GSD Holding Anonim Şirketi

Consolidated financial statements
as at and for the year ended 31 December 2015
together with independent auditors' report

GSD Holding Anonim Şirketi

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Building a better working world

Güney Bağımsız Denetim ve SMMM AŞ
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INDEPENDENT AUDITOR'S REPORT

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

Introduction

We have audited the accompanying consolidated balance sheet of GSD Holding A.Ş. (the Company) and its Subsidiaries (together will be referred to as the "Group") as at 31 December 2015 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the financial statements

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

Independent auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with International Standards on Auditing. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our proffesional judgement, including the assesment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assesments; the Group's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design procedures that are appropriate for the circumstances in order to identify the relation between the financial statements prepared by the Group and its internal control system. An audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group's management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan, SMMM
Partner

November 21, 2016
Istanbul, Turkey

GSD Holding Anonim Şirketi

Consolidated Statement of Financial Position
As at 31 December 2015

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

	Notes	2015	2014
Assets			
Cash and balances with the Central Bank	*5*	532	16
Deposits with other banks and financial institutions	*5*	90,656	4,571
Reserve deposits at the Central Bank	*5*	1,013	696
Trading securities	*6*	311	962
Available-for-sale investment securities	*6*	383,486	160
Unquoted equity instruments	*7*	663	663
Loans and advances to customers, net	*8*	243,737	101,233
Factoring receivables, net	*10*	255,366	191,708
Finance lease receivables, net	*9*	114	333
Trade receivables, net	*15*	31,558	1,834
Other receivables, net	*16*	43,613	4,729
Assets held for sale from continuing operations	*11*	941	281
Assets held for sale from discontinued operations	*11*	-	3,563,620
Property and equipment	*13*	272,611	227,733
Intangible assets	*14*	222	197
Prepaid income tax	*27*	2,834	10
Deferred tax assets	*27*	1,905	8,746
Inventories	*17*	1,716	1,427
Prepaid expenses	*18*	778	631
Other assets	*19*	541	287
Total Assets		**1,332,597**	**4,109,837**
Liabilities			
Other money market deposits	*20*	7,495	-
Borrowers' funds	*20*	9,534	7,113
Funds borrowed	*21*	464,259	265,263
Factoring payables	*10*	965	339
Liabilities arising from finance leases	*9*	504	430
Derivative liabilities held for trading	*28*	1,376	-
Trade payables	*23*	428	1,834
Other payables	*16*	7,122	5,178
Liabilities related to assets held for sale from discontinued operations	*11*	-	3,018,013
Current income tax liability	*27*	2,520	508
Deferred income	*24*	490	774
Provisions	*25*	4,086	4,126
Deferred tax liability	*27*	2,401	-
Other liabilities	*26*	9	10
Total liabilities		**501,189**	**3,303,588**
Equity	***30***		
Share capital		335,986	335,986
Treasury shares		(27,868)	(10,737)
Share premium		8,318	7,259
Changes in non-controlling interests without loss of control		(34)	6,329
Property revaluation reserve		-	5,240
Remeasurements of the net defined benefit liability (asset)		(2)	(620)
Fair value reserve		4,114	1,400
Translation reserve		30,852	12,481
Retained earnings		234,874	279,481
Net profit for the period		220,606	2,197
Equity attributable to equity holders of the parent		**806,850**	**639,016**
Non-controlling interests		**24,558**	**167,233**
Total equity		**831,408**	**806,249**
Total liabilities and equity		**1,332,597**	**4,109,837**

The accompanying policies and explanatory notes on pages 6 through 131 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi

Consolidated Income Statement
For the Year Ended 31 December 2015

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

CONTINUING OPERATIONS	***Notes***	**2015**	**2014**
Marine sector income	*33*	31,583	21,209
Marine sector expense (-)	*33*	(34,260)	(19,182)
Gross profit/(loss) from marine sector operations		**(2,677)**	**2,027**
Gross profit/(loss) from commercial sector operations		**(2,677)**	**2,027**
Interest income	*33*	54,975	39,654
Service income	*33*	4,951	3,876
Revenue from financial activities		**59,926**	**43,530**
Interest expense (-)	*33*	(24,032)	(13,984)
Service expense (-)	*33*	(317)	(172)
Cost of financial activities (-)		**(24,349)**	**(14,156)**
Provision income/(expense) arising from financial sector operations, net	***33***	**(2,391)**	**(2,979)**
Foreign exchange gain/(loss), net		**3,071**	**(243)**
Trading income, net	***33***	**-**	**-**
Other financial sector operations income/(expense), net	***33***	**362**	**132**
Gross profit/(loss) from financial sector operations		**30,477**	**26,284**
GROSS PROFIT/(LOSS)		**27,800**	**28,311**
Administrative expenses (-)	*34*	(32,962)	(23,271)
Other income from operating activities	*35*	62,626	5,172
Other expense from operating activities (-)	*35*	(40,120)	(3,235)
OPERATING PROFIT/(LOSS)		**17,344**	**6,977**
Income from investment activities	*36*	32,586	42
Expense from investment activities (-)	*36*	(3)	(6)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES		**49,927**	**7,013**
Financing Expenses (-)	*37*	(20,749)	(5,499)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**29,178**	**1,514**
Tax income/(expense) from continuing operations		**(6,247)**	**2,339**
Current tax income/(expense)	*27*	(3,262)	(2,157)
Deferred tax income/(expense)	*27*	(2,985)	4,496
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**22,931**	**3,853**
Discontinued operations	***11***		
Profit/(loss) before tax from discontinued operations	***11***	**(15,870)**	**(2,303)**
Tax income/(expense) from discontinued operations	***11***	**2,530**	**(714)**
Current tax income/(expense)	*11*	(707)	(2,077)
Deferred tax income/(expense)	*11*	3,237	1,363
Gain or loss relating to the discontinuance, net	***11***	**204,892**	**-**
Gain or loss relating to the discontinuance	*11*	224,733	-
The cost to sell the discontinued operations	*11*	(6,562)	-
Tax expense relating to the discontinuance	*11*	(13,279)	-
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS		**191,552**	**(3,017)**
NET PROFIT/(LOSS)		**214,483**	**836**
Net profit/(loss) (continuing and discontinued operations) attributable to:			
Non-controlling interest	*30*	(6,123)	(1,361)
Equity holders of the company	*30*	220,606	2,197
Net profit/(loss) (continuing operations) attributable to:			
Non-controlling interest	*30*	(5,202)	(1,884)
Equity holders of the company	*30*	28,133	5,737
Net profit/(loss) (discontinued operations) attributable to:			
Non-controlling interest	*30*	(921)	523
Equity holders of the company	*30*	192,473	3,540
Earnings per share (in full TL per share with a nominal value of full TL 1)			
Earnings per share from continuing operations	*38*	0.119	0.024
Earnings per share from discontinued operations	*38*	0.811	(0.015)

