulu Üyesi

7. TURGUT GÜLCİHAN

Member of the Board of Directors

9. SERDAR ÇAĞLAR

Member of the Board of Directors

2. RECEP BİÇER

Vice Chairman of the Board of Directors

4. KEMAL KARAKÜÇÜK

Member of the Board of Directors

6. HAKAN ERTÜRK

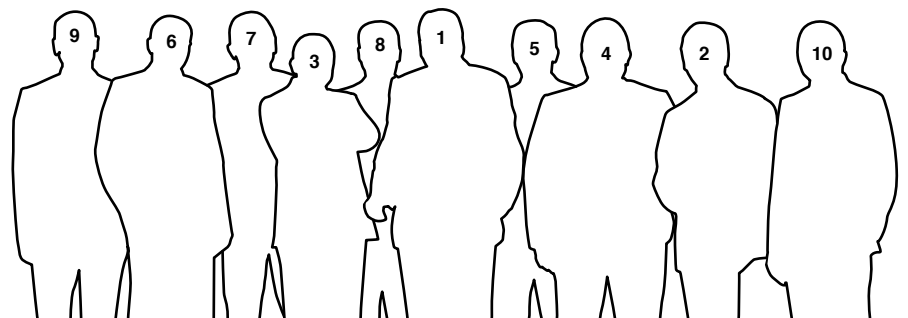
Member of the Board of Directors

8. HARUN AKKAŞ

Member of the Board of Directors

10. İSMET GERGERLİ

General Manager



MEMBERS OF THE BOARD OF DIRECTORS AND THEIR BACKGROUNDS

1. FAİK YAVUZ

Chairman of the Board of Directors
Represented Institution: TOBB (Turkish Union of Chambers and Commodity Exchanges)

Faik Yavuz, who was born in 1953 in Şereflikoçhisar/Ankara, graduated from the Department of Mathematics, Faculty of Education of Gazi University. He serves as the Chairman of the Board of Directors of Ankara Commodity Exchange, Treasurer Member of TOBB Board of Directors, Vice Chairman of ICC, Member of TEPAV Board of Directors, and Member of TOBB ETÜ Board of Trustees.

2. RECEP BİÇER

Vice Chairman of the Board of Directors
Represented Institution: KOSGEB (Small and Medium Enterprises Development Organization)

He was born in 1967 in Ankara. He graduated from the Department of International Relations, Faculty of Political Sciences of Ankara University. He received a master's degree at Northeastern University (Boston-USA) in the field of "Economic Policy and Planning" between 1996 and 1998. He continues his doctoral studies at dissertation stage at the Department of Economy of Celal Bayar University. He started working as an Intern Account Inspector at the Ministry of Finance in 1990. He served as an Inspector, Chief Inspector between 1994 and 2004. He worked on the "Public Finance Management Project" at the Ministry of Finance between 1994 and 1996. He became an advisor to the Minister of Health and Minister of Finance in 2002-2003. He served as the Head of Department responsible for Public Accounts, Data Processing

Applications/Projects, and the European Union Projects at the General Directorate of Public Accounts of the Ministry of Finance in 2004-2006.

He served as the Head of Department of Financial Affairs at the Islamic Countries Statistical, Economic and Social Research and Education Center of the Islamic Conference Organization between 2006 and 2007. He worked as the Chairman and General Director of the General Directorate of the National Lottery in 2007-2015. He holds the office of KOSGEB Chairman since 28 January 2015. He is married, father of three children, and speaks advanced English and intermediate Arabic.

3. ÖZER MATLI

Member of the Board of Directors
Represented Institution: TOBB (Turkish Union of Chambers and Commodity Exchanges)

1968 yılında Karacabey/Bursa'da doğan Özer Matlı, ülkemizin önde gelen sanayi kuruluşlarından Matlı Grubu ile Bursa Ticaret Borsası Yönetim Kurulu Başkanlığı görevlerine devam etmektedir.

4. KEMAL KARAKÜÇÜK

Member of the Board of Directors
Represented Institution: TOBB (Turkish Union of Chambers and Commodity Exchanges)

Kemal Karaküçük, who was born in 1971 in Kahramanmaraş, is a graduate of the Department of Economy of İstanbul University. He serves as the Chairman of Kahramanmaraş Chamber of Commerce and Industry.

5. AHMET KARAKOÇ

Member of the Board of Directors
Represented Institution: KOSGEB (Small and Medium Enterprises Development Organization)

He was born in Ankara in 1969. He graduated from the Department of Finance of the Faculty of Economics and Administrative Sciences of Hacettepe University. He completed his master's degree at the Department of Economy of the Social Sciences Institute of Hacettepe University.

He started working as an Intern Income Inspector at the Ministry of Economy in 1995. He worked at the Ministry of Economy as an Auditing Personnel until 2003. He has continued his career at KOSGEB since 2003 and served as the Accounting Manager in 2003-2008, Head of Department of Strategy Development and Financial Services in 2008-2014. He holds the office of KOSGEB Vice President since May 2014. He holds an Independent Accountant and Financial Advisor Licence, and Independent Auditor Certificate. He is married and father of two children.

6. HAKAN ERTÜRK

Member of the Board of Directors
Represented Institution: T.R. PRIME MINISTRY UNDERSECRETARIAT OF TREASURY

Hakan Ertürk, who was born in 1977 in Ankara, graduated from the Department of Economics of the Faculty of Political Sciences of Ankara University. He serves as the Head of Department of Financial Instruments and Market Development at the Prime Ministry Undersecretariat of Treasury.

7. TURGUT GÜLCİHAN

Member of the Board of Directors
Represented Institution:
THE BANKS ASSOCIATION OF TURKEY

He was born in Artvin/Hopa in 1973. He graduated from the Department of Political Science and Public Administration of the Middle East Technical University with honours. He worked as a Comptroller at the Supervisory Board of the Egebank General Directorate in 1995-1999, as a Branch Manager at the Çorum Branch of Egebank in 1999-2000, as a Branch Manager at the Gaziantep Branch of Egebank in 2000-2001, as a Branch Manager at the K.Maraş Branch of Sümerbank in 2001, as a Branch Manager at the Trabzon Branch of Family Finans Kurumu in 2002, as a Branch Manager at the Gaziantep Branch of Kuveyt Türk Participation Bank in 2002-2007, as a Branch Manager at the Çorlu Branch of Kuveyt Türk Participation Bank in 2007, as a Branch Manager at Halkbank's Güneşli Commercial Branch in 2010-2011, as the Head of Department at the 1st Department of Halkbank Commercial Marketing, as the Group Manager at the Department of Entrepreneurial Marketing of Ziraat Bankası in 2011-2014. He continues to work as the Group Manager at the Department of Branch Banking of Ziraat Bankası since 2014. Turgut Gülcihan, who speaks advanced English, has many certificates he has received under the auspices of banks he has worked for.

8. HARUN AKKAŞ

Member of the Board of Directors
Represented Institution:
T.R. PRIME MINISTRY UNDERSECRETARIAT
OF TREASURY

He was born in Kayseri in 1982. After completing his primary and secondary education in Kayseri, he graduated from the Department of Business Administration of Bilkent University with a full scholarship in 2004. He started to work as an Assistant Expert at the Undersecretariat of Treasury in December in the same year. He became a Treasury Expert in 2008. He received a master's degree from the Department of International Development Policy of Duke University where he studied in 2012-2014. He holds the office of the Head of Credit Risk Management Department at the Undersecretariat of Treasury, General Directorate of Public Financing. Harun AKKAŞ, who is married and father of one child, speaks advanced English.

9. SERDAR ÇAĞLAR

Member of the Board of Directors
Represented Institution:
THE BANKS ASSOCIATION OF TURKEY

Serdar Çağlar, who was born in İstanbul in 1977, graduated from the Department of International Relations and Political Sciences (English) of the Faculty of Economics and Administrative Sciences of Yeditepe University and European University of Lefke. He holds the office of the Group Manager of Türk Ekonomi Bankası AŞ – SME Loans Group.

10. İSMET GERGERLİ

General Manager

e was born in 1969 in Adıyaman, Kahta. He graduated from the Department of International Relations of the Faculty of Political Sciences of Ankara University in 1989. He received a master's degree from the Department of Sociology of Ankara University. He started working in the banking sector at Pamukbank. He held offices at marketing and credit departments of corporate branches. He worked as the Regional Director of Entrepreneurial Loans. He held the offices of Head of Tradesman Banking Department, Head of Tradesman and Small Enterprise Banking Department, Head of SME Marketing Department, Head of Training Department at Halkbank in 2005-2011. He worked as the Coordinator of Ankara 3rd Region and İstanbul 1st Region at Halkbank in 2011-2015. He served as a Member of the Board of Directors at Kredi Garanti Fonu in 2008-2011.



OUR MISSION

Providing strategic support to Turkey's growth and development by facilitating the access of promising enterprises to financing.



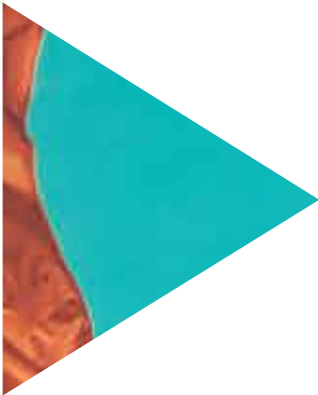
OUR VISION

To become an indispensable financial support institution for SMEs which is valued by all economic actors, and is one of the leading names for the entrepreneurs who have just started their operation or enterprises who wish to grow.



1

General Information



A. TRADE REGISTRY INFORMATION

Financial Year

01.01.2015 - 31.12.2015

Trade Name

Kredi Garanti Fonu Anonim Şirketi

Number of Personnel

2014 Yılı: 133

2015 Yılı: 158

Mersis (Central Registration System) Number

0589005350800014

Trade Registry Number

83408

Tax Office / Number

Maltepe Vergi Dairesi – 5890053508

Address

Dumlupınar Bulv. No: 252 TOBB İkiz Kuleler C Blok Kat: 5-6-7 Eskişehir Yolu 9. km. 06530 Yenimahalle / ANKARA

Telephone

0 312 219 44 44 (pbx)

Fax

0 312 219 58 72

Website

www.kgf.com.tr

B. SHAREHOLDING STRUCTURE

OUR SHAREHOLDERS	GROUP	AMOUNT OF CAPITAL (TL)	SHARE PERCENTAGE (%)
 TOBB (Turkish Union of Chambers and Commodity Exchanges)	A	89.470.327,94	32,1328
 KOSGEB (Small and Medium Enterprises Development Organization)	B	89.444.548,76	32,1236
 TESK (Confederation of Turkish Tradesmen and Craftsmen)	D	381.648,51	0,1371
 TOSYÖV (Foundation of Small and Medium Sized Enterprises, Self-Employed, and Administrators of Turkey)	D	24.658,36	0,0089
 MEKSA (Foundation of Vocational Training and Small Industry Support)	D	12.339,85	0,1371
 HALKBANK TÜRKİYE HALK BANKASI A.Ş.	C	4.719.303,25	1,6949
 AKBANK AKBANK T.A.Ş.	C	4.719.303,25	1,6949
 alBaraka ALBARAKA TÜRK KATILIM BANKASI A.Ş.	C	4.719.303,25	1,6949
 BANK ASYA ASYA KATILIM BANKASI A.Ş.	C	4.719.303,25	1,6949
 DenizBank DENİZBANK A.Ş.	C	4.719.303,25	1,6949
 BURGAN BANK BURGAN BANK A.Ş.	C	4.719.303,25	1,6949
 FİNANSBANK FİNANS BANK A.Ş.	C	4.719.303,25	1,6949
 HSBC HSBC BANK A.Ş.	C	4.719.303,25	1,6949
 ING BANK ING BANK A.Ş.	C	4.719.303,25	1,6949
 KUVEYT TÜRK KUVEYT TÜRK KATILIM BANKASI A.Ş.	C	4.719.303,25	1,6949
 Şekerbank ŞEKERBANK T.A.Ş.	C	4.719.303,25	1,6949
 TEB TÜRK EKONOMİ BANKASI A.Ş.	C	4.719.303,16	1,6949
 Ziraat Bankası TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.	C	4.719.303,25	1,6949
 TÜRKİYE FİNANS KATILIM BANKASI A.Ş.	C	4.719.303,25	1,6949
 Garanti TÜRKİYE GARANTİ BANKASI A.Ş.	C	4.719.303,25	1,6949
 TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.	C	4.719.303,25	1,6949
 TÜRKİYE İŞ BANKASI A.Ş.	C	4.719.303,25	1,6949
 VakıfBank TÜRKİYE VAKIFLAR BANKASI T.A.O.	C	4.719.303,25	1,6949
 YAPİ VE KREDİ BANKASI A.Ş.	C	4.719.303,30	1,6949
 Ziraat Katılım ZİRAAT KATILIM BANKASI A.Ş.	C	4.719.303,24	1,6949
 A Bank ALTERNATİFBANK A.Ş.	C	4.719.303,24	1,6949
TOTAL		278.438.891,61	100

C. LEGAL FRAMEWORK AND REGULATIONS TO WHICH THE INSTITUTION IS SUBJECT

Legal Framework to which Our Institution Is Subject

Our Institution, which was established with the name of Kredi Garanti Fonu İşletme ve Araştırma Ticaret Anonim Şirketi on 29.07.1991, changed its name to "Kredi Garanti Fonu Anonim Şirketi" on 28.06.2007 by continuing to grow in the framework of the project titled "Assistance to the Establishment of a Credit Guarantee Fund for Small and Medium-Sized Enterprises" with the Turkish-German Technical Cooperation Agreement of the Council of Ministers dated 14.07.1993 with no. 93/4496.

Our institution was provided with a 1-billion TL Treasury counterguarantee with the Council of Ministers' "Decision on the Procedures and Principles Related to the Treasury Support to be Provided to Credit Guarantee Institutions" on 14.07.2009 with no. 2009/15197 relating to providing credit support to SMEs. (This was raised to 2 Billion TLs in 2015.)

Moreover, with the "Regulation on the Determination of the Qualities of Credits and Other Receivables by Banks and Procedures and Principles Related to Compensations to be Reserved Accordingly", the guarantees provided by our Institution from Treasury support are considered in the 1st group and the guarantees provided from our the Shareholder's Equity are considered in the 3group. (It was raised to the 2nd group in 2015).

Sector of Activity and the Place of the Institution in This Sector

The most important factor which facilitates the access of big enterprises to financing and increases their competitiveness is the fact that they have guarantees to offer in return.

However, SMEs do not have many opportunities in this regard.

One of the biggest problems in the access of Small and Medium Enterprises to financing is their inability to obtain cost-effective loans from banks and financial institutions due to the insufficiency of guarantee.

Therefore, KGF was established in 1991. KGF is an institution which aims to eliminate the guarantee insufficiency of SMEs that are promising, have the potential to succeed, will create

added value in the country's economy, have new ideas, and strive for technological development, and which offers guarantee services accordingly.

