

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

**STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2016
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 2016, 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 2016, 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.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A blue ink signature of Murat Sancar, written in a cursive style.

Murat Sancar, SMMM
Partner

Istanbul, 3 July 2017

**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 2016

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

	31 December 2016	31 December 2015
ASSETS		
I. <u>CURRENT ASSETS</u>		
Liquid assets	573,761	851,732
Cash	2,360	7,712
Banks	571,401	844,020
Trade receivables	51,649,831	51,248,373
Customers	51,518,808	51,029,687
Other trade receivables	35,314	115,577
Doubtful trade receivables	1,088,074	727,135
Provision for doubtful receivables	(992,365)	(624,026)
Short-term prepaid expenses and income accruals	176,483	108,695
Short-term prepaid expenses	176,483	108,695
Other current assets	818,668	935,809
Prepaid taxes and funds	25,309	92,956
Job advances	297,585	314,941
Advances paid	494,805	506,596
Receivables from employees	969	21,316
Total current assets	53,218,743	53,144,609
II. <u>NON-CURRENT ASSETS</u>		
Property and equipment	2,031,811	2,155,009
Motor vehicles	3,039,414	2,791,801
Furniture and fixtures	619,311	500,734
Accumulated depreciation	(1,626,914)	(1,137,526)
Intangible assets	18,358	27,416
Establishment costs	4,032	4,032
Leasehold improvements	13,695	10,175
Other intangible assets	113,365	113,365
Accumulated amortisation	(112,734)	(100,156)
Other non-current assets	14,604	12,149
Deposits given	14,604	12,149
Total non-current assets	2,064,773	2,194,574
TOTAL ASSETS	55,283,516	55,339,183

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 2016

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

	31 December 2016	31 December 2015
LIABILITIES AND FUNDS		
I. <u>CURRENT LIABILITIES</u>		
Borrowings	764,174	736,606
Short-term borrowings	764,174	736,606
Trade payables	2,710,097	1,589,228
Suppliers	2,710,097	1,588,984
Deposits and guarantees received	-	244
Other payables	5,328,164	5,000,857
Total deposits collected		
(voluntary savings)	5,299,171	4,966,293
Payables to employees	28,993	34,564
Advances received	2,247	5,311
Advances received	2,247	5,311
Taxes and withholdings payable	343,027	316,994
Taxes and funds payable	156,198	141,941
Social security premiums payable	186,829	175,053
Provisions for liabilities and expenses	36,905	-
Allowances for profit tax		
and other legal obligations	279,007	-
Prepaid taxes and other obligations		
of current period profit (-)	(242,102)	-
Other current liabilities	8,539,149	7,599,326
Other current liabilities	8,539,149	7,599,326
Total current liabilities	17,723,763	15,248,322
II. <u>NON-CURRENT LIABILITIES</u>		
Borrowings	668,571	1,041,271
Long-term borrowings	668,571	1,041,271
Other non-current liabilities	1,439,752	6,037,252
Other non-current liabilities	1,439,752	6,037,252
Other liabilities	12,961	36,724
Other liabilities	12,961	36,724
Total non-current liabilities	2,121,284	7,115,247
III. <u>FUNDS</u>		
Other reserves	33,247,174	31,788,526
Extraordinary reserves	2,051	2,051
Other reserves	3,027	3,027
Special funds	33,242,096	31,783,448
Retained earnings/(accumulated losses)	1,187,088	(926,332)
Net gain for the year	1,004,207	2,113,420
Total funds	35,438,469	32,975,614
TOTAL LIABILITIES AND FUNDS RECEIVED	55,283,516	55,339,183

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 2016

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

	2016	2015
Gross sales	15,696,455	15,181,888
Sales	15,696,455	15,181,688
Sales deductions	(410)	(910)
Sales returns	(410)	(910)
Net sales	15,696,045	15,180,778
Cost of sales	(8,426,122)	(7,344,433)
Cost of services provided	(8,426,122)	(7,344,433)
GROSS PROFIT	7,269,923	7,836,345
Operating expenses	(3,610,785)	(3,193,707)
Marketing, selling and distribution expenses	(1,541)	(776)
General administrative expenses	(3,609,244)	(3,192,931)
PROFIT FROM PRIMARY OPERATIONS	3,659,138	4,642,638
Other operating income	199,149	46,311
Exchange gain	37,433	-
Interest income	31,556	24,611
Other income	611	19,200
Unused provisions	129,549	2,500
Other operating expense	(633,975)	(593,291)
Provision expense	(324,469)	(593,291)
Exchange loss	(309,506)	-
Financial expenses	(2,027,030)	(1,509,691)
Financial expenses	(2,027,030)	(1,509,691)
ORDINARY PROFIT	1,197,282	2,585,967
Extraordinary income and gain	151,992	81,546
Extraordinary income	151,992	81,546
Extraordinary expense and loss	(66,060)	(76,605)
Prior period expense and loss	(23,918)	(15,491)
Extraordinary loss	(42,142)	(61,114)
Income before taxation	1,283,214	2,590,908
Taxation	(279,007)	(477,488)
NET PROFIT FOR THE YEAR	1,004,207	2,113,420

