

**GSD Holding
Anonim Şirketi**

Condensed Consolidated Interim Financial Information
As at and For the Six-Month Period Ended
30 June 2019
Together With Auditors' Report on Review of
Condensed Consolidated Interim Financial Information

16 August 2019

This report includes 2 pages of auditors' review report and 57 pages of condensed consolidated interim financial information together with explanatory notes and 4 pages of supplementary information.

GSD Holding Anonim Şirketi

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Independent Auditors' Report on Review of Condensed Consolidated
Interim Financial Information

To Board of Directors of GSD Holding A.Ş.,

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of GSD Holding A.Ş. ("the Company") as at 30 June 2019, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standards 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at and for the six-month period ended 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Other Matter

Supplementary information included in Appendix I does not form part of the reviewed consolidated interim financial information. We have not reviewed this supplementary information and, accordingly, we do not express any conclusion or any other form of assurance on this supplementary information.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
A member firm of KPMG International Cooperative



Orhan Akova
Partner

16 August 2019
Istanbul, Turkey

GSD Holding Anonim Şirketi

Condensed Consolidated Interim Statement of Financial Position As at 30 June 2019

(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	30 June 2019	31 December 2018
Assets			
Cash and balances with the Central Bank	4	1,815	5,441
Deposits with other banks and financial institutions	4	102,277	236,459
Receivables from money market	4	6,426	5,003
Reserve deposits at the Central Bank	4	264	2,594
Financial assets– fair value through profit/loss	5	800,847	721,845
Unquoted equity instruments	1,5	377	377
Loans and advances to customers, net	8	245,366	210,352
Factoring receivables, net	8	228,986	105,760
Finance lease receivables, net	8	11	26
Trade receivables, net	7	12,560	6,310
Other receivables, net	17	4,080	12,811
Assets held for sale from continuing operations	20	76	76
Property and equipment	11	632,860	586,324
Right of use assets	11.1	10,563	-
Intangible assets	12	491	407
Prepaid income tax	15	3,532	2,990
Deferred tax assets	15	1,732	2,318
Inventories	9	3,485	3,764
Prepaid expenses		3,319	1,829
Other assets	18	2,035	1,778
Total assets		2,061,102	1,906,464
Liabilities			
Funds borrowed	8	475,448	430,590
Other money market deposits	8	46,930	18,513
Borrowers' funds	8	14,339	77,133
Factoring payables	8	565	1,430
Liabilities arising from finance leases	8	47	57
Lease liabilities	8	11,063	-
Trade payables	7	2,517	241
Other payables	17	7,220	14,832
Current tax liability	15	5,268	4,342
Deferred income		3,207	3,088
Provisions	16,22	7,592	7,030
Deferred tax liabilities	15	28,129	22,035
Other liabilities	18	21	20
Total liabilities		602,346	579,311
Equity			
	19		
Share capital		535,986	535,986
Treasury shares		(91,018)	(91,018)
Share premium		4,945	4,945
Changes in non-controlling interests without loss of control		-	(382)
Remeasurements of the net defined benefit liability (asset)		(107)	(60)
Fair value reserve		-	-
Translation reserve		196,219	167,178
Prior years' profits		683,080	390,334
Net profit for the period		100,912	293,188
Equity attributable to equity holders of the parent		1,430,017	1,300,171
Non-controlling interests		28,739	26,982
Total equity		1,458,756	1,327,153
Total liabilities and equity		2,061,102	1,906,464

The accompanying policies and explanatory notes on pages 6 through 57 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Six-Month Period Ended 30 June 2019

(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

CONTINUING OPERATIONS	<i>Notes</i>	01.01.2019 30.06.2019	01.01.2018 30.06.2018
Holding activities income		-	-
Holding activities expense (-)		-	-
Gross profit/(loss) from holding activities		-	-
Marine sector income		54,709	38,548
Marine sector expense (-)		(46,952)	(30,561)
Gross profit/(loss) from marine sector operations		7,757	7,987
Gross profit/(loss) from commercial sector operations		7,757	7,987
Interest income		63,246	56,575
Service income		13,559	7,012
Revenue from financial activities		76,805	63,587
Interest expense (-)		(17,426)	(23,543)
Service expense (-)		(680)	(740)
Cost of financial activities (-)		(18,106)	(24,283)
Provision income/(expense) arising from financial sector operations, net		(562)	(414)
Foreign exchange gain/(loss), net		(399)	2,460
Net trading income / (loss) from derivative financial instruments		-	176
Other financial sector operations income/(expense), net		194	1,089
Gross profit/(loss) from financial sector operations		57,932	42,615
GROSS PROFIT/(LOSS)		65,689	50,602
Administrative expenses (-)		(21,929)	(23,594)
Other income from operating activities		17,267	15,932
Other expense from operating activities (-)		(2,542)	(681)
OPERATING PROFIT/(LOSS)		58,485	42,259
Income from investment activities	20	74,948	135,619
Expense from investment activities (-)		(15)	-
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES		133,418	177,878
Financing income		-	-
Financing expenses (-)		(15,901)	(19,177)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		117,517	158,701
Tax income/(expense) from continuing operations		(16,580)	(16,948)
Current tax income/(expense)	15	(9,872)	(12,600)
Deferred tax income/(expense)	15	(6,708)	(4,348)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		100,937	141,753
NET PROFIT/(LOSS)		100,937	141,753
Net profit/(loss) (continuing and discontinued operations) attributable to:			
Non-controlling interest	19	25	269
Equity holders of the company		100,912	141,484
Net profit/(loss) (continuing operations) attributable to:			
Non-controlling interest		25	269
Equity holders of the company	25	100,912	141,484
Net profit/(loss) (discontinued operations) attributable to:			
Non-controlling interest		-	-
Equity holders of the company	25	-	-
Earnings per share (in full TL per share with a nominal value of full TL 1)			
Earnings per share from continuing operations	25	0.280	0.393
Earnings per share from discontinued operations	25	0.000	0.000

The accompanying policies and explanatory notes on pages 6 through 57 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Six-Month Period Ended 30 June 2019

(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

	01.01.2019 30.06.2019	01.01.2018 30.06.2018
<i>Notes</i>		
NET PERIOD PROFIT / (LOSS)	100,937	141,753
<u>Other comprehensive income which will be not reclassified in profit or loss</u>	(115)	(35)
Remeasurements of the net defined benefit liability (asset)	(115)	(35)
<u>Other comprehensive income which will be reclassified in profit or loss</u>	30,781	51,113
Change in currency translation differences	30,781	51,113
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	-	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)	30,666	51,078
TOTAL COMPREHENSIVE INCOME	131,603	192,831
Total comprehensive income attributable to:		
Non-controlling interest	1,757	3,316
Equity holders of the company	129,846	189,515

The accompanying policies and explanatory notes on pages 6 through 57 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2019
(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Share capital	Inflation adjustment to share capital	Treasury shares	Share premium	Changes in non-controlling interests without loss of control	Other accumulated comprehensive income and expense which will be not be reclassified in profit or loss	Other accumulated comprehensive income and expense which will be reclassified in profit or loss		Accumulated profits	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
							Remeasurements of the net defined benefit liability (asset)	Translation reserve	Fair value reserve				
At 1 January 2018	19	450,000	85,986	(91,018)	4,945	(765)	(66)	69,468	22,361	389,805	930,716	20,766	951,482
Adjustments related with changes in accounting policies		-	-	-	-	-	-	-	(22,361)	24,044	1,683	-	1,683
Transfers		-	-	-	-	765	66	-	-	(1,154)	(323)	-	(323)
Transfer to retained earnings		-	-	-	-	765	66	-	-	(1,154)	(323)	-	(323)
Total comprehensive income		-	-	-	-	-	(34)	48,065	-	141,484	189,515	3,316	192,831
Net profit		-	-	-	-	-	-	-	-	141,484	141,484	269	141,753
Other comprehensive income		-	-	-	-	-	(34)	48,065	-	-	48,031	3,047	51,078
Transactions with owners in their capacity as owners recognized in equity		-	-	-	-	-	-	-	-	-	-	(300)	(300)
Dividends		-	-	-	-	-	-	-	-	-	-	(300)	(300)
Dividend paid to non-controlling interest by subsidiaries		-	-	-	-	-	-	-	-	-	-	(300)	(300)
Increase/decrease arising from treasury share transactions		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from changes without resulting loss of control in share ratios of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from repurchased shares in share ratios of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2018	19	450,000	85,986	(91,018)	4,945	-	(34)	117,533	-	554,179	1,121,591	23,782	1,145,373
At 1 January 2019	19	450,000	85,986	(91,018)	4,945	(382)	(60)	167,178	-	683,522	1,300,171	26,982	1,327,153
Adjustments related with changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	382	60	-	-	(442)	-	-	-
Transfer to retained earnings		-	-	-	-	382	60	-	-	(442)	-	-	-
Total comprehensive income		-	-	-	-	-	(107)	29,041	-	100,912	129,846	1,757	131,603
Net profit		-	-	-	-	-	-	-	-	100,912	100,912	25	100,937
Other comprehensive income		-	-	-	-	-	(107)	29,041	-	-	28,934	1,732	30,666
Transactions with owners in their capacity as owners recognized in equity		-	-	-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interest by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from treasury share transactions		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from changes without resulting loss of control in share ratios of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from repurchased shares in share ratios of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2019	19	450,000	85,986	(91,018)	4,945	-	(107)	196,219	-	783,992	1,430,017	28,739	1,458,756

The accompanying policies and explanatory notes on pages 6 through 57 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Condensed Consolidated Interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2019
(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	01.01.2019 30.06.2019	01.01.2018 30.06.2018
Cash flows from operating activities of continuing operations			
Marine sector income		54,709	38,548
Marine sector expenses		(30,556)	(19,157)
Interest received from financial sector activities		58,018	50,655
Interest paid for financial sector activities		(16,711)	(22,175)
Service income from financial sector activities		13,559	7,012
Cost of service for financial sector activities		(680)	(740)
Cash receipts from derivative contracts held for dealing or trading purposes		-	12,778
Cash payments for derivative contracts held for dealing or trading purposes		-	(3,953)
Cash payments to employees and other parties		(18,251)	(22,945)
Cash received from other operating activities		618	1,354
Cash paid for other operating activities		(156)	(106)
Interest received from operating activities apart from financial sector activities		9,602	3,908
Income taxes paid	15	(6,194)	(9,124)
Net cash provided by operating activities before changes in operating assets and liabilities from continuing operations		63,958	36,055
Changes in operating assets and liabilities of continuing operations			
Change in reserve deposits at Central Bank		2,319	1,377
Change in loans and advances to customers		(33,155)	(78,367)
Change in factoring receivables		(120,260)	57,180
Change in finance lease receivables		(218)	(361)
Change in other assets		(46,112)	(4,574)
Change in payables due to money market transactions		28,417	14,578
Change in borrowers' funds		(62,503)	19,547
Change in factoring payables		(865)	984
Change in liabilities arising from finance leases		(10)	(47)
Change in other liabilities		5,156	1,588
Net cash (used in) / provided by operating activities from continuing operations		(163,273)	47,960
Net cash (used in) / provided by operating activities from discontinued operations		-	-
Cash flows from investing activities of continuing operations			
Proceeds from sale and redemption of available for sale securities		(19,728)	-
Proceeds from sale of property held for sale	20	-	79,216
Proceeds from sale of property and equipment	11	-	22
Purchases of property and equipment	11	(8,649)	(71,821)
Purchases of intangible assets	12	(157)	(59)
Interest received from investing activities		-	-
Other cash receipts from/cash payments for investing activities		13,175	11,513
Net cash (used in) / provided by investing activities from continuing operations		(15,359)	18,871
Net cash (used in) / provided by investing activities from discontinued operations	20	-	-
Cash flows from financing activities of continuing operations			
Cash received from funds borrowed		292,325	271,750
Repayments of funds borrowed		(247,686)	(236,531)
Payments of lease liabilities		(2,931)	-
Dividends paid to non-controlling interest by subsidiaries		-	(300)
Interest paid for financing activities apart from financial sector activities		(12,838)	(7,699)
Other cash receipts from/cash payments for financing activities		(110)	(85)
Net cash (used in) / provided by financing activities from continuing operations		28,760	27,135
Net cash (used in) / provided by financing activities from discontinued operations	20	-	-
Continuing Operations			
Effect of net foreign exchange difference on cash and cash equivalents		13,485	(39,526)
Net (decrease) / increase in cash and cash equivalents		(136,387)	54,440
Cash and cash equivalents at 1 January		245,223	115,382
Cash and cash equivalents at 30 June	26	108,836	169,822

The accompanying policies and explanatory notes on pages 6 through 57 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Notes to the Consolidated Financial Statements
For the Six-Month Period Ended 30 June 2019
(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

1. REPORTING ENTITY

General

GSD Holding Anonim Şirketi (the “Company”) was established in Istanbul in 1986. The Company is a holding entity; investing in companies in different sectors, realizing the establishment and participating in the management of these companies.

The registered office address of the Company is Aydınevler Mahallesi, Kaptan Rıfat Sokak, No: 3, 34854, Maltepe, Istanbul, Turkey.

The Company’s shares are quoted on Borsa Istanbul (Istanbul Stock Exchange) since 11 November 1999.

As at 30 June 2019, average number of employees is 102 (31 December 2018: 104).

As at 30 June 2019, the shares of a consolidated subsidiary, namely GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret AŞ, are quoted on Borsa Istanbul (Stock Exchange) with public ownership of 15.50% (As at 31 December 2018, the shares of consolidated subsidiary, namely GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret AŞ, are quoted on Borsa Istanbul (Stock Exchange) with public ownership of 15.50%.)

As at 30 June 2019 and 31 December 2018, the composition of shareholders and their respective percentages of ownership can be summarized as follows:

30 June 2019						
(Full TL)	Class (A)	Class (B)	Class (C)	Class (D)	Total	Share (%)
Publicly owned	-	-	-	224,375,129	224,375,129	49.861
M. Turgut Yılmaz	707	441	707	114,748,150	114,750,005	25.500
GSD Holding A.Ş.	-	-	-	90,000,000	90,000,000	20.000
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş.	-	-	-	20,250,000	20,250,000	4.500
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	624,600	624,600	0.139
Other privileged shareholders	-	266	-	-	266	0.000
Share capital	707	707	707	449,997,879	450,000,000	100.000
Inflation adjustment on share capital					85,985,890	
Inflation adjusted share capital					535,985,890	

31 December 2018						
(Full TL)	Class (A)	Class (B)	Class (C)	Class (D)	Total	Share (%)
Publicly owned	-	-	-	224,375,129	224,375,129	49.861
M. Turgut Yılmaz	707	441	707	114,748,150	114,750,005	25.500
GSD Holding A.Ş.	-	-	-	90,000,000	90,000,000	20.000
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş.	-	-	-	20,250,000	20,250,000	4.500
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	624,600	624,600	0.139
Other privileged shareholders	-	266	-	-	266	0.000
Share capital	707	707	707	449,997,879	450,000,000	100.000
Inflation adjustment on share capital					85,985,890	
Inflation adjusted share capital					535,985,890	

GSD Holding Anonim Şirketi
Notes to the Consolidated Financial Statements
For the Six-Month Period Ended 30 June 2019
(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies

For the purposes of the consolidated financial statements, the Company and its consolidated subsidiaries are referred to as “the Group”. The subsidiaries included in consolidation and the effective ownership percentages of the Group as at 30 June 2019 and 31 December 2018 are as follows:

Subsidiaries ⁽¹⁾⁽³⁾	Country of Incorporation	Bist Code	Principal Activities	Effective Shareholding(%)	
				30 June 2019	31 December 2018
GSD Yatırım Bankası A.Ş.	Turkey		Investment Banking	100.00	100.00
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.	Turkey	GSDDE	Maritime	83.41	83.41
GSD Faktoring A.Ş.	Turkey		Factoring	89.66	89.66
Cano Maritime Ltd. ⁽¹⁾	Malta		Maritime	83.41	83.41
Hako Maritime Ltd. ⁽¹⁾	Malta		Maritime	83.41	83.41
GSD Shipping B.V. ⁽²⁾⁽³⁾	Netherlands		Maritime	100.00	100.00
Mila Maritime Ltd. ⁽³⁾	Malta		Maritime	100.00	100.00
Zeyno Maritime Ltd. ⁽⁴⁾	Malta		Maritime	100.00	100.00
Dodo Maritime Ltd. ⁽⁵⁾	Malta		Maritime	100.00	100.00
Neco Maritime Ltd. ⁽⁵⁾	Malta		Maritime	100.00	100.00

⁽¹⁾ The financial statements of Cano and Hako Maritime Ltd have been consolidated to GSD Denizcilik Gayrimenkul İnşaat ve Sanayi ve Ticaret A.Ş.

⁽²⁾ GSD Shipping B.V. was established in Netherlands on 19 October 2016 to operate in maritime sector. The financial statements of GSD Shipping B.V. have been consolidated to GSD Holding A.Ş.

⁽³⁾ Mila Maritime Ltd. was established in Malta on 21 November 2016 to operate in maritime sector. The financial statements of Mila Maritime Ltd. have been consolidated to GSD Shipping B.V..