SMEs, tradesmen and craftsmen, agricultural enterprises and farmers, women and young entrepreneurs throughout Turkey can apply for KGF guarantee

Exemptions and Exceptions to which Our Institution Is Subject

- Our Institution is exempt from corporate tax in accordance with the 4th Article of the Corporate Tax Law no. 5520 regulating exemptions.
- Our Institution is exempt from the value added tax in credit guarantee transactions in accordance with the 4/e clause of the 17th Article of the Value Added Tax Law no. 3065 regulating Social and Military Exemptions and Other Exemptions.
- The documents issued by our company to grant credit guarantee is exempt from the Stamp Duty in the table no. 2 related to the 9th Article of the Stamp Duty Law no. 488 regulating the law's exemptions.
- Our Company is exempt from the duties in credit guarantee transactions (pledge of commercial enterprise duties, except judgement fees, are included in this group) stated in the 123rd Article of the Duties Law no. 492.

Financial Rights Granted to the Members of the Board of Directors and Senior Executives

The benefits, salaries, SSI employee shares and Board of Directors daily allowances granted to the Members of the Board of Directors, Committee Members, and senior executives between 31 December 2014 and 31 December 2015 are listed below.

01 January-31 December 2014	01 January-31 December 2015
1.080.237,50 TL	1.723.425,79 TL

D. BRANCHES

Our Institution, which had 36 branches in 2014 apart from our General Directorate, continues to grow everyday by raising the number of branches to 38 with the opening of our Şanlıurfa and Kızılay/Ankara branches and to support more SMEs faster.



- | | | |
|-----------------------------|---------------------------------|--------------------------------|
| 1 ► ADANA BRANCH | 14 ► ESKİŞEHİR BRANCH | 27 ► MALATYA BRANCH |
| 2 ► AFYONKARAHİSAR BRANCH | 15 ► GAZİANTEP BRANCH | 28 ► MANİSA BRANCH |
| 3 ► ANKARA / KIZILAY BRANCH | 16 ► İSTANBUL BRANCH | 29 ► MUĞLA / BODRUM BRANCH |
| 4 ► ANKARA / OSTİM BRANCH | 17 ► İSTANBUL / EMİNÖNÜ BRANCH | 30 ► ORDU BRANCH |
| 5 ► ANTALYA BRANCH | 18 ► İSTANBUL / İKİTELLİ BRANCH | 31 ► SAKARYA BRANCH |
| 6 ► AYDIN BRANCH | 19 ► İSTANBUL / KADIKÖY BRANCH | 32 ► SAMSUN BRANCH |
| 7 ► BALIKESİR BRANCH | 20 ► İZMİR BRANCH | 33 ► ŞANLIURFA BRANCH |
| 8 ► BATMAN BRANCH | 21 ► KAHRAMANMARAŞ BRANCH | 34 ► SİVAS BRANCH |
| 9 ► BURSA BRANCH | 22 ► KARABÜK BRANCH | 35 ► TEKİRDAĞ / ÇORLU BRANCH |
| 10 ► ÇORUM BRANCH | 23 ► KAYSERİ BRANCH | 36 ► TRABZON BRANCH |
| 11 ► DENİZLİ BRANCH | 24 ► KOCAELİ BRANCH | 37 ► VAN BRANCH |
| 12 ► DİYARBAKIR BRANCH | 25 ► KOCAELİ/ GEBZE BRANCH | 38 ► ZONGULDAK / EREĞLİ BRANCH |
| 13 ► ERZURUM BRANCH | 26 ► KONYA BRANCH | |



Soluti

Business Stra

- Innovation
- Branding
- Solution
- Marketing
- Analysis
- Ideas
- Success
- Management

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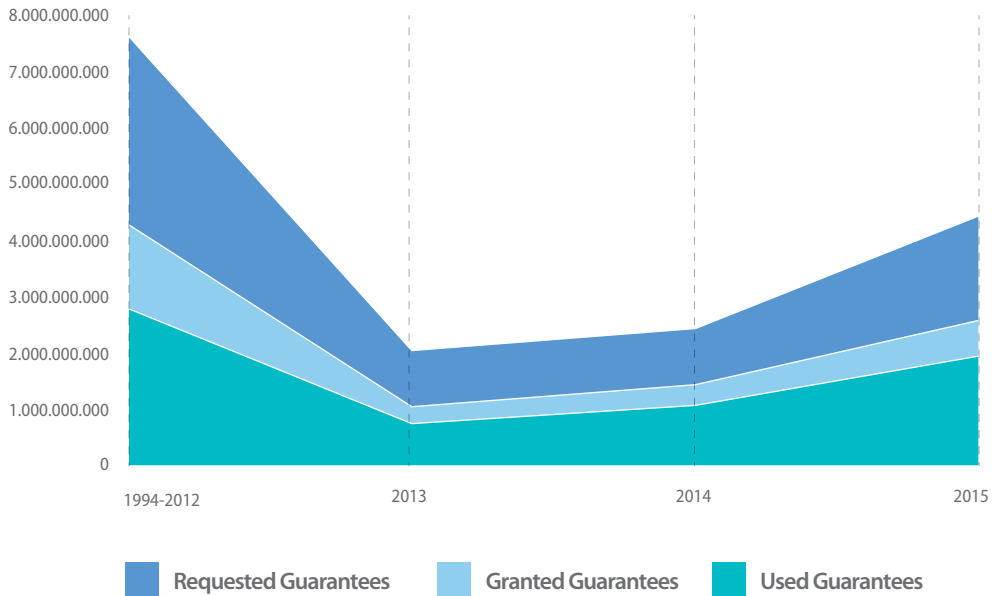
KGF A.Ş. in Figures

A. DEVELOPMENTS IN OUR GUARANTEE VOLUME

STATUS OF MEETING GUARANTEE REQUESTS BY YEARS (TL)

(Shareholder's Equity+Treasury)

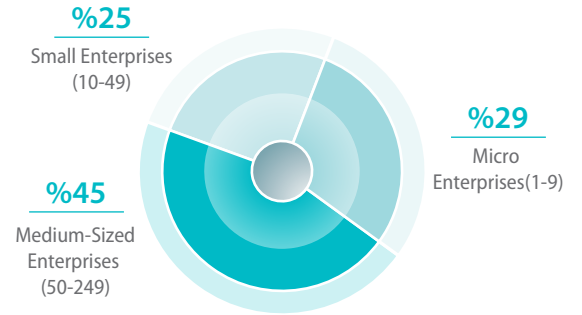
PERIOD	Requested Guarantees (Received Requests)			Granted Guarantees (Approved Requests)			Used Guarantees (Opened Requests)		
	Number of SMEs	Loan Amount	Guarantee Amount	SME Number	Loan Amount	Guarantee Amount	Number of SMEs	Loan Amount	Guarantee Amount
1994-2012	18.946	10.034.354.834	7.273.973.837	12.615	5.961.117.226	4.230.867.690	8.036	3.867.335.534	2.806.833.626
2013	4.107	2.704.616.086	2.017.920.732	2.462	1.467.406.113	1.061.378.253	2.118	1.007.778.894	760.575.736
2014	5.662	3.115.261.712	2.341.999.214	4.233	1.887.621.435	1.391.917.903	4.579	1.353.449.105	1.049.795.242
2015	8.764	5.626.880.473	4.237.564.532	6.015	3.324.047.085	2.445.967.341	4.736	2.417.635.842	1.848.791.475
1994-2015	36.748	22.557.100.768	16.646.153.968	24.664	13.388.206.012	9.676.433.661	18.662	9.240.183.513	6.887.450.225



DISTRIBUTION OF GRANTED GUARANTEES ACCORDING TO THE SCALE OF ENTERPRISES (TL)

(Shareholder's Equity+Treasury 1994-2015)

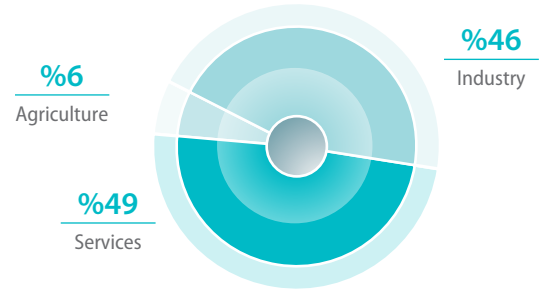
Scales	Number of Transactions	Loan Value Used by Granted Guarantee	Guarantee Amount	Rate
Micro Enterprises (1-9)	9.800	2.722.520.556	2.022.529.337	29%
Small Enterprises (10-49)	9.035	4.175.993.413	3.108.775.338	45%
Medium-Sized Enterprises (50-249)	3.452	2.341.669.544	1.756.145.550	25%
TOTAL	22.287	9.240.183.513	6.887.450.225	100%



DISTRIBUTION OF GRANTED GUARANTEES ACCORDING TO SECTORS (TL)

(Shareholder's Equity+Treasury 1994-2015)

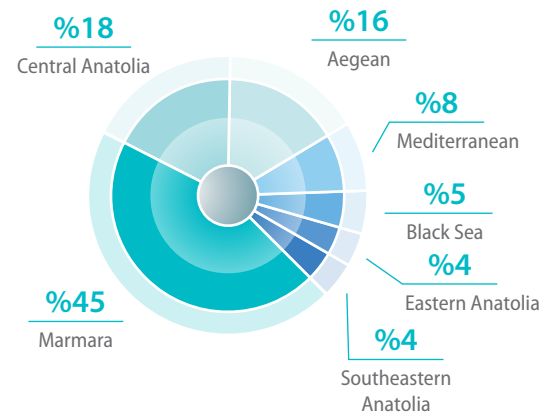
Sectors	Number of Transactions	Guarantee Amount	Rate
Industry	9.541	3.149.337.167	46%
Services	11.478	3.345.983.397	49%
Agriculture	1.268	392.129.660	6%
TOTAL	22.287	6.887.450.225	100%



DISTRIBUTION OF GRANTED GUARANTEES ACCORDING TO REGIONS (TL)

(Shareholder's Equity +Treasury 1994-2015)

Regions	Number of Transactions	Guarantee Amount	Rate
Marmara	8.697	3.092.870.809w	45%
Central Anatolia	4.228	1.259.314.674	18%
Aegean	2.930	1.122.982.501	16%
Mediterranean	1.184	545.319.367	8%
Black Sea	1.555	366.637.161	5%
Southeastern Anatolia	841	252.638.381	4%
Eastern Anatolia	2.852	247.687.332	4%
TOTAL	22.287	6.887.450.225	100%



In the loans used by KGF guarantee in 2015, the Marmara Region ranked the highest by raising its share to 45% and guarantee amount to 3.092 million TL. It was observed that the highest use on the basis of transaction occurred in the Mediterranean Region with 460 thousand TLs and the lowest use occurred in the Eastern Anatolia Region with 87 thousand TL.

B. BANK LOANS TO SMEs PROVIDED BY THE GUARANTEES FROM SHAREHOLDER’S EQUITY

Kredi Garanti Fonu continued to be a lifeline for SMEs on the issue of collateral and guarantee which are considered important barriers to access to financing by SMEs with the support it provided from its own equity in 2015.

1.888 SMEs used a total of 651 million TL loan from the banking system with the 541 million TL guarantee provided to them in 2015.

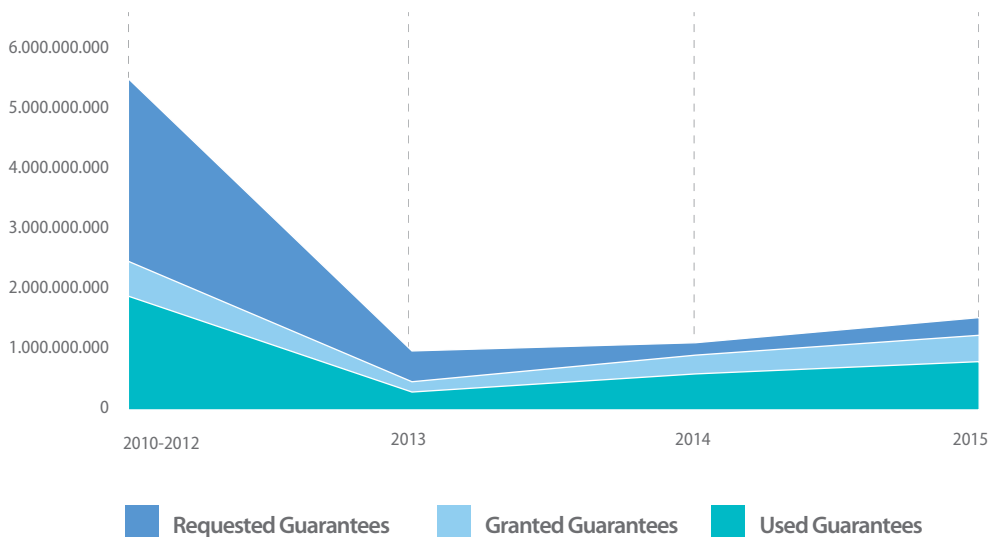
Applications of 23.344 SMEs in total from 1994 when the first guarantee was granted to the end 2015 have been assessed and 4.075 million TL loan amount was reached in return for 3.179 billion guarantee.

Portfolio Guarantee System (PGS) started in 2014 with the counterguarantee of the European Investment Fund (EIF) was also used actively in 2015 and stood out as an important application with the rise in the number of beneficiary SMEs.

STATUS OF MEETING GUARANTEE REQUESTS BY YEARS (TL)

(Shareholder’s Equity)

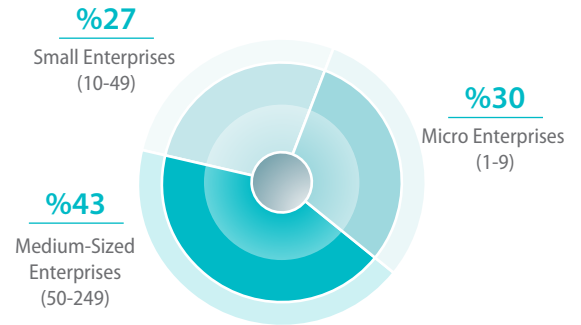
PERID	Requested Guarantees (Received Requests)			Granted Guarantees (Approved Requests)			Used Guarantees (Opened Requests)		
	Number of SMEs	Loan Amount	Guarantee Amount	Number of SMEs	Loan Amount	Guarantee Amount	Number of SMEs	Loan Amount	Guarantee Amount
1994-2012	13.330	7.458.591.493	5.533.368.453	7.698	3.856.830.036	2.819.222.373	5.328	2.339.457.016	1.769.754.049
2013	2.458	1.379.292.411	1.082.383.284	1.199	585.106.203	451.494.977	860	335.069.389	269.916.095
2014	3.505	1.373.613.677	1.103.732.866	2.573	723.954.916	573.209.927	2.199	455.867.703	380.094.905
2015	3.540	1.778.876.143	1.475.454.221	2.426	989.823.422	805.156.069	1.888	650.979.337	541.453.409
1994-2015	23.344	12.638.351.128	9.660.302.258	14.208	6.571.869.441	4.954.379.108	10.380	4.075.277.182	3.179.394.306



DISTRIBUTION OF GRANTED GUARANTEES FROM OUR SHAREHOLDER'S EQUITY ACCORDING TO THE SCALE OF ENTERPRISES (TL)

(1994-2015)

Scales	Number of Transactions	Loan Value Used by Granted Guarantee	Guarantee Amount	Rate
Micro Enterprises (1-9)	5.497	1.190.681.561	941.007.984	30%
Small Enterprises (10-49)	4.742	1.777.000.356	1.373.030.060	43%
Medium-Sized Enterprises (50-249)	1.932	1.107.595.265	865.356.262	27%
TOTAL	12.171	4.075.277.182	3.179.394.306	100%



While micro enterprises raised their share in the granted guarantees in 2015 to 30%, small enterprises had a share of 43% with an average 375 thousand TL guarantee. With 865,3 million TL guarantee granted to 1932 medium-sized enterprises, the share was raised to 47% by ensuring 40-basis point rise from the previous year.