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 2016

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

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 TL429,112. The TISVA Microcredit Centre, which is an economic enterprise foundation, was established as a part of TISVA in 2006.

TGMP is being implemented in 94 (31 December 2015: 108) different locations; Adıyaman, Afşin (Kahramanmaraş), Afyon, Aksaray, Amasya, Ankara, Antalya, Artvin, Aydın, Aydın Batı, Bağcılar (İstanbul), Bağlar (Diyarbakır), Balıkesir, Batman, Beykoz (İstanbul), Beyoğlu (İstanbul), Bilecik, Bingöl, Bismil (Diyarbakır), Bitlis, Burdur, Bursa, Çankırı, Çanakkale, Çorum, Darıca (Kocaeli), Denizli, Edirne, Elazığ, Elbistan (Kahramanmaraş), Ergani (Diyarbakır), Erzincan, Erzurum, Eskişehir, Eyüp (İstanbul), Gaziantep, Göksun (Kahramanmaraş), Hakkari, Hatay, İnegöl (Bursa), Iğdır, İskenderun (Hatay), İzmir, İzmit (Kocaeli), Isparta, Kahramanmaraş, Karaman, Kastamonu, Kayapınar (Diyarbakır), Kayseri, Kemaliye (Erzincan), Kırıkkale, Kırklareli, Kırşehir, Kızıltepe (Mardin), Konya, M.Kemal Paşa (Bursa), Malatya, Manisa, Mardin, Mersin, Muğla, Muş, Nazilli (Aydın), Niğde, Nizip (Gaziantep), Ordu, Osmaniye, Reyhanlı (Hatay), Rize, Sakarya, Salıpazarı (Samsun), Samsun, Sancaktepe (İstanbul), Soma (Manisa), Sarıçam (Adana), Sarıyer (İstanbul), Seyhan (Adana), Silvan (Diyarbakır), Sinop, Sivas, Siverek (Şanlıurfa), Sur (Diyarbakır), Şanlıurfa, Şırnak, Şişli (İstanbul), Tokat, Trabzon, Türkoğlu (Kahramanmaraş), Van, Viranşehir (Şanlıurfa), Yenişehir (Bursa), Yozgat and Zonguldak. The number of employees of TGMP at 31 December 2016 is 244 (31 December 2015: 337) and the total member of TGMP is 46,104 (31 December 2015: 53,980).

TGMP projects include six types of loans:

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 with minimum TL500 and maximum TL5,000 limit 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 26 weeks 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 charged as service costs and 5% of the loan given is charged as Banking and Insurance Transactions Tax. The loan and the member service cost are paid in instalments over 46 weeks.

**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 2016

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

I. NATURE OF OPERATIONS (Continued)

b) Enterprise Loan:

TGMP has launched a different loan programme for capable, successful and hard-working members. Enterprise loans can be used at limits of minimum TL1,000 and maximum TL5,000 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 charged as service costs and 5% of the loan given is charged as Banking and Insurance Transactions Tax. 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 back, this system extends its maturity and an agreement is signed with the member accordingly. No additional service fee is charged to members due to restructuring the payment schedule.

d) Short-term Animal Husbandry Loan:

TGMP started to apply 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 limited TL5,000. 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 charged as service costs and 5% of the loan given is charged as Banking and Insurance Transactions Tax. and are paid in instalments over 26 or 46 weeks.

e) 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, 10% of the loan given is charged as service costs and 5% of the loan given is charged as Banking and Insurance Transactions Tax. The loan and the member service cost are paid in instalments over 46 weeks.

f) 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, 10% of the loan given is charged as service costs and 5% of the loan given is charged as Banking and Insurance Transactions Tax. The loan and the member service cost are paid in instalments over 46 weeks.