⁽⁴⁾ The financial statements of Zeyno Maritime Ltd. have been consolidated to GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. until 6 June 2018, from this date the financial statements of Zeyno Maritime Ltd. have been consolidated to GSD Shipping B.V..

⁽⁵⁾ The financial statements of Neco Maritime Ltd. and of Dodo Maritime Ltd. have been consolidated to GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. until 6 December 2018, from this date the financial statements of Neco Maritime Ltd. and Dodo Maritime Ltd. have been consolidated to GSD Shipping B.V..

Unconsolidated Subsidiaries

The subsidiaries which are not included in consolidation and the ownership percentages of the Group in those subsidiaries as at 30 June 2019 and 31 December 2018 are as follows:

Subsidiaries	Country of Incorporation	Principal Activities	Effective Shareholding and Voting Rights (%)	
			30 June 2019	31 December 2018
GSD Eğitim Vakfı	Turkey	Education Foundation	100.00	100.00

The subsidiary is not consolidated and is classified in the “unquoted equity instruments” caption in the consolidated financial statements, since the volume of transactions of the company is limited and the total assets and revenues of these subsidiary is immaterial.

GSD Holding Anonim Şirketi
Notes to the Consolidated Financial Statements
For the Six-Month Period Ended 30 June 2019
(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS

Statement of Compliance

These condensed consolidated interim financial statements as at 30 June 2019 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all the information required for a complete set of International Financial Reporting Standards (“IFRS”) financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 31 December 2018.

The consolidated financial statements of the Company were approved by the Board of Directors on 16 August 2019. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issue.

The Company and its subsidiaries which were incorporated in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the provisions of Turkish Banking Law, Finance Leasing, Factoring and Financing Companies Law, Turkish Commercial Code, the regulations of the Public Oversight, Accounting and Auditing Standards Authority of Turkey and the Capital Markets Board of Turkey (“CMB”) and Tax Legislation. The foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their functional currencies and in accordance with the regulations of the countries in which they operate.

GSD Holding Anonim Şirketi
Notes to the Consolidated Financial Statements
For the Six-Month Period Ended 30 June 2019
(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Functional currency of the Company and its subsidiaries incorporated in Turkey:

The Group's functional and presentation currency is TL and the consolidated financial statements including comparative figures for the prior periods are presented in thousands of TL.

Functional currencies of foreign subsidiaries

	Local Currency	Functional Currency
GSD Shipping B.V.	EUR	US Dollar
Mila Maritime Ltd.	EUR	US Dollar
Dodo Maritime Ltd.	EUR	US Dollar
Cano Maritime Ltd.	EUR	US Dollar
Hako Maritime Ltd.	EUR	US Dollar
Zeyno Maritime Ltd.	EUR	US Dollar
Neco Maritime Ltd.	EUR	US Dollar

Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed as necessary to align them with the policies adopted by the Group.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(ii) Transactions eliminated on consolidation

Intragroup balances and transactions and any unrealised income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The equity and net income attributable to non-controlling interest are shown separately in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, respectively.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on translation of foreign currency transactions are recognised in the income statement. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

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2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of the available-for-sale equity instruments, which are recognised directly in equity.

Foreign currency translation rates used by the Group as of respective period-ends are as follows:

Date	TL/EURO (full)	TL/US DOLLAR (full)
30 June 2019	6.5507	5.7551
31 December 2018	6.0280	5.2609
31 December 2017	4.5155	3.7719
31 December 2016	3.7099	3.5192

On disposal of a foreign entity, the accumulated exchange differences kept in equity are recognized in the consolidated statement of profit or loss as a component of the gain or loss on disposal.

(ii) Foreign operations

The asset and liability items in the statements of financial position of Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Neco Maritime Limited, Mila Maritime Limited, GSD Shipping B.V. and Zeyno Maritime Limited, the foreign consolidated subsidiaries of the Group, are translated at the relevant end of period exchange rates and the comprehensive income statement items translated at the average exchange rates to be included in the consolidated financial statements of the Group. The differences arising from the translation of the opening net assets of these foreign subsidiaries at a closing exchange rate different from the previous closing exchange rate. The translation of their comprehensive income statement items at the average exchange rates and the translation of the long term receivables of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Neco Maritime Limited, Mila Maritime Limited, GSD Shipping B.V. and Zeyno Maritime Limited, for which settlement is neither planned nor likely to occur in the foreseeable future and as such forming a part of its net investment in these foreign subsidiaries, with a closing exchange rate different from the previous closing exchange rate are accounted for as “foreign currency translation differences” in other comprehensive income of the Group and accumulated in “the translation reserve” under the shareholders’ equity in the consolidated statement of financial position of the Group. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.

Comparative information and restatement of prior periods’ financial statements

The Company’s consolidated financial statements as at 30 June 2019 are prepared comparatively with the prior period financial statements, in order to maintain consistency for the year ended as at 31 December 2018 and prior interim period 1 January – 30 June 2018.

Offsetting

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

Going Concern

The Group prepares its financial statements in accordance with going concern basis of accounting.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Standards and interpretations issued but not yet effective

Standards issued but not yet effective and not early adopted

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

The revised Conceptual Framework

The revised Conceptual Framework issued on 28 March 2018 by the IASB. The Conceptual Framework sets out the fundamental concepts for financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the Standards. The revised Framework is more comprehensive than the old one – its aim is to provide the Board with the full set of tools for standard setting. It covers all aspects of standard setting from the objective of financial reporting, to presentation and disclosures. For companies that use the Conceptual Framework to develop accounting policies when no IFRS Standard applies to a particular transaction, the revised Conceptual Framework is effective for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted.

Amendments to IAS 1 and IAS 8 - Definition of Material

In October 2018 the IASB issued Definition of Material (Amendments to IAS 1 and IAS 8). The amendments clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. The amended “definition of material “was added to the important definition and it was stated that this expression could lead to similar results by not giving and giving misstating information. In addition, with this amendment, the terminology used in its definition of material has been aligned with the terminology used in the Conceptual Framework for Financial Reporting (Version 2018).. Those amendments are prospectively effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Group does not expect that application of these amendments to IAS 1 and IAS 8 will have significant impact on its consolidated financial statements .

Amendments to IFRS 3 - Definition of a Business

Determining whether a transaction results in an asset or a business acquisition has long been a challenging but important area of judgement. The IASB has issued amendments to IFRS 3 Business Combinations to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. With this amendments confirmed that a business must include inputs and a process, and clarified that the process shall be substantive and the inputs and process must together significantly contribute to creating outputs. It narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a concentration test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The amendment applies to businesses acquired in annual reporting periods beginning on or after 1 January 2020. Earlier application is permitted. The Group does not expect that application of these amendments to IFRS 3 will have significant impact on its consolidated financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Changes in Accounting Policies, Estimates and Errors

The accounting policies used in the preparation of these interim financial statements, except for the disclosures below, same as the accounting policies adopted in the latest annual financial statements.

The Group has started to apply IFRS 16 Leases standard (“IFRS 16”) starting from 1 January 2019. In addition, from 1 January 2019, several other standard amendments have entered into force. However, these amendments have no material impact on the financial statements of the Group.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has selected the preferred facilitated transition method for the application of IFRS 16 Leases Standard. Comparative information presented under IAS 17 and related interpretations for 2018 has not been restated. Details of changes in accounting policies are explained below.

a) Definition of Leasing

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply it as it used to be defined as a lease by using the practical expedient to the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non- lease components as a single lease component.

b) As a Lessee

The Group leases properties and vehicles. As a lessee, the Group has previously classified leases as operating or finance leases based on the assessment of whether all the risks and benefit of ownership of the asset have been transferred.

Under IFRS 16, the Group recognises right of use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Group presents lease liabilities in “lease liabilities” in the statement of financial position.

i. Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group’s accounting policies.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Changes in Accounting Policies, Estimates and Errors (continued)

b) As a Lessee (continued)

i. Significant accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

ii. Transition

Previously, the Group has classified its real estates as operating leases in accordance with IAS 17. These include work place and land vehicles.

For leases classified as operational leases within IAS 17 during the transition period, the lease obligation is measured at the present value of the remaining lease payments discounted using the alternative borrowing interest rate on the lessee's initial implementation date. The right to use assets are measured on a per-lease basis with one of the following:

- Their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments the Group applied this approach to all other leases.

The Group has applied the following facilitative applications when applying IFRS 16 for leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Leases were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

c) As a lessor

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17.

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. The Group has distributed a lease component and one or more additional lease components or non-lease components by applying IFRS 15 "Revenue from Customer Contracts".

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Changes in Accounting Policies, Estimates and Errors (continued)

d) Impact on financial statement

Impacts on transition

The Group has started to apply IFRS 16 Leases standard (“IFRS 16”) with used the practical expedients at 1 January 2019.

As at 1 January 2019, the Group recognises to the consolidated financial statements the right of use asset on an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments for the leases previously classified as operating leases under IAS 17. Transition to IFRS 16 has no effect on the retained earnings of the Group as at 1 January 2019 due to the preferred practical expedients method of the application of IFRS 16.

Operating lease payables are measured at the present value of the remaining lease payments and as of 1 January, the lessee has been discounted using an alternative borrowing rate.

	1 January 2019
Right of use assets	11,004
Lease liabilities	11,004

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its alternative borrowing rate at 1 January 2019. The weighted average rate applied is 25% for TL transactions, 4%-8% for USD transactions and 4% for EUR transactions.

	1 January 2019
As at 31 December 2018 operational lease liability	11,128
Discounted using the alternative borrowing interest rate on 1 January 2019	11,004
Exemptions for short-term leases	(124)
As at 1 January 2019 lease liabilities	11,004

Impacts for the period

As at 30 June 2019, the right of use assets of the Group amounted to TL 10,563, while the lease liabilities amounted to TL 11,063.

In relation to those leases under IFRS 16, the Group recognised depreciation and interest costs, instead of operating lease expense. During the six months ended 30 June 2019, the Company recognised TL 2,052 of depreciation charges and TL 1,153 of interest costs from these leases.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The following summarizes the impact of transition to IFRS 9, funding, retained earnings / (losses) and opening interest on non-controlling interests, net of tax.

Classification of financial asset and liabilities

IFRS 9 changes largely effects the classification and measurement of financial assets and measurement of financial liabilities which classified as fair value differences, measured by reflecting to profit or loss. Those financial liabilities’ changes in fair value related to credit risk should be presented in other comprehensive income statement.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group’s accounting policies related to financial liabilities and derivative financial instruments.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI (“financial asset measured at fair value through other comprehensive income”) – debt investment; FVOCI – equity investment; or FVTPL (“financial asset measured at fair value through profit/loss”). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- 1 It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2 Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- 1 It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2 Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Grup may irrevocably elect to present subsequent changes in the investment’s fair value in OCI (“other comprehensive income”). This election is made on an investment-by-investment basis.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

IFRS 9 Financial Instruments (continued)

Classification of financial asset and liabilities (continued)

All financial assets not classified as measured at amortized for the FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Grup may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment and reclassification requirements, as described further below.

Impairment of Financial Assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

IFRS 9 Financial Instruments (continued)

Impairment of Financial Assets (continued)

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1: For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses.

Stage 2: In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses.

The purpose of the provision for impairment is to include the expected credit losses to financial statements that have material increases in the credit risk since the first time credit risks applied to the financial statements.

Stage 3: Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized and interest revenue is calculated on the net carrying amount.

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3. SEGMENT INFORMATION

The Group conducts the majority of its business activities in four business segments as banking, marine, factoring and holding and in three geographical areas as Turkey, Netherlands and Malta International.

Consolidated Statement of Comprehensive Income (01.01.2019-30.06.2019)										
Country of Operation	Turkey	Turkey&Malta International&Netherlands	Turkey	Turkey			Segment Information Combined by Countries			
	Banking	(1) (2) Marine	Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3)Malta& Netherlands International	Inter-country Eliminations	Group
CONTINUING OPERATIONS										
Revenue	-	55,693	-	365	(1,349)	54,709	1,812	54,709	(1,812)	54,709
Cost of sales (-)	-	(46,952)	-	(355)	355	(46,952)	(534)	(46,952)	534	(46,952)
Gross profit/(loss) from commercial sector	-	8,741	-	10	(994)	7,757	1,278	7,757	(1,278)	7,757
Revenue from financial activities	45,185	1	42,093	-	(2,644)	84,635	87,279	-	(2,644)	84,635
Fee,commission and other service income	13,196	-	366	-	(3)	13,559	13,562	-	(3)	13,559
Foreign exchange income	119	1	7,715	-	(751)	7,084	7,835	-	(751)	7,084
Interest income	31,154	-	33,589	-	(1,497)	63,246	64,743	-	(1,497)	63,246
Income from derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Other financial sector operations income, net	716	-	423	-	(393)	746	1,139	-	(393)	746
Cost of financial activities (-)	(2,508)	(233)	(26,005)	-	2,043	(26,703)	(28,746)	-	2,043	(26,703)
Fee,commission and other service expense	(351)	-	(332)	-	3	(680)	(683)	-	3	(680)
Foreign exchange expense	(177)	-	(7,715)	-	409	(7,483)	(7,892)	-	409	(7,483)
Interest expense	(1,220)	-	(17,837)	-	1,631	(17,426)	(19,057)	-	1,631	(17,426)
Loss from derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Other financial sector operations expense net	(760)	(233)	(121)	-	-	(1,114)	(1,114)	-	-	(1,114)
Gross profit/(loss) from financial sector operations	42,677	(232)	16,088	-	(601)	57,932	58,533	-	(601)	57,932
GROSS PROFIT/(LOSS)	42,677	8,509	16,088	10	(1,595)	65,689	59,811	7,757	(1,879)	65,689
Administrative expenses (-)	(6,994)	(4,150)	(6,471)	(5,701)	1,387	(21,929)	(22,164)	(1,615)	1,850	(21,929)
Other income from operating activities	140	6,674	487	10,509	(543)	17,267	17,497	294	(524)	17,267
Other expense from operating activities (-)	-	(1,035)	-	(2,258)	751	(2,542)	(3,288)	(5)	751	(2,542)
OPERATING PROFIT/(LOSS)	35,823	9,998	10,104	2,560	-	58,485	51,856	6,431	198	58,485
Income from investment activities	-	618	-	74,330	-	74,948	76,092	618	(1,762)	74,948
Expense from investment activities (-)	-	-	-	(15)	-	(15)	(15)	-	-	(15)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	35,823	10,616	10,104	76,875	-	133,418	127,933	7,049	(1,564)	133,418
Financing income	-	-	-	-	-	-	-	-	-	-
Financing expenses (-)	(188)	(14,792)	(285)	(636)	-	(15,901)	(5,916)	(11,747)	1,762	(15,901)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	35,635	(4,176)	9,819	76,239	-	117,517	122,017	(4,698)	198	117,517

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3. SEGMENT INFORMATION (continued)

Consolidated Statement of Comprehensive Income (continued) (01.01.2018-30.06.2019)										
Country of Operation	Turkey	Turkey&Malta International&Netherlands	Turkey	Turkey			Segment Information Combined by Countries			
	Banking	^{(1) (2)} Marine	Factoring	Holding	Inter-segment Eliminations	Group	Turkey	⁽³⁾ Malta& Netherlands International	Inter-country Eliminations	Group
Tax income/(expense) from continuing operations	(7,952)	298	(2,339)	(6,587)	-	(16,580)	(16,580)	-	-	(16,580)
Current tax income/(expense)	(8,107)	1,048	(2,333)	(480)	-	(9,872)	(9,872)	-	-	(9,872)
Deferred tax income/(expense)	155	(750)	(6)	(6,107)	-	(6,708)	(6,708)	-	-	(6,708)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	27,683	(3,878)	7,480	69,652	-	100,937	105,437	(4,698)	198	100,937
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	-	-	-	-	-	-	-	-	-	-
NET PROFIT/(LOSS)	27,683	(3,878)	7,480	69,652	-	100,937	105,437	(4,698)	198	100,937
Net profit/(loss) (continuing and discontinuing operations) attributable to:										
Non-controlling interest	-	(748)	773	-	-	25	25	-	-	25
Equity holders of the company	27,683	(3,130)	6,707	69,652	-	100,912	105,412	(4,698)	198	100,912
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	-	-	-
Which will be not classified in profit or loss	-	(27)	(36)	(52)	-	(115)	(115)	-	-	(115)
Remeasurements of the net defined benefit liability (asset)	-	(27)	(36)	(52)	-	(115)	(115)	-	-	(115)
Which will be classified in profit or loss	-	30,781	-	-	-	30,781	10,455	20,326	-	30,781
Change in currency translation differences	-	30,781	-	-	-	30,781	10,455	20,326	-	30,781
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	-	-	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)	-	30,754	(36)	(52)	-	30,666	10,340	20,326	-	30,666
TOTAL COMPREHENSIVE INCOME	27,683	26,876	7,444	69,600	-	131,603	115,777	15,628	198	131,603
Total comprehensive income attributable to:										
Non-controlling interest	-	988	769	-	-	1,757	1,757	-	-	1,757
Equity holders of the company	27,683	25,888	6,675	69,600	-	129,846	114,020	15,628	198	129,846
CONSOLIDATED BALANCE SHEET (30.06.2019)	287,450	751,577	233,225	835,436	(46,586)	2,061,102	1,462,289	720,628	(121,815)	2,061,102
TOTAL ASSETS	58,848	376,971	172,826	35,522	(41,821)	602,346	305,412	413,984	(117,050)	602,346
TOTAL LIABILITIES										
Other segment information (continued and discontinued operations)										
Capital expenditures	411	7,929	231	235	-	8,806	970	7,836	-	8,806
Depreciation expense	(44)	(16,452)	(32)	(387)	-	(16,915)	(519)	(16,396)	-	(16,915)
Amortization expense	(25)	(42)	(5)	(1)	-	(73)	(73)	-	-	(73)
Impairment (losses)/reversal income recognized in income statement	(580)	(233)	265	-	-	(548)	(548)	-	-	(548)

(1) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V..