DISTRIBUTION OF GRANTED GUARANTEES FROM SHAREHOLDER'S EQUITY ACCORDING TO SECTORS (TL)

(1994-2015)

Sectors	Number of Transactions	Guarantee Amount	Rate
Industry	6.420	1.629.259.341	51%
Services	4.831	1.321.571.474	42%
Agriculture	920	228.563.491	7%
TOTAL	12.171	3.179.394.306	100%

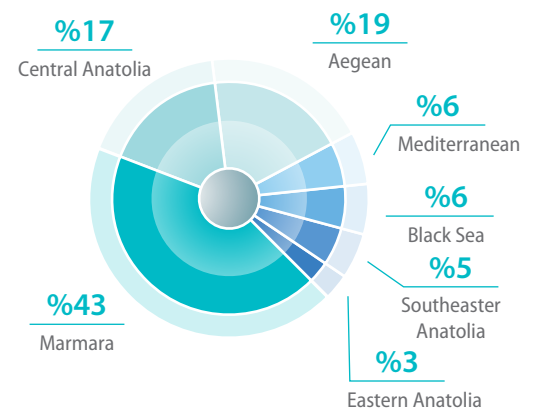


The share of the guarantees granted to the firms in the Industry Sector, which is the leading force of economy and contributes greatly to employment, in total reached 51%.

DISTRIBUTION OF GRANTED GUARANTEES FROM SHAREHOLDER'S EQUITY ACCORDING TO REGIONS (TL)

(1994-2015)

Regions	Number of Transactions	Guarantee Amount	Rate
Mediterranean	674	193.775.822	6%
Southeastern Anatolia	666	172.865.491	5%
Aegean	1.707	607.676.173	19%
Eastern Anatolia	749	105.306.283	3%
Central Anatolia	2.302	541.860.160	17%
Black Sea	1.074	199.549.585	6%
Marmara	5.000	1.358.360.791	43%
TOTAL	12.171	3.179.394.306	100%



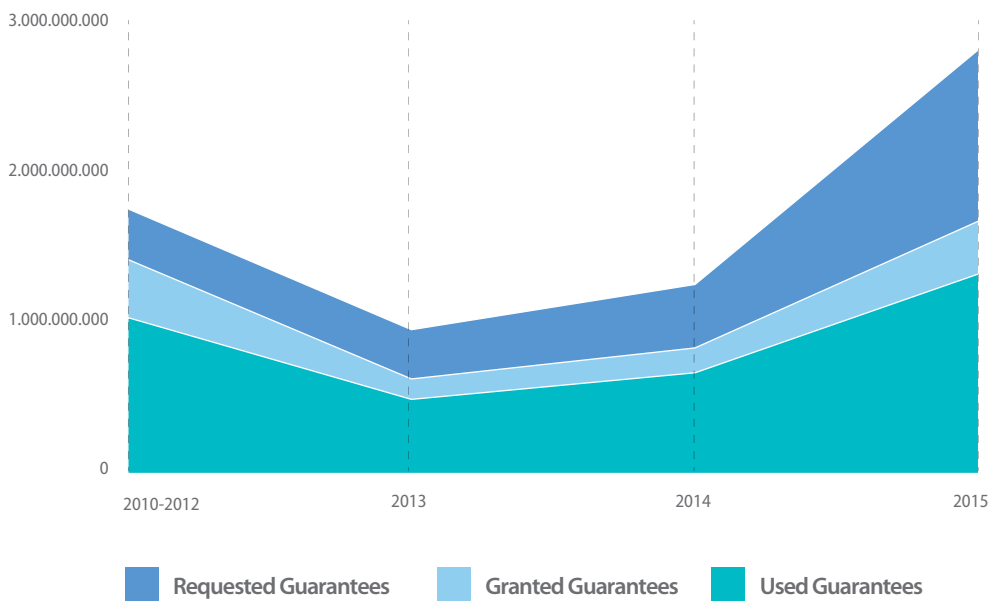
C. BANK LOANS TO SMEs PROVIDED BY THE GUARANTEES FROM TREASURY SUPPORT

0.116 applications were finalized in 2010-2015 within the context of the 1 billion TL counterguarantee which aimed to provide financing support for the SMEs affected by the global crisis in 2008, and SMEs were supported to access 5.165 billion TL loans from the banking system by the provision of 3.708 billion TL guarantee. The counterguarantee in question was raised to 2 billion TL in 2015.

STATUS OF MEETING GUARANTEE REQUESTS BY YEARS (TL)

(TREASURY)

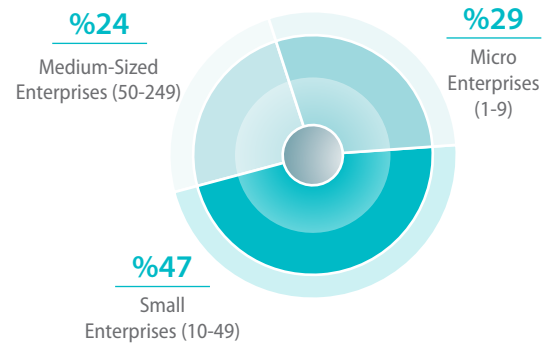
PERIOD	Requested Guarantees (Received Requests)			Granted Guarantees (Approved Requests)			Used Guarantees (Opened Requests)		
	Number of SMEs	Loan Amount	Guarantee Amount	SME Number	Loan Amount	Guarantee Amount	Number of SMEs	Loan Amount	Guarantee Amount
2010-2012	5.616	2.575.763.341	1.740.605.384	4.917	2.104.287.190	1.411.645.317	2.708	1.527.878.517	1.037.079.576
2013	1.649	1.325.323.675	935.537.449	1.263	882.299.910	609.883.276	1.258	672.709.505	490.659.641
2014	2.157	1.741.648.035	1.238.266.348	1.660	1.163.666.519	818.707.976	2.380	897.581.401	669.700.336
2015	5.224	3.848.004.330	2.762.110.311	3.589	2.334.223.663	1.640.811.272	2.848	1.766.656.505	1.307.338.066
2010-2015	13.404	9.918.749.640	6.985.851.710	10.456	6.816.336.571	4.722.054.553	8.282	5.164.906.331	3.708.055.919



DISTRIBUTION OF GRANTED GUARANTEES FROM THE TREASURY SUPPORT ACCORDING TO THE SCALE OF ENTERPRISES (TL)

(2010-2015)

Scales	Number of Transactions	Loan Value Used by Granted Guarantee	Guarantee Amount	Rate
Micro Enterprises (1-9)	4.303	1.531.838.995	1.081.521.353	29%
Small Enterprises (10-49)	4.293	2.398.993.056	1.735.745.278	47%
Medium-Sized Enterprises (50-249)	1.520	1.234.074.279	890.789.288	24%
TOTAL	10.116	5.164.906.331	3.708.055.919	100%



DISTRIBUTION OF GRANTED GUARANTEES FROM THE TREASURY SUPPORT ACCORDING TO SECTORS (TL)

(2010-2015)

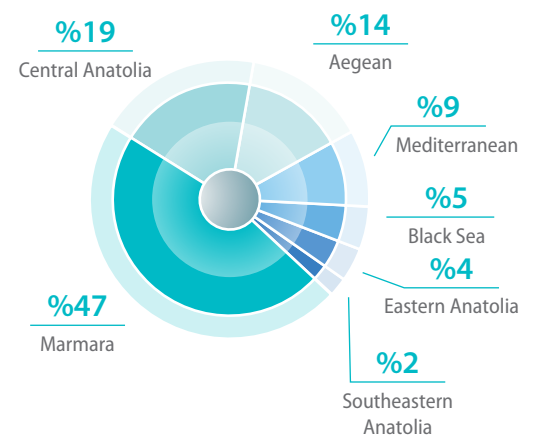
Sectors	Number of Transactions	Guarantee Amount	Rate
Industry	3.121	1.520.077.826	41%
Services	6.647	2.024.411.923	55%
Agriculture	348	163.566.169	4%
TOTAL	10.116	3.708.055.919	100%



DISTRIBUTION OF GRANTED GUARANTEES FROM THE TREASURY SUPPORT ACCORDING TO REGIONS (TL)

(2010-2015)

Regions	Number of Transactions	Guarantee Amount	Rate
Mediterranean	510	351.543.546	9%
Southeastern Anatolia	175	79.772.889	2%
Aegean	1.223	515.306.328	14%
Eastern Anatolia	2.103	142.381.048	4%
Central Anatolia	1.926	717.454.514	19%
Black Sea	481	167.087.576	5%
Marmara	3.698	1.734.510.017	47%
TOTAL	10.116	3.708.055.919	100%



D. OUR DIRECT SUPPORT (TÜBİTAK, KOSGEB, TTGV)

With the protocols signed in 2014, the scope of the direct guarantee application with KOSGEB, TÜBİTAK and TTGV was expanded and the public support provided to SMEs has also been included in the scope. The opportunity for the related institutions to carry out the support transactions they provide to SMEs has emerged with the acceptance of the KGF guarantee instead of a Bank Letter of Guarantee.

By continuing the direct support in 2015 as well, the utilization of SMEs of public support without using loan limits over banks has been provided.

E. OUR NON-PERFORMING RECEIVABLES

From 1995 when we started our operations until the end of 2015, a total of 6.887,5 million TL of guarantees, 3.179,4 million TL being from our own equity and 3.708,1 TL being from Treasury support, was provided. A total of 321,9 million TL of used guarantees are non-performing receivables, and this ratio fell to 4.67% at the end of 2015 after the reduction of legal proceeding rate which was previously 5.23%. 68.3% of the non-performing receivables is from our own equity and 31,7% is from Treasury supported guarantees.

The growth rate in the non-performing receivables supported by the Shareholder's Equity which is 151,4 million TL in total occurred as 16.6% and the legal proceeding rate which was 7.5% at the end of 2014 fell to 6.91% at the end of 2015.

In terms of treasury supported guarantees, a total of 102,1 million TL guarantee was referred to legal proceeding as of the end of 2015, and its increase rate compared to the end of 2014 is 64.4%. The legal proceeding rate which was 2,73% at the end of 2014 for treasury supported guarantees rose to 2,75% at the end of 2015.

Loan collection of 1064 SMEs in our own equity-supported guarantees and 335 SMEs in Treasury-supported guarantees became non-performing receivable until the end of 2015.

TRANSFER TO LEGAL PROCEEDING AND RISK OF LEGAL PROCEEDING RATES ACCORDING TO SOURCE (TL)

Sources	01.01.1994-31.12.2015		Rate of Transfer to Legal Proceeding %	31.12.2015	Legal Proceeding Rate %
	Used Guarantees	Amount Transferred to Legal Proceeding		Legal Proceeding Risk Amount (Including Those Linked to the Protocol)	
Shareholder's Equity	3.179.394.306	219.773.222	6,91	151.366.331	4,76
Treasury	3.708.055.919	102.147.269	2,75	86.951.175	2,34
TOTAL	6.887.450.225	321.920.491	4,67	238.317.506	3,46

The collections made from non-performing receivables also increase by years. A total of 70.1 million TL principal from the non-performing receivables supported by our own equity and a total of 15,2 million TL principal from the non-performing receivables supported by treasury were collected until the end of 2015.

As a result of the collections in question, the total legal proceeding risk in the amount of 238,3 million TL in total, 151,4 million TL being from the shareholder's equity and 86,9 million TL being from Treasury, arise from the shareholder's equity at the rate of 63,5% and from Treasury at the rate of 36,5%.

While 46.2 Million TL provision was reserved for the shareholder's equity-supported legal proceeding risks at the end of 2014, this amount rose to 63.2 million TL at the end of 2015. The legal proceeding risk rose at the rate of 16.5% compared to the previous year, and the provisions reserved for these risks occurred more with an increase of 36.8%



3

Other Activities in 2015



ACTIVITIES IN 2015

“The success we have achieved in this project which we managed through the Portfolio Guarantee System (PGS) is also appreciated by EIF officials.”

- Kredi Garanti Fonu (KGF) A.Ş. continues to support the access of more SMEs to loans by increasing its share in SME Loans in the Turkish Banking System every year with its capital in the amount of 278.438.892 TL that has been strengthened upon the partnering of TOBB, KOSGEB, 21 banks and other small shareholders, the support of 2 billion TLs provided from the Undersecretariat of Treasury, 4,5 million Euros provided from the European Investment Fund, and 2 million USDs provided from BTC Co.
- KGF A.Ş. has become influential in the loan market due to the increased number of its bank partners along with its increased capital strength and provided product variety in guarantee activities with its increased capital. KGF provides guarantee to SMEs who will use Turk Eximbank loans supporting export directly at a 100% rate. Moreover, guarantee is also provided to SMEs that wish to use Rediscount Loan derived from CBT via T.Eximbank.
- KGF provides guarantee support to cooperatives associated with the Unions of Tarıř Fig, Grape, Cotton and Oil Seeds Agriculture Sale Cooperatives on the basis of projects, including the financing it gives to the members of agriculture sale cooperatives through loan provisions and loans they will use for product purchase support.
- KGF continues to generate guarantee by providing guarantee to the banks with whom Agricultural and Rural Development Support Institution (TKDK) signed protocol within the scope of the IPARD Program of TKDK.

- SMEs that invest in R&D and innovative technologies also benefit from KGF A.Ş. guarantee support while female and young entrepreneurs are prioritized through positive discrimination. Within this context, KGF has developed a separate project to support female entrepreneurs along with the existing guarantee support, and signed a protocol with two banks for this project and a protocol with one bank for entrepreneurship. Existing protocols were continued with the same banks for these projects in 2015 as well.

- In the framework of the financial cooperation between the European Union (EU) and Turkey, within the scope of the first component of the “Creation and Development of New Financial Instruments” measure of the “Regional Competitiveness Operational Program” (IPA), KGF A.Ş. was provided with a counterguarantee of 4.5 million Euros by the EIF for the guarantees KGF will provide in 43 provinces which have a small share in SME loans and whose per capita income is below 75% of the Turkey average. With regard to the counterguarantee, the aim to reach a long volume of 37,5 million Euros with the guarantees to be provided to 1.500 micro enterprises in the target region through the “Micro Loans to Micro SMEs” project. Portfolio Guarantee System, which can be used by Micro SMEs meeting EU criteria, has been developed to realize these targets and protocols have been signed with 9 banks. The access of 1775 SMEs in total, with 1438 of these being in only 2014, to KGF guarantee and loans has been ensured and the project has been completed with success by reaching the targeted loan guarantee volume by 31/12/2014. Following these results, the term of the project was extended and an additional 9-million Euros of counterguarantess support has been provided.