The accompanying policies and explanatory notes on pages 6 through 131 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2015

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

	Notes	2015	2014
NET PERIOD PROFIT / (LOSS)		**214,483**	**836**
Other comprehensive income which will be not reclassified in profit or loss	***30***	**(10)**	**1,231**
Change in property revaluation reserve	*30*	-	1,991
Remeasurements of the net defined benefit liability (asset)	*30*	(10)	(760)
Other comprehensive income which will be reclassified in profit or loss	***30***	**25,834**	**9,256**
Change in currency translation differences	*30*	23,348	7,612
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	*30*	2,486	1,644
OTHER COMPREHENSIVE INCOME (AFTER TAX)		**25,824**	**10,487**
TOTAL COMPREHENSIVE INCOME	***30***	**240,307**	**11,323**
Total comprehensive income attributable to:			
Non-controlling interest	*30*	(1,217)	1,931
Equity holders of the company	*30*	241,524	9,392

The accompanying policies and explanatory notes on pages 6 through 131 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Consolidated Statement of Changes In Equity
For the Year Ended 31 December 2015

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

							Other accumulated comprehensive income and expense which will be not reclassified in profit or loss		Other accumulated comprehensive income and expense which will be reclassified in profit or loss				Accumu-lated profits			
	Notes	**Share capital**	**Inflation adjustment to share capital**	**Treasury shares**	**Share premium**	**Changes in non-controlling interest reserve**	**Revaluation and remeasure-ment gain / loss**	**Other gain / loss**	**Foreign currency translation differences**	**Hedging gain / loss**	**Remeasurement and reclassification gain / loss**	**Other gain / loss**	**Retained earnings**	**Equity attributable to equity holders of the parent**	**Non-controlling interest**	**Total equity**
At 1 January 2014	**30**	**250,000**	**85,986**	**(10,737)**	**7,259**	**2,380**	**3,731**	**-**	**4,691**	**-**	**146**	**-**	**279,481**	**622,937**	**175,262**	**798,199**
Transfers		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**907**	**-**	**5,030**	**-**	**1,258**	**-**	**2,197**	**9,392**	**1,931**	**11,323**
Net profit		-	-	-	-	-	-	-	-	-	-	-	2,197	2,197	(1,361)	836
Other comprehensive income		-	-	-	-	-	907	-	(5,030)	-	1,258	-	-	7,195	3,292	10,487
Transactions with owners in their capacity as owners recognized in equity		**-**	**-**	**-**	**-**	**3,949**	**(18)**	**-**	**2,760**	**-**	**(4)**	**-**	**-**	**6,687**	**(9,960)**	**(3,273)**
Increase/decrease arising from changes without resulting loss of control in share ratios of subsidiaries		**-**	**-**	**-**	**-**	**3,949**	**(18)**	**-**	**2,760**	**-**	**(4)**	**-**	**-**	**6,687**	**(9,609)**	**(2,922)**
Transactions with non-controlling interest		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(351)**	**(351)**
Dividend paid to non-controlling interest by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	(351)	(351)
At 31 December 2014	**30**	**250,000**	**85,986**	**(10,737)**	**7,259**	**6,329**	**4,620**	**-**	**12,481**	**-**	**1,400**	**-**	**281,678**	**639,016**	**167,233**	**806,249**
At 1 January 2015	**30**	**250,000**	**85,986**	**(10,737)**	**7,259**	**6,329**	**4,620**	**-**	**12,481**	**-**	**1,400**	**-**	**281,678**	**639,016**	**167,233**	**806,249**
Transfers		**-**	**-**	**-**	**-**	**(6,329)**	**620**	**-**	**-**	**-**	**-**	**-**	**5,709**	**-**	**-**	**-**
Transfer to retained earnings		-	-	-	-	(6,329)	620	-	-	-	-	-	5,709	-	-	-
Transfer to legal reserves		-	-	-	-	-	-	-	-	-	1,400	-	-	1,400	-	1,400
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**2**	**-**	**18,202**	**-**	**-**	**-**	**220,606**	**238,810**	**(1,217)**	**237,593**
Net profit		-	-	-	-	-	-	-	-	-	-	-	220,606	220,606	(6,123)	214,483
Other comprehensive income		-	-	-	-	-	2	-	18,202	-	-	-	-	18,204	4,906	23,110
Transactions with owners in their capacity as owners recognized in equity		*-*	*-*	*(17,131)*	*1,059*	*(34)*	*-*	*-*	*169*	*-*	*2,714*	*-*	*(57,753)*	*(70,976)*	*165*	*(70,811)*
Share capital increase		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,714**	**-**	**-**	**2,714**	**-**	**2,714**
Share capital increase in cash		-	-	-	-	-	-	-	-	-	2,714	-	-	2,714	-	2,714
Dividends		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(57,753)**	**(57,753)**	**550**	**(57,203)**
Cash dividend distributed		-	-	-	-	-	-	-	-	-	-	-	(57,753)	(57,753)	550	(57,203)
Increase/decrease arising from treasury share transactions		**-**	**-**	**(17,131)**	**1,059**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(16,072)**	**299**	**(15,773)**
Increase/decrease arising from changes without resulting loss of control in share ratios of subsidiaries		**-**	**-**	**-**	**-**	**(34)**	**-**	**-**	**169**	**-**	**-**	**-**	**-**	**135**	**(284)**	**(149)**
Change in shareholding percentage arising from purchase of shares in subsidiaries		-	-	-	-	(31)	-	-	144	-	-	-	-	113	(114)	(1)
Change in shareholding percentage arising from merger of subsidiaries		-	-	-	-	(3)	-	-	25	-	-	-	-	22	(170)	(148)
Transactions with non-controlling interest		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(400)**	**(400)**
Dividend paid to non-controlling interest by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	(400)	(400)
Increase/decrease arising from changes with resulting loss of control in shareholding ratios in subsidiaries		**-**	**-**	**-**	**-**	**-**	**(5,240)**	**-**	**-**	**-**	**-**	**-**	**5,240**	**-**	**(141,623)**	**(141,623)**
Derecognitions and reclassifications due to deconsolidation arising from disposal of subsidiaries		-	-	-	-	-	(5,240)	-	-	-	-	-	5,240	-	(141,623)	(141,623)
At 31 December 2015	**30**	**250,000**	**85,986**	**(27,868)**	**8,318**	**(34)**	**2**	**-**	**30,852**	**-**	**4,114**	**-**	**455,480**	**806,850**	**24,558**	**831,408**

