

**TURKISH FOUNDATION FOR WASTE REDUCTION  
MICROCREDIT CENTRE - TURKISH GRAMEEN  
MICROCREDIT PROGRAMME**

**STATUTORY FINANCIAL STATEMENTS  
AT 31 DECEMBER 2013  
TOGETHER WITH AUDITOR'S REPORT**

**(ORIGINALLY ISSUED IN TURKISH -  
TURKISH TEXT IS AUTHORITATIVE)**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Turkish Foundation for Waste Reduction

1. We have audited the accompanying financial statements of the Turkish Foundation for Waste Reduction ("Foundation") Microcredit Centre - Turkish Grameen Microcredit Programme ("TGMP"), which comprise the balance sheet as at 31 December 2013, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Foundation Management's Responsibility for the Financial Statements*

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Turkish Commercial Code ("TCC") and Turkish Standard Chart of Accounts and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



*Opinion*

4. In our opinion, the financial statements give a true and fair view of the financial position of TGMP as at 31 December 2013, and its financial performance for the year then ended in accordance with Turkish Standard Chart of Accounts and Turkish Commercial Code.

*Other information*

5. As discussed in Note 28 to the balance sheet, the financial statements are prepared in accordance with the Turkish Standard Chart of Accounts and the TCC, which are different from the accounting principles generally accepted in countries in which the financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). The effects of such differences have not been quantified. Accordingly, the financial statements are not intended to present the financial position, results of operations and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

A handwritten signature in blue ink, appearing to read "Murat Sancar", with a long horizontal flourish extending to the right.

Murat Sancar, SMMM  
Partner

Istanbul, 11 June 2014

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
ISSUED IN TURKISH (NOTE 28.c)

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
TURKISH GRAMEEN MICROCREDIT PROGRAMME

**BALANCE SHEET AT 31 DECEMBER 2013**

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

	31 December 2013	31 December 2012
<b>ASSETS</b>		
<b>I. <u>CURRENT ASSETS</u></b>		
<b>Liquid assets</b>	<b>518,678</b>	<b>904,248</b>
Cash	14,455	7,241
Banks	504,223	897,007
<b>Trade receivables</b>	<b>43,022,906</b>	<b>35,531,928</b>
Customers	42,975,060	35,475,634
Other trade receivables	47,846	56,294
Doubtful trade receivables	60,673	62,231
Provision for doubtful receivables	(60,673)	(62,231)
<b>Short-term prepaid expenses and income accruals</b>	<b>25,056</b>	<b>30,716</b>
Short-term prepaid expenses	25,056	30,716
<b>Other current assets</b>	<b>539,340</b>	<b>56,249</b>
Prepaid taxes and funds	109,505	28,412
Job advances	90,013	7,211
Advances paid	332,593	18,774
Receivables from employees	7,229	1,852
<b>Total current assets</b>	<b>44,105,980</b>	<b>36,523,141</b>
<b>II. <u>NON-CURRENT ASSETS</u></b>		
<b>Property and equipment</b>	<b>600,006</b>	<b>792,463</b>
Motor vehicles	841,993	1,048,956
Furniture and fixtures	447,872	349,992
Accumulated depreciation	(689,859)	(606,485)
<b>Intangible assets</b>	<b>60,057</b>	<b>42,051</b>
Establishment costs	4,032	4,032
Leasehold improvements	10,175	6,318
Other intangible assets	104,381	66,197
Accumulated amortisation	(58,531)	(34,496)
<b>Other non-current assets</b>	<b>7,788</b>	<b>4,341</b>
Deposits given	7,788	4,341
<b>Total non-current assets</b>	<b>667,851</b>	<b>838,855</b>
<b>TOTAL ASSETS</b>	<b>44,773,831</b>	<b>37,361,996</b>

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
ISSUED IN TURKISH (NOTE 28.c)**

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
TURKISH GRAMEEN MICROCREDIT PROGRAMME**

**BALANCE SHEET AT 31 DECEMBER 2013**

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

	31 December 2013	31 December 2012
<b>LIABILITIES AND FUNDS</b>		
<b>I. <u>CURRENT LIABILITIES</u></b>		
<b>Borrowings</b>	<b>320,000</b>	
Borrowings	320,000	
<b>Trade payables</b>	<b>67,631</b>	<b>20,827</b>
Suppliers	67,387	20,583
Deposits and guarantees received	244	244
<b>Other payables</b>	<b>5,212,634</b>	<b>5,262,483</b>
Total deposits collected (voluntary savings)	5,195,458	5,245,070
Payables to employees	17,176	17,413
<b>Advances received</b>	<b>58,809</b>	<b>6,724</b>
Advances received	58,809	6,724
<b>Taxes and withholdings payable</b>	<b>245,604</b>	<b>213,370</b>
Taxes and funds payable	94,544	90,731
Social security premiums payable	151,060	122,639
<b>Other current liabilities</b>	<b>5,785,003</b>	<b>4,153,485</b>
Due to related parties	5,785,003	4,153,485
<b>Total current liabilities</b>	<b>11,689,681</b>	<b>9,656,889</b>
<b>II. <u>NON-CURRENT LIABILITIES</u></b>		
<b>Due to related parties</b>	<b>6,076,504</b>	<b>3,824,904</b>
Due to related parties	6,076,504	3,824,904
<b>Total non-current liabilities</b>	<b>6,076,504</b>	<b>3,824,904</b>
<b>III. <u>FUNDS</u></b>		
<b>Other reserves</b>	<b>27,411,781</b>	<b>24,432,365</b>
Extraordinary reserves	2,051	2,051
Other reserves	3,027	3,027
Special funds	27,406,703	24,427,287
<b>Accumulated losses</b>	<b>(552,162)</b>	<b>(1,763,484)</b>
<b>Net income for the year</b>	<b>148,027</b>	<b>1,211,322</b>
<b>Total funds</b>	<b>27,007,646</b>	<b>23,880,203</b>
<b>TOTAL LIABILITIES AND FUNDS RECEIVED</b>	<b>44,773,831</b>	<b>37,361,996</b>

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
ISSUED IN TURKISH (NOTE 28.c)**

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
TURKISH GRAMEEN MICROCREDIT PROGRAMME**