- We are about to complete the second phase of the “Micro Loans to Micro SMEs”, which is continued based on the counterguarantee provided from the EIF within the scope of the ongoing “Greater Anatolia Guarantee Facility (GAGF)” program, of which 4.5 million Euro counterguarantee has been collected. We will begin the third phase application shortly.

As our aim with this project is to reduce the difference in the level of development between the various regions and cities of our country, we place special importance on supporting the Micro SMEs active in relatively less-developed provinces. The success we have achieved in this project through the Portfolio Guarantee System (PGS) is also appreciated by EIF officials.

- KGF A.Ş. included in almost all action plans of the government started the “Direct Guarantee” project in 2014 to provide guarantees to institutions and organizations that provide support to SMEs within the scope of their own programs without the mediation of banks, along with providing support to banks themselves, and signed separate protocols with the related institutions to create guarantee for the repaid support institutions such as KOSGEB and TTGV provide to SMEs and for the transfer payments of TÜBİTAK. These protocols continued to be valid in 2015 as well.

- Our branch number has been raised to 38 with the opening of Kızılay and Şanlıurfa branches in September and November 2015 and services started to be rendered to our SMEs located in different places.

- Kredi Garanti Fonu A.Ş., who tries to improve its activities day by day for Turkey’s development, the reduction of interregional development differences, the support technological investments, the support of young and female entrepreneurs, and the support of shipbuilding and tourism industries, will continue to be one of the biggest supporters of the sectors which are the building blocks of the economy with the strength it receives from its financiers and solution partners to server these aims.

AUTHORIZED LOAN APPROVAL COMMITTEE	2014		2015	
	Number of Meetings	Number of Decisions	Number of Meetings	Number of Decisions
General Directorate Loan Approval Committee	50	1206	114	2588
Shareholder’s Equity Loan Approval Committee	48	908	82	1307
Treasury Support Loan Approval Committee	50	2.563	50	4476
Treasury Support Manufacturer SME Loan Approval Committee			14	392
Resolution of the Board of Directors	4	4	6	6
TOTAL	152	4681	266	8769



4

Financial Statements



KREDİ GARANTİ FONU AŞ COMPARATIVE STATEMENT OF 01.01.2015-31.12.2015 (THOUSAND TL)

(Organized in accordance with the Provisions of the Tax Procedure Law.)

ASSETS		Previous Period	Current Period	LIABILITIES		Previous Period	Current Period
		31.12.2014	31.12.2015			31.12.2014	31.12.2015
1	CURRENT ASSETS			3	SHORT-TERM LIABILITIES		
10	Liquid Assets	196.291.250	206.224.471	30	Financial Liabilities		
100	Safety Deposit	2.074	220	32	Trade Liabilities	1.756.385	56.536
102	Banks	196.289.176	206.224.251	320	Suppliers	108.239	56.536
11	Stocks and Bonds	1.818.765	3.194.290	326	Deposits and Guarantees Received		
111	Private Sector Bonds, Notes and Bills	1.103.835	100.000	329	Other Trade Liabilities	1.648.147	
112	Public Sector Bonds, Notes and Bills	714.930	3.094.290	33	Other Liabilities	704.486	387.623
12	Trade Receivables	86.630.840	87.577.898	335	Payables to Personnel	2.741	225.021
120	Receivables from Customers	18.568.207	12.848.830	336	Other Miscellaneous Payables	701.745	162.602
121	Notes Receivables			34	Advances Received		0
126	Deposits and Guarantees Given	503	503	340	Advances Received for Purchase Orders		
128	Doubtful Trade Receivables	114.291.222	137.982.078	36	Taxes Payable and Other Liabilities	734.680	1.002.876
129	Provision for Doubtful Trade Receivables (-)	-46.229.091	-63.253.513	360	Taxes and Funds Payable	390.301	575.230
13	Other Receivables	32.251	156.083	361	Social Guarantee Withholdings Payable	343.322	427.646
136	Other Miscellaneous Receivables	32.251	156.083	369	Other Liabilities Payable	1.057	
15	Stocks	110.000		37	Provisions for Liabilities and Expenses		0
159	Advances Given for Purchase Orders	110.000		38	Short-Term Deferred Income and Accrued Expenses		
18	Short-Term Deferred Income and Accrued Expenses	1.047.891	822.932		Their Accruals		
180	Prepaid Expenses for Future Months			39	Other Short-Term Liabilities	0	13.141
181	Income Accruals	1.047.891	822.932	391	Calculated VAT		13.141
19	Other Current Assets	58.262	32.942				
190	Deferred VAT				TOTAL SHORT-TERM LIABILITIES	3.195.552	1.460.176
191	Deductible VAT						
195	Advances Paid for Services to be Received	58.262	32.942	4	LONG-TERM LIABILITIES		
				40	Financial Liabilities		
	TOTAL CURRENT ASSETS	285.989.259	298.008.617	42	Trade Liabilities		
2	LONG-LIVED ASSETS			43	Other Liabilities		
22	Trade Receivables			47	Provisions for Liabilities and Expenses	2.120.444	2.713.494
220	Receivables from Customers			472	Provisions for Termination Indemnities	2.120.444	2.713.494
226	Deposits and Guarantees Given			48	Long-Term Deferred Income and		
23	Other Receivables	106.200	106.200		Accrued Expenses		
236	Other Miscellaneous Receivables	106.200	106.200		TOTAL LONG-TERM LIABILITIES	2.120.444	2.713.494
25	Tangible Long-Lived Assets	2.925.722	5.084.719				
250	Lands and Parcels	1.417.495	1.912.703	5	SHAREHOLDER'S EQUITY		
251	Underground and Overland Plants			50	Paid-Up Capital	240.000.000	278.438.892
252	Buildings	875.527	1.012.827	500	Capital	240.000.000	278.438.892
253	Machinery, Equipment, and Installations			501	Unpaid Capital (-)		
254	Vehicles	1.329.637	2.090.992				
255	Fixtures	701.755	562.929	52	Capital Reserves	12.878.788	13.404.978
256	Other Tangible Long-Lived Assets			529	Other Capital Reserves	12.878.788	13.404.978
257	Accumulated Amortization (-)	-1.398.692	-894.732	54	Income Reserves	1.685.172	2.199.570
258	Construction in Progress		400.000	540	Legal Reserves	1.685.172	2.199.570
26	Intangible Long-Lived Assets	348.289	260.026	542	Extraordinary Reserves		
260	Rights	400	400	548	Other Income Reserves		
264	Special Costs	1.153.430	190.910	549	Special Funds		
267	Other Intangible Long-Lived Assets	128.715	190.444	57	Retained Earnings	19.226.716	0
268	Accumulated Amortization (-)	-934.256	-121.728	570	Retained Earnings	19.226.716	
28	Long-Term Prepaid Expenses	25.168	241.006	58	Retained Losses (-)		
	and Accrued Income			580	Retained Losses (-)		
280	Prepaid Expenses for Future Years	25.168	241.006	59	Net Profit for the Period (Loss)		
281	Accrued Income			590	Net Profit for the Period	10.287.967	5.483.459
	TOTAL LONG-LIVED ASSETS	3.405.380	5.691.951		TOTAL SHAREHOLDER'S EQUITY	284.078.643	299.526.899
	TOTAL CURRENT ASSETS	289.394.639	303.700.568		TOTAL LIABILITIES	289.394.639	303.700.568
	MEMORANDUM ACCOUNTS	2.975.487.374	4.747.431.000		MEMORANDUM ACCOUNTS	2.975.487.374	4.747.431.000
	Shareholder's Equity Guarantee Debt Risk	592.905.081	765.318.000		Shareholder's Equity Guarantee Receivable Risk	592.905.081	765.318.000
	Treasury Source Guarantee Debt Risk	1.382.582.293	1.982.113.000		Treasury Source Guarantee Receivable Risk	1.382.582.293	1.982.113.000
	Guarantees Obtained from the Treasury	1.000.000.000	2.000.000.000		Guarantees Obtained from the Treasury	1.000.000.000	2.000.000.000

KREDİ GARANTİ FONU AŞ

COMPARATIVE DETAILED INCOME STATEMENT OF 01.01.2015-31.12.2015

(Organized in accordance with the Provisions of the Tax Procedure Law.)

	31.12.2014		31.12.2015	
A- GROSS INCOME		15.815.342		20.765.291
1. Commissions Obtained from Domestic Guarantees	15.511.304		20.370.174	
2. Commissions Obtained from Foreign Guarantees				
3. Other Income	304.038		395.117	
B- SALES DEDUCTIONS (-)		0		0
1. Sales Returns (-)				
2. Sales Discounts (-)				
3. Other Deductions (-)				
C- NET SALES		15.815.342		20.765.291
D- COST OF SALES (-)				
GROSS PROFIT OR LOSS		15.815.342		20.765.291
E- OPERATING COSTS (-)		18.285.591		22.306.144
1. Research and Development Costs				
2. Branch Operating Costs (-)	9.007.035		11.226.023	
3. General Management Costs (-)	9.278.556		11.080.121	
OPERATING PROFIT OR LOSS		-2.470.249		-1.540.853
F- INCOME AND PROFIT FROM OTHER ORDINARY OPERATIONS		21.556.591		41.719.184
1. Dividend Income from Affiliates				
2. Dividend Income from Subsidiaries				
3. Interest Income	14.246.296		15.573.605	
4. Commission Income				
5. Provisions No Longer Required	801.013		7.944.085	
6. Profit on Sale of Marketable Guarantees				
7. Foreign Currency Gains	6.509.282		18.201.493	
8. Rediscount Income				
9. Other Operational Income				
G- EXPENSES AND LOSSES FROM OTHER OPERATIONS (-)		9.898.444		36.358.738
1. Commission Expenses				
2. Provision Expenses	4.587.432		24.826.804	
3. Loss on Sale of Marketable Guarantees				
4. Foreign Currency Losses	5.311.011		11.531.935	
5. Rediscount Interest Expense				
6. Other Ordinary Expenses and Losses				
ORDINARY PROFIT OR LOSS		9.187.898		3.819.592
I- EXTRAORDINARY INCOME AND PROFIT		1.477.821		1.862.930
1. Previous Period Income and Profit				
2. Other Extraordinary Income and Profit	1.477.821		1.862.930	
J- EXTRAORDINARY EXPENSES AND LOSSES (-)		377.752		199.064
1. Idle Capacity Expenses and Losses (-)				
2. Previous Period Expenses and Losses (-)				
3. Other Extraordinary Expenses and Losses (-)	377.752		199.064	
INCOME OR LOSS FOR THE PERIOD		10.287.967		5.483.459
NET INCOME OR LOSS FOR THE PERIOD		10.287.967		5.483.459

FINANCIAL STATUS EVALUATION

Assets

Our company's size of assets has increased by 4,9% compared to the previous year and reached 303,7 million TL. The banks calculation which is the most important item of our current assets increased by 5,1% and reached 206,2 million TL.

Another important item of our assets, doubtful trade receivables increased by 20,7% and reached 137,9 million TL. The provision amount in this period increased by 36,8% and occurred as 63,2 million TL.

The most significant increase in our tangible long-lived assets occurred in the vehicles item. New passenger cars were purchased by our company in 2015 for our branches and vehicles reached 2,09 million TL by increasing by 57,3%.

Liabilities

Our short-term liabilities increased by 54,3% compared to the previous year. Our company's current period social guarantee expenses are included in this section and the income taxes and social guarantee deductions received from salaries increased by 36,5%. The sums in question were paid completely in the next months.

Our company reserves termination indemnities for our employees every year. Our termination indemnity provision increased by 593.050 TL in 2015 and became 2,7 million TL.

The Treasury source is followed in the calculation of other miscellaneous payables.

Shareholder's Equity

Our shareholder's equity which is another item on our financial statement became 299,7 million TL by increasing 5,4%. Two more banks joined our company's partnership in the 2015 financial year and our paid-up capital was raised to 278,4 million TL from 240 million TL upon increase of capital.

Conclusion (Profit and Loss)

The profitability of our company fell by 46,7% in the 2015 financial year compared to the previous period and occurred as 5,4 million TL. Even though our operating losses have decreased, they still continue.



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Independent Audit Report

KREDİ GARANTİ FONU ANONİM ŞİRKETİ

FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2015 WITH INDEPENDENT AUDITORS' REPORT THEREON

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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Kredi Garanti Fonu Anonim Şirketi (the "Company"), which comprise the statement of financial position as at 31 December 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Introduction Management's responsibility for the financial statements.

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

Auditors' responsibility

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

An Independent Member of BAKER TILLY INTERNATIONAL

9 March 2015

This report includes "Independent Auditors' Report on Financial Statements" comprising 1 page and; "Financial Statements Together with their Explanatory Notes" comprising 34 pages

KREDİ GARANTİ FONU AŞ

Notes To The Financial Statements As Of December 31,2015

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

KREDİ GARANTİ FONU ANONİM ŞİRKETİ STATEMENT OF FINANCIAL POSITION

(The amounts are expressed in TL unless otherwise indicated.)

	Notes	Audited Current Period 31.12.2015	Audited Previous Period 31.12.2014
ASSETS			
Current Assets		283.312.349	277.380.438
Cash and Cash Equivalents	Note.6	207.047.403	197.389.364
Financial Investments	Note.7	3.194.290	1.864.799
Trade Receivables	Note.10	72.881.127	78.035.259
Trade Receivables from Non-Related Parties	Note 10	72.881.127	78.035.259
Trade Receivables from Related Parties	Note 10-36	-	-
Other Receivables	Note.11	156.586	32.754
Other Receivables from Non-Related Parties	Note 11	156.586	32.754
Other Receivables from Related Parties	Note 11-36	-	-
Derivative Instruments	Note.12	-	-
Inventories	Note.13	-	-
Prepaid Expenses	Note.14	-	-
Current Period Tax Assets		-	-
Other Current Assets	Note.23	32.943	58.263
TOTAL		283.312.349	277.380.438
Fixed Assets Classified for Sales		-	-
Non-Current Assets		5.602.698	3.395.730
Trade Receivables	Note.10	-	-
Trade Receivables from Non-Related Parties	Note 10	-	-
Trade Receivables from Related Parties	Note 10-36	-	-
Derivative Financial Instruments	Note.12	-	-
Other Receivables	Note.11	-	-
Other Receivables from Non-Related Parties	Note 11	-	-
Other Receivables from Related Parties	Note 11-36	-	-
Financial Investments	Note.7	-	-
Investments Evaluated by Equity Method		-	-
Current Period Tax Assets		-	-
Investment Properties	Note.16	-	-
Tangible Fixed Assets	Note.18	1.959.400	877.949
Intangible Fixed Assets	Note.19	525.900	122.790
Other Intangible Assets		-	-
Goodwill		-	-
Prepaid Expenses	Note.15	241.006	135.168
Deferred Tax Assets		-	-
Other Non-Current Assets		2.876.932	2.259.823
TOTAL ASSETS		288.915.047	280.776.168

The accompanying explanatory notes are an integral part of the consolidated financial statements.

KREDİ GARANTİ FONU AŞ
Notes To The Financial Statements As Of December 31,2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

KREDİ GARANTİ FONU ANONİM ŞİRKETİ STATEMENT OF FINANCIAL POSITION
(The amounts are expressed in TL unless otherwise indicated.)