The accompanying policies and explanatory notes on pages 6 through 131 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2015
(Currency - *Thousands of Turkish Lira ("TL") unless otherwise stated*)

	Notes	2015	2014
Cash flows from operating activities of continuing operations			
Marine sector income	*33*	31,583	21,209
Marine sector expenses	*33*	(19,972)	(12,123)
Interest received from financial sector activities	*33*	52,244	39,116
Interest paid for financial sector activities	*33*	(18,839)	(13,856)
Service income from financial sector activities	*33*	4,951	3,876
Cost of service for financial sector activities	*33*	(317)	(172)
Cash receipts from contracts held for dealing or trading purposes	*6*	959	279
Cash payments for contracts held for dealing or trading purposes	*6*	(306)	(959)
Cash receipts from derivative contracts held for dealing or trading purposes	*28*	4,521	1,128
Cash payments for derivative contracts held for dealing or trading purposes	*28*	(7,118)	(1,156)
Recoveries of loans previously written off in prior years	*33*	-	1
Cash payments to employees and other parties	*34*	(32,179)	(22,485)
Cash received from other operating activities	*35*	602	269
Cash paid for other operating activities	*35*	(149)	(163)
Interest received from operating activities apart from financial sector activities	*35*	2,487	21
Income taxes paid	*27*	(19,024)	(1,869)
Net cash provided by operating activities before changes in operating assets and liabilities from continuing operations		**(557)**	**13,116**
Net cash provided by operating activities before changes in operating assets and liabilities from discontinued operations		**21,360**	**49,512**
Changes in operating assets and liabilities of continuing operations			
Change in reserve deposits at Central Bank	*5*	(317)	195
Change in loans and advances to customers	*8*	(142,609)	18,010
Change in factoring receivables	*10*	(63,020)	(39,111)
Change in finance lease receivables	*9*	13	1,611
Change in other assets	*19*	(40,222)	(924)
Change in payables due to money market transactions	*6*	7,495	(160)
Change in borrowers' funds	*20*	2,338	(303)
Change in factoring payables	*10*	626	(125)
Change in liabilities arising from finance leases	*9*	74	(121)
Change in other liabilities	*26*	264	(711)
Net cash (used in) / provided by operating activities from continuing operations		**(235,915)**	**(8,523)**
Net cash (used in) / provided by operating activities from discontinued operations		**84,679**	**(116,754)**
Cash flows from investing activities of continuing operations			
Proceeds from disposal of shares of subsidiaries with loss of control	*11*	642,599	-
Proceeds from sale and redemption of available for sale securities	*6*	9,458	
Purchases of available for sale securities	*6*	(346,814)	-
Proceeds from sale of property held for sale	*11*	755	-
Purchases of property held for sale	*11*	(1,045)	-
Proceeds from sale of property and equipment	*13*	335	20
Purchases of property and equipment	*13*	(1,862)	(82,667)
Purchases of intangible assets	*14*	(116)	(122)
Interest received from investing activities	*36*	284	-
Other cash receipts from/cash payments for investing activities	*36*	(6,562)	16
Net cash (used in) / provided by investing activities from continuing operations		**297,032**	**(82,753)**
Net cash (used in) / provided by investing activities from discontinued operations		**61,171**	**183,425**
Cash flows from financing activities of continuing operations			
Cash paid for purchases of treasury shares	*30*	(20,853)	-
Cash received from disposal of treasury shares held by subsidiaries	*30*	5,080	-
Cash paid for change in non-controlling interest reserve	*30*	(149)	(2,922)
Cash received from funds borrowed	*21*	348,549	218,207
Repayments of funds borrowed	*21*	(156,095)	(127,024)
Dividends paid to equity holders	*30*	(57,203)	-
Dividends paid to non-controlling interest by subsidiaries	*30*	(400)	(351)
Interest paid for financing activities apart from financial sector activities	*37*	(7,094)	(3,064)
Other cash receipts from/cash payments for financing activities	*37*	(103)	(148)
Net cash (used in) / provided by financing activities from continuing operations		**111,732**	**84,698**
Net cash (used in) / provided by financing activities from discontinued operations		**(103,523)**	**6,898**

Continuing Operations			
Effect of net foreign exchange difference on cash and cash equivalents		**(19,401)**	**(7,806)**
Effect of consolidation eliminations between continuing and discontinued operations on cash flows		**(66,942)**	**16,142**
Net (decrease) / increase in cash and cash equivalents		**153,448**	**(14,384)**
Cash and cash equivalents at 1 January		**4,587**	**2,829**
Cash and cash equivalents at 31 December	*5*	**91,093**	**4,587**

Discontinued Operations			
Effect of net foreign exchange difference on cash and cash equivalents		**103**	**(21,659)**
Effect of consolidation eliminations between continuing and discontinued operations on cash flows		**66,942**	**(16,142)**
Net (decrease) / increase in cash and cash equivalents		**42,430**	**51,910**
Cash and cash equivalents at 1 January		**385,880**	**350,112**
Cash and cash equivalents at 31 December	*5*	**495,252**	**385,880**

The accompanying policies and explanatory notes on pages 6 through 131 form an integral part of these consolidated financial statements.

(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 the Istanbul Stock Exchange since 11 November 1999.