**INCOME STATEMENT FOR THE YEAR ENDED AT 31 DECEMBER 2013**

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

	2013		2012	
<b>Gross sales</b>		<b>10,062,333</b>		<b>9,284,599</b>
Sales	10,062,333		9,284,599	
<b>Sales deductions</b>		<b>(11,229)</b>		<b>-</b>
Sales returns	(11,229)		-	
<b>Net sales</b>		<b>10,051,104</b>		<b>9,284,599</b>
<b>Cost of sales</b>		<b>(6,615,471)</b>		<b>(5,283,314)</b>
Cost of merchandise stocks sold	(25,556)		(28,222)	
Cost of services provided	(6,589,915)		(5,255,092)	
<b>GROSS PROFIT</b>		<b>3,435,633</b>		<b>4,001,285</b>
<b>Operating expenses</b>		<b>(2,568,855)</b>		<b>(2,017,556)</b>
Marketing, Selling and Distribution Expenses	(20,624)		(15,494)	
General administrative expenses	(2,548,231)		(2,002,062)	
<b>PROFIT FROM PRIMARY OPERATIONS</b>		<b>866,778</b>		<b>1,983,729</b>
<b>Other operating income</b>		<b>19,518</b>		<b>30,769</b>
Exchange gain	10		762	
Interest income	17,950		4,619	
Other income	-		4,360	
Adjustments of Unused Allowances	1,558		21,028	
<b>Other operating expense</b>		<b>(21,394)</b>		<b>-</b>
Provision expense	(21,394)		-	
<b>Financial expenses</b>		<b>(838,721)</b>		<b>(709,379)</b>
Financial expenses	(838,721)		(709,379)	
<b>ORDINARY PROFIT</b>		<b>26,181</b>		<b>1,305,119</b>
<b>Extraordinary income and gain</b>		<b>255,721</b>		<b>63,333</b>
Extraordinary income	255,721		63,333	
<b>Extraordinary expense and loss</b>		<b>(50,774)</b>		<b>(157,130)</b>
Prior period expense and loss	(1,622)		(1,357)	
Extraordinary loss	(49,152)		(155,773)	
<b>Income before taxation</b>		<b>231,128</b>		<b>1,211,322</b>
Taxation	(83,101)		-	
<b>NET INCOME FOR THE YEAR</b>		<b>148,027</b>		<b>1,211,322</b>

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

## CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ISSUED IN TURKISH (NOTE 28.c)

### TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE TURKISH GRAMEEN MICROCREDIT PROGRAMME

#### NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

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#### I. NATURE OF OPERATIONS

The Grameen Trust ("GT") is committed to the cause of alleviating global poverty by providing financial and technical support to Grameen Bank Build-Operate-Transfer Programmes in Bangladesh and abroad. As part of its commitment, GT began a Grameen replication project in Turkey under its build, operate and transfer model with the support of the Turkish Foundation for Waste Reduction ("TISVA").

The Turkish Grameen Microcredit Programme ("TGMP") was officially launched by TISVA in Diyarbakır, in the south-east of Turkey, in June 2003 with the support of GT. The primary objective of this project is to provide loans to poor women in rural and urban areas surrounding Diyarbakır, and to support their income-generating activities and small businesses as a means of reducing poverty. The project then spread to the whole country. During the implementation of the project, due to the regulations, the project was financed by the donations given by various organisations and people under the control of Diyarbakır Governor's Office.

TISVA and Hüsni Özyeğin paid the balance of public money in the accounts of Diyarbakır Governor's Office related to Bağlar and Hüsni Özyeğin Ergani Branches in 2006. TGMP was taken over by TISVA with a payment of TL 429,112. The TISVA Microcredit Centre, which is an economic enterprise foundation, was established as a part of TISVA in 2006.

TGMP is being implemented in 101 (31 December 2012: 76) different locations; Adıyaman, Afşin (Kahramanmaraş), Afyon, Aksaray, Amasya, Antalya, Artvin (Nihat Gökyiğit), Arhavi (Artvin), Aydın, Aydın Batı, Aydın Aksoğan (Malatya), Ayvacık (Samsun), Bağcılar (İstanbul), Bağlar (Diyarbakır), Balıkesir, Batman, Beykoz (İstanbul), Beyoğlu (İstanbul), Bilecik, Bingöl, Bismil (Diyarbakır), Bitlis, Buca (İzmir), Burdur, Bursa, Çankırı, Çanakkale, Çatalca (İstanbul), Çorum, Darıca (Kocaeli), Denizli, Edirne, Elazığ, Elbistan (Kahramanmaraş), Ergani (Diyarbakır), Erzincan, Erzurum, Eyüp (İstanbul), Gemlik (Bursa), Hatay, İnegöl (Bursa), Iğdır, İskenderun, Isparta, Kahramanmaraş, Karaman, Kastamonu, Kayapınar (Diyarbakır), Kayseri, Kemaliye (Erzincan), Kırıkkale, Kırklareli, Kırşehir, Kızıltepe (Mardin), Kilis, Konya, Kovancılar (Elazığ), Kurtalan (Siirt), Kütahya, M.Kemal Paşa (Bursa), Malatya, Mamak (Ankara), Manisa, Mardin, Mersin, Midyat (Mardin), Muğla, Muş, Nazilli (Aydın), Niğde, Nizip (Gaziantep), Odunpazarı (Eskişehir), Ordu, Reyhanlı (Hatay), Rize, Şahinbey (Gaziantep), Sakarya, Salıpazarı (Samsun), Samsun, Sancaktepe (İstanbul), Şanlıurfa, Sarıçam (Adana), Sarıyer (İstanbul), Şehitkamil (Gaziantep), Seyhan (Adana), Silvan (Diyarbakır), Sinop, Sivas, Siverek (Şanlıurfa), Sur (Diyarbakır), Şırnak, Şişli (İstanbul), Tokat, Trabzon, Van, Viranşehir (Şanlıurfa), Yenişehir (Bursa), Yozgat, Yumurtalık (Adana), Yüksekova (Hakkari) and Zonguldak. The number of employees of TGMP at 31 December 2013 is 330 (31 December 2012: 302).