	Notes	Audited Current Period 31.12.2015	Audited Previous Period 31.12.2014
LIABILITIES			
Short-Term Liabilities		24.223.455	23.305.858
Short-Term Financial Debts		-	-
Short-Term Installments of Long-Term Financial Debts		-	-
Other Financial Liabilities		-	-
Trade Payables	Note.10	56.536	108.239
Trade Payables to Non-Related Parties	Note 10	56.536	108.239
Trade Payables to Related Parties	Note 10-36	5-	-
Payables for Employee Benefits	Note.20	1.205.690	706.813
Other Payables	Note.11	35.347	29.013
Other Payables to Non-Related Parties	Note 11	35.347	29.013
Other Payables to Related Parties	Note 11-36	-	-
Derivative Instruments	Note.12	-	-
Deferred Income	Note.24	7.721.247	5.964.131
Tax Liabilities of Period Profit		-	-
Short-Term Provisions	Note.20	1.637.056	1.267.386
Other Short-Term Provisions		47.120	-
Short-Term Provisions for Employee Benefits		1.589.936	1.267.386
Other Short-Term Liabilities	Note.23	-	-
TOTAL		24.223.455	23.305.858
Liabilities of Assets Held for Sale		-	-
Long-Term Liabilities		1.867.383	1.437.210
Long-Term Financial Debts		-	-
Derivative Instruments		-	-
Long-Term Provisions	Note.20	1.867.383	1.437.210
Other Long-Term Provisions		-	-
Long-Term Provisions for Employee Benefits		1.867.383	1.437.210
Payables for Current Period Tax		-	-
Deferred Tax Liability		-	-
Other Long-Term Liabilities		-	-
SHAREHOLDERS' EQUITY		262.824.209	251.033.101
Parent Company Shareholders' Equity	Note.25	262.824.209	251.033.101
Paid-In Capital		278.438.892	240.000.000
Capital Adjustments due to cross-ownership		(801.981)	(492.111)
Reserves on Retained Earnings		2.199.570	1.685.172
Retained Earnings / (Losses)		(14.674.643)	3.581.428
Net Profit/(Loss) of the Period		(2.337.629)	11.258.612
TOTAL LIABILITIES		288.915.047	280.776.168

KREDİ GARANTİ FONU AŞ
Notes To The Financial Statements As Of December 31,2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

KREDİ GARANTİ FONU ANONİM ŞİRKETİ STATEMENT OF PROFIT OR LOSS

(The amounts are expressed in TL unless otherwise indicated.)

	Notes	Audited		Audited	
		Current Period		Previous Period	
		01.01.2015	31.12.2015	01.01.2014	31.12.2014
Revenue	Note.26		19.008.175		15.524.815
Cost of Sales (-)	Note.26		(12.181.878)		(9.952.133)
Gross Profit/(Loss)			6.826.297		5.572.682
Marketing, Sales and Distribution Expenses (-)	Note.27		-		-
General Administration Expenses (-)	Note.27		(7.593.159)		(6.283.723)
Research and Development Expenses (-)			-		-
Other Income from Main Operations	Note.28		9.807.016		20.581.836
Other Expenses from Main Operations (-)	Note.28		(33.620.947)		(5.489.331)
			-		-
OPERATING PROFIT / (LOSS)			(24.580.793)		(4.282.212)
Share in Profit / (Loss) of Investments Evaluated According to Equity Method			-		-
Investment Operating Income / Expenses (-)	Note.29		-		-
Financial Income	Note.29		33.775.098		20.581.836
Financial Expenses (-)			(2.337.629)		11.258.612
			-		-
CONTINUED OPERATIONS PROFIT/(LOSS) BEFORE TAXATION			(2.237.629)		11.258.612
			-		-
CONTINUED OPERATIONS PROFIT / (LOSS)			(2.237.629)		11.258.612
DISCONTINUED OPERATIONS					
			-		-
PROFIT / (LOSS) FOR THE PERIOD			(2.237.629)		11.258.612
Earnings Per Share					
Continued Operations Earnings Per Share			(0,0001)		0,00005
Discontinued Operations Earnings Per Share			-		-

The accompanying explanatory notes are an integral part of the consolidated financial statements.

KREDİ GARANTİ FONU AŞ
Notes To The Financial Statements As Of December 31,2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

KREDİ GARANTİ FONU ANONİM ŞİRKETİ STATEMENT OF SHAREHOLDERS' EQUITY

(The amounts are expressed in TL unless otherwise indicated.)

Audited Current Period	Notes	Paid-in Capital	Accumulated Other Comprehensive Income or Expenses Not To be Reclassified to Profit or Loss		Accumulated Other Comprehensive Income or Expenses To be Reclassified to Profit or Loss		Reserves On Retained Earnings	Accumulated Profits		Shareholders' Equity
			Actuarial Gains and Losses from Pension Plans	Revaluati-on Funds	Foreign Exchange Translation Adjustments	Other Gain / Loss		Retained Earnings / (Losses)	Net Profit/ (Loss) of the Period	
01.01.2014 (Beginning Balance)	Note.25	240.000.000	-	-	-	-	1.236.386	(5.688.928)	9.962.142	245.266.600
Transfers		-	-	-	-	-	421.786	9.270.356	(9.962.142)	-
Total Comprehensive Income		-	-	-	(492.111)	-	-	-	11.258.612	10.766.501
- Actuarial Gains / (Losses) from Pension Plans	20	-	-	-	(492.111)	-	-	-	-	(492.111)
- Period Net Profit/(Loss)		-	-	-	-	-	-	-	11.258.612	11.258.612
31.12.2014 (Ending Balance)	Note.25	240.000.000	-	-	(492.111)	-	1.685.172	3.581.428	11.258.612	256.033.101
01.01.2015 (Beginning Balance)	Note.25	240.000.000	-	-	(492.111)	-	1.685.172	3.581.428	11.258.612	256.033.101
Transfers		-	-	-	-	-	514.398	10.744.214	(11.258.612)	-
Increases from increase of Capital		38.438.891	-	-	-	-	-	(29.000.285)	-	9.438.606
Total Comprehensive Income		-	-	-	(309.870)	-	-	-	(2.237.629)	(2.647.499)
- Actuarial Gains / (Losses) from Pension Plans	20	-	-	-	(309.870)	-	-	-	-	(309.870)
- Net Profit / (Loss)		-	-	-	-	-	-	-	(2.237.629)	(2.237.629)
31.12.2015 (Ending Balance)	Note.25	278.438.892	-	(801.981)	-	-	2.199.570	(14.674.643)	(2.337.629)	262.824.209

The accompanying explanatory notes are an integral part of the consolidated financial statements.

KREDİ GARANTİ FONU AŞ
Notes To The Financial Statements As Of December 31,2015
(Amounts expressed in Turkish Lira (“TL”) unless otherwise stated.)

KREDİ GARANTİ FONU A.Ş. STATEMENT OF CASH FLOW

(The amounts are expressed in EURO unless otherwise indicated.)

	Notes	Audited Current Period 01.01.2015 31.12.2015	Audited Previous Period 01.01.2014- 31.12.2014
A) CASH FLOWS FROM OPERATING ACTIVITIES			
CONTINUED OPERATIONS PROFIT / (LOSS) BEFORE TAXATION			
		(2.237.629)	11.258.612
Adjustments:			
Period Depreciation	Note.18,19	556.027	652.23
Change in Provision for Termination Indemnities	Note.10-20-22	24.354.629	(72.994)
Change in Rediscount of Receivables		-	-
Current Period Change in Provision for Doubtful Receivables		-	-
Change in Rediscount of Payables		-	-
Change in Other Provisions related to Financial Operations		1.757.116	290.527
Interest Income		-	-
Interest Expense		-	-
Non-Current Assets Sales Income/(Loss)		-	-
Changes in Working Capital		-	-
Change in Trade Receivables	Note.10	5.154.132	(9.945.474)
Change in Inventories	Note.13	-	-
Change in Operating Other Receivables	Note.11	(204.349)	-
Change in Trade Payables	Note.10	(51.703)	1.463.014
Change in Operating Other Payables		(1.463.030)	-
Change in Deferred Income	Note.24	-	-
Change in Prepaid Expenses		-	-
Change in Other Current/Non-Current Assets		-	-
Change in Other Working Capital		(5.192.953)	1.050.859
Net Cash Arising From Main Operations		22.507.255	2.505.057
B) CASH FLOW ARISING FROM INVESTMENT OPERATIONS			
Change in Financial Investments		(1.329.491)	192.056
Tangible Assets Purchases	Note.18,19	(1.600.266)	343.392
Net Cash Arising from Disposals Tangible Assets	Note.18,19	(480.582)	(46.250)
Net Cash Used in Investment Activities		(3.140.609)	489.198
C) CASH FLOW ARISING FROM FINANCIAL ACTIVITIES			
Cash Arising from Increase of Capital	Note.25	(9.438.606)	-
Cash From Financial Activities		-	-
Net Increase/Decrease in Cash and Cash Equivalents before the Effect of Foreign Currency Translation		9.658.040	2.944.255
D) EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS			
		-	-
Net Increase in Cash And Cash Equivalents		9.658.040	2.994.255
E) BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS			
	Note.6	197.389.364	194.395.109
ENDING BALANCE OF CASH AND CASH EQUIVALENTS			
	Note.6	207.047.403	197.389.364

The accompanying explanatory notes are an integral part of the consolidated financial statements.

KREDİ GARANTİ FONU AŞ

Notes To The Financial Statements As Of December 31,2015

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

1. ORGANIZATION AND NATURE OF OPERATIONS

Kredi Garanti Fonu A.Ş. ("Company"), which operates in Turkey, has been established in 1991. The Company supports small and medium size entities through providing guarantees, enables them utilizing bank credits for their investments and financing activities. By means of the risk born with the guarantees provided to them, KGF enables SMEs utilizing more bank credits and makes possible to benefit from long term cost-efficient funds. The Company provided its first credit guarantee on July 1994.

The shareholders of the Company, Türkiye Odalar ve Borsalar Birliği ("TOBB") 33,26 %, Küçük ve Orta Ölçekli İşletmeleri Geliştirme ve Destekleme İdaresi Başkanlığı ("KOSGEB") 33,25%, Türkiye Esnaf ve Sanatkarları Konfederasyonu ("TESK") 0,14 %, Türkiye Küçük ve Orta Ölçekli İşletmeler, Serbest Meslek Mensupları and Yöneticiler Vakfı ("TOSYÖV") 0,01 %, Mesleki Eğitim ve Küçük Sanayi Destekleme Vakfı ("MEKSA") 0,01% respectively own of the Company. Remaining 33.33% share is owned by 21 banks in equal shares.

The registered address of the Company is as below:

TOBB İkiz Kuleleri C Blok, Kat: 5-6-7, Dumlupınar Bulvarı No:252 Ankara.

As at 31 December 2015 the Company has 158 employees (31 December 2014: 136).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Statement of compliance

The Company maintains its book of accounts and prepares their statutory financial statements in TL, in accordance with the Uniform Chart of Accounts, Turkish Commercial Code, and the Turkish Tax Legislation.

The accompanying financial statements of the Company are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with International Financial Reporting Standards ("IFRSs") as issued by the Kamu Gözetimi Muhasebe ve Denetim Standartları Kurulu ("KGK") in Turkey named TMS/IFRS. The Company adopted all TMS/IFRSs, which were mandatory as at 31 December 2015.

2.2 Basis of measurement

The accompanying financial statements are prepared in accordance with the historical cost basis.

2.3 Functional currency and presentation currency

Turkish Lira ("TL") is the Company's functional and presentation currency. Except as indicated all financial information has been presented in TL.

KREDİ GARANTİ FONU AŞ

Notes To The Financial Statements As Of December 31,2015

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.4 Estimates and judgements

The preparation of the financial statements in conformity with TMS/TFRSs requires management to make judgments, 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 estimates are recognized in the year in which the estimate is revised and in any future years affected.

3. SIGNIFICANT ACCOUNTING POLICIES**3.1 Accounting in hyperinflationary countries**

TMS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date, and that corresponding figures for previous years be restated in the same terms. One characteristic that necessitates the application of TMS 29 is a cumulative three-year inflation rate approaching or exceeding 100%.

The cumulative three-year inflation rate in Turkey was 35.6% as at 31 December 2005, based on the Turkish nation-wide wholesale price indices announced by the Turkish Statistical Institute. This, together with the sustained positive trend in quantitative factors, such as the stabilization in capital and money markets, decrease in interest rates and the appreciation of TL against the US Dollar and other hard currencies have been taken into consideration to categorize Turkey as a non-hyperinflationary economy under IAS 29 effective from 1 January 2005. Therefore, TMS 29 has not been applied in the TMS 229 preparation of the accompanying financial statements beginning from 1 January 2005.

3.2 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into TL at the exchange rates ruling at the reporting date. The resulting exchange differences are recognized as foreign exchange gains or losses in the statement of comprehensive income.

The exchange rates ruling as at 31 December 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
US Dollars	2,9181	2,3269
Euro	3,1838	2,8272

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Notes To The Financial Statements As Of December 31,2015

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments

The Company's financial assets are comprised of cash and cash equivalents, loans and receivables; whereas its financial liabilities are comprised of borrowings and trade payables.

Financial assets

The Company initially recognizes its deposits on the dates they are originated. All financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. A financial asset is derecognized when the control over the contractual rights that comprise that asset is lost. This occurs when the rights are realized, expire or are surrendered. Non derivative financial assets are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Subsequent to initial recognition non-derivative financial assets are measured as described below:

Cash and cash equivalents

Cash and cash equivalents are comprised of cash, bank deposits with maturity periods of less than three-months and other highly liquid short-term investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. The carrying values of these assets are close to their fair values.

Loans and receivables

Loans and receivables are comprised of guarantees given that are under legal follow-up.

Loans and receivables are measured at cost less any impairment losses. If there is an objective evidence of uncollectibility, the Company books a provision for the doubtful receivables and losses. Impaired loans and receivables are derecognized when the legal procedures are completed and net loss is determined.

Financial liabilities

Financial liabilities are measured initially at their fair values. Borrowings are initially measured at fair value plus directly attributable transactions costs, and subsequently measured at their amortized cost using the effective interest method

Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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Notes To The Financial Statements As Of December 31,2015

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.4 Tangible assets**

Tangible assets acquired before 31 December 2004 are carried at restated cost for the effects of inflation in TL units current at 31 December 2004 less accumulated depreciation and impairment losses, and tangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated depreciation and impairment losses.

Depreciation

Property and equipment are depreciated based on the straight line method.

Estimated useful lives are:

Tangible assets	Estimated useful lives (years)
Vehicles	5 Yıl
Buildings	3-15 Yıl
furniture and fixtures	3-15 years
Leasehold improvements	Through the lease period

Subsequent costs

Expenditures incurred to replace a component of tangible assets that is accounted for separately, including major inspection and overhaul costs, are capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of tangible assets. All other expenditures are recognized in the statement of comprehensive income as expense when incurred.

The gain or loss arising on the disposal of an item of tangible assets is determined as the difference between the proceeds from sales and the carrying amount of the asset and is recognized in profit or loss in the related period.