As at 31 December 2015, the shares of a consolidated subsidiary, namely GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. are quoted on the Borsa Istanbul (Stock Exchange) with public ownership of 20.60%

As at 31 December 2015, the composition of shareholders and their respective percentages of ownership can be summarized as follows:

2015						
(Full TL)	**Class (A)**	**Class (B)**	**Class (C)**	**Class (D)**	**Total**	**Share (%)**
Publicly owned	-	-	-	149,748,627	149,748,627	59,899
M. Turgut Yılmaz [(4)]	393	243	393	63,748,972	63,750,001	25,500
GSD Holding A.Ş. [(4)]	-	-	-	17,000,000	17,000,000	6,800
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş. [(3)]	-	-	-	11,250,000	11,250,000	4,500
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. [(4)]	-	-	-	7,904,222	7,904,222	3,162
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	347,000	347,000	0,139
Other privileged shareholders	-	150	-	-	150	0,000
Share capital	**393**	**393**	**393**	**249,998,821**	**250,000,000**	**100.000**
Inflation adjustment on share capital					85,985,890	
Inflation adjusted share capital					**335,985,890**	

2014						
(Full TL)	**Class (A)** [(1)]	**Class (B)** [(1)]	**Class (C)** [(1)]	**Class (D)**	**Total**	**Share (%)**
Publicly owned	-	-	-	179,248,627	179,248,627	71.699
M. Turgut Yılmaz	393	242	393	47,498,972	47,500,000	19.000
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.[(**) (2)]	-	-	-	11,654,222	11,654,222	4.662
Delta Arsa ve Bina Geliştirme Ticaret A.Ş. [(3)]	-	-	-	11,250,000	11,250,000	4.500
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	347,000	347,000	0.139
Other privileged shareholders	-	151	-	-	151	0.000
Share capital	**393**	**393**	**393**	**249,998,821**	**250,000,000**	**100.000**
Inflation adjustment on share capital					85,985,890	
Inflation adjusted share capital					**335,985,890**	

(1) The Board of Directors of the GSD Holding A.Ş. resolved to amend the 7th , 8th and 9th articles of the Articles of the Association of the Company on 12 February 2014 in order to change the Class (A), (B) and (C) shares of the Company from the registered form to the bearer form in accordance with 485th article of the Turkish Commercial Code No:6102 due to the removal of the restriction on transferability of the registered shares of the Company in consequence of the amendments to the articles of the association made in 2013 to comply with the Turkish Commercial Code No:6102 and the completion of the dematerialisation of the shares traded in stock exchange in Turkey recently, and to get the necessary permissions from the Capital Markets Board of Turkey (CMB) and the Ministry of Customs and Trade and to fulfill all other procedures. The mentioned amendments to the Articles of the Association of the Company which were approved by the CMB and the Ministry of Customs and Trade by means of the permits dated 20 March 2014 and 28 March 2014, respectively, were approved by the Ordinary General Assembly Meeting of the Company for the year 2013 held on 3 June 2014 and were registered in Istanbul Trade Registry on 12 June 2014.

(2) The merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., both of which are the subsidiaries of GSD Holding A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is registered in trade registry on 31 December 2014.

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

1. REPORTING ENTITY (continued)

General (continued)

(3) Extra ordinary General Assembly of Delta Arsa ve Bina Geliştirme Ticaret A.Ş., held a meeting on October 14, 2015, has decided to change title of the Company as MTY Delta Denizcilik İç ve Dış Ticaret A.Ş. and the aforementioned change of title has been registered at İstanbul Trade Registry on November 6, 2015.

(4) Mehmet Turgut Yılmaz, Chairman of Board of Directors of GSD Holding A.Ş., has purchased Group B share of GSD Holding, having a nominal value of TL 1,07 off-exchange, at a price of TL 1,81 on March 18, 2015 and Group D share of GSD Holding A.Ş., having a total nominal value of TL 16.250.000 at BIST, at a price of TL 20.549.979,35 between May 25, 2015 and August 28, 2015. GSD Holding A.Ş. has realized reacquisition of Group D shares of GSD Holding A.Ş., having a capital ratio of %6,8 and nominal value of TL 17.000.000 at BIST National Market, with a total price of TL 20.853.088,73 between June 30, 2015 and December 31, 2015 in scope of Share Buyback Programme approved by Ordinary General Assembly on June 25, 2015. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has sold Group D shares constituting a 1,5% ratio at capital having a nominal value of TL 3.750.000 from Group D shares of GSD Holding A.Ş. having a capital ratio of %4,662 and nominal value of TL 11.654.221,74 between June 30, 2015 and December 31, 2015 at a price of TL 5.079.500,00 in BIST National Market. As a result of aforementioned transactions, the direct share amount, direct share ratio, direct and indirect total share rate of Mehmet Turgut Yılmaz in capital of GSD Holding A.Ş. have been increased to TL 63.750.001 from TL 47.500.000, to 25,50% from 19.00% and to 28,14% from 21,70 respectively while repurchased shares have increased to 31,26% from 22,76% with calculation deducted from capital. Total shares of Mehmet Turgut Yılmaz and ones taking joint action in capital of GSD Holding A.Ş. have increased to 40,10% from 28,30% while repurchased shares have increased to 33,47% from 24,79% with calculation deducted from capital. With respect to GSD Holding A.Ş. shares, shares at a total ratio of 40,10% including shares of Mehmet Turgut Yılmaz (25,50%), MTY Delta Denizcilik İç ve Dış Ticaret A.Ş. (4,50%), GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. (3,16%), GSD Holding A.Ş. (6,80%) and Adeo Turizm Otelcilik Ticaret Limited Şirketi (0,14%).

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 31 December 2015 and 31 December 2014 are as follows:

Subsidiaries	**Country of Incorporation**	**Principal Activities**	**Effective Shareholding and Voting Rights (%)**	
			31 December 2015	**31 December 2014**
Tekstil Bankası A.Ş. (1) (10) (11)	Turkey	Deposit Banking	-	76.30
GSD Yatırım Bankası A.Ş.	Turkey	Investment Banking	100.00	100.00
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (2) (4) (6) (7) (8) (9) (10) (14) (15) (16)	Turkey	Maritime	77.96	76.91
Tekstil Yatırım Menkul Değerler A.Ş. (1) (3) (10) (11)	Turkey	Brokerage Firm	-	76.30
GSD Faktoring A.Ş. (5) (9) (12) (14)	Turkey	Factoring	89.55	89.53
Dodo Maritime Ltd. (4) (7) (13) (15) (16)	Malta	Maritime	77.96	76.91
Cano Maritime Ltd. (4) (7) (13) (15) (16)	Malta	Maritime	77.96	76.91
Hako Maritime Ltd. (2) (6) (7) (13) (15) (16)	Malta	Maritime	77.96	76.91
Zeyno Maritime Ltd. (2) (6) (7) (13) (15) (16)	Malta	Maritime	77.96	76.91

(1) In consequence of the agreement for purchase and sale of shares signed on 29 April 2014 between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., the consolidated assets and liabilities and the consolidated income statement items of Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. have been classified as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5". When the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control occurred and Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., a subsidiary of Tekstil Bankası A.Ş. with a %100 percent shareholding ceased to be a subsidiary of GSD Holding A.Ş. and to be consolidated with GSD Holding A.Ş. in IFRS financial statements. The related disclosures are given in Note:11 "Assets Held for Sale".