TGMP projects include seven types of loans:

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
TURKISH GRAMEEN MICROCREDIT PROGRAMME**

**NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013**

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

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**I. NATURE OF OPERATIONS (Continued)**

a) Basic Loan:

The main loan product of TGMP is the basic loan. All members can get their first loan through basic loan. The basic loan is a one-year loan and all members can extend their lines of credit as long as they adhere to the terms and conditions of the loan they obtained. In this loan system, the borrower can re-borrow the principal amounts paid after six months from the original loan date. In the concept of the basic loan, the member can make voluntary savings. In order to cover the member service costs, 10% of the loan given is deducted as service charges. The loan and the member service cost are paid in instalments over 46 weeks.

b) Enterprise Loan:

TGMP has launched a different loan programme for capable, successful and hard-working members. Enterprise loans can be used by the members who have completed one year in the basic loan system. In order to cover the member service costs, 10% of the loan given is deducted as service charge. The loan and the member service cost are paid in instalments over 46 weeks.

c) Contracted Loan:

This loan is the alternative method to counter probable difficulties regarding defaults in the weekly loan payments collected from members. If the member is experiencing difficulties in paying the loan, this system extends its maturity and an agreement is signed with the member accordingly. In order to cover the member service costs, 10% of the loan given is deducted as service charge. The principal and service charge is paid by the end of the contract. Since this loan is provided for poor people, no additional charges to members due from repayment maturity extension.

d) Short-term Animal Breeding Loan:

TGMP started to use this loan for its members in 2009. This loan is provided to all members in rural areas who want to make animal breeding as an income-generating activity. Animal breeding loan is given six months before the Feast of the Sacrifice and is recouped through the sale of animals purchased with the loan six months after the Feast of the Sacrifice. In order to cover the member service costs, 10% of the loan given is deducted as service charge and member service costs are paid in instalments over 26 or 46 weeks.

e) Loan for Struggling Members:

This loan is provided to very poor people such as beggars or homeless people. There is no service charge and no redemption schedule.

f) Social Development Loan:

This loan is provided to low income women for them to engage in additional income increasing activities and to maximize social benefit. In order to cover the member service costs, 5% of the loan given is deducted as service charge. The loan and the member service cost are paid in instalments over 46 weeks.



**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
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**NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013**

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

**I. NATURE OF OPERATIONS (Continued)**

g) Communication Loan:

This loan is provided in order for low income women to possess mobile phone and to eliminate digital inequality. In order to cover the member service costs, 5% of the loan given is deducted as service charge. The loan and the member service cost are paid in instalments over 40 weeks.

According to the tax ruling that is provided from Ministry of Finance, effective from the beginning of the year 2012, for not-for profit microcredit applications, service charges include 5% Banking and Insurance Transactions Tax (BSMV).

**II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

TGMP maintains its books of account in Turkish lira ("TL") based on the Turkish Commercial Code ("TCC") and tax legislation and prepares its statutory financial statements in accordance with the Turkish Standard Chart of Accounts.

The changes in funds in years 2013 and 2012 were as follows:

	Extraordinary reserves	Other reserves	Special funds	Accumulated losses	Net profit/(loss) for the year	Total funds
<b>1 January 2013</b>	<b>2,051</b>	<b>3,027</b>	<b>24,427,287</b>	<b>(1,763,484)</b>	<b>1,211,322</b>	<b>23,880,203</b>
Transfers	-	-	-	1,211,322	(1,211,322)	-
Donations	-	-	2,979,416	-	-	2,979,416
Net income for the year	-	-	-	-	148,027	148,027
<b>31 December 2013</b>	<b>2,051</b>	<b>3,027</b>	<b>27,406,703</b>	<b>(552,162)</b>	<b>148,027</b>	<b>27,007,646</b>

	Extraordinary reserves	Other reserves	Special funds	Accumulated losses	Net profit/(loss) for the year	Total funds
<b>1 January 2012</b>	<b>2,051</b>	<b>3,027</b>	<b>20,174,651</b>	<b>(2,652,891)</b>	<b>889,407</b>	<b>18,416,245</b>
Transfers	-	-	-	889,407	(889,407)	-
Donations	-	-	4,252,636	-	-	4,252,636
Net income for the year	-	-	-	-	1,211,322	1,211,322
<b>31 December 2012</b>	<b>2,051</b>	<b>3,027</b>	<b>24,427,287</b>	<b>(1,763,484)</b>	<b>1,211,322</b>	<b>23,880,203</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
ISSUED IN TURKISH (NOTE 28.c)**

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
TURKISH GRAMEEN MICROCREDIT PROGRAMME**

**NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013**

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

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**II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)**

**Significant Accounting Policies**

The following significant accounting policies have been applied in the preparation of these financial statements:

*Revenue*

TGMP charges a service fee for each loan disbursed to the microcredit members of the project. The total service charge is determined as 15% of the outstanding loan amount. TGMP revenue includes micro-credit service charges and wallet charges.

*Property and equipment*

Property and equipment are stated at cost less accumulated depreciation. The depreciation is provided for property and equipment based on the straight line method. The useful lives of the property and equipments which is adopted by tax laws are as follows:

	<b>Years</b>
Motor vehicles	5 years
Furniture and fixtures	4 years

Pro-rata depreciation method is used for the vehicles.

*Intangible assets*

Intangible assets mainly comprise establishment costs, leasehold improvements and other intangibles. They are stated at cost less accumulated amortisation. Amortisation is provided based on the straight-line method over five years.

*Related parties*

For the purpose of these financial statements major donors and key management personnel, in each case together with organisations controlled by or affiliated with them are considered and referred to as related parties.

Financial liabilities are accounted for under due to related parties in the balance sheet since the loans are obtained via TISVA.

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**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
TURKISH GRAMEEN MICROCREDIT PROGRAMME**

**NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013**

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

**II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)**

*Provision for doubtful receivables*

A credit risk provision for receivables is established when there is objective evidence that TGMP will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount of the receivable.