3.5 Intangible assets

The Company's intangible assets consist of software programmes.

Intangible assets are carried at restated cost for the effects of inflation in TL units current at 31 December 2004 for the intangible assets acquired before 1 January 2005, and intangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated amortisation and impairment losses. The amortization of intangible assets is recorded in the statement of comprehensive income based on straight line amortization with the economic lives varying within three to five years.

3.6 Impairment of assets

The Company determines whether there are any indicators for impairment at every balance sheet date. In the case of an indicator, the recoverable value of that asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss.

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Notes To The Financial Statements As Of December 31,2015

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Provisions, contingent liabilities and contingent assets

A provision is recognized in the financial statements when the Company has a present implicit or legal obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Company discloses the related issues in the notes.

If the inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If the inflow of the economic benefit is more than likely to occur, such asset and income statement effect are recognized in the financial statements at the relevant period that income change effect occurs.

3.8 Employee benefits

Provision for employee severance indemnity

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company.

The provision for employee severance indemnity reflects the present value of the future probable obligation of the Company arising from the retirement of employees.

Reserve for employee severance indemnity is calculated based on the ceiling rate announced by the Government amounting to TL 4092,53 and TL 3.438 as at 31 December 2015 and 2014, respectively.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.9 Related parties

Shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. Transactions with the related parties consist of the transfer of the assets and liabilities between related parties by a price or free of charge.

3.10 Sales revenue

Revenue includes guarantee, investigation and grant commissions and is recognized on accrual basis.

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Notes To The Financial Statements As Of December 31,2015

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Finance income and expenses

Interest income and expense is recognized using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is determined at the initial recognition of the financial instruments and is not determined again.

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

Interest income and expense presented in profit or loss income includes interest on financial assets and liabilities at amortized cost on an effective interest rate basis,

Foreign exchange gains and losses are presented as net in profit or loss.

3.12 Taxation

Tax Procedural Law No. 213, Procedure Law on Collection of Public Claims No. 6183, Income Tax Law No. 193, abrogated Corporate Tax Law No. 5422 and 25th May dated and 4108 numbered Law for making amendments on Value-Added Tax Law No. 3065 became effective as they were published on Official Gazette on 2 June 1995. According to this Law "Corporations established to provide credit facilities for entities within the frame of financial and technical cooperation with foreign or international financial organizations; add revenues generated from these operations to their guarantee responsibility funds; and retain these funds in order to invest banks and corporations providing loans to entities" are exempted from Corporate Tax Law pursuant to 1st clause of the 4th article of Corporate Tax Law.

Credit guarantee services by corporations mentioned in 17/4-e article of Value-Added Tax Law are exempted from value-added tax, and (I) clause of article 4 of the Corporate Income Tax Law no. 5520, is exempted from corporate income tax.

The papers which are drawn up for credit guarantee operations of the Corporations mentioned in the 29th article of 4842 numbered Law for making Amendments on Certain Laws, 24th paragraph of Article 7 of the Corporate Income Tax Law current article, and 22 numbered paragraph of Stamp Tax Law No. 488 which is added to section no.2 Table V- Papers for Corporations, are exempted from stamp duty.

3.13 Statement of cash flows

The Company presents statement of cash flows as an integral part of other financial statements to inform the users of financial statements about the changes in its net assets, its financial structure and its ability to manage the amount and timing of its cash flows under new conditions. For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and bank deposits having maturities shorter than 3 months.

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Notes To The Financial Statements As Of December 31,2015

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Subsequent events

Subsequent events define events in favor of or against the Company that occur subsequent to the balance sheet date, but prior to the issuance of financial statements. There are two types of subsequent events:

- post-balance sheet events that provide additional information about the Company's position at the reporting dates (adjusting events); and
- post-balance sheet events that provide additional information about the Company's position after the reporting dates (not adjusting events).

Post-balance sheet events that provide additional information about the Company's position at the reporting dates (adjusting events) are reflected in the consolidated financial statements. Post-balance sheet events that are not adjusting events are disclosed in the notes when material.

3.15 New standards and interpretations not yet adopted

The accounting policies considered in preparation of financial statements as of December 31, 2015 and except the below stated new standards, amendments and TFRIC interpretations that are effective as of January 01, 2015 are applied in consistent with previous periods. The impact of the these standards and interpretations on the Company's financial position or performance are explained in applicable paragraph.

The New Standard effective as of January 1st 2015, Amendments and Interpretations

• Standards issued but not yet effective and not early adopted

Standards, amendments and interpretations to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, after the new standards and interpretations become in effect.

• Turkish Financial Reporting Standards (TFRS) 9 Financial Instruments — Classification and measurement

As amended in December 2012, the new standard is effective for annual periods beginning on or after January 1, 2015. First phase of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option liabilities and requires that the change in fair value of a fair value option financial liability attributable to credit risk is presented under other comprehensive income. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

• TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the

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Notes To The Financial Statements As Of December 31,2015

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for annual periods beginning on or after July 1, 2014. The amendments will not have an impact on the financial position or performance of the Company.

• **TAS 16 and TAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)**

The amendments to TAS 16 and TAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Company.

• **Annual Improvements to TAS/IFRS**

In September 2014, Public Oversight Authority (POA) has issued the below amendments to the standards in relation to "Annual Improvements - 2010—2012 Cycle" and "Annual Improvements - 2011—2013 Cycle. The changes are effective for annual reporting periods beginning on or after July 1, 2014.

Annual Improvements – 2010-2012 Cycle

IFRS 2 Share-based Payment:

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

• **IFRS 3 Business Combinations**

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

• **IFRS 8 Operating Segments**

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

• **TAS 16 Property, Plant and Equipment and TAS 38 Intangible Assets**

The amendment to TAS 16.35(a) and TAS 38.80(a) clarifies that revaluation can be performed,

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Notes To The Financial Statements As Of December 31,2015

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

as follows: i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

• TAS 24 Related Party Disclosures

The amendment clarifies that a management entity, an entity that provides key management personnel services, is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvements — 2011—2013 Cycle

• TFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of TFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

• TFRS 13 Basis for Conclusions on Fair Value Measurement

The portfolio exception in TFRS 13 can be applied not only to financial assets and financial liabilities but also all other contracts in the scope of TAS 39. The amendment is effective prospectively.

• TAS 40 Investment Property

The amendment clarifies the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

The Company do not expect that these amendments will have significant impact on the financial position or performance of the Company.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (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 consolidated financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adopted/issued by the POA, thus they do not constitute part of TFRS. The Company will make the necessary changes to its financial statements after the new standards and interpretations are issued and become effective under TFRS.

• IFRS 15 — Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-

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Notes To The Financial Statements As Of December 31,2015

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 is effective for reporting periods beginning on or after January 1, 2017, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required.

• IFRS 9 Financial Instruments - Final standard (2014)

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

• IAS 27 - Equity Method in Separate Financial Statements -Amendments to IAS 27

In August 2014, IASB issued an amendment to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IFRS 9 (or IAS 39) or
- Using the equity method

The entity must apply the same accounting for each category of investments. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment. The amendment is effective for annual periods beginning on or after January 1, 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed.

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Notes To The Financial Statements As Of December 31,2015

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual Improvements — 2010—2012 Cycle

• IFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

Annual Improvements — 2012—2014 Cycle

In September 2014, IASB issued their annual cycle of improvements to IFRSs, Annual Improvements to IFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations — changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures — servicing contracts; applicability of the amendments to IFRS 7 to condensed interim financial statements
- IAS 19 Employee Benefits — regional market issue regarding discount rate
- IAS 34 Interim Financial Reporting — disclosure of information ‘elsewhere in the interim financial report’

The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.

• IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In September 2014, IASB issued amendments to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors’ interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendment is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

• IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 and IAS 28)

In December 2014, IASB issued amendments to IFRS 10, IFRS 12 and IAS 28, to address the following issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements; i) the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the

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Notes To The Financial Statements As Of December 31,2015

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

investment entity measures all of its subsidiaries at fair value, ii) only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value, iii) the amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments are applied retrospectively. However, when the first time the amendments to IFRS 10 are applied, the quantitative information required IAS 8 need only be presented for the annual period immediately preceding the date of initial application. The Company does not expect that these amendments will have significant impact on the financial position or performance of the Company.

• IAS 1: Disclosure Initiative (Amendments to IAS 1)

In December 2014, IASB issued amendments to IAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, disaggregation and subtotals, notes structure, disclosure of accounting policies, presentation of items of other comprehensive income arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Company does not expect that these amendments will have significant impact on the financial position or performance of the Company.

4. DETERMINATION OF FAIR VALUE

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

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties and determined most reliably if it is based on quoted market prices.

The Company has determined fair value of financial instruments with the available market data and the most appropriate valuation methods. However, using judgement is necessary to determine fair value, fair values determined may not reflect the values that may occur in the existing market conditions. The Company Management, assumes that the carrying values of financial assets and liabilities are close to their fair values due of their short-term nature.

5. FINANCIAL RISK MANAGEMENT

This note presents information about the Company's exposure to each of the below risks, the Company's objectives, policies and processes for measuring and managing risk. The Company has exposure to the following risks from the use of financial instruments:

- credit risk,
- liquidity risk,
- market risk

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Notes To The Financial Statements As Of December 31,2015

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5. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is defined as the probability of loss if the counterparty fails to meet its obligations partially or completely on the terms set. Credit risk is managed through evaluations and limiting the risk from one counter party.

As at the reporting date the, credit risk of the Company is comprised of guarantees given and guarantees under legal follow-up.

The Company manages credit risk as follows:

Credit process that starts with SMEs applying for loans to be directed to the Company is managed through, financial analysis, credit approval committee, operations, accounting, and risk management departments of the Company.

The Company does not follow sectoral or geographical distribution of credit risk.

Liquidity risk

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

Market risk

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

Currency risk

The Company is exposed to currency risk through its cash and cash equivalents and guarantees given in foreign currencies. These transactions are realized in US Dollars and Euro, besides TL, the functional currency of the Company. The Company has not entered into any derivative contracts to diminish its foreign currency risk.

Interest rate risk

The Company is exposed to interest rate risk due to interest bearing assets and liabilities.

Capital management

The policy of the Board of Directors is to maintain a loan granting and strong capital considering the trust in the market and maintain an optimal capital structure to reduce the cost of capital to support the Company to grow up in the future.

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Notes To The Financial Statements As Of December 31,2015

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NOTE 6 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Company for the periods ended are as follows:

Account Name	31.12.2015	31.12.2014
Cash	219	2.074
Bank	207.047.189	197.387.290
<i>Demand Deposit</i>	<i>1.132.402</i>	<i>254.484</i>
<i>Term Deposit*</i>	<i>205.047.403</i>	<i>197.132.806</i>
Total	207.047.403	197.389.364

(*) Term Deposits include the 35 days of average maturity with the %12,5 average of interest rate.

NOTE 7- FINANCIAL INVESTMENTS**a) Short Term Financial Investments**

	31 December 2015		31 December 2014	
	Avg.Interest Rate %	Carrying Amount (TL)	Avg.Interest Rate %	Carrying Amount(TL)
Private Sector Bonds	12,50%	100.000	10,15%	1.143.268
Public Sector Bonds	9%	3.094.290	8,60%	721.531
Total		3.194.290		1.864.799

b) Long Term Investments

There are no Long Term Investments for the periods ended.

(31 December 2014 – Absent.)

NOTE 8- FINANCIAL DEBTS

There are no Financial Debts for the periods ended.

(31 December 2014 – Absent.)

NOTE 9- OTHER FINANCIAL LIABILITIES

There are no Other Financial Liabilities for the periods ended.

(31 December 2014 – Absent.)

10. TRADE RECEIVABLES AND PAYABLES**a) Short Term Trade Receivables**

Short-Term Trade Receivables of the Company for the periods ended are as follows:

Account Name	31.12.2015	31.12.2014
Trade Receivables	12.848.830	18.568.207
Doubtful Trade Receivables	137.982.078	114.291.222
Provision for Doubtful Trade Receivables (-)	(77.949.781)	(54.824.169)
Total	72.881.127	78.035.259

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Notes To The Financial Statements As Of December 31,2015

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

10 - TRADE RECEIVABLES AND PAYABLES(Continued)**b) Long Term Trade Receivables**

There are no Long-Term Trade Receivables for the periods ended.

(31 December 2014 – Absent.)

c) Short Term Trade Payables

Short-Term Trade Payables of the Company for the periods ended are as follows:

Account Name	31.12.2015	31.12.2014
Trade Payables	56.536	108.239
Total	56.536	108.239

d) Long Term Trade Payables

There are no Long-Term Trade Payables for the periods ended.

(31 December 2014 – Absent.)

NOTE 11 - OTHER RECEIVABLES AND PAYABLES**a) Short Term Other Receivables**

Short-Term Other Receivables of the Company for the periods ended are as follows:

Account Name	31.12.2015	31.12.2014
Deposits and Guarantees Given	503	-
Other Receivables	156.083	32.754
Total	156.586	32.754

b) Long Term Other Receivables

There are no Long-Term Other Receivables for the periods ended.

(31 December 2014 – Absent.)

c) Short Term Other Payables

Short-Term Other Receivables of the Company for the periods ended are as follows:

Account Name	31.12.2015	31.12.2014
Taxes Payables	35.347	29.013
Total	35.347	29.013

NOTE 12 - DERIVATIVE INSTRUMENTS

There are no any Derivative Instruments for the periods ended.

(31 December 2014 – Absent.)

NOTE 13 - INVENTORIES

There are no any inventories for the periods ended.

(31 December 2014 – Absent.)

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Notes To The Financial Statements As Of December 31,2015

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NOTE 14 - BIOLOGICAL ASSETS

There are no any biological assets for the periods ended.

(31 December 2014 – Absent.)

NOTE 15 - PREPAID EXPENSES AND CURRENT PERIOD TAX ASSETS**a) Short Term Prepaid Expenses And Current Period Tax Assets**

There are no Prepaid Expenses for the periods ended.

(31 December 2014 – Absent.)

b) Long Term Prepaid Expenses And Current Period Tax Assets

Account Name	31.12.2015	31.12.2014
Prepaid Expenses for the Following Months	241.006	135.168
Total	241.006	135.168

NOTE 16- INVESTMENTS EVALUATED BY EQUITY METHOD

There are no any Investments Evaluated By Equity Method for the periods ended.

(31 December 2014 – Absent.)

NOTE 17- INVESTMENT PROPERTIES

There are no any Investment Properties for the periods ended.

(31 December 2014 – Absent.)