1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies (continued)

(2) The Board of Directors of GSD Dış Ticaret A.Ş. resolved to terminate the by-pass export activities of the company and to study on the evaluation of new activity areas on 27 June 2012. GSD Dış Ticaret A.Ş. ceased to carry out the by-pass export activities within the scope of contracts with the manufacturer-supplier exporters as of 31 December 2012 and the Board of Directors of GSD Dış Ticaret A.Ş. resolved to start working primarily on shipping as the new main line of business on 31 December 2012. GSD Dış Ticaret A.Ş. has established two wholly-owned companies in Malta under the names of Hako Maritime Ltd. and Zeyno Maritime Ltd. on 1 April 2013 and 22 April 2013, respectively, with a share capital of EUR 5,000 each. The ship building agreement signed between GSD Dış Ticaret A.Ş. and Yangzhou Dayang Shipbuilding Co. Ltd. established in China for the construction of 2 dry bulk carrier ships with 63,500 dwt transportation capacity per ship, have come into force on 11 April 2013 and 4 June 2013. The General Assembly held on 29 May 2013 for the year 2012 of GSD Dış Ticaret A.Ş. has resolved to sign a Novation Agreement and a Tripartite Agreement for its implementation between the Company, Yangzhou Dayang Shipbuilding Co. Ltd., Hako Maritime Ltd. and Zeyno Maritime Ltd. in order to transfer all rights and obligations for the ships numbered 4032 and 4039 arising from the ship building agreement signed with Yangzhou Dayang Shipbuilding Co. Ltd. for the construction of 2 dry bulk carrier ships with 63,500 dwt transportation capacity per ship, to Hako Maritime Ltd. and Zeyno Maritime Ltd., established in Malta and wholly-owned by the Company. The delivery of the ship numbered 4032, constructed within the scope of the ship building agreement which came into force on 11 April 2013 and was signed for the construction of a dry bulk carrier ship with 63,500 dwt transportation capacity between GSD Holding A.Ş.'s subsidiary GSD Dış Ticaret A.Ş. and Yangzhou Dayang Shipbuilding Co., Ltd. has been taken on 23 June 2014 in China so as to get it registered under the Malta flag on behalf of Hako Maritime Ltd. in accordance with the Novation Agreement and a Tripartite Agreement for its implementation between GSD Dış Ticaret A.Ş., Yangzhou Dayang Shipbuilding Co. and Hako Maritime Ltd., established in Malta and wholly-owned by GSD Dış Ticaret A.Ş., as it has been resolved in the Ordinary General Assembly Meeting of GSD Dış Ticaret A.Ş. for the year 2013 held on 29 May 2013. The delivery of the ship numbered 4039, constructed within the scope of the ship building agreement which came into force on 4 June 2013 and was signed for the construction of a dry bulk carrier ship with 63,500 dwt transportation capacity between GSD Holding A.Ş.'s subsidiary GSD Dış Ticaret A.Ş. and Yangzhou Dayang Shipbuilding Co., Ltd. has been taken on 29 September 2014 in China so as to get it registered under the Malta flag on behalf of Zeyno Maritime Ltd. in accordance with the Novation Agreement and a Tripartite Agreement for its implementation between GSD Dış Ticaret A.Ş., Yangzhou Dayang Shipbuilding Co. and Hako Maritime Ltd., established in Malta and wholly-owned by GSD Dış Ticaret A.Ş., as it has been resolved in the Ordinary General Assembly Meeting of GSD Dış Ticaret A.Ş. for the year 2013 held on 29 May 2013.The main business activity of GSD Dış Ticaret A.Ş. has been maritime sector beginning from 2013, since the company has terminated its by-pass export activities as of 31 December 2012 and the ship building agreements contracted by the company to operate its new business activity have come into force in 2013. GSD Dış Ticaret A.Ş. has merged into GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., another GSD Group Company operating in the maritime sector, dissolving without liquidation on 31 December 2014.

(3) The Extraordinary General Assembly Meeting of Tekstil Yatırım Menkul Değerler A.Ş. held on 27 May 2014 resolved to increase the share capital of the Company from TL 10,000 to TL 25,000 by means of the capitalization of the extraordinary reserves of TL 7,000 and the cash injection of TL 8,000. The mentioned share capital increase has been registered in İstanbul Trade Registry on 26 June 2014.

(4) GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. ("GSD Marin") has made a ship building agreement with Hyundai Mipo Dockyard Co. Ltd. on 10 April 2012 for the construction of 2 dry bulk carrier ships with 39,000 dwt transportation capacity per ship which will be delivered in June 2013 pursuant to the authority granted by the extraordinary general assembly held on 10 April 2012 having approved the decision of the board of directors within the scope of significant transaction on the same date. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (GSD Marine Property Construction Industry and Trade Inc.) has established two wholly-owned companies in Malta under the names of Cano Maritime Ltd. and Dodo Maritime Ltd. with a share capital of EUR 5,000 each on 26 March 2013. The General Assembly held on 30 May 2013 for the year 2012 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has resolved to sign a Novation Agreement and a Tripartite Agreement for its implementation between the Company, Hyundai Mipo Dockyard Co. Ltd., Dodo Maritime Ltd. and Cano Maritime Ltd. in order to transfer all rights and obligations for the ships numbered 6150 and 6151 arising from the ship building agreement signed with Hyundai Mipo Dockyard Co. Ltd. for the construction of 2 dry bulk carrier ships with 39,500 dwt transportation capacity per ship, to Dodo Maritime Ltd. and Cano Maritime Ltd. established and wholly-owned by the Company. The delivery of the ships constructed within the scope of the ship building agreement signed for the construction of 2 dry bulk carrier ships with 39,000 dwt transportation capacity per ship has been taken on 7 May 2013 in South Korea so as to get them registered under the Malta flag on behalf of Dodo Maritime Ltd. and Cano Maritime Ltd.. While the main business activity of the company was finance lease in 2012, since the company continues to collect the payments arising from the outstanding finance lease contracts and has not yet started its new business activity due to the ships on order being under construction in 2012; the main business activity of the company is marine freight transportation starting from 2013 since the ships on order, having been completed and delivered to the company, started to operate and the ratio of finance lease receivables to total assets further decreased resulting in the finance lease being as a secondary activity in 2013.