*Taxes on income*

In accordance with Corporate Tax Law No. 5520, Article 2, Paragraph 5, the "Law related to taxpayers of corporation tax for the associations and foundations" published on 21 June 2006, commercial, industrial and agricultural enterprises that are owned by or affiliated to associations or foundations are the economic enterprises of associations and foundations. TGMP is an economic enterprise of TISVA and Adıyaman, Afşin (Kahramanmaraş), Afyon, Aksaray, Amasya, Antalya, Artvin (Nihat Gökyiğit), Arhavi (Artvin), Aydın, Aydın Batı, Aydın Aksoğan (Malatya), Ayvacık (Samsun), Bağcılar (İstanbul), Bağlar (Diyarbakır), Balıkesir, Batman, Beykoz (İstanbul), Beyoğlu (İstanbul), Bilecik, Bingöl, Bismil (Diyarbakır), Bitlis, Buca (İzmir), Burdur, Bursa, Çankırı, Çanakkale, Çatalca (İstanbul), Çorum, Darıca (Kocaeli), Denizli, Edirne, Elazığ, Elbistan (Kahramanmaraş), Ergani (Diyarbakır), Erzincan, Erzurum, Eyüp (İstanbul), Gemlik (Bursa), Hatay, İnegöl (Bursa), Iğdır, İskenderun, Isparta, Kahramanmaraş, Karaman, Kastamonu, Kayapınar (Diyarbakır), Kayseri, Kemaliye (Erzincan), Kırıkkale, Kırklareli, Kırşehir, Kızıltepe (Mardin), Kilis, Konya, Kovancılar (Elazığ), Kurtalan (Siirt), Kütahya, M.Kemal Paşa (Bursa), Malatya, Mamak (Ankara), Manisa, Mardin, Mersin, Midyat (Mardin), Muğla, Muş, Nazilli (Aydın), Niğde, Nizip (Gaziantep), Odunpazarı (Eskişehir), Ordu, Reyhanlı (Hatay), Rize, Şahinbey (Gaziantep), Sakarya, Salıpazarı (Samsun), Samsun, Sancaktepe (İstanbul), Şanlıurfa, Sarıçam (Adana), Sarıyer (İstanbul), Şehitkamil (Gaziantep), Seyhan (Adana), Silvan (Diyarbakır), Sinop, Sivas, Siverek (Şanlıurfa), Sur (Diyarbakır), Şırnak, Şişli (İstanbul), Tokat, Trabzon, Van, Viranşehir (Şanlıurfa), Yenişehir (Bursa), Yozgat, Yumurtalık (Adana), Yüksekova (Hakkari) and Zonguldak branches are subject to corporate tax.

Corporation tax is payable at a rate of 20% on the net income after adjusting for certain disallowable expenses, exempt income and investment and other allowances.

Tax returns are open for five years during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods. As of 31 December 2013, TGMP has no carry-forward tax losses (31 December 2012: None).

*Total deposits collected (voluntary savings)*

Within the scope of the primary objective of TGMP, each project group member voluntarily deposits at least TL1 on a weekly basis. Poor people are encouraged to voluntarily save in order to help developing their saving habitudes. TGMP have not made interest payment in 2013 (2012: none) on the saving balance. The group members can withdraw their savings any time. Only the new members are not allowed to withdraw within six months. TGMP accounts for the weekly deposits collected from the members voluntarily under total deposits collected (voluntary savings) in the balance sheet.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
ISSUED IN TURKISH (NOTE 28.c)**

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
TURKISH GRAMEEN MICROCREDIT PROGRAMME**

**NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013**

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

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**II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)**

*Trade receivable (Microcredits given)*

TGMP's customers are the members of the microcredit programmes and the receivable is calculated as loans are given to microcredit members at nominal value by TGMP.

*Special funds*

Legal funds that must be reserved in the corporation are followed in this account. TISVA transfers the funds received from public institutions and donations received from various foundations, corporations and individuals to TGMP and TGMP follows these funds as special funds in the balance sheet.

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS**

**A) NOTES TO THE BALANCE SHEET**

**1. Upper limit of capital where registered capital system is applied:**

TGMP is not subject to registered capital system.

**2. a. Total amount of advances extended to the chairman and the members of the board of directors, general manager, general coordinator, assistant general manager and other high-level management during the year:**

None (31 December 2012: None). TGMP paid no advances to the chairman and members of the board of directors, chairman and members of board of trustees and audit committee of TISVA.

**b. Balance of such advances at year end:**

None (31 December 2012: None).

**3. Total amount of insurance on assets:**

TL976,800 (31 December 2012: TL 1,194,550).

**4. Total amount of mortgages and other guarantees obtained against the receivables:**

None (31 December 2012: None).

**5. Total amount of mortgages and other collaterals and guarantee letters given against the payables:**

None (31 December 2012: None).

**6. Off-balance sheet commitments and contingent liabilities:**

None (31 December 2012: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)**

**A) NOTES TO THE BALANCE SHEET (Continued)**

**7. Foreign currency denominated cash and bank balances:**

Original currency	31 December 2013		
	Original amount	FX rate	TL amount
US Dollars ("US\$") - banks	6,229	2.1343	13,295
			<b>13,295</b>

(31 December 2012: 107).

**8. Foreign currency denominated receivables:**

None (31 December 2012: None).

**9. Foreign currency denominated liabilities:**

None (31 December 2012: None).

**10. Amount of bills and financial bonds in circulation issued under the guarantee of banks:**

None (31 December 2012: None).

**11. Total investment incentive tax exemption to be utilised in current and following periods:**

None (31 December 2012: None).

**12. Bills in circulation, which are convertible to share certificates:**

None (31 December 2012: None).

**13. List of shares representing the share capital:**

None (31 December 2012: None).

**14. Total amount of share capital issued in current period:**

None (31 December 2012: None).

**15. List of owners or shareholders holding more than 10% of capital:**

TGMP is a not-for-profit organisation and it does not have a shareholding structure. The TGMP management classified the donations as special funds under "Funds" in the financial statements (Note 28.a).

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)**

**A) NOTES TO THE BALANCE SHEET (Continued)**

**16. List of investments and subsidiaries where more than 10% of the share capital is owned:**

None (31 December 2012: None).

**17. Tangible and intangible fixed assets movements during the year:**

a. Additions (\*) : TL157,420 (31 December 2012: TL587,565).

b. Disposals (\*\*) : TL224,464 (31 December 2012: TL56,356).

(\*) Office furniture, vehicle and computer software purchases

(\*\*) Vehicle sales

**18. Share of shareholders, subsidiaries, associates and related parties in short and long-term receivables and payables:**

**31 December 2013    31 December 2012**

**Due to related parties:**

Turkish Foundation for Waste Reduction (*)	11,861,507	7,978,389
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(\*) Total amount of payables due to related parties includes principal and accrued interest of various bank loans transferred from TISVA with the same conditions (average interest rate of 12% per annum). The maturities of those bank loans vary between 16 January 2014 and 26 September 2016 and TL6,076,504 is related to the year 2015 and afterwards.

**19. Average number of employees in during the year:**

Average number of employees during the year is 330 (31 December 2012: 302).