(2) The main line of business of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is shipping starting from 2013 and its income and expenses and its finance lease assets in the financial statements arising from the diminishing finance lease activities are disclosed in the marine segment under Gross Profit/(Loss) From Financial Sector Operations and Total Assets, respectively, without being allocated to a separate segment in the above table due to immateriality.

(3) The vessels of the subsidiaries established in Malta of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. are registered in Malta International Ship Register and operating in international freight forwarding

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3. SEGMENT INFORMATION (continued)

Consolidated Statement of Comprehensive Income (01.01.2018-30.06.2018)										
Country of Operation	Turkey	Turkey&Malta International&Netherlands	Turkey	Turkey			Segment Information Combined by Countries			
	⁽¹⁾ Banking	⁽¹⁾⁽²⁾ Marine	⁽¹⁾ Factoring	Holding	Inter-segment Eliminations	Group	Turkey	⁽³⁾ Malta& Netherlands International	Inter-country Eliminations	Group
CONTINUING OPERATIONS										
Revenue	-	38,636	-	2,954	(3,042)	38,548	3,880	38,548	(3,880)	38,548
Cost of sales (-)	-	(30,561)	-	(305)	305	(30,561)	(638)	(30,561)	638	(30,561)
Gross profit/(loss) from commercial sector	-	8,075	-	2,649	(2,737)	7,987	3,242	7,987	(3,242)	7,987
Revenue from financial activities	46,114	525	43,803	-	(6,175)	84,267	89,943	499	(6,175)	84,267
Fee,commission and other service income	6,839	-	176	-	(3)	7,012	7,015	-	(3)	7,012
Foreign exchange income	1,254	(15)	9,585	-	(4,524)	6,300	10,840	(16)	(4,524)	6,300
Interest income	23,634	539	33,751	-	(1,349)	56,575	57,409	515	(1,349)	56,575
Income from derivative financial instruments	12,778	-	-	-	-	12,778	12,778	-	-	12,778
Other financial sector operations income, net	1,609	1	291	-	(299)	1,602	1,901	-	(299)	1,602
Cost of financial activities (-)	(22,473)	(364)	(31,367)	-	12,552	(41,652)	(54,200)	(4)	12,552	(41,652)
Fee,commission and other service expense	(285)	(4)	(454)	-	3	(740)	(739)	(4)	3	(740)
Foreign exchange expense	(14,232)	-	(9,584)	-	10,554	(13,262)	(23,816)	-	10,554	(13,262)
Interest expense	(4,409)	-	(21,139)	-	2,005	(23,543)	(25,548)	-	2,005	(23,543)
Loss from derivative financial instruments	(3,356)	-	-	-	-	(3,356)	(3,356)	-	-	(3,356)
Other financial sector operations expense net	(191)	(360)	(190)	-	(10)	(751)	(741)	-	(10)	(751)
Gross profit/(loss) from financial sector operations	23,641	161	12,436	-	6,377	42,615	35,743	495	6,377	42,615
GROSS PROFIT/(LOSS)	23,641	8,236	12,436	2,649	3,640	50,602	38,985	8,482	3,134	50,602
Administrative expenses (-)	(9,085)	(3,529)	(5,834)	(5,542)	396	(23,594)	(22,993)	(1,835)	1,234	(23,594)
Other income from operating activities	192	951	614	26,175	(12,000)	15,932	27,932	(8)	(11,992)	15,932
Other expense from operating activities (-)	-	(455)	-	(229)	3	(681)	(684)	-	3	(681)
OPERATING PROFIT/(LOSS)	14,748	5,203	7,216	23,053	(7,961)	42,259	43,240	6,639	(7,621)	42,259
Income from investment activities	25,666	15,028	-	112,697	(17,772)	135,619	155,364	-	(19,745)	135,619
Expense from investment activities (-)	-	(726)	-	-	726	-	(726)	-	726	-
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	40,414	19,505	7,216	135,750	(25,007)	177,878	197,878	6,639	(26,640)	177,878
Financing income	-	-	-	-	-	-	-	-	-	-
Financing expenses (-)	-	(24,424)	(42)	(22)	5,311	(19,177)	(17,776)	(8,685)	7,284	(19,177)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	40,414	(4,919)	7,174	135,728	(19,696)	158,701	180,102	(2,046)	(19,356)	158,701

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3. SEGMENT INFORMATION (continued)

Consolidated Statement of Comprehensive Income (continued) (01.01.2018-30.06.2018)										
Country of Operation	Turkey	Turkey&Malta International&Netherlands	Turkey	Turkey			Segment Information Combined by Countries			
	⁽¹⁾ Banking	^{(1) (2)} Marine	Factoring	Holding	Inter-segment Eliminations	Group	Turkey	⁽³⁾ Malta& Netherlands International	Inter-country Eliminations	Group
Tax income/(expense) from continuing operations	(6,187)	3,391	(1,732)	(12,759)	339	(16,948)	(17,138)	(149)	339	(16,948)
Current tax income/(expense)	(6,039)	2,765	(1,716)	(7,610)	-	(12,600)	(12,451)	(149)	-	(12,600)
Deferred tax income/(expense)	(148)	626	(16)	(5,149)	339	(4,348)	(4,687)	-	339	(4,348)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	34,227	(1,528)	5,442	122,969	(19,357)	141,753	162,964	(2,194)	(19,017)	141,753
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	-	-	-	-	-	-	-	-	-	-
NET PROFIT/(LOSS)	34,227	(1,528)	5,442	122,969	(19,357)	141,753	162,964	(2,194)	(19,017)	141,753
Net profit/(loss) (continuing and discontinuing operations) attributable to:										
Non-controlling interest	-	(295)	564	-	-	269	269	-	-	269
Equity holders of the company	34,227	(1,232)	4,878	122,969	(19,357)	141,484	162,695	(2,194)	(19,017)	141,484
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	-	-	-
Which will be not classified in profit or loss	-	(2)	(13)	(20)	-	(35)	(35)	-	-	(35)
Remeasurements of the net defined benefit liability (asset)	-	(2)	(13)	(20)	-	(35)	(35)	-	-	(35)
Which will be classified in profit or loss	-	36,145	-	(2,405)	17,373	51,113	13,995	19,745	17,373	51,113
Change in currency translation differences	-	36,145	-	-	14,968	51,113	16,400	19,745	14,968	51,113
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	-	-	-	(2,405)	2,405	-	(2,405)	-	2,405	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)	-	36,143	(13)	(2,425)	17,373	51,078	13,960	19,745	17,373	51,078
TOTAL COMPREHENSIVE INCOME	34,227	34,616	5,429	120,544	(1,985)	192,831	176,924	17,551	(1,644)	192,831
Total comprehensive income attributable to:										
Non-controlling interest	-	2,753	563	-	-	3,316	3,316	-	-	3,316
Equity holders of the company	34,227	31,863	4,866	120,544	(1,985)	189,515	173,608	17,551	(1,644)	189,515
CONSOLIDATED BALANCE SHEET (30.06.2018)										
TOTAL ASSETS	329,065	646,557	289,619	703,683	(88,839)	1,880,085	1,334,328	710,064	(164,307)	1,880,085
TOTAL LIABILITIES	156,167	402,681	241,883	23,546	(89,565)	734,712	437,874	461,871	(165,033)	734,712
Other segment information (continued and discontinued operations)										
Capital expenditures	259	71,321	74	226	-	71,880	580	71,300	-	71,880
Depreciation expense	(24)	(11,187)	(19)	(396)	-	(11,626)	(497)	(11,129)	-	(11,626)
Amortization expense	(34)	-	(3)	(6)	-	(43)	(43)	-	-	(43)
Impairment (losses)/reversal income recognized in income statement	(98)	(359)	43	-	-	(414)	(414)	-	-	(414)

(1) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V., the banking segment consists of the relevant amounts of GSD Bank.

(2) The main line of business of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is shipping starting from 2013 and its income and expenses and its finance lease assets in the financial statements arising from the diminishing finance lease activities are disclosed in the marine segment under Gross Profit/(Loss) From Financial Sector Operations and Total Assets, respectively, without being allocated to a separate segment in the above table due to immateriality.

(3) The vessels of the subsidiaries established in Malta of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. are registered in Malta International Ship Register and operating in international freight forwarding

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4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position:

Continuing Operations	30 June 2019	31 December 2018
Cash on hand	7	2
Balances with the Central Bank	1,808	5,439
Cash and balances with the Central Bank	1,815	5,441
Deposits with other banks and financial institutions	102,277	236,459
Receivables from money market transactions	6,426	5,003
Reserve deposits at the Central Bank	264	2,594
Cash and cash equivalents in the statement of financial position	110,782	249,497

5. MARKETABLE SECURITIES

a) Financial assets at fair value through profit/loss

	30 June 2019		31 December 2018	
	Amount	Interest Rate (%)	Amount	Interest Rate (%)
Debt instruments				
Bonds	47,658	-	42,987	-
Other				
Common stocks	753,189	-	678,858	-
Toplam	800,847		721,845	

GSD Holding A.Ş.'s Shareholding

30 June 2019					
Financial assets– fair value through profit/loss	Carrying Value	Paid Capital	Direct (%)	Indirect (%)	Total (%)
Silopi Elektrik Üretim A.Ş.	751,672	202,050	15.00	0.00	15.00
Borsa İstanbul A.Ş.	1,517	423,234	-	0.04	0.04
Total	753,189				

GSD Holding A.Ş.'s Shareholding

31 December 2018					
Financial assets– fair value through profit/loss	Carrying Value	Paid Capital	Direct (%)	Indirect (%)	Total (%)
Silopi Elektrik Üretim A.Ş.	677,341	202,050	15.00	0.00	15.00
Borsa İstanbul A.Ş.	1,517	423,234	-	0.04	0.04
Total	678,858				

b) Financial Assets at Amortised Cost

As at 30 June 2019 and 31 December 2018, the Group has no financial assets at amortised cost.

c) Marketable securities given as a guarantee

As at 30 June 2019 and 31 December 2018, there is no marketable securities given as a guarantee.

GSD Holding Anonim Şirketi
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5. MARKETABLE SECURITIES (continued)

d) Unquoted equity instruments

The unconsolidated subsidiaries and other unquoted equity instruments which are classified in the “unquoted equity instruments” caption in the consolidated financial statements as at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
GSD Eğitim Vakfı	377	377
Total	377	377

6. EQUITY ACCOUNTED INVESTEEES

None.

7. TRADE RECEIVABLES AND PAYABLES

a) Short Term Trade Receivables

	30 June 2019	31 December 2018
Trade receivables from maritime activities	12,550	6,303
Costumers	10	7
Doubtful export goods receivables	1,981	1,981
Less: Provision for doubtful trade receivables	(1,981)	(1,981)
Total, net	12,560	6,310

Movement in the provision for doubtful trade receivables:

	30 June 2019	31 December 2018
Provision at the beginning of year	1,981	1,981
Provision for doubtful receivables	-	-
Recoveries	-	-
Provision net of recoveries	-	-
Provision at the end of period	1,981	1,981

b) Trade Payables

	30 June 2019	31 December 2018
Payables to suppliers	354	88
Payables to marine sector suppliers	2,085	46
Export trade payables	78	107
Total	2,517	241

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8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES

a) Loans and Advances to Customers

	30 June 2019					
	Amount			Effective interest rate (%)		
	Turkish lira	Foreign currency	Foreign currency indexed	Turkish lira	Foreign currency	Foreign currency indexed
Corporate loans	224,977	20,440	-	23.90-35.00	2.90-8.50	-
Total	224,977	20,440	-			
Non-performing loans	3,905	-	-			
Less: Provision for impairment on loans and advances to customers ⁽¹⁾	(3,956)	-	-			
Total, net	224,926	20,440	-			

⁽¹⁾ Expected losses for non-cash loans in the current period are presented in other provisions.

	31 December 2018					
	Amount			Effective interest rate (%)		
	Turkish lira	Foreign currency	Foreign currency indexed	Turkish lira	Foreign currency	Foreign currency indexed
Corporate loans	206,858	3,586	-	12.48-43.25	8.50	-
Total	206,858	3,586	-			
Non-performing loans	3,918	-	-	-	-	-
Less: Provisions for impairment on loans and advances to customers ⁽¹⁾	(4,010)	-	-	-	-	-
Total, net	206,766	3,586	-			

⁽¹⁾ Expected losses for non-cash loans in the current period are presented in other provisions.

Movements in the expected losses

	Continuing Operations	
	30 June 2019	31 December 2018
Provision at the beginning of the year	4,010	5,561
IFRS 9 transition impact ⁽¹⁾	-	(256)
Recoveries	(129)	(198)
Provision for impairment	723	445
Provision net of recoveries	594	247
Loans written off during the period	-	-
Transfer from continuing operations to discontinued operations	-	-
Classification of expected losses ⁽²⁾	(648)	(1,542)
Provision at the end of the period	3,956	4,010

(1) The amount is related to IFRS 9 adjustment presented in the previous year's profit / loss related to GSD Yatırım Bankası A.Ş.

(2) As at 31 December 2018 the expected losses for non-cash loans are presented in liabilities, excluding non-cash loans provisions for other assets and loans are presented in assets.

As at 30 June 2019 and 31 December 2018, loans and advances to customers have fixed interest rates. The Group does not recognize interest accrual on non-performing loans. As at 30 June 2019, the amount of non-performing loans that include unrecognized interest accrual is TL 3,905 (31 December 2018: TL 3,918).

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8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)

b) Factoring Receivables and Payables

	30 June 2019					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	228,920	-	-	25,30-44,80	-	-
Doubtful factoring receivables	5,159	-	-	-	-	-
Total factoring receivables	234,079	-	-			
Less: Provision for doubtful factoring receivables	(5,093)	-	-	-	-	-
Factoring receivables, net	228,986	-	-			
Factoring payables	493	-	72			
	31 December 2018					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	105,344	-	288	19.91-60.00	-	12.51
Doubtful factoring receivables	5,486	-	-	-	-	-
Total factoring receivables	110,830	-	288			
Less: Provision for doubtful factoring receivables	(5,358)	-	-	-	-	-
Factoring receivables, net	105,472	-	288			
Factoring payables	1,365	-	65			

Movement in the provision for doubtful factoring receivables:

	30 June 2019	31 December 2018
Provision at the beginning of year	5,358	3,211
Recoveries	(352)	(446)
Provision for doubtful factoring receivables	87	2,593
Provision net of recoveries	(265)	2,147
Factoring receivables written off during the period	-	-
Provision at the end of period	5,093	5,358

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8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)

c) Finance Lease Receivables, Net

	30 June 2019	31 December 2018
Invoiced lease receivables	16	30
Doubtful finance lease receivables	4,055	3,822
Finance lease receivables, gross	4,071	3,852
Less: Unearned interest income	(5)	(4)
Less: Provision for doubtful finance lease receivables	(4,055)	(3,822)
Finance lease receivables, net	11	26

The aging of net finance lease receivables is as follows:

	30 June 2019	31 December 2018
Not later than 1 year	11	26
Finance lease receivables, net	11	26

Movement in the provision for doubtful finance lease receivables is as follows:

	30 June 2019	31 December 2018
Provision at the beginning of year	3,822	3,142
Provision for doubtful lease receivables	233	684
Recoveries	-	(4)
Provision net of recoveries	233	680
Finance lease receivables written off during the period	-	-
Provision at the end of period	4,055	3,822

d) Funds Borrowed

	30 June 2019				31 December 2018			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Short term	106,454	-			29,690	183	-	-
Fixed interest	106,454	-	24.25-27.35	-	29,690	183	15.10-24.00	7.10
Floating interest	-	-	-	-	-	-	-	-
Medium/Long Term	-	368,994	-	-	-	400,717		
Fixed interest	-	85,933	-	5.25-5.80	125,958	-	4.50-5.80	
Floating interest	-	283,061	-	5.38-5.83	274,759	-	5.36-5.95	
Total	106,454	368,994			29,690	400,900		

Repayment schedule of borrowings initially recognized as medium/long term borrowings is as follows:

	30 June 2019		31 December 2018	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	85,933	66,749	125,958	33,253
Up to 2 year	-	78,372	-	57,398
Up to 3 year	-	26,391	-	70,080
Up to 4 year	-	110,417	-	24,125
More than 5 year	-	1,132	-	89,903
Total	85,933	283,061	125,958	274,759

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8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)

e) Other money market deposits

	30 June 2019				31 December 2018			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Liabilities from money market transactions	46,930	-	23.50-25.35	-	18,513	-	24.60-24.90	-
Total	46,930	-			18,513	-		

f) Borrowers' funds

	30 June 2019				31 December 2018			
	Amount		Effective Interest rate (%)		Amount		Effective Interest rate (%)	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Demand	741	3,323	-	-	1,502	87	-	-
Time	10,275	-	11.00-18.00	2.05-3.75	6,516	69,028	10.00-20.00	1.25-4.40
Total	11,016	3,323			8,018	69,115		

g) Liabilities arising from finance leases

Payable from short term financial lease activities

	30 June 2019	31 December 2018
Advances taken due to finance leases	47	57
Total	47	57

h) Lease liabilities

	30 June 2019				31 December 2018			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Short term	769	16			-	-		
Fixed interest	769	16	-	-	-	-	-	-
Floating interest	-	-	-	-	-	-	-	-
Medium/Long Term	9,815	463			-	-		
Fixed interest	9,815	463	-	-	-	-	-	-
Floating interest	-	-	-	-	-	-	-	-
Total	10,584	479			-	-		

9. INVENTORIES

	30 June 2019	31 December 2018
Ship mineral oil	1,793	1,786
Ship fuel	1,692	1,978
Total	3,485	3,764

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10. LEASE OPERATIONS

The Group has rented six dry cargo ships owned by its subsidiaries with time form of time charter lease. These technical management of the ships performed under the contract to a company abroad by Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited, Neco Maritime Limited and Mila Maritime Limited. The portion of the loan used from the bank up to the first installment amount of the ship rental in the bank accounts of the Group is kept as conveyance by the bank.