NOTE 18 - TANGIBLE FIXED ASSETS

The net value of the Tangible Fixed Assets as of December 31,2015 and December 31, 2014 are as follows:

a) Current Period

Cost	31 December 2014	Additions	Disposals	31 December 2015
Vehicles	1.329.637	1.429.832	(668.477)	2.090.992
Equipment	701.755	168.134	(306.961)	562.928
Special Costs	1.153.430	2.300	(964.820)	190.910
Total	3.184.822	1.600.266	(1.940.258)	2.844.830
Accumulated Depretiation				
Vehicles	(839.808)	(297.462)	668.810	(468.460)
Equipment	(453.793)	(118.576)	302.603	(269.766)
Special Costs	(1.013.272)	(99.639)	965.707	(147.204)
Total	(2.306.873)	(515.677)	1.937.120	(885.430)
Vehicles	489.829			1.622.532
Equipment	247.962			293.161
Special Costs	140.158			43.706
Carrying Amount	877.949			1.959.400

KREDİ GARANTİ FONU AŞ

Notes To The Financial Statements As Of December 31,2015

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

NOTE 18 - TANGIBLE FIXED ASSETS (Continued)**b) Past Period**

Cost	31 December 2013	Additions	Disposals	31 December 2014
Vehicles	1.137.867	313.764	(121.994)	1.329.637
Equipment	785.022	40.547	(123.814)	701.755
Special Costs	1.153.831		(401)	1.153.430
Total	3.076.720	354.311	(246.209)	3.184.822
Accumulated Depretiation				
Vehicles	(708.252)	(232.708)	101.152	(839.808)
Equipment	(418.525)	(35.268)	-	(453.793)
Special Costs	(728.602)	(284.670)	-	(1.013.272)
Total	(1.855.379)	(552.646)	(101.152)	(2.306.873)
Vehicles	429.615			489.829
Equipment	366.497			247.962
Special Costs	425.229			140.158
Carrying Amount	1.221.341			877.949

NOTE - 19 INTANGIBLE FIXED ASSETS**a) Current Period**

Cost	31 December 2014	Additions	Disposals	31 Aralık 2015
Rights	-	400	-	400
Other Intangible Fixed Assets	166.836	80.452	(56.844)	190.444
Construction In Progress *	-	400.000	-	400.000
Total	166.836	480.852	(56.844)	590.844
Accumulated Depretiation				
Rights	-	(400)	-	(400)
Other Intangible Fixed Assets	(44.046)	(39.950)	19.452	(64.544)
Construction In Progress	-	-	-	-
Total	(44.046)	(40.350)	19.452	(64.944)
Rights	-			-
Other Intangible Fixed Assets	122.790			125.900
Construction In Progress				400.000
Carrying Amount	122.790			525.900

(*)It includes cost of incomplete software and computer system .

KREDİ GARANTİ FONU AŞ
Notes To The Financial Statements As Of December 31,2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

NOTE - 19 INTANGIBLE FIXED ASSETS (Continued)

b) Past Period

Cost	31 December 2013	Additions	Disposals	31 December 2014
Other Intangible Fixed Assets	467.395	194.269	(494.828)	166.836
Total	467.395	194.269	(494.828)	166.836
Accumulated Depretiation				
Other Intangible Fixed Assets	(390.855)	(9.585)	(356.394)	(44.046)
Total	(390.855)	(9.585)	(356.394)	(44.046)
Other Intangible Fixed Assets	76.540			122.790
Carrying Amount	76.540			122.790

20 - EMPLOYEE BENEFITS

Employee Benefits of the Company for the periods ended are as follows:

Account Name	31.12.2015	31.12.2014
Due to Personnel	225.021	2.740
Taxes and Funds Payable	553.023	360.751
Social Security Payables	427.646	343.322
Total	1.205.690	706.813

As the end of the periods, short term provisions for payables as a employee benefist of the Company are as follows:

Account Name	31.12.2015	31.12.2014
Provision for Unused Vacation Rights	793.117	350.998
Bonus Accruals	796.819	916.388
Total	1.589.936	1.267.386

As the end of the periods, long term provisions for payables as a employee benefist of the Company are as follows:

	31.12.2015	31.12.2014
Provision for Termination Indemnity	1.867.383	1.437.210
Total	1.867.383	1.437.210

In context of current Labour Law, liability of payment of legal benefit for termination indemnity is arises when an ended employment contract of an employee is qualified for termination indemnity. As of December 31, 2015, termination indemnity upper limit is monthly TL 4.092,53 (December 31, 2014: TL 3.828,37) Termination indemnity payable, is calculated by forecasting the present value of currently working employee's possible future liabilities. IAS 19 ("Employee Termination Benefits"), predicts to build up the Company's liabilities with using actuarial valuation techniques in context of defined benefit plans. According to this predictions, actuarial assumptions used in calculation of total liabilities are as follows.

Base assumption is the inflation parallel increase of maximum liability of each year. Applied discount rate must represent expected real discount rate after the adjustment of future inflation. As of December 31, 2014, provisions in financial statement are calculated by forecasting the present value of currently working employee's possible future liabilities.

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Notes To The Financial Statements As Of December 31,2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

20 - EMPLOYEE BENEFITS (Continued)

Movement of provision for termination indemnities are as follows:

	31 December 2015	31 December 2014
Opening Balance	1.437.210	921.826
Tax Expense	197.943	129.349
Canceled Provision	(142.095)	(128.818)
Current Service Cost	64.455	22.741
Actuarial Profit/Loss	309.870	492.111
Closing Balance	1.867.383	1.437.210

NOTE 21 – RETIREMENT PLANS

There are no Retirement Plans for the periods ended.
(31 December 2014 – Absent.)

NOTE 22 – OTHER PROVISIONS

a) Short Term Other Provisions

	31 December 2015	31 December 2014
Claim(Court) Provisions	47.120	-
Total	47.120	-

b) Long Term Other Provisions

There are no Long Term Other Provisions for the periods ended.
(31 December 2014 – Absent.)

NOTE 23 - OTHER ASSETS AND LIABILITIES

a) Short Term Other Assets

Short Term Other Current Assets of the Company for the periods ended are as follows:

Account Name	31 December 2015	31 December 2014
Job Advances	32.943	58.263
Total	32.943	58.263

b) Long Term Other Assets

Long Term Other Non-Current Assets of the Company for the periods ended are as follows:

Account Name	31 December 2015	31 December 2014
Land	1.912.703	1.412.495
Buildings	963.689	842.328
Total	2.876.392	2.259.823

KREDİ GARANTİ FONU AŞ

Notes To The Financial Statements As Of December 31,2015

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

NOTE 23 - OTHER ASSETS AND LIABILITIES (Continued)**c) Short Term Other Liabilities**

Short Term Other Liabilities of the Company for the periods ended are as follows:

Account Name	31 December 2015	31 December 2014
Funds(*)	13.404.978	12.878.788
Other	-	1.160.373
Hazine desteğini haiz kefalet işlemlerinden borçlar	162.601	691.115
Total	13.567.579	15.230.276

(*)The Company has signed an agreement to regulate the principles of operating and use of a fund by KGF. The Fund will be formed by agencies in order to develop collaterals for all kinds of loans will be provided to various institutions and small and medium size entities operating in Turkey. Under extraordinary circumstances which make proper use of fund contributions impossible or significantly endanger the implementation of KGF applications and fulfillment of obligations by related parties, relevant organizations might prevent to continue the use of funds and might completely liquidate the accounts of funds. These fund agreements could be terminated and fund accounts could be liquidated with the mutual understanding reached by parties.

d) Long Term Other Liabilities

There are no Long Term Other Provisions for the periods ended.

(31 December 2014 – Absent.)

NOTE 24 - DEFERRED INCOME

Deferred Income of the Company for the periods ended are as follows:

	31 December 2015	31 December 2014
1 Month	50.384	36.580
1-3 Months	435.605	370.715
3-6 Months	738.138	1.029.074
6-12 Months	6.497.120	4.527.762
Total	7.721.247	5.964.131

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Notes To The Financial Statements As Of December 31,2015

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

NOTE 25 - SHAREHOLDER'S EQUITY

	Share (%)	Group A	Group B	Group C	Group D	Total
TOBB	0,01%	89.470.327				89.470.327
KOSGEB	32,12%		89.444.548			89.444.548
21 BANKA	35,59%			99.105.368		99.105.368
TESK	0,14%				381.648	361.648
TOSYOY	0,01%				24.658	24.658
MEKSA	0,00%				12.339	12.339
Nominal Capital	100.00	89.470.327	89.444.548	99.105.368	418.646	278.438.892
Total Capital						278.438.892

The administration and general affairs of the Company are executed by Board of Directors constituted from nine members each of three representing A, B, C Company shareholders. In the case that Republic of Turkey Prime Ministry Undersecretariat of the Treasury ("Undersecretariat of the Treasury") provides fund to the Company, one of the each three representatives of B and C Company shares will be determined among the candidates proffered by Treasury, until the Treasury subsidy accounts are closed and liquidated. Following the transfer of the fund by Undersecretariat of Treasury and liquidating of Treasury subsidy accounts, two candidates as one person by B Company shareholders and the other by C Company shareholders will be offered in place of persons representing Undersecretariat of Treasury. The term for Board of Directors membership office is three years for partners, A and B Company shareholders and 1 year for C Company shareholders. Members could be reelected at the end of the term of office. Boards of Directors elect the Chairman among the Board members offered by A Company shareholders.

NOTE - 26 REVENUE AND COST OF SALES

Revenue and Cost of Sales of the Company for the periods ended are as follows:

	01.01.2015	01.01.2014
Account Name	31.12.2015	31.12.2014
Sales	18.613.058	15.220.777
Other Income	395.117	304.038
Revenue	19.008.175	15.524.815
Cost of Sales (-)	(12.181.878)	(9.952.133)
Gross Profit / (Loss)	6.826.297	5.572.682

KREDİ GARANTİ FONU AŞ

Notes To The Financial Statements As Of December 31,2015

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

NOTE - 27 MARKETING, SALES & DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATION EXPENSES

Operation Expenses of the Company for the periods ended are as follows:

Account Name	01.01.2015 31.12.2015	01.01.2014 31.12.2014
General Administration Expenses	(7.593.159)	(6.283.723)
Total	(7.593.159)	(6.283.723)

NOTE - 28 OTHER INCOME / EXPENSES FROM MAIN OPERATIONS

Other Income / Expenses from Main Operations of the Company for the periods ended are as follows:

Other Income from Main Operations	01.01.2015 31.12.2015	01.01.2014 31.12.2014
Provisions No Longer Required	7.944.085	801.014
Income from Sales of Fixed Assets	734.218	437.672
Current Period Notary Income	118.778	83.859
Rent Income	7.860	-
Appraisal Costs Provision Income	87.428	92.444
Communication Costs Income	7.600	-
Other Income	348.384	228.285
Total	9.807.016	2.278.160
Other Expenses from Main Operations	01.01.2015 31.12.2015	01.01.2014 31.12.2014
Doubtful Receivable Provision Expenses	(30.927.994)	(5.471.579)
Other Expenses	(2.692.953)	(377.752)
Total	(33.620.947)	(5.849.331)

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Notes To The Financial Statements As Of December 31,2015

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

NOTE - 29 FINANCIAL INCOME / EXPENSES (NET)

Financial Income/Expenses (Net) of the Company for the periods ended are as follows:

Financial Income	01.01.2015 31.12.2015	01.01.2014 31.12.2014
Interest Income from Banks	15.573.605	14.342.554
Exchange Difference Income	18.102.493	6.509.282
Total	33.775.098	20.851.836

Financial Expenses	01.01.2015 31.12.2015	01.01.2014 31.12.2014
Exchange Difference Income	(11.531.934)	(5.311.012)
Total	(11.531.934)	(5.311.012)

NOTE 30 -NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

As at 31 December 2015 and 2014, credit risk exposure of the Company is as follows:

	31 December 2015	31 December 2014
Balance sheet		
Loans and receivables	72.881.127	78.035.260
Cash and cash equivalents	207.047.403	197.389.364
Held to maturity	3.194.290	1.864.799
	283.122.280	277.289.423
Off balance sheet		
Government guarantees given	765.318.000	592.905.081
Company capital guarantees given	3.982.113.000	2.382.582.293
	4.747.431.000	2.975.487.374
Total	5.030.553.820	3.252.776.797

As at 31 December 2015 and 2014, value of collateral comprised of mortgages and pledges, held against guarantees given is amounting to TL 2.975.487.374 and TL 1.1.636.308.364 , respectively.

Guarantees Given of Values of Foreign Currency	31 December 2015	31 December 2014
EURO	148.930.718	115.198.429
USD	159.572.810	131.853.585
TL	2.765.318	2.728.435.360

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Notes To The Financial Statements As Of December 31,2015

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

**NOTE-30 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)****Liquidity risk**

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

The following table presents the Company's financial liabilities according to their remaining contractual maturities.

31 December 2015		Carrying amount	Gross nominal outflow	Less than six month
Non derivative financial liabilities	56.536	56.536		56.536
Trade payables	56.536		56.536	56.536

31 December 2014		Carrying amount	Gross nominal outflow	Less than six month
Non derivative financial liabilities	108.239	108.239		108.239
Trade payables	108.239		108.239	108.239

"Funds" presented in other liabilities has not been included in the liquidity risk table above.

The Company does not have any derivative financial instruments as at 31 December 2015 and 2014.

Market risk

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

Currency risk

Exchange risk comprises the effects arising from exchange movements in the event foreign currency assets, liabilities and off-balance sheet items are owned.

The following table shows the Company's foreign currency position risk as at 31 December 2015 and 2014.

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Notes To The Financial Statements As Of December 31,2015

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

**NOTE-30 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

31 December 2015	US Dollars	Euro	Total
Cash and cash equivalents	11.848.587	37.307.381	49.155.968
	11.848.587	37.307.381	49.155.968
Total assets	11.848.587	37.307.381	49.155.968
	-	-	
Total liabilities	11.848.587	37.307.381	49.155.968
		-	-
Net foreign currency position			

31 December 2014	US Dollars	Euro	Total
Cash and cash equivalents	16.470.598	30.345.013	46.815.611
		-	-
Total assets	16.470.598	30.345.013	46.815.611
Total liabilities			
		-	-
Net foreign currency position	16.470.598	30.345.013	46.815.611

Foreign currency risk exposure:

10 percent devaluation of the TL against the following currencies as at and for the years ended 31 December 2015 and 2014 would affect total comprehensive income and profit or loss by the amounts shown below.

	31 December 2015		31 December 2014	
	Profit / (loss)	Total comprehensive income (*)	Profit / (loss)	Total comprehensive income (*)
US Dollars	1.184.858	1.184.858	1.647.060	1.647.060
Euro	3.730.738	3.730.738	3.034.501	3.034.501
Total	4.915.596	4.915.596	4.681.561	4.681.561

(*) Includes profit/ (loss) effect.

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Notes To The Financial Statements As Of December 31,2015

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

**NOTE-30 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(continued)****Interest rate risk**

The Company is exposed to interest rate risk due to interest bearing assets and liabilities.

As at 31 December 2014 and 2013, the Company does not have any financial instruments with variable interest rates whereas financial instruments with fixed interest rates are shown below:

Financial Instruments With Fixed Interest Rates		31 December 2015	31 December 2014
Financial assets			
Banks-Demand deposits		207.047.403	197.132.806
Held to maturity		3.194.290	1.864.799

Market risk (continued)**Interest rate risk (continued)**

Interest rates which are applied to financial instruments as at 31 December 2015 and 2014 are as follows:

		31 December 2015		31 December 2014	
Financial assets					
Banks-Demand deposits	TL	25,18%	TL	10,03%	
Banks-Demand deposits	USD	4,80%	USD	2,23%	
Banks-Demand deposits	Euro	9,41%	Euro	2,25%	
Held to maturity	TL	10,51%	TL	8,69%	

Interest rate sensitivity:

The Company does not have any financial assets at fair value through profit or loss with fixed interest rates. The Company does not have any fair value hedges. Therefore, changes in interest rates do not have any effect on profit or loss.