(5) The Extraordinary General Assembly Meeting of Tekstil Faktoring A.Ş. held on 8 July 2014 resolved to increase the share capital of the Company from TL 8,100 to TL 20,000 by means of the capitalization of some internal sources amounting to TL 11,900 and to change the company name to GSD Faktoring A.Ş. and to make amendments to the articles of the association to comply with the changed legislation. The mentioned issues have been registered in Istanbul Trade Registry on 21 June 2014.

(6) Hako Maritime Ltd., established in Malta on 1 April 2013 with a share capital of EUR 5,000 and being wholly-owned by GSD Dış Ticaret A.Ş. has taken delivery of the dry bulk carrier ship named M/V Hako on 23 June 2014 and started operating the ship by time charter agreement and earning rental income on 26 June 2014. The financial statements of GSD Dış Ticaret A.Ş. included in the consolidated IFRS financial statements of GSD Holding A.Ş. started to be prepared in consolidated basis beginning from the reporting period as of 30 June 2014 since Hako Maritime Ltd., its subsidiary, fell under the scope of consolidation in accordance with IFRS after becoming the ship-owner on 23 June 2014. Zeyno Maritime Ltd., established in Malta on 22 April 2013 with a share capital of EUR 5,000 and being wholly-owned by GSD Dış Ticaret A.Ş. has taken delivery of the dry bulk carrier ship named M/V Hako on 29 September 2014 and started operating the ship by time charter agreement and earning rental income on 2 October 2014. The financial statements of Zeyno Maritime Ltd. have been consolidated with the financial statements of GSD Dış Ticaret A.Ş. included in the consolidated IFRS financial statements of GSD Holding A.Ş. in accordance with IFRS beginning from the reporting period as of 30 September 2014 since Zeyno Maritime Ltd. fell under the scope of consolidation in accordance with IFRS after becoming the ship-owner on 23 June 2014. GSD Dış Ticaret A.Ş. has merged into GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., another GSD Group Company operating in maritime sector, dissolving without liquidation, on 31 December 2014. Therefore, all of the assets and liabilities of GSD Dış Ticaret A.Ş., on 31 December 2014, have been taken over by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. and the financial statements of Hako Maritime Ltd. and Zeyno Maritime Ltd. have been consolidated with the financial statements of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. included in the consolidated IFRS financial statements of GSD Holding A.Ş. in accordance with IFRS beginning from the reporting period as of 31 December 2014.

1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies (continued)

(7) Dodo Maritime Ltd. and Cano Maritime Ltd., established in Malta with a share capital of EUR 5,000 and being wholly-owned each by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. and Hako Maritime Ltd. and Zeyno Maritime Limited, established in Malta with a share capital of EUR 5,000 and being wholly-owned each by GSD Dış Ticaret A.Ş., resolved to convert the denomination of the share capital from EURO to USD, which is the functional currency of these companies pursuant to IFRS, by means of the resolutions of the extraordinary general meetings held on 24 July 2014. Thus, through the conversions made using USD/EURO exchange rates as at each of the establishment dates of these companies, the share capitals of both Dodo Maritime Ltd. and Cano Maritime Ltd. became USD 6,430.50 and the share capitals of Hako Maritime Ltd. and Zeyno Maritime Ltd. became USD 6,420 and USD 6,518.50, respectively, as at 24 July 2014.

(8) The Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., on 9 June 2014, resolved to merge these two companies under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities GSD Dış Ticaret A.Ş. by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the dissolution of GSD Dış Ticaret A.Ş. without liquidation and to effectuate the merge based on the financial statements as at 30 June 2014 and in compliance with the 19th and 20th articles of the Corporate Tax Law No:5520, the relevant articles of the Turkish Commercial Code No:6102 and the Capital Markets Law No:6362, the provisions of the Communiqué on Merger and Spin-off (II-23.2) of the Capital Markets Board and other relevant legislations; to obtain a specialized institution report to determine the exchange ratio to be applied in merger; to prepare merger agreement, merger report, merger announcement text and other relevant documents; to make applications to the relevant authorities and carry out all other necessary transactions in this context. On 12 September 2014, the Merger Agreement, regarding the merger of GSD Dış Ticaret A.Ş., the subsidiary of GSD Holding A.Ş., which is the main shareholder of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. was signed, the Merger Report, the Merger Announcement Text and the Specialized Agency Report have been prepared and the Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., due to the merger with GSD Dış Ticaret A.Ş. under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has resolved to increase the issued capital of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from full TL 30,000,000 TL to full TL 52,180,855.64 by full TL 22,180,855.64 by issuing Class (C) shares wholly and since this capital increase arises from a merger taransaction requiring a general assembly resolution, to raise the authorized capital ceiling of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from full TL 50,000,000.00 to full TL 52,180,855.64 together with the capital increase by exceeding the ceiling for once pursuant to the article 6/6 of the Authorized Capital System Communiqué (II-18.1) of the Capital Markets Board; to reserve all the shares to be issued within the scope of this capital increase for the shareholders of GSD Dış Ticaret A.Ş. other than GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. to replace the shares of GSD Dış Ticaret A.Ş. with a nominal value of full TL 9,999,980 owned by them based on the exchange ratio of 2.21809 determined in "the Specialized Agency Report regarding the Merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş." dated 12 September 2014 and prepared by KPMG Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., to amend the article 6 titled the Authorized Capital of the Articles of Association of the GSD Denizcilik Gayrimenkul