11. PROPERTY AND EQUIPMENT

Continuing Operations	Land and Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships	Dry Docking	Motor Vehicles	Tangible Assets Under Construction	Total
At 1 January 2019, net carrying amount	2	1,657	831	574,754	8,317	762	-	586,323
Additions	-	675	138	-	7,836	-	-	8,649
Disposals, net	-	(17)	-	-	-	-	-	(17)
Transfers	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	54,037	783	-	-	54,820
Depreciation charge for the period	-	(215)	(166)	(15,193)	(1,203)	(138)	-	(16,915)
At 30 June 2019, net carrying amount	2	2,100	803	613,598	15,733	624	-	632,860
At 30 June 2019								
Cost	2	6,964	2,003	333,071	17,705	1,284	-	361,029
Foreign currency translation differences	-	-	-	435,332	1,105	-	-	436,437
Accumulated depreciation ⁽¹⁾	-	(4,864)	(1,200)	(154,805)	(3,077)	(660)	-	(164,606)
At 30 June 2019, net carrying amount	2	2,100	803	613,598	15,733	624	-	632,860

⁽¹⁾Accumulated depreciation contains the foreign currency translation differences relating to the accumulated depreciation.

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11. PROPERTY AND EQUIPMENT (continued)

Continuing Operations	Land and Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships	Dry Docking	Motor Vehicles	Tangible Assets Under Construction ⁽²⁾	Total
At 1 January 2018, net carrying amount	2	1,841	994	344,039	1,547	800	20,983	370,206
Additions	-	310	157	28,700	8,130	241	-	37,538
Disposals, net	-	(2)	-	-	-	(20)	-	(22)
Transfers	-	-	-	20,983	-	-	(20,983)	-
Foreign currency translation differences	-	-	-	207,140	218	-	-	207,358
Depreciation charge for the period	-	(492)	(319)	(26,108)	(1,578)	(259)	-	(28,756)
At 31 December 2018, net carrying amount	2	1,657	832	574,754	8,317	762	-	586,324
At 31 December 2018								
Cost	2	6,356	1,887	333,071	9,869	1,284	-	352,469
Foreign currency translation differences	-	-	-	369,310	160	-	-	369,470
Accumulated depreciation ⁽¹⁾	-	(4,699)	(1,055)	(127,627)	(1,712)	(522)	-	(135,615)
At 31 December 2018, net carrying amount	2	1,657	832	574,754	8,317	762	-	586,324

⁽¹⁾ Accumulated depreciation contains the foreign currency translation differences relating to the accumulated depreciation.

⁽²⁾ Amount consists of advances given by GSD Shipping B.V. for the purchase of the 63,000 DWT type bulk dry cargo vessel constructed on behalf of Mila Maritime Ltd.

The Group has taken the higher value of use determined through fair value whose sales expenses are deducted as amount recoverable and discounted cash flow methods in the impairment calculation made taking each of the dry cargo ships, six maritime affiliates located in Malta, into account as cash generating units as basis as at 30 June 2019 in accordance with IAS 36 and has not made a provision for impairment as at 30 June 2019 since the value of use are higher than carrying amounts for each of the six ships. Discounted cash flow calculations, used to determine amount recoverable, have been started based on final budgeting of technical management company made for leasing contracts which are considered to be concluded in near future in the framework of current market conditions through examining current ship leasing agreements and realisations in previous periods for income. Cash flows which can occur in depreciation period have been tried to be anticipated using expectations and assumptions generated by the Group management on direction, level and timing of market based on recent condition of freight market and impacts related to its development and it is deducted to reporting date with a discount rate appropriate to structure of company and market. Amounts, deducted from cost while determining amount subject to depreciation have been used as cash inflow in value of use calculation. Selection of periods in which fixed or variable based leasing are applied or locations of ships on the expiration of leasing period are main factors which can cause different realizations from those which have been anticipated under assumptions in calculations. On the other hand, the realization of assumptions are bounded to variable factors directing global dry cargo ship transportation market. The Company management believes that any changes reasonably occurring in any of aforementioned main assumptions shall not cause total carrying amounts of aforementioned cash generation units being higher than the total recoverable amounts.

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11.1. RIGHT OF USE ASSETS

Continuing Operations	Buildings	Motor Vehicles	Total
At 1 January 2019 net carrying amount	9,098	1,906	11,004
Additions	34	2,027	2,061
Amortization charge for the period	(1,981)	(521)	(2,502)
At 30 June 2019 net carrying amount	7,151	3,412	10,563
At 1 January 2019			
Cost	9,132	3,933	13,065
Accumulated amortization	(1,981)	(521)	(2,502)
At 30 June 2019 net carrying amount	7,151	3,412	10,563

12. INTANGIBLE ASSETS

Continuing Operations	Patents and Licenses
At 1 January 2019 net carrying amount	407
Additions	157
Amortization charge for the period	(73)
At 30 June 2019 net carrying amount	491
At 30 June 2019	
Cost	2,809
Accumulated amortization	(2,318)
At 30 June 2019 net carrying amount	491
Continuing Operations	Patents and Licenses
At 1 January 2018 net of accumulated amortization	261
Additions	241
Disposals, net	(2)
Amortization charge for the period	(93)
At 31 December 2018 net of accumulated amortization	407
At 31 December 2018	
Cost	2,652
Accumulated amortization	(2,245)
At 31 December 2018 net carrying amount	407

13. GOODWILL

None.

14. BORROWING COSTS

None.

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15. TAXATION

Corporate income is subject to corporate tax at 20% in Turkey to be effective from January 1, 2006. However, according to the Article 91 of the Law numbered 7061 "Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation" which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the provisional clause 10 added to the Corporate Tax Law numbered 5520; corporate tax rate for the taxation periods of 2018, 2019 and 2020 is amended to 22%, which would later be applied as 20% at the end of these periods. During these periods, Council of Ministers is entitled to decrease the corporate tax rate of 22% to 20%.

Tax losses carried forward

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect the tax returns and the related accounting records for a retrospective maximum period of five years.

As of 30 June 2019, the Group has no unused tax losses (31 December 2018: TL 3,614).

Withholding tax on dividend distributions

The 15% withholding tax applies to dividends distributed by resident corporations to resident or non-resident real persons, those who are not liable to or exempt from income and corporation tax, non-resident corporations (excluding those that acquire dividend through a registered office or permanent representative in Turkey). Dividend distributions by resident corporations to resident corporations are not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Investment allowance

Effective from 24 April 2003, investment allowances provided a deduction from the corporate tax base of 40% of the cost of the purchases or production of the new fixed assets subject to depreciation and exceeding TL 10 and directly related with the production of goods and services. Investment allowance that arose prior to 24 April 2003 was subject to 19.8% withholding tax unless they were converted to the new application at the will of companies. All investment allowances were carried forward with indexed amounts. With respect to the new legislation effective from 1 January 2006, these unused investment allowances could be used until 31 December 2008 and investment allowances ceased to apply to the new investments to be made beginning from 1 January 2006, but continued to apply to the investments started before 1 January 2006. Afterwards, a decision rendered by the Constitutional Court of Turkey cancelling the clause of this legislation limiting the deduction period of the unused investment allowances has again made effective the deductibility of the unused investment allowances after 31 December 2008. According to the decision mentioned above, investment allowances transferred to 2006 due to lack of profit and investment allowances gained by the investments that are commenced before 1 January 2006 and continued after that date constituting economic and technical integrity will not be only used in 2006, 2007 and 2008, but also in the following years. An amendment to the Income Tax Law promulgated in Official Gazette no 6009 dated 1 August 2010 limited the amount of investment allowance to be utilised to 25% of earnings for the year, but the Constitutional Court of Turkey has cancelled this amendment providing 25% utilization of investment allowance and has again made effective utilization of investment allowance up to 100% of tax base by means of a decision dated 9 February 2012, being effective starting from the tax returns to be filed for the fiscal period as at 31 December 2011.

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15. TAXATION (continued)

Investment allowance (continued)

Therefore, the consolidated financial statements of the Group as at 31 December 2011 are prepared based on 100% utilization of investment allowance by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., the only Group company benefiting from investment allowance.

As at 30 June 2019 and 31 December 2018, the Group has the following unused investment allowances:

Unused investment allowances				
Group company	30 June 2019		31 December 2018	
	Subject to 19.8% withholding tax	Subject to 0% withholding tax	Subject to 19.8% withholding tax	Subject to 0% withholding tax
GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.	144,662	-	135,267	-
Total	144,662	-	135,267	-

Transfer pricing

According to the article 13 titled “the disguised profit distribution by way of transfer pricing” of the Corporate Tax Law, if prices or considerations imposed for purchase or sale of goods or services between the company and its related parties are not consistent with the arm’s length principle, the profit hence from is regarded as fully or partially distributed in a disguised way by way of transfer pricing. The arm’s length principle implies that transfer prices or considerations applied in purchase or sale of goods or services between related parties should be in accordance with prices which would have been agreed between unrelated parties. Corporations are required to determine the price or consideration applied in the transactions with related parties by choosing the method most appropriate to the nature of the transaction among the comparable uncontrolled price method, the cost plus method, the resale minus method or the other methods determined by them. The income fully or partially distributed in a disguised way through transfer pricing is considered as dividend distributed by the resident corporations and the amount transferred back to the head office by the non-resident corporations as of the last day of the fiscal period in which the conditions stipulated in this article are realized, with respect to the application of Corporate and Income Tax Laws. The former assessments of tax are adjusted accordingly for the taxpayers being a party to these transactions provided that the tax to be charged to the corporation making the disguised profit distribution is finalized and paid before this adjustment is made.

Consolidated Tax Calculation

Turkish tax legislation, a parent company does not permit its consolidated subsidiaries and affiliates have the financial statements on a consolidated basis over corporate tax declaration and payment arrangements. Therefore, corporate tax provisions that is reflected on the consolidated financial statements and the companies that is in the scope of consolidation are calculated separately.

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15. TAXATION (continued)

Current Tax Liability

The prepaid income taxes are netted off against the corporate income taxes payable as follows:

Continuing Operations	30 June 2019	31 December 2018
Corporate income taxes payable	10,920	33,804
Prepaid income taxes	(5,652)	(29,462)
Income taxes payable, net	5,268	4,342

Income tax benefit / (expense)

Consolidated income tax benefit /(expense)

	30 June 2019			30 June 2018		
	Consolidated statement of profit or loss	Consolidated other comprehensive income	Consolidated statement of comprehensive income	Consolidated statement of profit or loss	Consolidated other comprehensive income	Consolidated statement of comprehensive income
Continuing Operations						
Current income tax benefit/(expense)	(9,872)	(1,048)	(10,920)	(12,600)	(2,914)	(15,514)
Deferred income tax benefit /(expense)	(6,708)	28	(6,680)	(4,348)	(70)	(4,418)
Total	(16,580)	(1,020)	(17,600)	(16,948)	(2,984)	(19,932)

Continuing Operations	31 December 2018	Recognised in Period	(Taken Back) / Paid in Period	30 June 2019
Prepaid Income Tax				
Taken back from 2018’s overpaid corporate tax	2,990	-	(96)	2,894
Taken back current year’s overpaid corporate tax	-	638	-	638
Prepaid Income Tax	2,990	638	(96)	3,532

Continuing Operations	31 December 2017	Recognised in Period	(Taken Back) / Paid in Period	31 December 2018
Prepaid Income Tax				
Taken back from 2017’s overpaid corporate tax	-	-	-	-
Taken back current year’s overpaid corporate tax	20	2,985	(15)	2,990
Prepaid Income Tax	20	2,985	(15)	2,990

Corporate tax liability regarding foreign subsidiaries of the Group

The net profits of Cano Maritime Limited, established on 26 March 2013, Dodo Maritime Limited, established on 26 March 2013, Hako Maritime Limited, established on 1 April 2013, Zeyno Maritime Limited, established on 22 April 2013, Neco Maritime Limited, established on 5 May 2016 and Mila Maritime Limited, established on 21 November 2016 all domiciled in Malta, are subject to 0% corporate tax in Malta. GSD Shipping B.V, established on 19 October 2016 domiciled in the Netherlands, is subject to flexible rate corporate tax in the Netherlands. The current profits of Cano Maritime Limited, and Hako Maritime Limited are subject to 20% (prior period to 22%) corporate tax in Turkey to be taxed in the current period profit of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., in the period when they are recognized as profit by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., 100% shareholder of these companies, having been received through dividend distribution in cash or by bonus issue or through share capital increase by bonus issue.

In Turkey, being effective as of 1 January 2006 corporate income subject to corporate tax at 20%, taxation has been set as 22% for the tax bases of the years 2018, 2019, and 2020 based on the legislation of the Amendment on Certain Tax Laws and Other Laws no. 7061. Furthermore, the Council of Ministers has been authorized to reduce the rate of 22% down to 20%.

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15. TAXATION (continued)

Deferred tax assets and liabilities

Deferred tax assets or liabilities of the consolidated assets and liabilities with the values shown in the financial statements of the temporary differences arising between the tax base and amounts considered in the calculation is determined by calculating the tax effects of the balance sheet method.

The Group takes into account developments in the sector in which it operates, taxable profit estimates in future periods, the overall economic and political situation of the country of Turkey and its affiliates and/or the general international economic factors such as the political situation may affect the Group in the financial statements of the deferred tax assets.

As at 30 June 2019 and 31 December 2018, the Company’s unconsolidated allocated over tax losses and unused in the financial statements and the separation of deferred tax assets, are given in the table above as titled 'Unused Tax losses and Expiry Years' under the group company separation issue. Calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements of different companies subject to consolidation. However, consolidated net deferred tax assets and liabilities in the consolidated without offsetting assets and liabilities are shown separately in the financial statements arising from different companies that are subject to consolidation in the financial statements.

Deferred tax assets and liabilities as at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
Deferred tax liabilities		
Valuation differences of securities	28,390	22,230
Valuation and depreciation differences of fixed assets	109	107
Other	100	70
Gross deferred tax liabilities	28,599	22,407
Deferred tax assets		
Provisions arising from financial sector operations	1,141	965
Deffered tax effect of tax losses carried forward	-	795
Provision for employee termination benefits obligation	448	371
Provision for employee unused paid vacation obligation	313	239
Provision for employee bonus	174	277
Valuation and depreciation differences of fixed assets	18	9
Other	108	34
Gross deferred tax assets	2,202	2,690
Deferred tax assets/(liabilities), net	(26,397)	(19,717)

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15. TAXATION (continued)

Deferred tax assets and liabilities (continued)

Movement of net deferred tax assets / (liabilities) is presented as follows:

	Continuing Operations		Discontinued Operations	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Deferred tax liabilities, net at 1 January	(19,717)	(11,510)	-	-
Deferred income tax recognized in consolidated income statement	(6,708)	(17,350)	-	-
Deferred income tax recognized in consolidated other comprehensive income	28	3,175	-	-
Reversal of deferred tax expense	-	5,968	-	-
Deferred tax liabilities, net at the end of period	(26,397)	(19,717)	-	-

16. EMPLOYEE BENEFITS

Employee bonus provision is as follows:

Continuing Operations	30 June 2019	31 December 2018
Bonus provision ⁽¹⁾	1,623	2,445
Total	1,623	2,445

⁽¹⁾ TL 206 of the bonus provision belongs to GSD Holding A.Ş., TL 1,060 (TL 831 of the Board of Directors' bonus provision and TL 229 of other personnel bonus provision) of the bonus provision belongs to GSD Faktoring A.Ş., TL 112 of the bonus provision belongs to GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. and TL 245 of the bonus provision belongs to GSD Yatırım Bankası A.Ş.. (31 December 2018: Respectively TL 346, TL 1,535 (TL 1,184 of the Board of Directors' bonus provision and TL 351 of the bonus provision) TL 179 and TL 385.)