The company does not have any available for sale financial assets. Therefore, changes in interest rates do not have any effect on total comprehensive income.

KREDİ GARANTİ FONU AŞ

Notes To The Financial Statements As Of December 31,2015

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

NOTE-30 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)**Fair value of financial instruments**

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties.

The following table shows the comparison of fair values and book values of financial assets and liabilities.

	31 December 2015		31 December 2014	
	Book Value	Fair Value	Book Value	Fair Value
Financial assets	72.881.127	72.881.127	78.035.260	78.0345.260
Loans and receivables				
Cash and cash equivalents			197.389.364	197.389.364
Held to maturity	207.047.403	207.047.403	1.818.764	1.864.799
	3.194.290	3.194.290		
Financial liabilities				
Trade payables	56.536	56.536	1.746.485	1.746.485

Methodologies and assumptions below have been used in determining fair value of financial instruments.

Management believes that the carrying amount of banks approximates their fair values, due to the fact that they are short term.

Management believes that the carrying amount of trade payables and borrowings approximates their fair values, due to the fact that they are short term.

NOTE 31- SIGNIFICANT EVENTS

For 2014, pursuant to the 14 July 2009 dated and 2009/15197 numbered decision by the Council of Ministers which is about "Procedures and Principles concerning Treasury Support for Credit Guarantee Corporations" Kredi Garanti Fonu and Undersecretariat of Treasury have signed a Protocol on 18 July 2009. The Protocol serves to the objectives of efficiency in loan market, supporting entities with limited fund access and providing additional fund facilities for these entities by guarantees given them through use of Treasury Undersecretariat contribution, within the frame of duties and responsibilities of Kredi Garanti Fonu and Undersecretariat of Treasury. Accordingly, as the Protocol became effective Undersecretariat of Treasury transfers up to TL

1,000,000,000 cash fund to KGF and/or issues special government bond. The fund will be transferred either collectively or in slices within the context of the plan KGF submits.

Pursuant to the Protocol, use of loans collateralized by Treasury has begun as at February 2013. In accordance with the protocol, Kredi Garanti Fonu recognizes commission proceeds due to guarantees provided upon Treasury collateral, and the revenue from other uncollateralized transactions separately.

NOTE 33- SUBSEQUENT EVENTS

For 2015, Council of Ministers has issued 2015/7331 numbered decision by the which is about "Procedures and Principles Concerning Treasury Support for Credit Guarantee Corporations" . It wasn't effect Company's 2014 procedures.





6

Future of the Institution, Expectations, Planned Important New Products and Services



PLANNED IMPORTANT NEW PRODUCTS AND SERVICES

- Projects aimed towards increasing the access of SMEs to financing will be developed with the fund to be provided to our institution by the “Competitiveness of Enterprises and SMEs (COSME)” Program of the European Union which will be carried out in 2014-2020 and whose target group is entrepreneurs, institutions and organization supporting businesses, and SMEs.
- Our efforts to receive resources, in cash or counter-guarantee, from the funds reserved for candidate countries by the EU will continue.
- Along with our guarantees provided to SMEs for the loans they use from the banks and for the repaid support they obtain from institutions such as KOSGEB, TÜBİTAK, TTGV, efforts to provide guarantees to expand the opportunities of borrowing through capital market instruments will continue to ensure product diversity.
- Project efforts which will facilitate the access of producer unions to financing in product purchases will continue.
- Projects on granting guarantees over the “Receivable Insurance System” will be developed to solve the guarantee problem of the SMEs.
- Efforts will be made to expand the “Portfolio Guarantee System”, which was introduced for the “Micro Loan Project for Micro SMEs” with the counter-guarantee of the European Investment Fund, and have it implemented in banks.
- Cooperation will be made with development agencies in compliance with their working systems on the issue of the implementation of our institution’s guarantee in the use of support provided to SMEs by development agencies regionally.
- Efforts on new products and projects will continue by developing cooperation with loan guarantee funds operating overseas.

LEGISLATION ACTIVITIES

- The activities of our Institution before the Government will continue through the update of the “Loan Guarantee Market and Institutions Draft Law”, which was prepared by our Institution in 2008 and communicated to Republic of Turkey Prime Ministry Undersecretariat of Treasury, according to today’s conditions to create a legal infrastructure for our Institution.
- Our efforts before the Government to make legislative arrangements to have our Institution cited with banks in the related article of the Value Added Tax Law regulating exemptions in a way that will ensure the transfer of real property, which has become an asset as a result of legal proceedings in return for the guarantees we have provided, to third parties by sale with VAT exemption and without the obligation to wait two full years, and to have our Institution utilize the aforementioned exemption in the same way as banks.
- Due to the fact that the 13th article of the “Agricultural Reform Law on Land Arrangement in Irrigation Areas” which states these lands can only be mortgaged by agricultural credit cooperatives and banks constitutes a barrier to the provision of loans to farmers through KGF guarantee, our efforts to add our Institution to the related article will continue before the Government.
- Our efforts to remove limitations by the addition to the 586th article of the Turkish Code of Obligations of a provision special to loan guarantee institutions in terms of application to a guarantor will continue before the Government.
- In order to eliminate the incompatibility of the form requirements stated in the 583rd article of the Turkish Code of Obligations with our Institution’s way of granting guarantee, our efforts to have the related article amended in terms of KGF and similar institutions will continue before the government.
- Our efforts to have Tax, Duty, and Charge Exemption in transactions to be carried out for the guarantees our Institution will grant to banks and other institutions (such as TÜBİTAK, KOSGEB, TTGV) with a legal amendment to the Duty Tax no. 492 will continue before the Government.
- Our Institution renders its services with 38 branches in 33 provinces. The requests made by the representatives of the SME family for the opening of new branches will be continued to be assessed rigorously in terms of the general productivity the new branch opening will bring, the benefit of the new branch opening to the city in question, and all other aspects.



7

Contact Information

KGF BRANCHES AND CONTACT DETAILS

GENERAL DIRECTORATE

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ADANA BRANCH

Address	Adana Sanayi Odası Binası Turhan Cemal Beriker Bulv. No:156 - 01130 Seyhan / ADANA
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Electronic Mail	kgfadana@kgf.com.tr

AFYON BRANCH

Address	Afyonkarahisar Ticaret ve Sanayi Odası Binası Dörtyol Mah. Turgut Özal Cad. No: 69 Kat: 3Merkez / AFYON
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Electronic Mail	kgfayon@kgf.com.tr

ANKARA / KIZILAY BRANCH

Address	Ankara Sanayi Odası Binası (ASO Kule) Atatürk Bulv. No: 193 8.Kat Kavaklıdere / ANKARA
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Fax	0312 418 76 70
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ANKARA / OSTİM BRANCH

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Fax	0312 354 31 21
Electronic Mail	kgfostim@kgf.com.tr

ANTALYA BRANCH

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Fax	0256 211 46 88
Electronic Mail	kgfaydin@kgf.com.tr

BALIKESİR BRANCH

Address	Balıkesir Sanayi Odası Binası Balıkesir Organize Sanayi Bölgesi 7.Cadde No: 3/C Altıeylül / BALIKESİR
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BATMAN BRANCH

Address	Batman Ticaret ve Sanayi Odası B/Blok Akyürek Mah. 32. Cad. No: 11 BATMAN
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BURSA BRANCH

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ÇORUM BRANCH

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Electronic Mail	kgfcorum@kgf.com.tr

DENİZLİ BRANCH

Address	Denizli Ticaret Odası Binası Kat: 4 Saraylar Mah. Saltak Cad. No: 5 - 20100 Merkezefendi/ DENİZLİ
Telephone	0258 246 46 38 / 241 48 38
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Electronic Mail	kgfdenizli@kgf.com.tr

DİYARBAKIR BRANCH

Address	Diyarbakır Ticaret Ve Sanayi Odası Binası Dr Yusuf Azizoğlu Caddesi Fiskaya Yenişehir /Diyarbakır
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Fax	0412 255 04 98
Electronic Mail	kgfdiyarbakir@kgf.com.tr

ERZURUM BRANCH

Address	Erzurum Ticaret ve Sanayi Odası Binası Muratpaşa Mah. Ömer Nasuhi bilmen Caddesi No: 7/2 Yakutiye/ ERZURUM
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Electronic Mail	kgferzurum@kgf.com.tr

ESKİŞEHİR BRANCH

Address	Eskişehir Ticaret Odası Binası İstiklal Mah. 2 Eylül Cad. No: 28 Kat:5 - 26010 Odunpazarı/ ESKİŞEHİR
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Fax	0222 234 02 34
Electronic Mail	kgfeskishir@kgf.com.tr

GAZİANTEP BRANCH

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Electronic Mail	kgfgaziantep@kgf.com.tr

İSTANBUL BRANCH

Address	Kılıçalı Mah. Meclis-i Mebusan Cad. Ülkü Han No: 29/ 4 - 34433 Salıpazarı / Beyoğlu / İSTANBUL
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Fax	0212 244 28 64
Electronic Mail	kgfistanbul@kgf.com.tr

İSTANBUL / EMİNÖNÜ BRANCH

Address	İstanbul Ticaret Odası Merkez Bina Reşadiye Caddesi Kat: 2 Eminönü / Fatih / İSTANBUL
Telephone	0212 528 58 28
Fax	0212 527 22 30
Electronic Mail	kgfeminonu@kgf.com.tr

İSTANBUL / İKİTELLİ BRANCH

Address	Dolapdere Sanayi Sitesi Soysal Tesisler A Blok Halkbank İkitelli Şubesi Üstü İkitelli /Başakşehir-İSTANBUL
Telephone	0212 671 51 46
Fax	0212 671 43 92
Electronic Mail	kgfikitelli@kgf.com.tr

KADIKÖY/İSTANBUL BRANCH

Address	Osmanağa Mah. Söğütlüçeşme Cd. Halkbank Anadolu Bölge Koordinatörlüğü No: 11 Kat:4 Kadıköy/ İSTANBUL
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Fax	0216 550 49 33
Electronic Mail	kgfkadikoy@kgf.com.tr

İZMİR BRANCH

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KAHRAMANMARAŞ BRANCH

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KARABÜK BRANCH

Address	Karabük Ticaret ve Sanayi Odası Binası Hürriyet Cad. No: 58 Kat:5 - 78100 KARABÜK
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Fax	0370 424 16 81
Electronic Mail	kgfkarabuk@kgf.com.tr

KAYSERİ BRANCH

Address	Kayseri Ticaret Odası Binası Cumhuriyet Mah. Tennuri Sokak No: 8 Kat: 3 – 38040 Melikgazi / KAYSERİ
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KOCAELİ BRANCH

Address	Kocaeli Ticaret Odası Binası Karabaş Mah. Ömer Türkçakal Bulv. No: 2 İzmit / KOCAELİ
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KOCAELİ / GEBZE BRANCH

Address	Gebze Ticaret Odası Binası Güzeller Mah. Kavak Caddesi No: 3 Kat:6 Gebze / KOCAELİ
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KONYA BRANCH

Address	Konya Sanayi Odası Binası 1. Organize Sanayi Bölgesi İstikamet Caddesi 42300 Selçuklu / KONYA
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MALATYA BRANCH

Address	Malatya Ticaret ve Sanayi Odası Binası Niyazi Mah. Çevre Yolu (Buhara Bul.) Cad. No: 195 Kat: 2 – 44100 MALATYA
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MANİSA BRANCH

Address	Manisa Ticaret ve Sanayi Odası Binası Merkez Efendi Mah. Mimar Sinan Bulv. No: 127 Kat: 1 45120 Yunusemre / MANİSA
Telephone	0236 237 95 15
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Electronic Mail	kgfmanisa@kgf.com.tr

MUĞLA (BODRUM) BRANCH

Address	Yokuşbaşı Mah. Kıbrıs Şehitleri Caddesi Ataman İş Merkezi No: 19 (7. Noter Üstü) 48400 Bodrum / MUĞLA
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Fax	0252 313 57 37
Electronic Mail	kgfmugla@kgf.com.tr

ORDU BRANCH

Address	Düz Mah Stadyum Cad No.2 Ordu Ticaret ve Sanayi Odası Binası Kat. 3 Altınordu/ ORDU
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Electronic Mail	kgfordu@kgf.com.tr

SAKARYA BRANCH

Address	Sakarya Ticaret ve Sanayi Odası Binası Sakarya Mah. No: 19 Kat:2 Hanlı / Adapazarı / SAKARYA
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SAMSUN BRANCH

Address	Samsun Ticaret ve Sanayi Odası Hançerli Mah. Abbasağa Sokak No: 8 Kat: 7 - 55020 Buğdaypazarı-İlkadım / SAMSUN
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SİVAS BRANCH

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Fax	0346 223 65 77
Electronic Mail	kgfsivas@kgf.com.tr

ŞANLIURFA BRANCH

Address	Şanlıurfa Ticaret Borsası Binası Paşabağı mah Zafer Cad.No: 13 Haliliye/ŞANLIURFA
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Fax	0414 315 71 18
Electronic Mail	kgfurfa@kgf.com.tr

TEKİRDAĞ / ÇORLU BRANCH

Address	Çorlu Ticaret ve Sanayi Odası Binası 4.Kat Şeyhsinan Mah. Kantarcı Sok. No: 16 - 59850 Çorlu / TEKİRDAĞ
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Fax	0282 654 72 36
Electronic Mail	kgftekirdag@kgf.com.tr

TRABZON BRANCH

Address	Trabzon Ticaret ve Sanayi Odası Binası Pazarkapı Mah. Sahil Caddesi No: 103 Kat:7 - 61200 Ortahisar/ TRABZON
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Electronic Mail	kgftrabzon@kgf.com.tr

VAN BRANCH

Address	Alipaşa Mah. İskele Cad. Van Ticaret ve Sanayi Odası Binası No: 51 K:5 İpekyolu/VAN
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Fax	0432 215 15 17
Electronic Mail	kgfvan@kgf.com.tr

ZONGULDAK / EREĞLİ BRANCH

Address	Karadeniz Ereğli Tic.ve San.Odası Binası Giriş Katı Müftü Mah. Meydanbaşı Cad. Müftülük Karşısı Çamlık Sok. 67300 Ereğli / ZONGULDAK
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SERTİFİKA

58349

Bu sertifika aşağıda adı geçen kuruluşa UDEM Uluslararası Belgelendirme Denetim Eğitim Merkezi San. ve Tic. Ltd. Şti. tarafından verilmiştir.

Kredi Garanti Fonu A.Ş.

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ANKARA / TÜRKİYE

ISO 9001:2008

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Yeniden Basım Tarihi : -
Geçerlilik Tarihi : 20.03.2017



UDEM Uluslararası Belgelendirme
Denetim Eğitim Merkezi
San. ve Tic. Ltd. Şti. Onayı



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ISO 9001:2008 certificate was received from UDEM Uluslararası Belgelendirme Denetim Eğitim Merkezi Sanayi ve Ticaret Limited Şirketi as of 20 March 2016.



KREDİ GARANTİ FONU

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