According to the tax ruling that is provided from Ministry of Finance, effective from the beginning of the year 2013, service charges include 5% Banking and Insurance Transactions Tax (BSMV).

**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 2016

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

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 2016 and 2015 were as follows:

	Extraordinary reserves	Other reserves	Special funds	Retained earnings/ (accumulated losses)	Net profit for the year	Total funds
1 January 2016	2,051	3,027	31,783,448	(926,332)	2,113,420	32,975,614
Transfers	-	-	-	2,113,420	(2,113,420)	-
Donations	-	-	1,458,648	-	-	1,458,648
Net income for the year	-	-	-	-	1,004,207	-
31 December 2016	2,051	3,027	33,242,096	1,187,088	1,004,207	35,438,469

	Extraordinary reserves	Other reserves	Special funds	Accumulated losses	Net profit/(loss) for the year	Total funds
1 January 2015	2,051	3,027	29,465,047	(404,135)	(522,197)	28,543,793
Transfers	-	-	-	(522,197)	522,197	-
Donations	-	-	2,318,401	-	-	2,318,401
Net income for the year	-	-	-	-	2,113,420	2,113,420
31 December 2015	2,051	3,027	31,783,448	(926,332)	2,113,420	32,975,614

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 10% and the Banking and Insurance Transactions Tax is 5% of the outstanding loan amount. TGMP revenue includes micro-credit service charges.

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

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
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NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2016

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

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

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 equipment which is adopted by tax laws are as follows:

	Years
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 through TISVA.

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 is subject to corporate tax.

Corporation tax is payable at a rate of 20% (2015: 20%) on the total income of the Company and its subsidiaries registered in Turkey after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed.

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. TGMP does not have carry-forward tax losses as of 31 December 2016 (31 December 2015: None).

**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 2016

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

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

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 habits. The group members can withdraw their savings any time. TGMP accounts for the weekly deposits collected from the members voluntarily under total deposits collected (voluntary savings) in the balance sheet.

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 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 2015: 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 2015: None).

3. Total amount of insurance on assets:

TL3,010,000 (31 December 2015: TL1,718,200).

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

None (31 December 2015: None).

**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 2016

(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)

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

None (31 December 2015: None).

6. Off-balance sheet commitments and contingent liabilities:

None (31 December 2015: None).

7. Foreign currency denominated cash and bank balances: (31 December 2015: None).

2016			
Currency	Currency Amount	TL Currency	Amount
Euro Banks	11	3.7099	43

8. Foreign currency denominated receivables:

None (31 December 2015: None).

9. Foreign currency denominated liabilities:

None (31 December 2015: None).

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

None (31 December 2015: None).

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

None (31 December 2015: None).

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

None (31 December 2015: None).

13. List of shares representing the share capital:

None (31 December 2015: None).

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

None (31 December 2015: None).

**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 2016

(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)

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

TGMP is a non-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).

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

None (31 December 2015: None).

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

- a. Additions (*) : TL547,559 (31 December 2015: TL2,001,611).
- b. Disposals (**) : TL117,811 (31 December 2015: TL43,455).

(*) Mainly consists of motor vehicle purchases as well as purchase of mobile phones, furniture and fixture and computer software.

(**) Consists of vehicle sales.

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

31 December 2016 31 December 2015

Due to related parties:

Turkish Foundation for Waste Reduction (*)	9,563,902	13,636,578
Morkoz Social Business (**)	2,609,827	1,436,317

(*) 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 %12.5 per annum). The maturities of those bank loans vary between May 2017 and December 2019 and TL1,439,752 is related to the year 2018 and afterwards.

(**) Morkoz Social Business balance consists of payables related to the aid under social development loan.

19. Average number of employees in during the year:

The average number of employees during the year is 273 (31 December 2015: 337).

20. Subsequent events:

- a) In 2017, until the issuance date of these financial statements, TGMP received donations amounting to TL195,000 as presented on the following page:

**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 2016

(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)

Donor - supporter individual/institution	Amount (TL)
Osmaniye Special Provincial Administration Fund	100,000
Denizli Municipality Fund	70,000
Adıyaman Special Provincial Administration Fund	20,000
Tarabya Rotary International Association	5,000
Total	195,000

21. Contingent losses and contingent profits:

None (31 December 2015: None).

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

None (31 December 2015: None).