The movement in employee bonus provision is as follows:

	30 June 2019	31 December 2018
At 1 January	2,445	2,176
Provision reversed during the period	(822)	-
Provision set during the period	-	269
Closing balance at the end of period	1,623	2,445

Long Term Employee Benefits and Vacation Liability

	30 June 2019	31 December 2018
Employee Benefits	2,236	1,850
Vacation Pay Liability	1,542	1,178
Total	3,778	3,028

According to IAS 19, long term employee benefits and vacation liability requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans, The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Accordingly, the following actuarial assumptions were used in the calculation of the employee termination benefits obligation.

	30 June 2019	31 December 2018
Discount rate (%)	18.88	18.88
Expected rates of salary/limit increases	9.50	9.50

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16. EMPLOYEE BENEFITS (continued)

In accordance with existing social legislation, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In Turkey, such payments are calculated on the basis of 30 days’ pay (limited to a maximum of TL 6,017.60 (full) and TL 5,434.42 (full) as at 30 June 2019 and 31 December 2018, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

The Group, except to the extent that another IFRS requires or permits their inclusion in the cost of an asset, has recognized service cost and net interest on the net defined benefit liability (asset) in the consolidated income statement and remeasurements of the net defined benefit liability (asset) in the consolidated comprehensive income statement, which are the components of defined benefit cost.

The movement in provision for employee termination benefits obligation is as follows:

	30 June 2019	31 December 2018
At 1 January	1,850	1,671
Actuarial losses/(gains)	144	77
Interest cost on the provision	68	106
Provision reversed due to being paid	(12)	(271)
Provision reversed without being paid	(34)	-
Service cost	220	267
Closing balance at the end of period	2,236	1,850

The movement in provision for vacation pay liability is as follows:

	30 June 2019	31 December 2018
At 1 January	1,178	1,074
Provision reversed during the period	-	(43)
Provision set during the period	364	147
Closing balance at the end of period	1,542	1,178

17. OTHER RECEIVABLES AND PAYABLES

Other Receivables, Current

	30 June 2019	31 December 2018
Transitory receivables ⁽¹⁾	3,668	12,583
Deposits and guarantees given	35	29
Other	373	195
Total	4,076	12,807

⁽¹⁾ The credit balance counterpart of “Transitory receivables in Other Receivables” TL 3,668 is “Transfer orders in Other Payables”.

Other Receivables, Non Current

	30 June 2019	31 December 2018
Deposits and guarantees given	4	4
Total	4	4

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17. OTHER RECEIVABLES AND PAYABLES (continued)

Guarantees given in other receivables

As at 30 June 2019 and 31 December 2018, the details of deposits and guarantees given in current assets and non-current assets are as follows:

	30 June 2019	31 December 2018
Other guarantees given	39	33
Total	39	33

Other Payables, Short Term Liability

	30 June 2019	31 December 2018
Transfer Orders	4,638	12,792
Taxes and funds payable other than on income	1,903	1,577
Other	679	463
Total	7,220	14,832

18. OTHER ASSETS AND LIABILITIES

Other Assets

	30 June 2019	31 December 2018
Personnel and work advances given	3	20
Deferred VAT	1,937	1,758
Other	95	-
Total	2,035	1,778

Other Short Term Liabilities

	30 June 2019	31 December 2018
Other	21	20
Total	21	20

19. SHARE CAPITAL/ TREASURY SHARES

Share Capital

As at 30 June 2019 and 31 December 2018, the nominal values and number of shares of the issued capital of the Company are as follows in terms of share groups:

	30 June 2019			31 December 2018		
	Total number of shares	Nominal value per share (full TL)	Total nominal value (full TL)	Total number of shares	Nominal value per share (full TL)	Total nominal value (full TL)
Share group						
A (bearer shares)	70,704	0.01	707.04	70,704	0.01	707.04
B (bearer shares)	70,704	0.01	707.04	70,704	0.01	707.04
C (bearer shares)	70,704	0.01	707.04	70,704	0.01	707.04
D (bearer shares)	44,999,787,888	0.01	449,997,878.88	44,999,787,888	0.01	449,997,878.88
Total	45,000,000,000		450,000,000.00	45,000,000,000		450,000,000.00

Privileges

The Company’s Board of Directors consists of 9 members which are selected by the general assembly according to Turkish Commercial Code. Five members of the board of directors, two of whom are required to meet the criteria stipulated by the Corporate Governance Principles for independent board members, are selected from the candidates nominated by Class (A) shareholders, two members of the board of directors are selected from the candidates nominated by Class (B) shareholders and two members of the board of directors are selected from the candidates nominated by Class (C) shareholders by the general assembly.

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Privileges (continued)

The cancellation of privileges given to Class (A) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (A) shareholders, the quorum for decision being independent from the numbers of shareholders who attend the assembly. The cancellation of privileges given to Class (B) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (B) shareholders, the quorum for decision being independent of the numbers of shareholders who attend the assembly. The cancellation of privileges given to Class (C) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (C) shareholders, the quorum for decision being independent of the numbers of shareholders who attend the assembly.

Appointment of New Board Member

GSD Holding A.Ş. and GSD Yatırım Bankası A.Ş. Board Member Murat Atım passed away on 31 July 2018. Pursuant to Article 363 of the TTK, it has been decided to appoint Canan Sümer as representative of Group D shareholders to fill the remaining term of the member who has passed away and to be presented to the approval of the first General Assembly, and to be authorized to sign Group A shares.

Authorised Share Capital

The Company, being in the authorised share capital system, can increase its share capital until it reaches the authorised share capital by means of a resolution of the board of directors without a resolution of general assembly being also required. The authorised share capital can be exceeded by means of a share capital increase through bonus issue one time only, but can not be exceeded by means of a share capital increase in cash. The authorised share capital of the Company is TL 1,000,000, being effective until 31 December 2021.

Treasury Shares

As at 30 June 2019 and 31 December 2018, the carrying and nominal values and ownership percentages of the treasury shares, which consist of the shares of the Company that are owned by GSD Holding A.Ş., are as follows:

The owner of the treasury shares	30 June 2019			31 December 2018		
	Carrying Value	Nominal value	Ownership percentage	Carrying value	Nominal Value	Ownership percentage
GSD Holding A.Ş.	91,018	90,000	%20.00	91,018	90,000	%20.00
Total	91,018	90,000	%20.00	91,018	90,000	%20.00

Profit Appropriation and Dividend Distribution

The Company’s statutory retained earnings consist of the extra-ordinary reserves and the first and second legal reserves. Publicly held companies make their profit appropriation in accordance with CMB regulations and the Turkish Commercial Code as follows:

The legal reserves consist of the first and the second legal reserves in accordance with the Turkish Commercial Code, 5% of statutory profits are appropriated as the first legal reserve until the total reserve reaches a maximum of 20% of the entity’s share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity’s share capital by the corporations with the exception of holding companies. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital with the exception of holding companies, but may be used to absorb losses in the event that the general reserve is exhausted.

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Profit Appropriation and Dividend Distribution (continued)

According to the regulations of Capital Markets Board (CMB) of Turkey, there is no minimum required profit distribution for the exchange-traded companies and the net distributable profit of an exchange-traded company preparing consolidated financial statements is calculated by taking into regard its net profit arising from its financial statements in accordance with International Financial Reporting Standards as much as the total of the items that may be distributed as dividend arising from its statutory financial statements based on its books of account. Dividend to be distributed by an exchange-traded company from its net distributable profits arising from its financial statements in accordance with International Financial Reporting Standards is required to be met by the total of its net distributable profit after offsetting its prior year losses, if any, and other items that may be distributed as dividend arising from its statutory financial statements based on its books of account.

The exchange-traded companies in Turkey distribute their profits by the resolution of their general assemblies in accordance with the relevant legislations and within the guidelines stated in their profit distribution policies determined by their general assemblies. The profit distribution policies of the exchange-traded companies must contain at least whether any profit will be distributed or not and if it will be distributed, the profit distribution rate determined for shareholders and other profit-sharing persons; method of payment of the dividend; time of payment of the dividend providing that the dividend distribution process will start latest by the end of the accounting period during which the general assembly meeting was held; whether advance dividend will be distributed or not and, if it will be distributed, the related principles in respect of this. The Company adopted a policy of not distributing cash or bonus dividend and distributing retained earnings by way of share capital increases through bonus issue by capitalization of internal resources within the regulatory framework of CMB and re-evaluating this policy every year, pursuant to its profit distribution policy explained below:

Dividends are distributed to all outstanding shares as of the distribution date equally in proportion to their ownership percentage in share capital regardless of the issue and acquisition dates of these shares, The rights arising from the dividend privilege are reserved. In the capital increases of public companies, bonus shares are distributed to outstanding shares as of the date of share capital increase.

Profit Distribution Policy

According to 2018 Ordinary General Assembly of the Company has resolved on 23 May 2019 that the profit distribution policy of Company for the year 2019 and the subsequent years pursuant to the Corporate Governance Principles is the distribution of profits as bonus shares by means of share capital increases from internal resources through the capitalisation of profits, to the extent that the criteria stipulated by the regulatory framework of CMB in relation to share capital increases through bonus issue are met, in order to finance the growth by way of retention of earnings in equity through the accumulation of profits in extraordinary reserves by considering the growth plans, investing activities and existing financial structures of the associated companies and subsidiaries and this policy is to be re-evaluated every year by taking into account the regulations of the Capital Markets Board regarding profit distribution and the liquidity position of the Company.

Pursuant to the article 16/8, of the Communiqué on Shares (VII-128,1) promulgated by the Capital Markets Board of Turkey (the CMB), without prejudice to statutory obligations with respect to share capital increase, the applications of publicly traded companies to the CMB for share capital increases by capitalisation of internal resources excluding period profit which will result in the adjusted share price dropping below full TL 2, the share price being calculated as the average of the weighted average trading prices in stock exchange within 30 days prior to the disclosure of share capital increase to the public, are not put into process by the CMB.

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Profit Distribution of Group Companies

In the Ordinary General Assembly Meeting for the year 2018 of GSD Holding A.Ş. held on 23 May 2019, it was decided for the Company's Board of Directors to be authorized regarding the separation of TL 252,997 of net profit of year 2018 on the legal records of the Company by allocating TL 12,650 first legal reserve, from the remainder TL 240,347 amount and by allocating TL 293,188 first legal reserve from the TL 12,650 from the consolidated IFRS net profit of year 2018 and to allocate the remainder TL 280,538 amount as extra ordinary reserve.

In the Ordinary General Assembly Meeting for the year 2018 dated 27 March 2019 of GSD Faktoring A.Ş. it was decided the net profit after the amount to be paid to the members of the board of directors, whose corporate tax and other provisions are set aside and kept in the other provisions account, to be separated TL 59 as first legal reserve, TL 1,000 dividend distribution to Board of Director members, in accordance with in the circular of the BRSA dated 7 March 2019 and numbered 103.02.01(134-92)-E.3371 not to be separated and to be kept in the excess reserve account, and decided to transfer rest of the TL 9,055 amount as extra ordinary reserve.

The Ordinary General Assembly Meeting for the year 2018 of GSD Yatırım Bankası A.Ş. was held on 27 March 2019. In the Ordinary General Assembly Meeting, it was decided to the net profit amounting to TL 76,242 provided from the activities of the year 2018, TL 14,026 as corporate tax, TL 3,114 first legal reserve, TL 2,500 first premium to shareholders in accordance with 24/C articles of association of the Bank, the remaining of TL 56,664 as extraordinary reserve.

The Ordinary General Assembly Meeting for the year 2018 dated 23 May 2019 of GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. decided in the legal records of company from the net loss of TL 5,650, TL 21,493 of 75% of the earnings calculated in accordance with the legal legislation related to float share in 2018, in order to benefit from the corporate tax exemption according to the Article 5 (1) (e) and numbered 5520 of the Regulation on Corporate Tax, until the end of the fifth year following the year of sale transfer to any account other than an addition to capital and to be held without withdrawal from the company, loss amounting to TL 27,143 after transfer to the Special Funds Account in shareholders' equity from extraordinary reserves and deduct the year 2018 net profit of TL 35,543 in consolidated IFRS financial statements.

Retained earnings

	30 June 2019	31 December 2018
Extraordinary reserves (historical)	547,704	263,665
Reserves related to withdrawal of shares	6,304	6,304
Inflation adjustment on legal reserves	5,868	5,868
Transaction costs of equity transactions	(901)	(901)
IFRS adjustments	(1,066)	2,877
Retained earnings	557,909	277,813

The items that may be distributed as dividend to shareholders of the Company arising from its statutory financial statements based on its books of account

	30 June 2019	31 December 2018
Net profit/loss for the period	69,652	252,996
Extraordinary reserves (historical)	415,207	174,860
Extraordinary reserves (retained earnings arising from the first application of inflation accounting)	68,925	68,925
Inflation adjustment on extraordinary reserves	23,082	23,082
The items that may be distributed as dividend in statutory financial statements	576,866	519,863

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Retained earnings (continued)

The restatement effects of the inflation adjustment on the credit balance accounts which are transferred to another account or withdrawn from the company as dividend shall be subject to corporate tax without being included in the current net income for the year during which the transfer or withdrawal is made, but the restatement effects of the inflation adjustment on the equity accounts can be capitalised or transferred to the accumulated deficit account to set off the prior year losses arising from the first application of inflation accounting without being subject to corporate tax, according to the Temporary Clause 25 and the Repeated Clause 298 of the Tax Procedural Law of Turkey. The Tax Procedural Law Communiqué numbered 328 excepts the transfers or withdrawals made from the restatement effects of the inflation adjustment on the nonmonetary credit balance accounts which are profit reserves, special funds (such as fixed asset replacement fund), advances and deposits and progress payments arising from construction contracts, from corporate tax in this regard.

Pursuant to the section under the heading of 19. Profit Distribution belonging to the Circular numbered 17 relating to the Tax Procedural Law of Turkey, prior year income not existing before the first inflation adjustment and arising from the first inflation adjustment, which are transferred to another account or withdrawn from the company as dividend shall be subject to corporate tax without being included in the current net income for the year during which the transfer or withdrawal is made.

Changes in Non-Controlling Interests Without Loss of Control

According to "IFRS 10 –Consolidated Financial Statements", "Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners)." In order to meet the requirement of this standard, the difference between the change in the Group's share in its subsidiaries' equity items except reserves resulting from the accumulation of other comprehensive income items in equity arising from the change in the Group's ownership interest in that subsidiary that do not result in a loss of control and the fair value of the consideration paid or received to effect such a change are not recognised in the consolidated income statement and other comprehensive income, but directly classified in "Changes in non-controlling interests without loss of control" balance of the previous year-end, to "Retained Earnings".

The Movement in Changes in Non-Controlling Interests Without Loss of Control:

	30 June 2019	31 December 2018
Opening Balance	(382)	(765)
Opening fund balance transferred to retained earnings	382	765
Change in the shares of GSD Holding as a result of repurchased shares of GSD Marin	-	(382)
The Changes in Non-Controlling Interests Without Loss of Control	-	(382)

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Non-controlling interests

The movement in non-controlling interests classified into the subsidiaries that has non-controlling interests

	GSD Denizcilik Gayrimenkul İnş. San. ve Tic.A.Ş.	GSD Faktoring A.Ş.	Consolidated
1 January 2019	21,510	5,472	26,982
Non-controlling interest in net profit/(loss) in the income statement	(748)	773	25
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	1,740	-	1,740
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(4)	(4)	(8)
Non-controlling interest in profit/(loss) from treasury share	-	-	-
30 June 2019	22,498	6,241	28,739

The movement in non-controlling interests classified into the subsidiaries that has non-controlling interests

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.	Consolidated
1 January 2018	16,075	4,691	20,766
Non-controlling interest in net profit/(loss) in the income statement	5,886	1,101	6,987
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	570	-	570
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(2)	-	(2)
Non-controlling interest in profit/(loss) from treasury share	11	(311)	(300)
Change in the Non-controlling interest share	(1,030)	(9)	(1,039)
31 December 2018	21,510	5,472	26,982

Summarised financial information for the subsidiaries that has non-controlling interests ⁽¹⁾

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
30 June 2019		
Current Assets	36,046	229,924
Non- Current Assets	234,801	3,301
Total Asset	270,847	233,225
Short term liabilities	80,780	170,242
Long term liabilities	53,566	2,584
Total liabilities	134,346	172,826
Equity	136,501	60,399
Total Liability	270,847	233,225
30 June 2019		
Net period profit/(loss)	(4,509)	7,480
Other comprehensive income	10,459	(36)
Total comprehensive income	5,950	7,444

Summarised financial information for the subsidiaries that has non-controlling interests ⁽¹⁾

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
31 December 2018		
Current Assets	82,102	106,827
Non- Current Assets	214,897	441
Total Asset	296,999	107,268
Short term liabilities	86,548	53,660
Long term liabilities	79,900	654
Total liabilities	166,448	54,314
Equity	130,551	52,954
Total Liability	296,999	107,268
31 December 2018		
Net period profit/(loss)	35,543	10,660
Other comprehensive income	3,421	(13)
Total comprehensive income	38,964	10,647

⁽¹⁾ The details of the above summarised financial data are obtained from consolidated IFRS financial statements except the eliminations of intragroup balances.