(8) (continued) İnşaat Sanayi ve Ticaret A.Ş.due to this capital increase; to get the required permissions, assents and approvals and afterwards to apply to the Capital Markets Board of Turkey for the share issuance certificate in relation to the capital increase. The application, together with the required information and documents pursuant to the Communiqué On Merger And Demerger (II-23.2) of the Capital Markets Board was made to the Capital Markets Board of Turkey on 15 September 2014 in order to get approval for the Merger Announcement Text and get assent for the amendments to the articles of the association including share capital increase,. The Capital Markets Board of Turkey, on 5 November 2014, has resolved to approve the Merger Announcement Text prepared regarding the merger under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş. by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., to entitle the shareholders of the GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. to have the right to leave for a price of full TL 1.45 per share pursuant to the article 24/1. of the Capital Markets Law No:6362, to approve the amendments to the article 6 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. comprising the share capital increase of full TL 22,180,855.64 to be made due to merger and the authorised share capital increase from full TL 50,000,000.00 to full TL 52,180,855.64 depending on the share capital increase, to approve the share issuance certificate regarding the share capital increase of full TL 22,180,855.64 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. to be made due to the merger and to give the issuance certificate after the application to be made to the Capital Markets Board of Turkey after the general assembly meeting to be held to vote for the merger agreement pursuant to the relevant Communique. Since the merger falls within the scope of the significant transactions as per the 23rd article of the Capital Markets Law No:6362 and the 5th article of the Communiqué on the Common Principles on the Significant Transactions and the Right to Leave (II-23.1) published by the Capital Markets Board, the shareholders who attended the Extraordinary General Assembly Meeting of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. held to resolve on the merger and voted against the resolution on this significant transaction and lodged a statement of opposition to the minutes of the general assembly meeting were entitled to have the right to leave by selling their shares to GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. pursuant to the 24th article of the Capital Markets Law No:6362. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. was obliged to buy these shares at the request of these shareholders for a price of full TL 1.45 per share with a nominal value of full TL 1, which is the average of the weighted average prices of the stock exchange transactions within 30 days prior to 9 June 2014, the date when the mentioned significant transaction was disclosed to public.

The extraordinary general assembly meetings held on 22 December 2014 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., the subsidiaries of GSD Holding A.Ş. which are the parties to the merger transaction, have approved the Merger Agreement, regarding the merger of GSD Dış Ticaret A.Ş. into GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.. The rights to leave in relation to the shares with a nominal value of full TL 2,194,260 in total for a price of full TL 1.45 per share with a nominal value of full TL 1 have arisen for the shareholders who attended the Extraordinary General Assembly Meeting of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. held on 22 December 2014, voted against the merger agreement and the resolution on this significant transaction which is the merger transaction being the subject of the merger agreement discussed and resolved on by this general assembly and lodged a statement of opposition to the minutes of the general assembly meeting, pursuant to 23rd article of the Capital Markets Law No:6362 and the Communiqué on the Common Principles on the Significant Transactions and the Right to Leave (II-23.1) published by the Capital Markets Board.

1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies (continued)

The merger of GSD Dış Ticaret A.Ş., a subsidiary of GSD Holding A.Ş., and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., another subsidiary of GSD Holding A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the share capital increase of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. due to the merger have been registered in trade registry on 31 December 2014 and the issuance of shares within the scope of this share capital increase due to the merger have been completed on 4 February 2015 after getting the issuance certificate from the CMB following the completion and submission of the required application documents. GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. has issued Class (C) shares with a nominal value of full TL 22,180,855.64 to effect the capital increase required to be made due to the merger to be reserved for the shareholders of GSD Dış Ticaret A.Ş. other than GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. to replace the shares of GSD Dış Ticaret A.Ş. with a nominal value of full TL 9,999,980 owned by them based on the exchange ratio of 2.21809 approved by the general assembly meetings held to resolve on the merger and has given Class (C) shares of GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. with a nominal value of full TL 2.21809 to the shareholders of GSD Dış Ticaret A.Ş. other than GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. for their each shareholding of GSD Dış Ticaret A.Ş. with a nominal value of full TL 1.00. As a result of the utilization of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has bought back Class (C) shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (GSDDE) with a nominal value of full TL 2,015,845 in total (full TL 1,913,764 in 2014 and full TL 102,081 in 2015) for full TL 2,922,975.25 in total (full TL 2,774,957.80 in 2014 and full TL 148,017.45 in 2015). As a result of the mentioned share capital increase and the share buy-back, the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.938% to 74.093% and after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.has increased from 54.938% to 77.070% (31 December 2014: 76.913%), the total direct and indirect shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.941% to 77.072% (31 December 2014: 76.916%).

(9) GSD Holding A.Ş. purchased the Class (C) shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with a nominal value of full TL 145,000 for full TL 146,900 between 29 April 2014 and 30 April 2014 in Borsa Istanbul (BIST) and increased the nominal value and percentage of its direct shareholding in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from full TL 16,336,424.18 and 54.455% to full TL 16,481,424.18 and 54.938%, respectively. Thus, the total direct and indirect shareholding in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. owned by GSD Holding A.Ş. increased to 54.942% together with its indirect shareholding of 0.004%. As a result of the purchase of 0.483% shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by GSD Holding A.Ş., the indirect shareholding of GSD Holding A.Ş. in Tekstil Faktoring A.Ş. increased by 0.01%, due to the shareholding of 1.98% in Tekstil Faktoring A.Ş. owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. The company name of Tekstil Faktoring A.Ş. has been changed to GSD Faktoring A.Ş. on 21 July 2014.

(10) By means of the resolutions of the Board of Directors of GSD Holding A.Ş. and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. on 15 October 2014, all of the 0.001% Class (B) registered shares of Tekstil Yatırım Menkul Değerler A.Ş. with a nominal value of full TL 250 owned by GSD Holding A.Ş. has been sold for full TL 281.45 in cash and all of the 0.077% Class (B) registered shares of Tekstil Yatırım Menkul Değerler A.Ş. with a nominal value of full TL 19,250 owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has been sold for full TL 21,671.95 in cash to Tekstil Bankası A.Ş. which is the main shareholder of Tekstil Yatırım Menkul Değerler A.Ş. and the subsidiary of GSD Holding A.Ş.. After the sale, the shareholding of Tekstil Bankası A.Ş. in Tekstil Yatırım Menkul Değerler A.Ş. has increased from 99.920% to 99.998%.

(11) The indirect shareholding of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. has changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 0.036% shareholding in Tekstil Bankası A.Ş. and GSD Dış Ticaret A.Ş. with 1% shareholding in Tekstil Bankası A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has decreased from 76.52% to 76.30% (31 December 2014: 76.30%). When the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control occurred and Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., a subsidiary of Tekstil Bankası A.Ş. with a %100 percent shareholding ceased to be a subsidiary of GSD Holding A.Ş. and to be consolidated with GSD Holding A.Ş. in IFRS financial statements.

(12) The indirect shareholding of GSD Holding A.Ş. in GSD Faktoring A.Ş. has changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 1.98% shareholding in GSD Faktoring A.Ş., and GSD Dış Ticaret A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in GSD Faktoring A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has increased from 89.09% to 89.54% (31 December 2014: 89.53%).