**20. Subsequent events:**

a) Until the preparation date of these financial statements, the project is implemented in five new locations which are Bandırma (Balıkesir), Çan (Çanakkale), Osmangazi (Bursa), Osmaniye, Nevşehir.

b) In 2014, until the preparation date of these financial statements, TGMP received donations amounting to TL521,874 as presented on the following page:

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)**

**A) NOTES TO THE BALANCE SHEET (Continued)**

<b>Donor - supporter individual / institution</b>	<b>Amount (TL)</b>
Amasya Special Provincial Administration	100,000
Adıyaman Special Provincial Administration	100,000
Kırıkkale Special Provincial Administration	50,000
Kırklareli Special Provincial Administration	50,000
Denizli Municipality	50,000
Darülaceze Institution/Edirne Branch	30,000
İzmit Rotary Club	30,000
Kütahya Special Provincial Administration	29,874
Darıca Rotary Club	20,000
Aytekin Conkur	17,000
Spintek İletişim A.Ş.	15,000
Beykoz Rotary Club	10,000
Osman Özgür	10,000
Fikret Ataman	5,000
Ozan Tekstil	5,000
<b>Total</b>	<b>521,874</b>

**21. Contingent losses and contingent profits:**

None (31 December 2012: None).

**22. Disclosure of changes in accounting estimates, which have material effect on gross profit ratios and their monetary effect:**

None (31 December 2012: None).

**23. Amount of blocked deposits in bank accounts:**

None (31 December 2012: None).

**24. Affiliates, subsidiaries and shareholders issuing available-for-sale marketable securities and their amount:**

None (31 December 2012: None).

**25. Bonus shares received from affiliates and subsidiaries due to capital increases from reserves:**

None (31 December 2012: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
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**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)**

**A) NOTES TO THE BALANCE SHEET (Continued)**

**26. Total amount of unrealised interest related to the following financial period:**

None (31 December 2012: None).

**27. Guarantees extended to shareholders, affiliates and subsidiaries:**

None (31 December 2012: None).

**28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements:**

a) The details of the special funds transferred to TGMP are as follows:

	<b>31 December 2013</b>	<b>31 December 2012</b>
Kahramanmaraş Special Provincial Administration Fund	1,400,935	1,200,935
Gaziantep Special Provincial Administration Fund	1,308,000	1,308,000
Diyarbakır Governer	1,021,425	1,021,425
Citi Foundation Donation Account	874,446	874,446
Bursa Special Provincial Administration Fund	800,000	700,330
Aydın Special Provincial Administration Fund	753,688	453,688
Grameen- Jameel Fund	746,525	746,525
Nihat Gökyiğit	575,000	250,000
Whole Planet	571,909	571,909
Hatay Special Provincial Administration Fund	570,000	420,000
Hüsnü Özyeğin	551,224	551,224
Mardin Special Provincial Administration Fund	535,214	535,214
Batman Special Provincial Administration Fund	500,000	500,000
Rize Special Provincial Administration Fund	495,000	395,000
Galip Öztürk	455,000	455,000
Trabzon Special Provincial Administration Fund	450,000	350,000
Hsbc Donation Account	426,042	426,042
Open Society Institute	423,359	423,359
Amasya Special Provincial Administration Fund	410,000	410,000
Sivas Special Provincial Administration Fund	400,000	400,000
Manisa Special Provincial Administration Fund	400,000	400,000
Şanlıurfa Special Provincial Administration Fund	399,997	399,997
Balıkesir Special Provincial Administration Fund	350,000	350,000
Asım Kocabıyık	350,000	50,000
Samsun Special Provincial Administration Fund	340,000	330,000
Niğde Special Provincial Administration Fund	325,000	325,000
M.V Holding A.Ş	315,000	265,000
Erzincan Special Provincial Administration Fund	297,750	297,750
Feyyaz Berker	275,000	250,000



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III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)

	31 December 2013	31 December 2012
Tevfik Öz	257,955	257,955
Vehbi Bilgin	250,000	250,000
Vuslat Doğan Sabancı	250,000	200,000
Tokat Special Provincial Administration Fund	245,000	245,000
Darıca Rotary Club	217,000	147,000
Gaziantep Sodes Project Fund	212,000	172,000
Çankırı Special Provincial Administration Fund	200,000	200,000
Çorum Municipality	200,000	200,000
Malatya Municipality	200,000	200,000
Malatya Special Provincial Administration Fund	200,000	200,000
Sema Doğan	200,000	200,000
Viranşehir Sodes Project Fund	200,000	200,000
Adıyaman Local Administration Fund	200,000	200,000
Sakarya Special Provincial Administration Fund	200,000	150,000
Limak Holding A.Ş.	200,000	150,000
Yozgat Special Provincial Administration Fund	199,213	199,213
Karaman Special Provincial Administration Fund	195,000	165,000
Diyarbakır Sodes Fund	194,600	194,600
Turgay Ciner	190,000	190,000
Çanakkale Unitedway World Wide City Foundation	186,000	-
Bingöl Sodes Project Fund	186,000	94,000
Sarıyer Rotary Club	185,500	115,500
Erzincan Sodes Project Fund	184,000	184,000
Bilecik Special Provincial Administration Fund	170,000	170,000
Batman Pemi Fund	160,000	160,000
Burdur Special Provincial Administration Fund	160,000	160,000
Isparta Special Provincial Administration Fund	160,000	160,000
Eskişehir Special Provincial Administration Fund	157,000	157,000
Kırıkkale Special Provincial Administration Fund	155,000	130,000
Bingöl Special Provincial Administration Fund	151,000	195,000
Afyon Special Provincial Administration Fund	150,000	150,000
Eyüp Cenap Gülpınar	150,000	150,000
Muğla Special Provincial Administration Fund	150,000	150,000
Şırnak Special Provincial Administration Fund	150,000	150,000
Muş Sodes Fund	148,000	148,000
Kırklareli Special Provincial Administration Fund	140,000	140,000
Borusan Holding	132,450	313,950
Şişli Rotary Club	124,000	79,000
Erzurum Special Provincial Administration Fund	120,000	-

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III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)