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20. ASSETS HELD FOR SALE

Assets held for sale the purpose of sale are consist of the real estate properties obtained by the Group in exchange for “Receivables from Financial Activities”. In accordance with the related regulations banks have to dispose of the properties that they are obliged to obtain arisen from their receivables within three years starting from the day of obtaining it. From the real estate properties obtained by the banks due to their receivables, on the condition that they would not exceed the limits specified in Banking Law and the value and the proportion they needed for banking and with the permission of Banking Regulation and Supervision Agency, the ones allocated for their own usage are not evaluated within the scope of aforementioned regulation.

	30 June 2019	31 December 2018
Assets held for sale	76	76
Total	76	76

Assets held for sale

	30 June 2019	31 December 2018
Cost	76	76
Total	76	76

Movement table of assets held for sale:

	30 June 2019	31 December 2018
Opening balance at 1 January	76	53,626
Additions	-	-
Disposals ⁽¹⁾	-	(53,550)
Closing balance at the end of period	76	76

⁽¹⁾ The property held by GSD Bank A.Ş., acquired from execution for debt in assets held for sale amounting to TL 53,550 has been sold at an amount of TL 79,216 on 26 March 2018. The cost of property, TL 53,550, has been deducted from sale price and remaining TL 25,666 has been recognized as gain from property sales.

There are no liabilities related to asset groups classified as held for sale from continuing operations.
As at 30 June 2019, the Group has no discontinued operations.

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21. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. For the purpose of these consolidated financial statements, unconsolidated subsidiaries and other companies of the shareholders are referred to as related parties. Related parties also include individuals that are principle owners, management and members of the Board of Directors and their families.

In the course of conducting its business, the Group conducted various business transactions with related parties on commercial terms and at rates which approximate market rates:

	30 June 2019				31 December 2018			
	GSD Group	Delta Group	Share-holders	Key Executives	GSD Group	Delta Group	Share-holders	Key Executives
	Continuing Operations				Continuing Operations			
Cash loans	-	-	-	-	-	-	242	-
Deposits-Borrowers' funds	-	-	1	-	-	-	4	-

	30 June 2019				30 June 2018			
	GSD Group	Delta Group	Share-Holders	Key Executives	GSD Group	Delta Group	Share-holders	Key Executives
	Continuing Operations				Continuing Operations			
Interest income	-	-	1	-	-	-	96	-
Interest expense	-	-	-	-	-	-	755	-
Rent expense	-	-	2,412	-	-	-	2,109	-
Commission income	-	-	-	-	-	-	4	-

In the above table, the balances related with the shareholders belong to the Chairman of the Board of Directors of the Company, Mehmet Turgut Yılmaz and Delta Group is under the control of Mehmet Turgut Yılmaz. The balances related with GSD Group belong to unconsolidated group companies and its foundation.

In the above table containing related party balances, the rent expense under the shareholders column comprise the amounts paid to Mehmet Turgut Yılmaz for office building rent by group companies; donation expense comprise the donations made to GSD Education Foundation by group companies; the balances of related party transactions under the headings of cash loans, non-cash loans, deposits, borrowers' funds, derivative financial instruments, interest income, interest expense and commission income arise from the banking transactions made between the Group banks and the related parties on market terms. The comparable price method is used in the determination of rent expense arising from related party transactions.

The executive and non-executive members of the Board of Directors and the management received remuneration and fees totalling TL 6,046 for continuing operations for the six-month period ended 30 June 2019 and none for discontinued operations (30 June 2018: TL 5,324 for continuing operations, none for discontinued operations).

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22. PROVISIONS AND COMMITMENTS

Provision for litigation

There is no provision for litigations that is required to be set or disclosed for continuing operations as at 30 June 2019 and 31 December 2018.

Short term provisions

	30 June 2019	31 December 2018
Unindemnified non-cash loans	-	14
General provision for non-cash loans ⁽¹⁾	2,191	1,543
Total	2,191	1,557

⁽¹⁾ General provision for non-cash loans are presented in the short-term provisions in liabilities.

Non cash loan provisions movement table:

	30 June 2019	31 December 2018
Opening Balance	14	13
Provision set during / (reversed) the period	(14)	1
Closing balance at the end of period	-	14

Commitments

In the normal course of business, the Group undertakes various commitments and incurs certain contingent liabilities that are not presented in the consolidated financial statements including:

	30 June 2019	31 December 2018
Letters of guarantee	1,938,792	1,339,594
Bills of acceptances	118,797	102,476
Total non-cash loans	2,057,589	1,442,070
Other commitments	-	-
Total non-cash loans and off-balance sheet commitments	2,057,589	1,442,070

23. FINANCIAL RISK MANAGEMENT

The Company’s risk management program focuses on minimising the negative effects of the ambiguities in financial markets on the Company’s financial statements. The Company is mostly exposed to ,market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk in relation with financial investments, Group uses derivative instruments in order to protect financial risk.

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23. FINANCIAL RISK MANAGEMENT (continued)

Foreign currency position table (Unless indicated, original currency)	30 June 2019				31 December 2018			
	TL	Thousand USD	Thousand Euro	Other (TL)	TL	Thousand USD	Thousand Euro	Other (TL)
1. Trade Receivables	12,550	2,181	-	-	6,303	1,198	-	-
2a. Monetary Financial Assets (Cash and Bank)	169,974	29,508	21	11	289,059	54,740	177	11
2b. Non-Monetary Financial Assets	751,672	130,610	-	-	677,341	128,750	-	-
3. Other	5,711	935	51	-	5,156	970	9	-
4. Current Asset (1+2+3)	939,907	163,234	72	11	977,859	185,658	186	11
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets (Cash and Bank)	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	629,724	109,354	58	-	583,071	110,831	-	-
8. Non Current Assets (5+6+7)	629,724	109,354	58	-	583,071	110,831	-	-
9. Total Assets (4+8)	1,569,631	272,588	130	11	1,560,930	296,489	186	11
10. Trade Payables	2,125	366	3	-	67	13	-	-
11. Financial Liabilities	156,485	27,108	66	44	228,618	43,405	38	40
12a. Monetary Other Financial Liabilities	-	-	-	-	53	-	9	-
12b. Non Monetary Other Financial Liabilities	3,155	546	1	-	2,964	562	1	-
13. Short Term Liability (10+11+12)	161,765	28,020	70	44	231,702	43,980	48	40
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	216,425	37,592	12	-	241,506	45,906	-	-
16 a. Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
16 b. Non Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liability (14+15+16)	216,425	37,592	12	-	241,506	45,906	-	-
18. Total Liability (13+17)	378,190	65,612	82	44	473,208	89,886	48	40
19. Net Asset/(Liability) Position of Off Balance Sheet Foreign Currency Derivative Instruments(19a-19b)	-	-	-	-	-	-	-	-
19a. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	-	-	-	-	-	-	-	-
19b. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	-	-	-	-	-	-	-	-
20. Net financial position (9-18+19)	1,191,441	206,976	48	(33)	1,087,722	206,603	138	(29)
21. Position of Net Monetary Units of Foreign Currency Assets / (Liabilities) (=1+2a+5+6a-10-11-12a-14-15-16a)	(192,512)	(33,377)	(60)	(33)	(174,882)	(33,386)	130	(29)
22. Total Fair value of Financial Instruments used for Currency Hedge	-	-	-	-	-	-	-	-
23. Amount of hedged Foreign Currency Assets	-	-	-	-	-	-	-	-
24. Amount of hedged Foreign Currency Liabilities	-	-	-	-	-	-	-	-
25. Export	-	-	-	-	-	-	-	-
26. Import	-	-	-	-	-	-	-	-

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23. FINANCIAL RISK MANAGEMENT (continued)

According to a regulation of the Capital Markets Board of Turkey dated 9 September 2009 and numbered 28/780, the exchange-traded companies except financial institutions and investment trusts can give a collateral, pledge, mortgage and guarantee only in favor of their own judicial entities and their consolidated subsidiaries and other third parties can be a beneficiary of a collateral, pledge, mortgage and guarantee given by exchange-traded companies only if it is provided with the sole aim of conducting ordinary business activities.

As at 30 June 2019 and 31 December 2018, group collateral and pledge position are as follows:

Continuing Operations					
Collaterals, pledges, mortgages and guarantees given by the Group	30 June 2019				
	TL	US Dollars	Euro	Others	Total
A. Collaterals, pledges, mortgages and guarantees given by the Group					
Companies in favor of their own judicial entities	39	364,899	-	-	364,938
1. Letters of guarantee given by the Group Company	-	-	-	-	-
2. Letters of guarantee given by the Non-Group Banks as collateral against cash loans	-	-	-	-	-
3. Other letters of guarantee given by the Non-Group Banks	-	-	-	-	-
4. Marketable Securities	-	-	-	-	-
5. Cash and bank deposit pledges	39	1,439	-	-	1,478
6. Mortgage given as collateral against cash loans ⁽³⁾⁽⁴⁾	-	191,870	-	-	191,870
7. Subsidiary share pledge given as collateral against cash loans ⁽³⁾⁽⁴⁾	-	171,590	-	-	171,590
8. Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies	153,851	763,897	-	-	917,748
1. Guarantees given as collateral against cash loans ⁽¹⁾	153,411	690,552	-	-	843,963
2. Guarantees given as collateral against derivative contracts ⁽¹⁾	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	440	-	-	-	440
5. Mortgage given as collateral against cash loans ⁽³⁾⁽⁴⁾	-	73,345	-	-	73,345
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7. Bank deposit given as collateral against cash loans	-	-	-	-	-
8. Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities	1,639,144	243,175	175,270		2,057,589
1. Non-cash loans given by the Group Banks	1,639,144	243,175	175,270		2,057,589
2. Other	-	-	-		-
D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2. of the Communiqué on the Corporate Governance	-	-	-	-	-
E. Other collaterals, pledges, mortgages and guarantees given by the Group	-	-	-	-	-
1. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder ⁽²⁾	-	-	-	-	-
2. Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-
3. Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-
Total	1,793,034	1,371,971	175,270		3,340,275

As at 30 June 2019, the rate of the other GPMs the Company have given to the Company's shareholders' equity is 25.27%.

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23. FINANCIAL RISK MANAGEMENT (continued)

Continuing Operations		31 December 2018				
Collaterals, pledges, mortgages and guarantees given by the Group		TL	US Dollars	Euro	Others	Total
A. Collaterals, pledges, mortgages and guarantees given by the Group						
Companies in favor of their own judicial entities						
		33	353,340	-	-	353,373
1.	Letters of guarantee given by the Group Company	-	-	-	-	-
2.	Letters of guarantee given by the Non-Group Banks as collateral against cash loans	-	-	-	-	-
3.	Other letters of guarantee given by the Non-Group Banks	-	-	-	-	-
4.	Marketable Securities	-	-	-	-	-
5.	Cash and bank deposit pledges	33	1,316	-	-	1,349
6.	Mortgage given as collateral against cash loans ⁽³⁾⁽⁴⁾	-	187,600	-	-	187,600
7.	Subsidiary share pledge given as collateral against cash loans ⁽³⁾⁽⁴⁾	-	164,424	-	-	164,424
8.	Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies						
		44,062	803,505	-	-	847,567
1.	Guarantees given as collateral against cash loans ⁽¹⁾	43,606	716,346	-	-	759,952
2.	Guarantees given as collateral against derivative contracts ⁽¹⁾	-	-	-	-	-
3.	Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4.	Other non-cash loans	456	-	-	-	456
5.	Mortgage given as collateral against cash loans ⁽³⁾⁽⁴⁾	-	87,159	-	-	87,159
6.	Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7.	Bank deposit given as collateral against cash loans	-	-	-	-	-
8.	Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities						
		973,215	346,942	121,913	-	1,442,070
1.	Non-cash loans given by the Group Bank	973,215	346,942	121,913	-	1,442,070
2.	Other	-	-	-	-	-
D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2. of the Communiqué on the Corporate Governance						
		-	-	-	-	-
E. Other collaterals, pledges, mortgages and guarantees given by the Group						
		-	-	-	-	-
1.	Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder ⁽²⁾	-	-	-	-	-
2.	Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-
3.	Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-
Total		1,017,310	1,503,787	121,913	-	2,643,010

⁽¹⁾ Guarantees given as collateral against cash loans and derivative contracts indicate the total risk exposure arising from guarantees given by the Company as collateral against outstanding cash loans and derivative contracts of its consolidated subsidiaries. The Company has no income or consideration arising from such guarantees it has given in favor of its consolidated subsidiaries.

⁽²⁾ Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder indicate the total risk exposure arising from the non-cash loans given by the Group Banks in favor of Mehmet Turgut Yılmaz, the chairman of the Board of Directors of the Company, and Delta Group Companies which are under his control.

⁽³⁾ The dry bulk cargo ships named M/V Cano and M/V Hako owned by Cano Maritime Limited, Hako Maritime Limited, respectively, and the 100% shares of owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. are mortgaged and pledged, respectively, against the bank loans obtained to finance the ship purchase in favour of the creditor banks.

⁽⁴⁾ The dry bulk cargo ships named M/V Dodo, M/V Olivia, M/V Zeyno and M/V Mila owned by Dodo Maritime Limited, Neco Maritime Limited, Zeyno Maritime Limited and Mila Maritime Limited, respectively, and the 100% shares of owned by GSD Shipping B.V. are mortgaged and pledged, respectively, against the bank loans obtained to finance the ship purchase in favour of the creditor banks.

The line of "E. Total amount of other given GPMs in the group " in the table asserted above refers to the ratio of other given GPMs by the Group to the Group's equity is 0% as of 30 June 2019 (31 December 2018: 0%).

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24. FAIR VALUES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The table below gives a comparison of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair values in the consolidated financial statements.

	30 June 2019		31 December 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and advances to customers	245,366	245,366	210,352	210,352
Finance lease receivables	11	11	26	26
Factoring receivables	228,986	228,986	105,760	105,760
Total	474,363	474,363	316,138	316,138
Financial liabilities				
Funds borrowed	475,448	475,410	430,590	430,620
Leasing transaction payables	11,063	11,063	-	-
Factoring payables	565	565	1,430	1,430
Total	487,076	487,038	432,020	432,050

The following methods and assumptions were used to estimate the fair values of the financial instruments:

- Fair values of certain financial assets and liabilities carried at cost or amortized cost, including cash and cash equivalents, balances with the Central Bank, deposits with banks and other financial institutions, other money market placements, factoring receivables and payables, demand deposits and reserve deposits at the central bank are considered to approximate their respective fair values due to their short-term nature.
- Fair values of other financial instruments are determined by using estimation techniques that include taking reference to the current market value of another instrument with similar characteristics or by discounting the expected future cash flows at prevailing interest rates.

Fair Value Hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed debt instruments.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the OTC derivative contracts. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

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25. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period adjusted, for “Bonus Shares” when they are issued to shareholders without any consideration as explained below, subsequent to the date of financial statements, but before their authorization.

In Turkey, companies can increase their share capital by making a prorata distribution of shares (“Bonus Shares”) to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and restatement differences. For the purpose of the EPS calculation such Bonus Shares are regarded as stock dividends. Dividend payments made in the form of free shares are regarded similarly. Accordingly the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares.

The following reflects the data used in the basic earnings per share computations:

Continuing Operations	30 June 2019	30 June 2018
Net profit/(loss)	100,912	141,484
The weighted average number of shares with a nominal value of full TL 1	360,000,000	360,000,000
Basic earnings per share with a nominal value of full TL 1	0.280	0.393
Diluted earnings per share with a nominal value of full TL 1	0.280	0.393

26. CASH FLOWS

Cash and cash equivalents in the statement of cash flows:

Continuing Operations	30 June 2019	30 June 2018
Cash on hand and balances with the Central Bank	1,815	6,243
Banks and financial institutions	102,277	164,862
Receivables from money market	6,426	-
Reserve requirements	264	8,511
Cash and cash equivalents in the statement of financial position	110,782	179,616
Less: Required reserve	(264)	(8,511)
Less: Accrued interest	(243)	(142)
Less: Blocked amount	(1,439)	(1,141)
Cash and cash equivalents in the statement of cash flows	108,836	169,822

27. EVENTS AFTER THE REPORTING PERIOD

None.

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28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

The purchase of the 15 % shares of Silopi Elektrik Üretim A.Ş. by GSD Holding A.Ş. from Park Holding A.Ş.

The closing of the transaction in connection with the agreement for purchase and sale of shares and of shareholders comprising the purchase of the Class (B) shares with a nominal value of full TL 30,307,500 representing a ratio of 15 % in the share capital of full TL 202,050,000 of Silopi Elektrik Üretim A.Ş. by GSD Holding A.Ş. from Park Holding A.Ş. signed on 8 June 2015, being conditional upon obtaining the necessary regulatory approvals from the relevant regulatory authorities in Turkey, has been executed between GSD Holding A.Ş. and Park Holding A.Ş. on 29 June 2015, the total price of US\$ 125,000,000 having been paid by GSD Holding A.Ş. to Park Holding A.Ş. and the assignment by Park Holding A.Ş. to GSD Holding A.Ş. of the shares constituting the subject of the agreement having been made and entered to the share ledger of Silopi Elektrik Üretim A.Ş. as of this date.