23. Amount of blocked deposits in bank accounts:

None (31 December 2015: None).

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

None (31 December 2015: None).

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

None (31 December 2015: None).

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

TL574,133 (31 December 2015: TL375,061).

27. Guarantees extended to shareholders, affiliates and subsidiaries:

None (31 December 2015: None).

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

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

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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:

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

	31 December 2016	31 December 2015
Citi Foundation	1,600,615	1,334,470
Kahramanmaraş Special Provincial Administration Fund	1,400,935	1,400,935
Gaziantep Special Provincial Administration Fund	1,400,000	1,400,000
Darülaceze Institution Fund	1,215,000	1,100,000
TİSVA Fund	1,070,957	1,070,957
Nihat Gökyiğit	975,000	975,000
Bursa Special Provincial Administration Fund	800,000	800,000
Aydın Special Provincial Administration Fund	753,688	753,688
Grameen- Jameel	746,525	746,525
Rize Special Provincial Administration Fund	735,000	655,000
Hatay Special Provincial Administration Fund	620,000	620,000
Whole Planet Foundation	571,909	571,909
Amasya Special Provincial Administration Fund	560,000	560,000
Hüsni Özyeğin	551,224	551,224
Mardin Special Provincial Administration Fund	535,215	535,215
Denizli Municipality Fund	532,000	402,000
Osmaniye Special Provincial Administration Fund	500,000	400,000
Batman Special Provincial Administration Fund	500,000	500,000
Kahramanmaraş Municipality Fund	500,000	50,000
Galip Öztürk	455,000	455,000
Trabzon Special Provincial Administration Fund	450,000	450,000
HSBC	426,043	426,043
Open Society Foundation	423,359	423,359
Manisa Special Provincial Administration Fund	400,000	400,000
Sivas Special Provincial Administration Fund	400,000	400,000
Şanlıurfa Special Provincial Administration Fund	399,997	399,997
Rotary Institution Fund	385,000	385,000
M.V Holding A.Ş	355,000	355,000
Asım Kocabıyık	350,000	350,000
Balıkesir Special Provincial Administration Fund	350,000	350,000
Vuslat Doğan Sabancı	350,000	350,000
Samsun Special Provincial Administration Fund	340,000	340,000
Niğde Special Provincial Administration Fund	325,000	325,000
Bingöl Special Provincial Administration Fund	301,000	251,000
Erzincan Special Provincial Administration Fund	297,750	297,750
Feyyaz Berker	275,000	275,000
Rotary Federation Fund	273,000	276,500

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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 2016	31 December 2015
Tekfen Holding A.Ş.	263,420	263,420
Tevfik Öz	257,955	257,955
Vehbi Bilgin	250,000	250,000
Tokat Special Provincial Administration Fund	245,000	245,000
Limak Holding A.Ş.	225,000	225,000
Kırıkkale Special Provincial Administration Fund	225,000	225,000
Gaziantep Sodes	220,000	220,000
Isparta Special Provincial Administration Fund	210,000	210,000
Yozgat Special Provincial Administration Fund	209,213	209,213
Turkcell	205,000	105,000
Adıyaman Special Provincial Administration Fund	200,000	180,000
Çankırı Special Provincial Administration Fund	200,000	200,000
Çorum Municipality Fund	200,000	200,000
Malatya Municipality Fund	200,000	200,000
Malatya Special Provincial Administration Fund	200,000	200,000
Sakarya Special Provincial Administration Fund	200,000	200,000
Sema Doğan	200,000	200,000
Viranşehir Sodes	200,000	200,000
Karaman Special Provincial Administration Fund	195,000	195,000
Diyarbakır Sodes	194,600	194,600
Kırklareli Special Provincial Administration Fund	190,000	190,000
Turgay Ciner	190,000	190,000
Bingöl Sodes	186,000	186,000
Karaman Municipality Fund	185,000	185,000
Erzincan Sodes	184,000	184,000
Bilecik Special Provincial Administration Fund	170,000	170,000
Batman Pemi	160,000	160,000
Burdur Special Provincial Administration Fund	160,000	160,000
Eskişehir Special Provincial Administration Fund	157,000	157,000
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
Adıyaman Sodes	150,000	150,000
Şanlıurfa Metropolitan Municipality	148,578	148,578
Muş Sodes	148,000	148,000
Borusan Holding A.Ş.	132,450	132,450
Aksaray Special Provincial Administration Fund	130,000	100,000
Erzurum Special Provincial Administration Fund	120,000	120,000