	31 December 2013	31 December 2012
Bitlis Special Provincial Administration Fund	111,357	111,357
Akfen A.Ş.	110,000	110,000
Denizli Special Provincial Administration Fund	103,000	103,000
Denizli Municipality Fund	102,000	-
Şişli Darülaceze Institution	100,000	100,000
Sarıyer Darülaceze Institution	100,000	100,000
Edirne Darülaceze Institution	100,000	100,000
Aksaray Special Provincial Administration Fund	100,000	100,000
Ayşe Işıl Zaim	100,000	100,000
Elazığ Special Provincial Administration Fund	100,000	100,000
Ordu Special Provincial Administration Fund	100,000	100,000
Osman Yıldırım Coşkun	100,000	100,000
İsken Enerji Üretim	100,000	100,000
Gaziantep Special Provincial Administration Fund	100,000	-
Abalıoğlu Yem	100,000	-
Karaman Municipality Fund	85,000	35,000
Yuma Construction	80,000	80,000
Zonguldak Special Provincial Administration Fund	75,000	75,000
BRJ Loan Distribution Fund	73,636	220,025
Hakkari Special Provincial Administration Fund	70,700	70,700
Sinop Special Provincial Administration Fund	68,000	68,000
Kırşehir Special Provincial Administration Fund	65,000	65,000
Çorum Special Provincial Administration Fund	64,513	64,513
Park Teknik	62,000	62,000
Kütahya Special Provincial Administration Fund	60,000	30,000
Beykoz Rotary Club	60,000	30,000
İsmail Kavuncu	55,000	55,000
Recep Atakaş	50,000	50,000
Cey-Kar A.Ş.	50,000	50,000
Darıca Darülaceze Institution	50,000	50,000
Muş Special Provincial Administration Fund	50,000	50,000
İğdir Special Provincial Administration Fund	50,000	50,000
Kahramanmaraş Municipality	50,000	50,000
Kahramanmaraş Social Solidarity Foundation	50,000	50,000
Nihat Özdemir	50,000	50,000
Siverek Sodes Project Fund	50,000	50,000
TAV Yatırım Holding A.Ş.	50,000	50,000
Trabzon Municipality	50,000	50,000
İskenderun Special Provincial Administration Fund	50,000	-

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III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)

	31 December 2013	31 December 2012
Türk Telekom	50,000	-
Tülay Aksoy Fund	50,000	-
Social Market Institution Fund	50,000	-
Edirne Rotary Club	45,000	25,000
Reyhanlı Municipality	40,974	40,974
İzmit Rotary Club	30,000	-
MPR Pazarlama	27,442	27,442
Kahramanmaraş Chamber of Commerce	25,000	25,000
Kipaş A.Ş.	25,000	25,000
Yeşim Toduk-Ali Rıza Toduk	25,000	-
Ercan Alagöz	25,000	-
The Grand National Assembly of Turkey Fund- Adana	24,794	24,794
The Grand National Assembly of Turkey Fund - Mersin	24,794	24,794
Aksoğanlar A.Ş. Fund	22,160	-
Begümhan Doğan Faralyalı	21,000	21,000
AgriTrade Agricultural Products	20,000	20,000
Norm Industry Foreign Trade Donation	20,000	20,000
İzmir Industrialists	20,000	-
Leyla Alaton	20,000	-
İşkur Enerji A.Ş.	15,000	15,000
Yazıcı Demir Çelik A.Ş.	15,000	15,000
Nokta Kom Media	15,000	-
Ecem Erşeker	14,859	14,859
Towerbridgeint Services	12,582	-
Ömer Sabancı	12,500	12,500
Selim Akın	10,150	10,000
Nuri Üysen	10,000	10,000
Hasan Serhan Süzer	10,000	10,000
Aksu Mining Fund	10,000	10,000
Merke Doğal	10,000	10,000
Batü Ege Real Estate	10,000	-
Shamrock Textile	10,000	-
Ak Parti Parliamentary Group Daily Allowance	10,000	-
İran Donation	6,930	6,930
Eman Tour	6,110	6,110
Doğuş Oto	6,000	6,000
Adil Koç	5,000	5,000
Ali Emre Kaan Sabancı	5,000	5,000
Hanzade Vasfiye Doğan Boyner	5,000	5,000

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(Continued)

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)

	31 December 2013	31 December 2012
Nevbahar Ve Ali	5,000	5,000
Vefa Dayanıklı Tük. Mal. Ltd. Şti.	5,000	5,000
Ali İsmail Sabancı	5,000	5,000
Alpler Agricultural Products Fund	5,000	5,000
Metin Yıldız	5,000	5,000
Okan University	5,000	5,000
Hayri Yüce	5,000	5,000
Ali Rıza Ceylan	5,000	5,000
Finansbank	5,000	5,000
Ahmet Mercan	5,000	-
Sema Karaoğlu	5,000	-
Hürsan Textile	5,000	-
Deniz Textile	5,000	-
Özcan Ertunç	4,000	4,000
Mim Tour	3,750	3,750
Kahramanmaraş Chamber Fund	3,400	3,400
Dört Yol Rural Services	3,023	1,000
Asaş Filtre San. Tic. A.Ş.	3,000	3,000
Kırıkkale Mayor	3,000	3,000
Doğan Erten	2,500	2,500
Şah-Pet Şahin Kardeşler	2,500	2,500
Hilmi Mithat Delen	2,010	2,010
Mehmet Kılıçlar	2,000	-
Seyfettin Kanık	2,000	-
Ansa-Med Health	2,000	2,000
Otonom Görüntüleme	2,000	2,000
Seval-Kaya Başaran	2,000	2,000
Derya Erden Çerkeş	2,000	2,000
Kemal Oğuz	2,000	2,000
Ecevit Arakılıç	2,000	2,000
Giltaş Marine	2,000	2,000
Kosifler Oto	2,000	2,000
Recep Barut	2,000	2,000
İhsan Onat	1,500	1,500
Ertuğrul Özkök	1,500	1,500
Association of Women Entrepreneurs Fund	1,500	1,500
Hakkı Hasan Yılmaz	1,500	1,500
Ayşe İnan Fund	1,500	-
Ahmet Kamil Şirikçi	1,100	1,100

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III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)

	31 December 2013	31 December 2012
Diekmann Schwanena Llee	1,016	1,016
Naşit Doğan	1,007	1,007
Aylin - Özcan Tahincioğlu	1,000	1,000
Ayşe Oya Eczacıbaşı	1,000	1,000
Bülent Eczacıbaşı	1,000	1,000
Cem Kozlu	1,000	1,000
Deniz Çemşit Demiroğlu	1,000	1,000
Ebru Ve Temuçin Tüzecan	1,000	1,000
Murat Özyeğin	1,000	1,000
Petek Pastanesi	1,000	1,000
Yüksel Duman	1,000	1,000
Nuri Bayramoğlu	1,000	1,000
Erkan Çakım	1,000	1,000
Yesaş Fund	1,000	1,000
Mustafa Erkan Ersoy	1,000	1,000
Naime Göker Ekim	1,000	1,000
Hasan Fehmi Kınay	1,000	1,000
Midyat District	1,000	1,000
Nazilli Municipality	1,000	1,000
Öz Volkan Petrol	1,000	1,000
Ali Nur Aktaş	1,000	1,000
Aydeniz Family	1,000	1,000
Aziz Efe	1,000	1,000
İbrahim Betil	1,000	1,000
Mine Lök Beyaz	1,000	1,000
Selma Özkan	1,000	1,000
Nur İpek Kumaşçılık Fund	1,000	1,000
Rotary Club Fund	1,000	1,000
Sezai Boncuk	1,000	1,000
Tuncay Akkoyun	1,000	1,000
Mustafa Poyraz	1,000	1,000
Mustafa Birsen	1,000	1,000
Hasan Tunç	1,000	1,000
Orhan Durmuş	1,000	1,000
Şafak Çivici	1,000	-
Mustafa Takmaklı	1,000	1,000
Gültekin Güvensoy	1,000	-
Haydar Kotan	1,000	1,000
Emin Metin	1,000	1,000