Silopi Elektrik Üretim A.Ş. shares that are classified to financial assets at fair value through profit or loss as at 1 January 2018 , in accordance with transition to IFRS 9. The income accrual of TL 12,555 calculated in proportion to the number of days to the end of period as at 30 June 2019 based on the minimum yearly dividend guarantee of US\$ 3,750,000 stated in the agreement which has been classified under “Other Income from Investment Activities” has been recognised as remeasurement gain on “Profit or Loss” in the consolidated IFRS statement for the period ended 30 June 2019.

The Share Buy-Back Program of GSD Holding A.Ş.

The Annual General Assembly of GSD Holding A.Ş. held on 25 June 2015 in connection with the year 2014 resolved to approve the Board of Directors’ decision regarding buy back program by means of the resolution dated 29 May 2015 and to authorise the Board of Directors of GSD Holding A.Ş. to framework of this program. The Board of Directors of GSD Holding A.Ş. resolved to transfer the authority granted to it by the General Assembly to Akgün Türer, the Vice-Chairman and General Manager of the Company, on 25 June 2015 pursuant to the Article 5/1 of the Communiqué on Bought Back Shares (II-22.1) of the Capital Markets Board of Turkey.

The aim of the share buy-backs to be made within the framework of the Share Buy-Back Program of GSD Holding A.Ş. is to support the stock exchange price of the shares of GSD Holding A.Ş. trading in Borsa İstanbul (BIST) below its book value and to make use of the liquidity of the Company to this aim, the maximum duration of implementation being three years. The maximum number of the shares to be bought back within the framework of the Share Buy-Back Program is up to the 10 % of the share capital of the Company including prior share repurchases pursuant to the Article 9 of the Communiqué on Bought Back Shares (II-22.1) of the Capital Markets Board of Turkey.

The bought-back shares will be recognised under the heading “Treasury Shares”, as a deficit account, within the equity in the consolidated IFRS financial statements of the Company in the amount of repurchase. Pursuant to the Article 20 of the Communiqué on Bought Back Shares (II-22.1) of CMB, reserve funds are to be set aside up to the acquisition value of the bought back shares, and classified as restricted reserves under the shareholders’ equity; the bought back shares and the said reserve funds are to be shown in the financial statements in line with the formats announced by the CMB; the reserves set aside as per this article are to be released up to an amount sufficient to meet the acquisition value, if the bought back shares are disposed of or redeemed. No gain or loss is recognized in the consolidated income statement and other comprehensive income on the purchase, issue, sale or cancellation of the Company’s own equity instruments pursuant to IAS 32. There is no subsidiary to be able to make share buy-back within the framework of the Share Buy-Back Program.

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28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (countined)

Additon to The Share Buy-Back Program of GSD Holding A.Ş.

On 21 July 2016 and 25 July 2016, the Capital Markets Board announced that the publicly listed companies may recapture their shares in the stock market without any limit, by taking the decision of the board of directors and making a special case announcement. In return for the announcement of the CMB, in addition to the previously completed share repurchase program in line with the decision of the board of directors dated 26 July 2016. The Board of Directors of GSD Holding A.Ş. resolved to transfer the authority granted to it by the General Assembly to Akgün Türer, the Vice-Chairman and General Manager of the Company, the Company decided to acquire additional 10% (TL 25,000,000). It has been decided to allocate amounting to TL 40,000,000 for the repurchase of new shares to be made within this scope.

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28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (countined)

The purchase of shares of GSD Holding A.Ş. by GSD Holding A.Ş. in Borsa İstanbul (BIST) and the sale of shares of GSD Holding A.Ş. by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. in Borsa İstanbul (BIST)

The company holds GSD Holding A.Ş. share	Buy/(Sales) Transactions				Accumulated Situation			Transaction Explanations				
	Transaction Cost	Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date	
Treasury shares												
GSD Holding A.Ş.	1,938	1,938	1,250	0.500%	1,938	1,250	0.500%	Buying	ISE	30.06.2015	02.07.2015	
GSD Holding A.Ş.	552	552	477	0.191%	2,490	1,727	0.691%	Buying	ISE	02.10.2015	06.10.2015	
GSD Holding A.Ş.	568	568	473	0.189%	3,058	2,200	0.880%	Buying	ISE	27.10.2015	02.11.2015	
GSD Holding A.Ş.	1,019	1,019	800	0.320%	4,077	3,000	1.200%	Buying	ISE	10.11.2015	12.11.2015	
GSD Holding A.Ş.	1,135	1,135	900	0.360%	5,212	3,900	1.560%	Buying	ISE	11.11.2015	13.11.2015	
GSD Holding A.Ş.	1,241	1,241	1,000	0.400%	6,453	4,900	1.960%	Buying	ISE	12.11.2015	16.11.2015	
GSD Holding A.Ş.	1,261	1,261	1,000	0.400%	7,714	5,900	2.360%	Buying	ISE	13.11.2015	17.11.2015	
GSD Holding A.Ş.	1,267	1,267	1,000	0.400%	8,981	6,900	2.760%	Buying	ISE	16.11.2015	18.11.2015	
GSD Holding A.Ş.	1,280	1,280	1,000	0.400%	10,261	7,900	3.160%	Buying	ISE	17.11.2015	19.11.2015	
GSD Holding A.Ş.	1,547	1,547	1,300	0.520%	11,808	9,200	3.680%	Buying	ISE	18.11.2015	20.11.2015	
GSD Holding A.Ş.	1,547	1,547	1,300	0.520%	13,355	10,500	4.200%	Buying	ISE	19.11.2015	23.11.2015	
GSD Holding A.Ş.	1,560	1,560	1,300	0.520%	14,915	11,800	4.720%	Buying	ISE	20.11.2015	24.11.2015	
GSD Holding A.Ş.	826	826	700	0.280%	15,741	12,500	5.000%	Buying	ISE	23.11.2015	25.11.2015	
GSD Holding A.Ş.	1,118	1,118	1,000	0.400%	16,859	13,500	5.400%	Buying	ISE	24.11.2015	26.11.2015	
GSD Holding A.Ş.	1,305	1,305	1,150	0.460%	18,164	14,650	5.860%	Buying	ISE	25.11.2015	27.11.2015	
GSD Holding A.Ş.	1,150	1,150	1,000	0.400%	19,314	15,650	6.260%	Buying	ISE	26.11.2015	30.11.2015	
GSD Holding A.Ş.	855	855	750	0.300%	20,169	16,400	6.560%	Buying	ISE	27.11.2015	01.12.2015	
GSD Holding A.Ş.	684	684	600	0.240%	20,853	17,000	6.800%	Buying	ISE	03.12.2015	07.12.2015	
GSD Holding A.Ş.	1,937	1,937	1,450	0.580%	22,790	18,450	7.380%	Buying	ISE	19.04.2016	21.04.2016	
GSD Holding A.Ş.	1,244	1,244	950	0.380%	24,035	19,400	7.760%	Buying	ISE	21.04.2016	25.04.2016	
GSD Holding A.Ş.	1,452	1,452	1,100	0.440%	25,487	20,500	8.200%	Buying	ISE	11.05.2016	13.05.2016	
GSD Holding A.Ş.	1,848	1,848	1,400	0.560%	27,335	21,900	8.760%	Buying	ISE	12.05.2016	16.05.2016	
GSD Holding A.Ş.	1,344	1,344	1,050	0.420%	28,679	22,950	9.180%	Buying	ISE	23.05.2016	25.05.2016	
GSD Holding A.Ş.	1,334	1,334	1,050	0.420%	30,012	24,000	9.600%	Buying	ISE	24.05.2016	26.05.2016	
GSD Holding A.Ş.	1,300	1,300	1,000	0.400%	31,312	25,000	10.000%	Buying	ISE	25.05.2016	27.05.2016	
GSD Holding A.Ş.	7,396	7,396	7,500	3.000%	38,708	32,500	13.000%	Buying	ISE	26.07.2016	28.07.2016	
GSD Holding A.Ş.	2,097	2,097	2,100	0.840%	40,805	34,600	13.840%	Buying	ISE	27.07.2016	29.07.2016	
GSD Holding A.Ş.	400	400	400	0.160%	41,205	35,000	14.000%	Buying	ISE	28.07.2016	01.08.2016	
GSD Holding A.Ş.	982	982	1,000	0.400%	42,187	36,000	14.400%	Buying	ISE	29.07.2016	02.08.2016	
GSD Holding A.Ş.	599	599	600	0.240%	42,786	36,600	14.640%	Buying	ISE	01.08.2016	03.08.2016	
GSD Holding A.Ş.	99	99	100	0.040%	42,885	36,700	14.680%	Buying	ISE	02.08.2016	04.08.2016	
GSD Holding A.Ş.	198	198	200	0.080%	43,083	36,900	14.760%	Buying	ISE	04.08.2016	08.08.2016	
GSD Holding A.Ş.	980	980	1,000	0.400%	44,063	37,900	15.160%	Buying	ISE	17.08.2016	19.08.2016	
GSD Holding A.Ş.	833	833	850	0.340%	44,896	38,750	15.500%	Buying	ISE	18.08.2016	22.08.2016	
GSD Holding A.Ş.	727	727	750	0.300%	45,623	39,500	15.800%	Buying	ISE	22.08.2016	24.08.2016	
GSD Holding A.Ş.	485	485	500	0.200%	46,108	40,000	16.000%	Buying	ISE	24.08.2016	26.08.2016	
GSD Holding A.Ş.	734	734	750	0.300%	46,842	40,750	16.300%	Buying	ISE	25.08.2016	29.08.2016	
GSD Holding A.Ş.	392	392	400	0.160%	47,234	41,150	16.460%	Buying	ISE	26.08.2016	30.08.2016	
GSD Holding A.Ş.	82	82	89	0.036%	47,316	41,239	16.496%	Buying	ISE	26.09.2016	28.09.2016	
GSD Holding A.Ş.	246	246	261	0.104%	47,562	41,500	16.600%	Buying	ISE	27.09.2016	29.09.2016	
GSD Holding A.Ş.	474	474	500	0.200%	48,036	42,000	16.800%	Buying	ISE	29.09.2016	03.10.2016	
GSD Holding A.Ş.	470	470	500	0.200%	48,506	42,500	17.000%	Buying	ISE	30.09.2016	04.10.2016	
GSD Holding A.Ş.	477	477	500	0.200%	48,983	43,000	17.200%	Buying	ISE	04.10.2016	06.10.2016	
GSD Holding A.Ş.	245	245	250	0.100%	49,228	43,250	17.300%	Buying	ISE	10.10.2016	12.10.2016	
GSD Holding A.Ş.	-	-	34,600	-	-	77,850	-	Free				
GSD Holding A.Ş.	2,241	2,241	4,150	0.922%	51,469	82,000	18.222%	Buying	ISE	29.11.2016	01.12.2016	
GSD Holding A.Ş.	1,060	1,060	2,000	0.445%	52,529	84,000	18.667%	Buying	ISE	01.12.2016	05.12.2016	
GSD Holding A.Ş.	530	530	1,000	0.222%	53,059	85,000	18.889%	Buying	ISE	06.12.2016	08.12.2016	
GSD Holding A.Ş.	160	160	300	0.066%	53,219	85,300	18.956%	Buying	ISE	07.12.2016	09.12.2016	
GSD Holding A.Ş.	3,199	3,199	4,700	1.044%	56,418	90,000	20.000%	Buying	ISE	14.12.2017	18.12.2017	
Total	56,418	56,418	90,000	20.00%	56,418	90,000	20.000%					
Share capital-investment eliminations					10,737	11,654	4.662%					
GSD Denizcilik	(1,938)	(1,132)	(1,250)	(0.500%)	9,605	10,404	4.162%	Sales	ISE	30.06.2015	02.07.2015	
GSD Denizcilik	(638)	(500)	(500)	(0.200%)	9,105	9,904	3.962%	Sales	ISE	10.11.2015	12.11.2015	
GSD Denizcilik	(756)	(622)	(600)	(0.240%)	8,483	9,304	3.722%	Sales	ISE	11.11.2015	13.11.2015	
GSD Denizcilik	(992)	(874)	(800)	(0.320%)	7,609	8,504	3.402%	Sales	ISE	12.11.2015	16.11.2015	
GSD Denizcilik	(756)	(594)	(600)	(0.240%)	7,015	7,904	3.162%	Sales	ISE	13.11.2015	17.11.2015	
GSD Denizcilik	(1,937)	(1,578)	(1,454)	(0.582%)	5,437	6,450	2.580%	Sales	ISE	19.04.2016	21.04.2016	
GSD Denizcilik	(1,244)	(1,031)	(950)	(0.380%)	4,406	5,500	2.200%	Sales	ISE	21.04.2016	25.04.2016	
GSD Denizcilik	(1,452)	(1,194)	(1,100)	(0.440%)	3,212	4,400	1.760%	Sales	ISE	11.05.2016	13.05.2016	
GSD Denizcilik	(1,848)	(1,519)	(1,400)	(0.560%)	1,693	3,000	1.200%	Sales	ISE	12.05.2016	16.05.2016	
GSD Denizcilik	(1,344)	(1,140)	(1,050)	(0.420%)	553	1,950	0.780%	Sales	ISE	23.05.2016	25.05.2016	
GSD Denizcilik	(1,206)	(1,031)	(950)	(0.380%)	(478)	1,000	0.400%	Sales	ISE	24.05.2016	26.05.2016	
GSD Denizcilik	(1,300)	(1,085)	(1,000)	(0.400%)	(1,563)	-	-	Sales	ISE	25.05.2016	27.05.2016	
GSD Denizcilik	-	1,563	-	-	1,563	-	-	Cons. Adj.		-	-	
Total	(15,411)	(10,737)	(11,654)	(4.662%)	-	-	-					
Total	41,007	45,681	78,346	17.410%	56,418	90,000	20.00%					

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The movement of additional buy-back programme between the dates 28.07.2016-16.08.2019

In the repurchase of shares process which is started on 26 July 2016, the proportion of repurchase share on report date 16 August 2019 and the Company's share capital registered on 30 November 2016 amounting TL 450,000,000 is 20.00%. There are not any shares can be repurchase.

The company holds GSD Holding A.Ş. share	Buy/(Sales) Transactions				Accumulated Situation			Transaction Explanations				
	Transaction Cost	Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date	
Recalled shares					31,312	25,000	10.000%	-	-		-	
GSD Holding A.Ş.	7,396	7,396	7,500	3.000%	38,708	32,500	13.000%	Buying	ISE	26.07.16	28.07.16	
GSD Holding A.Ş.	2,097	2,097	2,100	0.840%	40,805	34,600	13.840%	Buying	ISE	27.07.16	29.07.16	
GSD Holding A.Ş.	400	400	400	0.160%	41,205	35,000	14.000%	Buying	ISE	28.07.16	01.08.16	
GSD Holding A.Ş.	982	982	1,000	0.400%	42,187	36,000	14.400%	Buying	ISE	29.07.16	02.08.16	
GSD Holding A.Ş.	599	599	600	0.240%	42,786	36,600	14.640%	Buying	ISE	01.08.16	03.08.16	
GSD Holding A.Ş.	99	99	100	0.040%	42,885	36,700	14.680%	Buying	ISE	02.08.16	04.08.16	
GSD Holding A.Ş.	198	198	200	0.080%	43,083	36,900	14.760%	Buying	ISE	04.08.16	08.08.16	
GSD Holding A.Ş.	980	980	1,000	0.400%	44,063	37,900	15.160%	Buying	ISE	17.08.16	19.08.16	
GSD Holding A.Ş.	833	833	850	0.340%	44,896	38,750	15.500%	Buying	ISE	18.08.16	22.08.16	
GSD Holding A.Ş.	727	727	750	0.300%	45,623	39,500	15.800%	Buying	ISE	22.08.16	24.08.16	
GSD Holding A.Ş.	485	485	500	0.200%	46,108	40,000	16.000%	Buying	ISE	24.08.16	26.08.16	
GSD Holding A.Ş.	734	734	750	0.300%	46,842	40,750	16.300%	Buying	ISE	25.08.16	29.08.16	
GSD Holding A.Ş.	392	392	400	0.160%	47,234	41,150	16.460%	Buying	ISE	26.08.16	30.08.16	
GSD Holding A.Ş.	82	82	89	0.036%	47,316	41,239	16.496%	Buying	ISE	26.09.16	28.09.16	
GSD Holding A.Ş.	246	246	261	0.104%	47,562	41,500	16.600%	Buying	ISE	27.09.16	29.09.16	
GSD Holding A.Ş.	474	474	500	0.200%	48,036	42,000	16.800%	Buying	ISE	29.09.16	03.10.16	
GSD Holding A.Ş.	470	470	500	0.200%	48,506	42,500	17.000%	Buying	ISE	30.09.16	04.10.16	
GSD Holding A.Ş.	477	477	500	0.200%	48,983	43,000	17.200%	Buying	ISE	04.10.16	06.10.16	
GSD Holding A.Ş.	245	245	250	0.100%	49,228	43,250	17.300%	Buying	ISE	10.10.16	12.10.16	
GSD Holding A.Ş.	-	-	34,600			77,850		Free				
GSD Holding A.Ş.	2,241	2,241	4,150	0.922%	51,469	82,000	18.222%	Buying	ISE	29.11.16	01.12.16	
GSD Holding A.Ş.	1,060	1,060	2,000	0.445%	52,529	84,000	18.667%	Buying	ISE	01.12.16	05.12.16	
GSD Holding A.Ş.	530	530	1,000	0.222%	53,059	85,000	18.889%	Buying	ISE	06.12.16	08.12.16	
GSD Holding A.Ş.	160	160	300	0.066%	53,219	85,300	18.956%	Buying	ISE	07.12.16	09.12.16	
GSD Holding A.Ş.	3,199	3,199	4,700	1.044%	56,418	90,000	20.000%	Buying	ISE	14.12.17	18.12.17	
Total	56,418	56,418	90,000	20.00%	56,418	90,000	20.000%					