**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)

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

	31 December 2016	31 December 2015
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
Abalıoğlu Yem	100,000	100,000
Ayşe Işıl Zaim	100,000	100,000
Elazığ Special Provincial Administration Fund	100,000	100,000
İsken Enerji Üretim	100,000	100,000
Ordu Special Provincial Administration Fund	100,000	100,000
Osman Yıldırım Coşkun	100,000	100,000
Sosyal Market Institution Fund	100,000	100,000
Muş Special Provincial Administration Fund	100,000	55,000
Bereket Enerji	100,000	-
Altınordu Municipality Fund	100,000	-
Kütahya Special Provincial Administration Fund	89,874	89,874
Yuma İnşaat	80,000	80,000
Ahmet Kaya Bağ	78,000	52,000
Zonguldak Special Provincial Administration Fund	75,000	75,000
BRJ	73,636	73,636
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
İsmail Kavuncu	55,000	55,000
Cey-Kar A.Ş.	50,000	50,000
Iğdır Special Provincial Administration Fund	50,000	50,000
Metalurji Baştuğ Sanayi A.Ş.	50,000	50,000
Nihat Özdemir	50,000	50,000
Recep Atakaş	50,000	50,000
Siverek Sodes	50,000	50,000
TAV Yatırım Holding A.Ş.	50,000	50,000
Trabzon Municipality Fund	50,000	50,000
Tülay Aksoy	50,000	50,000
Türk Telekom	50,000	50,000
Edirne Special Provincial Administration Fund	50,000	50,000
Neşe Racioğlu	50,000	-
TBMM	49,588	49,588
Reyhanlı Municipality Fund	40,974	40,974
Aytekin Conkur	32,000	32,000

**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 2016

(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 2016	31 December 2015
Nevşehir Special Provincial Administration Fund	30,000	14,000
MPR Pazarlama	27,442	27,442
Osmaniye Special Provincial Administration Personnel	25,500	25,500
Ercan Alagöz	25,000	25,000
Kahramanmaraş Chamber of Commerce	25,000	25,000
Kipaş A.Ş.	25,000	25,000
Yeşim Toduk-Ali Rıza Toduk	25,000	25,000
Erpa Hospital	25,000	-
Aksoğanlar A.Ş.	22,160	22,160
Osmaniye Turkish Local Service Union	22,000	22,000
Begümhan Doğan Faralyalı	21,000	21,000
Agritrade Tarım Ürünleri	20,000	20,000
İzmir Sanayiciler	20,000	20,000
Leyla Alaton	20,000	20,000
Norm Sanayi Dış Ticaret	20,000	20,000
Tosyalı Holding A.Ş.	20,000	20,000
İşkur Enerji A.Ş.	15,000	15,000
Nokta Kom Medya	15,000	15,000
Spintek İletişim A.Ş.	15,000	15,000
Yazıcı Demir Çelik A.Ş.	15,000	15,000
Ecem Erşeker	14,859	14,859
Aziz Akgül	14,118	14,118
Ali Kale	14,000	14,000
Towerbridgeint Services	12,582	12,582
Ömer Sabancı	12,500	12,500
Hasan Serhan Süzer	10,500	10,500
Selim Akın	10,150	10,150
Denizli Ak Parti Meclis Grubu Huzur Hakları	10,000	10,000
Aksu Maden	10,000	10,000
Batü Ege Gayrimenkul	10,000	10,000
Boydak Holding A.Ş.	10,000	10,000
Edirne Ticaret Odası	10,000	10,000
Merke Doğal	10,000	10,000
Nuri Üysen	10,000	10,000
Osman Özgür	10,000	10,000
Ral Steel Recycling Industry	10,000	10,000
Shamrock Tekstil	10,000	10,000
Yonpaş Forest Products	10,000	10,000
Bülent Tanilli	7,500	-