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(Continued)

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)

	31 December 2013	31 December 2012
Aydın Commodity Exchange	1,000	1,000
Semiha Öyüş	1,000	1,000
Fevzi Eriş	1,000	1,000
Hacı Karaca	1,000	1,000
Mahmut Miskar	1,000	1,000
Vahap Minigül	1,000	1,000
Enerji Sa	1,000	1,000
Anıl Automotive Trade	1,000	1,000
Hateks Textile	1,000	1,000
Ali Hamza Pehlivan	1,000	1,000
Esengül Korkmaz Çiçekli	1,000	1,000
Menaf Kıyanç	1,000	1,000
Ermaş Mining	1,000	1,000
Yüksel Construction	1,000	1,000
Gülây Gül	1,000	1,000
Aliye Varoğlu	1,000	1,000
Semih Cemali	1,000	1,000
Dilek Karadeniz	1,000	1,000
Mehmet Güzelmansur	1,000	1,000
Tahsin Kabaali	1,000	1,000
Gazi Osman Ovalı	1,000	1,000
Ali Özbuğday	1,000	1,000
Mustafa Yıldırım	1,000	1,000
Adnan Günay	1,000	1,000
Halef Günay	1,000	1,000
Mehmet Narin	1,000	1,000
Kızıltepe District	1,000	1,000
F. Sevinç Dinçsoy Fund	600	600
Ayfer Balki	570	70
Ahmet Faralyalı	500	500
Ahmet Nafi Dalman	500	500
Ahmet Özer	500	500
Alev Çelikleş	500	500
Ali Cingilhoğlu	500	500
Ali Hakan Altınay	500	500
Ali Ömer Dinçe	500	500
Alihan Doğan Yalçındağ	500	500
Alihan Yalçın	500	500
Arzu - Murat Atabarut	500	500

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)

	31 December 2013	31 December 2012
Arzu Çebi	500	500
Arzuhan Yalçındağ	500	500
Asli & Damar Arıkoğlu	500	500
Asli Demir Sabancı	500	500
Aslı Erkut Soyak	500	500
Asuman Şener	500	500
Aydin Doğan Yalçındağ	500	500
Ayşe Lemar Balım	500	500
Ayşe Nil Bağcıoğlu	500	500
Ayşe Yalçın	500	500
Başar Arıoğlu	500	500
Berna Arıoğlu	500	500
Berna Tokar	500	500
Bettina Hakko	500	500
Bucak Chamber of Drivers	500	500
Damla Şener	500	500
Duru İnşaat	500	500
Ece - Korhan Kurdoğlu	500	500
Elif Dürüst	500	500
Elif Şafak-Eyüp Can	500	500
Emel Armutçu	500	500
Emine Kamışlı Fund	500	500
Enis Berberoğlu	500	500
Erhan Kamışlı Fund	500	500
Erol - Güliz Kalaçı	500	500
Ersin Arıoğlu	500	500
Esra Bilgin	500	500
Fatma Ayşe Cemal	500	500
Feray & Lütfü Tınç	500	500
Gökhan Sime	500	500
Gülse Şener Birsal	500	500
Hakan Çarmıklı	500	500
Hamdi Akın	500	500
Hande Durak Dumrul	500	500
Hayırlı Zerrin Sabancı	500	500
İpek Cem Taha	500	500
Kamil Kanat Atkaya	500	500
Kerim Arıoğlu	500	500
Magma İletişim Hizmetleri Ltd.Şti.	500	500

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
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(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)

	31 December 2013	31 December 2012
Maide - Emre Kurttepelı	500	500
Mediha Ayça Sarangil	500	500
Mehmet Ali Yalçındağ	500	500
Mehmet Başer	500	500
Mehmet Doğan Hızlan	500	500
Mehmet Esra Armağan	500	500
Mehmet Oğuz Güney	500	500
Mehtap Bayraktar	500	500
Meliha Serra Tokar	500	500
Melis Küçük	500	500
Memduh Karakullukçu	500	500
Mina Küçük	500	500
Murat Küçük	500	500
Neşet Yalçın	500	500
Nesrin Ercan	500	500
Nilüfer Haybat	500	500
Ömer Celal Umur	500	500
Ömer Temelli	500	500
Oya Berberoğlu	500	500
Ozan Şener	500	500
Özcan Sabancı	500	500
Pelin Akın	500	500
Perihan Özkök	500	500
Pınar Küçük	500	500
Pınar Yeşilada	500	500
Sani Şener	500	500
Sedat Ergin	500	500
Sema Cıngıllıoğlu	500	500
Serpil Bilgel	500	500
Sertaç Haybat	500	500
Şevket Sabancı	500	500
Seyit Karagözoğlu	500	500
Silvia Meşulam	500	500
Sinan Bilgin	500	500
Şirin Yalçın	500	500
Şule Zeybek	500	500
Suzi - Nedim Dayan	500	500
Taylan Bilge	500	500
Tijen Mergen	500	500



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III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)

	31 December 2013	31 December 2012
Tuğba Zeybek Demircan	500	500
Tülay Ulusoy	500	500
Umut Alphan	500	500
Vio-Verda-Lidya	500	500
Virna Ve Vedat	500	500
Yasemin Germiyangil	500	500
Yusuf Fatih Çekirge	500	500
Zafer Civelek	500	500
Zeynep Dalman	500	500
Zeynep Temelli	500	500
Zeynep Orcan Kalkagüliz	500	500
Ekinözü Municipality	500	500
Mehmet Kahraman	500	500
Hasan Serhan Süzer	500	500
Özkan Ateş	500	-
Nuray Ökten	300	300
Erdem Ünlü Çetinkaya	250	250
Serkan Boyalı	250	-
Demet-Abdulkadir Varoğlu	250	250
Yeşim Özemir	250	-
Şeyma Boyacıgil	250	-
Morkoz Health and Cosmetics Products	240	-
Palu Municipality	200	200
Serdar Kartal	200	200
Ferit Mevlüt Aslan	200	200
İbrahim Betil	200	200
Özgül Atılgın Ayanoğlu	200	200
Hatice Nuray Ökten	200	200
Sümer Plastics	184	184
Keiko Takaki	150	150
Yakup Dinç	150	150
Celal Tilge	100	100
İzmirliiler Otel Yatırım Tur. A.Ş.	100	100
Şakir Dorukkaya	100	100
Burhanettin Aktaş	100	100
Aybüke Altaş	100	-
Şebnem Bursalı	80	-
Aysel Balki	70	70
Murat Akpiçak-Gediz University	60	60
Semra Ulusoy	55	55