GSD Holding Anonim Şirketi
Notes to the Consolidated Financial Statements
For the Six-Month Period Ended 30 June 2019

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (countined)

The movement of additional buy-back programme between the dates 28.07.2016-16.08.2019 (continued)

The company holds GSD Denizcilik Gayr. İnş. San. Ve Tic. A.Ş. share	Buy/(Sales) Transactions				Accumulated Situation			Transaction Explanations			
	Transaction Cost	Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date
Recalled shares											
GSD Denizcilik	313	313	360	0.690%	313	360	0.690%	Buying	ISE	26.07.16	26.07.16
GSD Denizcilik	752	752	820	1.572%	1,065	1,180	2.262%	Buying	ISE	27.07.16	27.07.16
GSD Denizcilik	612	612	675	1.294%	1,677	1,855	3.556%	Buying	ISE	28.07.16	28.07.16
GSD Denizcilik	334	334	360	0.690%	2,011	2,215	4.246%	Buying	ISE	29.07.16	29.07.16
GSD Denizcilik	97	97	100	0.192%	2,108	2,315	4.438%	Buying	ISE	01.08.16	01.08.16
GSD Denizcilik	69	69	70	0.134%	2,177	2,385	4.572%	Buying	ISE	02.08.16	02.08.16
GSD Denizcilik	99	99	100	0.192%	2,276	2,485	4.764%	Buying	ISE	03.08.16	03.08.16
GSD Denizcilik	30	30	30	0.058%	2,306	2,515	4.822%	Buying	ISE	05.08.16	05.08.16
GSD Denizcilik	55	55	56	0.106%	2,361	2,571	4.928%	Buying	ISE	24.08.16	26.08.16
GSD Denizcilik	10	10	10	0.020%	2,371	2,581	4.948%	Buying	ISE	26.09.16	28.09.16
GSD Denizcilik	18	18	19	0.036%	2,389	2,600	4.984%	Buying	ISE	27.09.16	29.09.16
GSD Denizcilik	138	138	140	0.268%	2,527	2,740	5.252%	Buying	ISE	29.09.16	03.10.16
GSD Denizcilik	74	74	75	0.144%	2,601	2,815	5.396%	Buying	ISE	04.10.16	06.10.16
GSD Denizcilik	68	68	66	0.126%	2,669	2,881	5.522%	Buying	ISE	05.10.18	09.10.18
GSD Denizcilik	11	11	11	0.021%	2,680	2,892	5.543%	Buying	ISE	11.10.18	15.10.18
GSD Denizcilik	59	59	57	0.108%	2,739	2,949	5.651%	Buying	ISE	23.10.18	25.10.18
GSD Denizcilik	18	18	17	0.033%	2,757	2,966	5.684%	Buying	ISE	26.10.18	30.10.18
GSD Denizcilik	47	47	45	0.086%	2,804	3,011	5.770%	Buying	ISE	30.10.18	01.11.18
GSD Denizcilik	49	49	47	0.090%	2,853	3,058	5.860%	Buying	ISE	01.11.18	03.11.18
GSD Denizcilik	10	10	10	0.019%	2,863	3,068	5.879%	Buying	ISE	05.11.18	07.11.18
GSD Denizcilik	93	93	89	0.171%	2,956	3,157	6.050%	Buying	ISE	06.11.18	08.11.18
GSD Denizcilik	67	67	64	0.123%	3,023	3,221	6.174%	Buying	ISE	09.11.18	11.11.18
GSD Denizcilik	135	135	128	0.246%	3,158	3,349	6.419%	Buying	ISE	12.11.18	14.11.18
GSD Denizcilik	63	63	60	0.115%	3,221	3,409	6.534%	Buying	ISE	13.11.18	15.11.18
GSD Denizcilik	2	2	2	0.003%	3,223	3,411	6.537%	Buying	ISE	14.11.18	16.11.18
Total	3,223	3,223	3,411	6.537%	3,223	3,411	6.537%				

Within the scope of CMB announcements dated 21 July 2016 and 25 July 2016 GSD Denizcilik Gayr. İnş. San. ve Tic. A.Ş. Board of Directors pursuant to the decision to dated 26 July 2016, between 26 July 2016 and 16 August 2019, in Borsa İstanbul Main Market, with a nominal value of full TL 3,411,059 in total the rate of share which is 6,357% C Group GSD Denizcilik Gayr. İnş. San. ve Tic. A.Ş. repurchase from the price range of TL 0.84-TL 1.05 per share with a nominal value of TL 1 and total full TL 3,222,647.20, with the same day value, paid by GSD Denizcilik Gayr. İnş. San. ve Tic. A.Ş..The shares taken back by GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. are deducted from the capital,GSD Holding's share in GSD Denizcilik increased from 77.958% to 83.411%. As GSD Denizcilik owns 1.98% of GSD Faktoring A.Ş.'s share capital, as a result of these transactions,indirect shareholding rate of GSD Holding A.Ş. in GSD Faktoring A.Ş. increased by 0.11% and the total direct and indirect share increased from 89.55% to 89.66%. GSD Holding A.Ş.'s direct and indirect total share in GSD Faktoring A.Ş.'s capital is 89.66%.

Mehmet Turgut Yılmaz and Shareholders taking joint actions with Mehmet Turgut Yılmaz

Direct share ratio total of Mehmet Turgut Yılmaz on GSD Holding A.Ş. is 25.50%, total ratio of direct and indirect shares is 28.14%, which with the calculation of the capital with the deduction of repurchased shares 35.18%, regarding the shares of GSD Holding A.Ş., 25.50% of Mehmet Turgut Yılmaz, 4.50% of MTY Delta Denizcilik İç ve Dış Ticaret A.Ş., 20.00% of GSD Holding A.Ş. and 0.14% Adeo Turizm Otelcilik Limited Şirketi, which in total adds up to 50.14%, act in unison.

As at 30 June 2019 according to the Communique on Prospectus and Issue Document (II-15.1), the total share of Mehmet Turgut Yılmaz and people acting together is 50,14% and the total share is 37.67% with calculation deducted from capital.

GSD Holding Anonim Şirketi
Notes to the Consolidated Financial Statements
For the Six-Month Period Ended 30 June 2019

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (continued)

The Share Buy-Back Program of GSD Holding A.Ş. approved by the Annual General Assembly of GSD Holding A.Ş. held on 25 June 2015

Paid in capital without charge from amounting full TL 250,000,000 to amounting full TL 450,000,000 GSD Holding has increased its shares 80% nominally. The Company requested opinion from CMB within the scope of the article 520 of the Turkish Commercial Code No: 6102 to separate excess reserve those shares aforementioned.

According to CMB’s 36231672-045.01-E.1473 numbered opinion, for the purpose of traceability of repurchased shares related with free shares are classified under shareholder’s equity on the account “buy-backed shares(-)” and recorded as counterpart with “reserves on retained earnings”. With this presentation there is no change or effect on retained earnings and total shareholder’s equity in consolidated financial statements.

Giving additional time from the Capital Market Board regarding the disposal of repurchased shares

It has been reported by the Capital Markets Board that the Company shall be granted an additional 18 months in response to the additional request made by the Company on 28 March 2019, in accordance with the announcement of the Capital Markets Board dated 21 July 2016 and the additional announcement dated 25 July 2016 of this announcement, the third article of Article 19 of the Communique No: II-22.1 on the disposal of shares exceeding 10% of the repurchased capital as regards the duration specified in paragraph dispose of three years.

GSD Holding Anonim Şirketi
Notes to the Consolidated Financial Statements
For the Six-Month Period Ended 30 June 2019

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (continued)

Establishment of GSD Shipping B.V and Mila Maritime Limited Companies

GSD Holding A.Ş has established a 100% subsidiary, GSD Shipping B.V., in the Netherlands on 19 October 2016 with a share capital of USD 5 million. The company’s total establishment capital is paid in cash on 31 October 2016.

At the Board of Directors meeting of GSD Holding A.Ş. dated 24 September 2018, 100% of the existing capital of the subsidiary GSD Shipping B.V. amounting to USD 30 million to USD 40 million with cash increase of USD 10 million and it has been decided to increase the registered capital ceiling of GSD Shipping B.V. from USD 40 million to USD 50 million and as at 1 October 2018, all of the increased capital was paid by GSD Holding A.Ş..

The establishment of company titled Mila Maritime Limited with a share capital of USD 5,000 in Malta is completed by GSD Shipping B.V. for the purpose of operating in marine sector on the date of 21 November 2016. Between Mila Maritime Limited and Itachu Corporation located in Japan a contract has been signed on 28 November 2016 about constructing one dry cargo vessel being able to carry 63,000 DWT so as to commit delivery in the midst of 2018. Subsidiary of GSD Holding are established in Holland with 100% capital share, GSD Shipping B.V.’s a wholly owned subsidiary, of established has been completed the purchase of a dry cargo vessel by Mila Maritime Ltd. and the vessel was delivered on 24 May 2018. Mila Maritime Limited owns its dry Cargo vessel M/V Mila starting from 25 May 2018, has leased it with its vessel charter.

Sale of Zeyno Maritime Limited to GSD Shipping B.V.

On 6 June 2018, Zeyno Maritime Limited fully owned by GSD Marin has been sold to GSD Shipping B.V. established by GSD Holding A.Ş. in the Netherlands, with a price of USD 5,883,290. Price has been determined according to valuation report.

Sale of Dodo Maritime Limited and Neco Maritime Limited to GSD Shipping B.V.

On 6 December 2018, Dodo Maritime Limited fully owned by GSD Marin has been sold to GSD Shipping B.V. established by GSD Holding A.Ş. in the Netherlands, with a price of USD 1,773,000 and Neco Maritime Limited fully owned by GSD Marin has been sold to GSD Shipping B.V. established by GSD Holding A.Ş. in the Netherlands, with a price of USD 5,336,000. Prices have been determined according to valuation report.

CONVENIENCE CONVERSION OF FINANCIALS

The US Dollar ("USD") amounts shown in the statement of financial position and statement of profit or loss and other comprehensive income on the following pages have been included solely for the convenience of the reader. For the current period's financial statements, USD amounts are translated from TL financial statements using the official TL exchange rate of 5.7551 TL/USD prevailing on 30 June 2019. For the prior year's financial statements, USD amounts are translated from TL financial statements using the official TL exchange rate of 5.2609 TL/USD prevailing on 31 December 2018 (30 June 2018: 4.5607). Such translation should not be construed as a representation that the TL amounts have been converted into USD pursuant to the requirements of IFRSs or Generally Accepted Accounting Principles in the United States of America or in any other country.

Consolidated Statement of Financial Position

As at 30 June 2019

(Currency: Thousands of US Dollar ("USD") unless otherwise stated)

	30 June 2019	31 December 2018
Assets		
Cash and balances with the Central Bank	315	1,034
Deposits with other banks and financial institutions	17,772	44,946
Receivables from money market	1,117	951
Reserve deposits at the Central Bank	46	493
Financial assets– fair value through profit/loss	139,154	137,209
Unquoted equity instruments	66	72
Loans and advances to customers, net	42,635	39,984
Factoring receivables, net	39,788	20,103
Finance lease receivables, net	2	5
Trade receivables, net	2,182	1,199
Other receivables, net	709	2,435
Inventories	606	715
Prepaid expenses	577	348
Assets held for sale from continuing operations	13	14
Property and equipment	109,965	111,449
Right of use assets	1,835	-
Intangible assets	85	77
Prepaid income tax	614	568
Deferred tax assets	301	441
Other assets	351	340
Total assets	358,133	362,383
Liabilities		
Funds borrowed	82,613	81,847
Other money market deposits	8,155	3,519
Borrowers' funds	2,492	14,662
Factoring payables	98	272
Liabilities arising from finance leases	8	11
Lease liabilities	1,922	-
Trade payables	437	46
Other payables	1,255	2,817
Current tax liability	915	825
Deferred income	557	587
Provisions	1,319	1,336
Deferred tax liabilities	4,888	4,188
Other liabilities	4	4
Total liabilities	104,663	110,114
Equity		
Share capital	93,133	101,882
Treasury shares	(15,815)	(17,301)
Share premium	859	940
Changes in non-controlling interests without loss of control	-	(73)
Remeasurements of the net defined benefit liability (asset)	(19)	(11)
Fair value reserve	-	-
Translation reserve	34,096	31,778
Retained earnings	118,691	74,195
Net profit for the period	17,534	55,730
Equity attributable to equity holders of the parent	248,479	247,140
Non-controlling interests	4,991	5,129
Total equity	253,470	252,269
Total liabilities and equity	358,133	362,383

**Consolidated Income Statement
For the Year Ended 30 June 2019**

(Currency: Thousands of US Dollar (“USD”) unless otherwise stated)

	01.01.2019	01.01.2018
	30.06.2019	30.06.2018
CONTINUING OPERATIONS		
Holding activities income	-	-
Holding activities expense (-)	-	-
Gross profit/(loss) from holding activities	-	-
Marine sector income	9,506	8,452
Marine sector expense (-)	(8,158)	(6,701)
Gross profit/(loss) from marine sector operations	1,348	1,751
Gross profit/(loss) from commercial sector operations	1,348	1,751
Interest income	10,990	12,405
Service income	2,356	1,537
Revenue from financial sector operations	13,346	13,942
Interest expense (-)	(3,028)	(5,162)
Service expense (-)	(118)	(162)
Cost of financial sector operations (-)	(3,146)	(5,324)
Provision income/(expense) arising from financial sector operations, net	(98)	(91)
Foreign exchange gain/(loss), net	(69)	539
Trading income, net	-	39
Other financial sector operations income/(expense), net	33	239
Gross profit/(loss) from financial sector operations	10,066	9,344
GROSS PROFIT/(LOSS)	11,414	11,095
Administrative expenses (-)	(3,810)	(5,173)
Other income from operating activities	3,000	3,493
Other expense from operating activities (-)	(442)	(149)
OPERATING PROFIT/(LOSS)	10,162	9,266
Income from investment activities	13,023	29,736
Expense from investment activities (-)	(3)	-
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	23,182	39,002
Financing income	-	-
Financing expenses (-)	(2,763)	(4,205)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	20,419	34,797
Tax income/(expense) from continuing operations	(2,881)	(3,716)
Current tax income/(expense)	(1,715)	(2,763)
Deferred tax income/(expense)	(1,166)	(953)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	17,538	31,081
Discontinued operations		
Profit/(loss) before tax from discontinued operations	-	-
Tax income/(expense) from discontinued operations	-	-
Current tax income/(expense)	-	-
Deferred tax income/(expense)	-	-
Gain or loss relating to the discontinuance, net	-	-
Gain or loss relating to the discontinuance	-	-
Cost to sell the discontinued operations	-	-
Tax expense relating to the discontinuance	-	-
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	-	-
NET PROFIT/(LOSS)	17,538	31,081
Net profit/(loss) (continuing and discontinued operations) attributable to:		
Non-controlling interest	4	58
Equity holders of the company	17,534	31,023
Net profit/(loss) (continuing operations) attributable to:		
Non-controlling interest	4	58
Equity holders of the company	17,534	31,023
Net profit/(loss) (discontinued operations) attributable to:		
Non-controlling interest	-	-
Equity holders of the company	-	-
Earnings per share (in full TL per share with a nominal value of full TL 1)		
Earnings per share from continuing operations	0.049	0.086
Earnings per share from discontinued operations	0.000	0.000

**Consolidated Statement Of Profit Or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019**

(Currency: Thousands of US Dollar (“USD”) unless otherwise stated)

	01.01.2019 30.06.2019	01.01.2018 30.06.2018
NET PERIOD PROFIT / (LOSS)	17,538	31,081
OTHER COMPREHENSIVE INCOME		
<u>Other comprehensive income which will be not reclassified in profit or loss</u>	(20)	(8)
Remeasurements of the net defined benefit liability (asset)	(20)	(8)
<u>Other comprehensive income which will be reclassified in profit or loss</u>	5,348	11,207
Change in currency translation differences	5,348	11,207
OTHER COMPREHENSIVE INCOME (AFTER TAX)	5,328	11,199
TOTAL COMPREHENSIVE INCOME	22,866	42,280
Total comprehensive income attributable to:		
Non-controlling interest	304	726
Equity holders of the company	22,562	41,554