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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 2016	31 December 2015
İran Bağış	6,930	6,930
Eman Tur	6,110	6,110
Doğuş Otomotiv	6,000	6,000
Adil Koç	5,000	5,000
Ahmet Mercan	5,000	5,000
Ali Emre Kaan Sabancı	5,000	5,000
Ali İsmail Sabancı	5,000	5,000
Ali Rıza Ceylan	5,000	5,000
Alpler Agricultural Products	5,000	5,000
Deniz Textile	5,000	5,000
Emas Metal Industry	5,000	5,000
Fikret Ataman	5,000	5,000
Finansbank	5,000	5,000
Hanzade Vasfiye Doğan Boyner	5,000	5,000
Hayri Yüce	5,000	5,000
Hürsan Tekstil	5,000	5,000
Metin Yıldız	5,000	5,000
Nevbahar Koç - Ali Koç	5,000	5,000
Okan University	5,000	5,000
Ozan Textile	5,000	5,000
Özpak Nutrition	5,000	5,000
Sema Karaoğlu	5,000	5,000
Vefa Dayanıklı Tük. Mal. Ltd. Şti.	5,000	5,000
Uygun Konteyner	5,000	-
Özcan Ertunç	4,000	4,000
Mim Tur	3,750	3,750
Ayşe Uzunlu	3,500	3,500
Kahramanmaraş Chamber Fund	3,400	3,400
Asaş Filtre San. Tic. A.Ş.	3,000	3,000
Dr. Sinan Karaoğlu	3,000	3,000
Veli Korkmaz	3,000	3,000
Promed Hospital	3,000	3,000
Çorum Chamber of Commerce	2,500	2,500
Doğan Erten	2,500	2,500
Özdörtler Gıda	2,500	2,500
Şah-Pet Şahin Kardeşler	2,500	2,500
Dört Yol Rural Services Invitation	2,023	2,023
Akprofil Turizm	2,000	2,000
Ansa-Med Sağlık	2,000	2,000

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

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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 2016	31 December 2015
Aynur Erman	2,000	2,000
Dal Home Decoration	2,000	2,000
Ecevit Arakılıç	2,000	2,000
Giltaş Marine	2,000	2,000
Kemal Oğuz	2,000	2,000
Kızıklı Gıda	2,000	2,000
Kosifler Otomotiv	2,000	2,000
Mahmut Hiçyılmaz	2,000	2,000
Mehmet Kılıçlar	2,000	2,000
Numanoğlu İnşaat	2,000	2,000
Numanoğlu Construction	2,000	2,000
Otonom Görüntüleme	2,000	2,000
Seval-Kaya Başaran	2,000	2,000
Seyfettin Kanık	2,000	2,000
Bilal Çeker	2,000	2,000
Ayşe İnan	1,500	1,500
Ertuğrul Özkök	1,500	1,500
Association of Women Entrepreneurs	1,500	1,500
Hakkı Hasan Yılmaz	1,500	1,500
İhsan Onat	1,500	1,500
İbrahim Betil	1,200	1,200
Ahmet Kamil Şirikçi	1,100	1,100
Diekmann Schwanena Llee	1,016	1,016
Emel Özmal	1,010	1,010
Naşit Doğan	1,007	1,007
Dörtüol Municipality Fund	1,000	1,000
Hilmi Mithat Delen	1,000	1,000
Adnan Günay	1,000	1,000
Ali Ezinç	1,000	1,000
Ali Hamza Pehlivan	1,000	1,000
Ali Nur Aktaş	1,000	1,000
Ali Özbuğday	1,000	1,000
Aliye Varoğlu	1,000	1,000
Anıl Otomotiv Ticaret	1,000	1,000
Aydeniz Ailesi	1,000	1,000
Aydın Commodity Exchange	1,000	1,000
Aylin - Özcan Tahincioğlu	1,000	1,000
Ayşe Oya Eczacıbaşı	1,000	1,000
Aziz Efe	1,000	1,000