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
ISSUED IN TURKISH (NOTE 28.c)**

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**NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013**

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

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)**

**A) NOTES TO THE BALANCE SHEET (Continued)**

**28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements: (continued)**

	31 December 2013	31 December 2012
Şerife Kürekçi	50	50
Kerem İnanır	50	50
Oltan Sungurlu	50	50
Halil Kılıç-Kavuklar A.Ş.	50	50
Dilek Başoğlu	50	-
Serkan Bulguroğlu	5	5
<b>TOTAL</b>	<b>27,406,703</b>	<b>24,427,287</b>

b) The Turkish Standard Chart of Accounts requires companies to compile statements of changes in shareholders' equity, cash flows, fund flows and profit distribution together with their balance sheet, income statement and notes to the financial statements. Since TGMP is a not-for-profit organization, it is not required to prepare a statement of profit distribution. However, as of the preparation date of these financial statements, the Company has not prepared its statements of changes in shareholders' equity, cash flows and fund flows, yet.

c) The financial statements are based on the Turkish Standard Chart of Accounts in accordance with the TCC, which is different from the accounting principles generally accepted in countries in which the financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). The effects of such differences have not been quantified. Accordingly, the financial statements are not intended to present the financial position, results of operations and changes in the financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**29. Date at which the financial statements are approved and become effective:**

The financial statements have not yet been approved by the Board of Trustees of TISVA as of the preparation date of these financial statements. According to regulatory rules, there is no such requirement for not-for-profit organisations.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE  
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**NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013**

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

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**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)**

**B) NOTES TO THE STATEMENT OF INCOME**

**1. Total depreciation and amortisation charges for the period:**

Depreciation: TL245,939 (2012: TL258,811).

Amortisation: TL25,141 (2012: TL4,881).

**2. Provision expenses for the period:**

Provision expense for the period is TL21,394 (2012: None). Provision expenses are composed of the provision for the doubtful receivables.

**3. Financial expenses for the period:**

As of 31 December 2013, financial expense for the period is TL838,721 (2012: TL709,379).

**4. Amount of financial expenses for the period related to shareholders, subsidiaries and affiliates:**

None (2012: None).

**5. Sales to shareholders, subsidiaries and affiliates:**

None (2012: None).

**6. Interest, commission, rent and similar income and expenses received from or paid to shareholders, subsidiaries and affiliates:**

None (2012: None).

**7. Salaries and other benefits paid to the chairman and the members of the board of directors, general manager, general coordinator, assistant general manager and other high-level management during the year:**

During the year 2013 TL72,217 was paid to the General Manager of TGMP (2012: TL87,441). TGMP did not pay any salaries and other benefits to the chairman and members of the board of directors, chairman and members of board of trustees and audit committee of TISVA.

**8. Depreciation and amortisation method applied:**

The depreciation for property and equipment and amortisation for intangibles are provided based on the straight-line method. Pro-rata depreciation method is used for the vehicles. For the current year additions of other property and equipments and intangible assets, the depreciation and amortisation calculated for the whole year is accounted for in the financial statements.

**9. Reasons for non-performance of physical stock counts:**

Physical stock count was not performed by TGMP because there is no inventory amount to the financial statements as of 31 December 2013.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)**

**B) NOTES TO THE STATEMENT OF INCOME (Continued)**

**10. Sales of by- products and scraps exceeding 20% of sales:**

None (2012: None).

**11. Explanatory note for prior period income and expenses:**

No prior period income occurred during the year (2012: None). Prior period expense amounting to TL1,622 is related to various expenses such as communication, electricity, postage expenses of 2013 (2012: TL 1,357).

**12. Earnings per share:**

Since TGMP is not a capital stock company, earnings per share is not calculated.

**13. Other disclosures:**

a) General administrative expenses are mostly attributable to the expenses of the project office in Ankara. The details of general administrative expenses are as follows:

	<b>2013</b>	<b>2012</b>
Salaries	1,181,765	1,018,429
Meal	360,314	266,426
Transportation	297,317	211,195
Communication	247,235	162,720
Rent	121,255	95,263
Consultancy services	95,449	66,071
Press and printing expenses	81,945	85,996
Depreciation and amortisation expenses	48,081	30,620
Tax expenses	40,428	1,041
Maintenance	14,638	7,664
Electricity, phone and water expenses	13,961	15,056
Fixtures recorded as expense	2,375	3,539
Other	43,468	38,042
<b>General administrative expenses</b>	<b>2,548,231</b>	<b>2,002,062</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS  
(Continued)**

**B) NOTES TO THE STATEMENT OF INCOME (Continued)**

**13. Other disclosures (Continued)**

b) The details of cost of services provided are as follows:

	<b>2013</b>	<b>2012</b>
Salaries	4,822,416	4,004,407
Vehicle rent	483,247	50,358
Fuel	440,005	348,806
Depreciation and amortisation expenses	222,999	233,072
Maintenance	72,992	113,330
Travel	66,053	110,014
Insurance	58,118	44,485
Taxes and other duties (Other than corporate income tax)	56,429	52,728
Stationery	56,463	39,490
Internet	48,015	37,587
Postage	46,781	47,301
Transfer expenses	34,731	21,216
Freight expenses	28,132	38,199
Fixtures recorded as expense	28,121	20,918
Subscription fee	25,209	17,094
Communication	19,377	15,984
Entertainment expenses	18,411	12,182
Electricity, phone and water expenses	18,099	22,641
Other	69,873	53,502
<b>Cost of sales</b>	<b>6,615,471</b>	<b>5,283,314</b>

c) The details of extraordinary income and gain are as follows:

	<b>2013</b>	<b>2012</b>
Vehicle sales	73,755	26,980
Turkcell donation (*)	95,238	-
General management donation	72,508	-
Other	14,220	36,353
<b>Total</b>	<b>255,721</b>	<b>63,333</b>