**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 2016	31 December 2015
Bülent Eczacıbaşı	1,000	1,000
Cem Kozlu	1,000	1,000
Derya Erden Çerkeş	1,000	1,000
Deniz Çemşit Demiroğlu	1,000	1,000
Dilek Karadeniz	1,000	1,000
Ebru Ve Temuçin Tüzecan	1,000	1,000
Emin Metin	1,000	1,000
Enerji Sa	1,000	1,000
Erkan Çakım	1,000	1,000
Ermaş Madencilik	1,000	1,000
Esengül Korkmaz Çiçekli	1,000	1,000
Fevzi Eriş	1,000	1,000
Gazi Osman Ovalı	1,000	1,000
Gülray Gül	1,000	1,000
Gültekin Güvensoy	1,000	1,000
Hacı Karaca	1,000	1,000
Halef Günay	1,000	1,000
Hamdi Kınaş	1,000	1,000
Hasan Fehmi Kınay	1,000	1,000
Hasan Tunç	1,000	1,000
Hateks Textile	1,000	1,000
Haydar Kotan	1,000	1,000
Kızıltepe District Governorship Invitation	1,000	1,000
Mahmut Miskar	1,000	1,000
Mehmet Güzelmansur	1,000	1,000
Mehmet Narin	1,000	1,000
Menaf Kıyanç	1,000	1,000
Midyat District Governorship Invitation	1,000	1,000
Mine Lök Beyaz	1,000	1,000
Murat Özyeğin	1,000	1,000
Musa Birdal	1,000	1,000
Mustafa Birsen	1,000	1,000
Mustafa Erkan Ersoy	1,000	1,000
Mustafa Poyraz	1,000	1,000
Mustafa Takmaklı	1,000	1,000
Mustafa Yıldırım	1,000	1,000
Naime Göker Ekim	1,000	1,000
Nazilli Municipality Invitation	1,000	1,000
Nur İpek Kumaşçılık	1,000	1,000

**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 2016	31 December 2015
Nuri Bayramoğlu	1,000	1,000
Orhan Durmuş	1,000	1,000
Öz Volkan Oil	1,000	1,000
Petek Pastanesi	1,000	1,000
İzmir Rotary Club Invitation	1,000	1,000
Şafak Çivici	1,000	1,000
Selma Özkan	1,000	1,000
Semih Cemali	1,000	1,000
Semiha Öyüş	1,000	1,000
Sezai Boncuk	1,000	1,000
Tahsin Kabaali	1,000	1,000
Tuncay Akkoyun	1,000	1,000
Vahap Minigül	1,000	1,000
Yesaş	1,000	1,000
Yüksel Duman	1,000	1,000
Yüksel Construction	1,000	1,000
Orhan Aktaşlı	1,000	-
Sevim Güral Olgun	1,000	1,000
F. Sevinç Dinçsoy	600	600
Ayfer Balki	570	570
Ahmet Faralyalı	500	500
Ahmet Nafi Dalman	500	500
Ahmet Özer	500	500
Alev Çeliktaş	500	500
Ali Cingilloğlu	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
Arzu Çebi	500	500
Arzuhan Yalçındağ	500	500
Asli ve Damar Arikoğlu	500	500
Asli Demir Sabancı	500	500
Aslı Erkut Soyak	500	500
Asuman Şener	500	500
Aydin Doğan Yalçındağ	500	500
Ayşe Leman Balım	500	500
Ayşe Nil Bağcıoğlu	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 2016	31 December 2015
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 ve Korhan Kurdoğlu	500	500
Ekinözü Municipality Invitation	500	500
Elif Dürüst	500	500
Elif Şafak-Eyüp Can	500	500
Emel Armutçu	500	500
Emine Kamışlı	500	500
Enis Berberoğlu	500	500
Erhan Kamışlı	500	500
Erol - Güliz Kalaçı	500	500
Ersin Arıoğlu	500	500
Esra Bilgin	500	500
Fatma Ayşe Cemal	500	500
Ferayi ve Lütfü Tınç	500	500
Gökhan Sime	500	500
Gülse Şener Birsell	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
Maide ve Emre Kurttepelı	500	500
Mediha Ayça Sarangıl	500	500
Mehmet Ali Yalçındağ	500	500
Mehmet Başer	500	500
Mehmet Doğan Hızlan	500	500
Mehmet Esra Armağan	500	500
Mehmet Kahraman	500	500
Mehmet Oğuz Güney	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 2016	31 December 2015
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
Öz Avcı Construction Supplies	500	500
Ozan Şener	500	500
Özcan Sabancı	500	500
Özkan Ateş	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 ve Nedim Dayan	500	500
Taylan Bilge	500	500
Tijen Mergen	500	500
Tuğba Zeybek Demircan	500	500
Tülay Ulusoy	500	500
Umut Alphan	500	500
Vio-Verda-Lidya	500	500
Virna and Vedat	500	500

**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 2016

(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 2016	31 December 2015
Yasemin Germiyangil	500	500
Yusuf Fatih Çekirge	500	500
Zafer Civelek	500	500
Zeynep Dalman	500	500
Zeynep Orcan Kalkagüliz	500	500
Zeynep Temelli	500	500
Ahmet Alperen	500	-
Olca Uygur	400	400
Nuray Ökten	300	300
Demet-Abdulkadir Varoğlu	250	250
Erdem Ünlü Çetinkaya	250	250
Serkan Boyalı	250	250
Şeyma Boyacıgil	250	250
Yeşim Özemir	250	250
Mustafa Uçar	250	250
Morkoz Health and Cosmetics Products	240	240
Ferit Mevlüt Aslan	200	200
Hatice Nuray Ökten	200	200
Özgül Atılgın Ayanoglu	200	200
Palu Municipality Invitation	200	200
Serdar Kartal	200	200
Sümer Plastik	184	184
Keiko Takaki	150	150
Yakup Dinç	150	150
Aybüke Altaş	100	100
Burhanettin Aktaş	100	100
Celal Tilge	100	100
İzmirliler Otel Yatırım Tur. A.Ş.	100	100
Şakir Dorukkaya	100	100
Şebnem Bursalı	80	80
Aysel Balki	70	70
Murat Akpiçak	60	60
Semra Ulusoy	55	55
Dilek Başoğlu	50	50
Halil Kılıç-Kavuklar A.Ş.	50	50
Kerem İnanır	50	50
Oltan Sungurlu	50	50
Öz Işık Yılmaz Özgün	50	50
Şerife Kürekçi	50	50

**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 2016

(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 2016	31 December 2015
Serkan Bulguroğlu	5	5
Adana Social Assistance and Solidarity Foundation	-	120,000
Hassa Social Assistance and Solidarity Foundation	-	80,000
Adana Industrial Zone	-	50,000
Pursaklar Social Assistance and Solidarity Foundation	-	5,000
Total	33,242,096	31,783,448

- 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 non-profit organization, it is not required to prepare a statement of profit distribution. However, as of the issuance date of these financial statements, the Foundation has not prepared its statements of changes in shareholders' equity, cash flows and fund flows.

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 non-profit organisations.

**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 2016

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

B) NOTES TO THE STATEMENT OF INCOME

1. Total depreciation and amortisation charges for the period:

Depreciation: TL662,922 (2015: TL266,710).

Amortisation: TL12,579 (2015: TL23,222).

2. Provision expenses for the period:

TL324,469 (2015: TL593,291).

3. Financial expenses for the period:

As of 31 December 2016, financial expense for the period is TL2,027,030 (2015: TL1,509,691).

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

None (2015: None).

5. Sales to shareholders, subsidiaries and affiliates:

None (2015: None).

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

None (2015: 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 2016 TL114,143 was paid to the General Manager and Assistant General Manager of TGMP (2015: TL45,598). 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 plant and equipment 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 in the financial statements as of 31 December 2016.

**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 2016

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

**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 (2015: None).

11. Explanatory note for prior period income and expenses:

TL611 prior period income occurred during the year (2015: None). Prior period expense amounting to TL23,918 is related to various expenses such as communication, electricity, postage expenses of 2016 (2015: TL15,491).

12. Earnings per share:

Since TGMP is not a joint 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:

	2016	2015
Salaries	1,913,021	1,575,229
Meal	472,431	458,973
Transportation	366,765	333,736
Communication	220,003	253,660
Rent	160,289	161,208
Tax expenses	154,158	25,652
Consultancy services	87,034	131,539
Press and printing expenses	84,012	91,464
Maintenance	65,116	16,096
Depreciation and amortisation expenses	46,026	44,993
Electricity, phone and water expenses	15,080	30,791
Fixtures recorded as expense	1,372	1,603
Other	23,937	67,987
General administrative expenses	3,609,244	3,192,931

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

**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)**

B) NOTES TO THE STATEMENT OF INCOME (Continued)

13. Other disclosures (Continued)

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

	2016	2015
Salaries	6,500,836	5,626,417
Depreciation and amortisation expenses	624,255	244,939
Fuel	336,742	367,613
Maintenance	262,187	107,854
Taxes and other duties (Other than corporate income tax)	168,741	116,945
Insurance	159,014	60,719
Communication	74,961	88,648
Stationery	50,198	34,439
Vehicle rent	33,724	465,561
Other	215,464	231,298
Cost of sales	8,426,122	7,344,433

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

	2016	2015
Vehicle sales	63,072	44,682
Insurance income	15,769	17,642
General management donation	-	10,519
Other	129,495	8,703
Total	208,336	81,546

d) The interest paid to related parties are as follows:

	2016	2015
Turkish Foundation for Waste Reduction	1,782,244	856,686