(13) GSD Dış Ticaret A.Ş. has been taken over by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. dissolving without liquidation and the direct and indirect shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has changed due to the merger registered in trade registry on 31 December 2014 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 100% shareholding in each of Cano Maritime Ltd. and Dodo Maritime Ltd., and GSD Dış Ticaret A.Ş. with 100% shareholding in each of Hako Maritime Ltd. and Zeyno Maritime Ltd. and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in Cano Maritime Ltd. and Dodo Maritime Ltd., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has increased from 54.94% to 77.07% (31 December 2014: 76.92%, the consolidated shareholding: 76.91%) and the direct and indirect shareholdings of GSD Holding A.Ş. in Hako Maritime Ltd. and Zeyno Maritime Ltd., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has decreased from 100.00% to 77.07% (31 December 2014: 76.92%, the consolidated shareholding: 76.91%).

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

1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies (continued)

(14) Group (C) shares of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., having a nominal value of TL 2,015,845.00 which have a 3.863% ratio in the capital, have been sold to GSD Holding A.Ş. on June 30, 2015 at Istanbul Stock Exchange (BIST) Wholesale Market in accordance with the Communique on Repurchased Shares of CMB (II-22.1) with a total cash price of TL 2.015.845,00 having a TL 1,38 price per share and TL 1 nominal value. GSD Holding A.Ş. purchased Group C shares of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. owned by GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., GSD Yatırım Bankası A.Ş. and GSD Faktöring A.Ş. having nominal values of TL 1.169,36, TL 44,36 and TL 44,36 respectively off-exchange with a price of TL 1,38 per share having a nominal value of TL 1 on July 1, 2015 with a cash price of TL 1.613,72, TL61,22 and TL 61,22 respectively. As a result of aforementioned transactions, direct share ratio of GSD Holding A.Ş. at capital of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. have increased to 77,96% from 74,09% and there is no remaining indirect share. Indirect share rate of GSD Holding A.Ş. at capital of GSD Faktöring has increased at a ratio of 0,01% since GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. has a share of 1,98% in the capital of GSD Faktöring as a result of transactions above and its direct and indirect total share has increased to 89,55% from 89,54%.

(15) In accordance with the Board of Directors resolution of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. dated December 31, 2015 and Extraordinary General Assembly Resolutions of Dodo Maritime Ltd., Cano Maritime Ltd., Hako Maritime Ltd. and Zeyno Maritime Ltd, which are subsidiaries of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., dated December 31, 2015, it is decided to increase capitals of Dodo Maritime Ltd., Cano Maritime Ltd., Hako Maritime Ltd. and Zeyno Maritime Ltd. from USD 6.430,50 to USD 5.250.000; from USD 6.430,50 to USD 4.250.000; from USD 6.420 to USD 3.000.000 and from USD 6.518,50 to USD 2.000.000 respectively as a result of capital increase made on December 31, 2015 through converting portions of receivables from subsidiaries to capital share by issuing new share having a nominal value equal to receivable amount from those subsidiaries allocated to GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.

(16) In accordance with the Board of Directors resolution of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. dated February 29, 2016 and Extraordinary General Assembly Resolutions of Dodo Maritime Ltd., Cano Maritime Ltd., Hako Maritime Ltd. and Zeyno Maritime Ltd, which are subsidiaries of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., dated Feburary 29, 2016, it is decided to increase capitals of Dodo Maritime Ltd., Cano Maritime Ltd., Hako Maritime Ltd. and Zeyno Maritime Ltd. from USD 5.250.000 to USD 12.000.000; from USD 4.250.000 to USD 11.000.000; from USD USD 3.000.000 to USD 9.000.000 and USD 2.000.000 USD 8.000.000 respectively as a result of capital increase made on February 29, 2016 through converting portions of receivables from subsidiaries to capital share by issuing new share having a nominal value equal to receivable amount from those subsidiaries allocated to GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.

The subsidiaries which are not included in consolidation and the ownership percentages of the Group in those subsidiaries as at 31 December 2015 and 31 December 2014 are as follows:

Subsidiaries	**Country of Incorporation**	**Principal Activities**	**Effective Shareholding and Voting Rights (%)**	
			30 December 2015	**31 December 2014**
GSD Eğitim Vakfı	Turkey	Education Foundation	100.00	100.00
GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş.(1)	Turkey	Advertising and Public Relations	100.00	100.00
GSD Plan Proje Etüd A.Ş. (1) (2)	Turkey	Plan, Project, Survey	100.00	100.00
GSD Gayrimenkul Yatırım ve Geliştirme A.Ş. (1) (2)	Turkey	Real Property Investment and Development	100.00	100.00

(1) With the purpose of transforming each of GSD Gayrimenkul Yatırım ve Geliştirme A.Ş., GSD Plan Proje Etüd A.Ş. and GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., the subsidiaries of GSD Holding A.Ş., to a single shareholder company, the shares of GSD Gayrimenkul Yatırım ve Geliştirme A.Ş.with a nominal value of full TL 4.00 owned by the other shareholders, the shares of GSD Plan Proje Etüd A.Ş. with a nominal value of full TL 4.00 owned by the other shareholders and the shares of GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş. with a nominal value of full TL 10,000 owned by the other shareholders have been bought by GSD Holding A.Ş. for full TL 1.40, full TL 1.28 and full TL 22,331.39, respectively, as of 26 November 2014.

(2) Each of the share capitals of GSD Plan Proje Etüd A.Ş. and GSD Gayrimenkul Yatırım ve Geliştirme A.Ş. has been increased from full TL 50,000 to full TL 90,000, the share capital increases being registered in trade registry on 29 December 2014 and 24 December 2014, respectively.

The Company owns more than 50% of the voting rights of the above mentioned subsidiaries. These subsidiaries are not consolidated and are carried at cost net of provision for impairment, if any, and are classified in the "unquoted equity instruments" caption in the consolidated financial statements, since the volume of transactions of these companies are limited and the total assets and revenues of these subsidiaries are immaterial.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

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.

2.2 Basis of Measurement

The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRSs as issued by the IASB. They are prepared on the historical cost basis adjusted for the effects of inflation during the hyperinflationary period lasted by 31 December 2005, except that the following assets and liabilities are stated at their fair value: derivative financial instruments, trading securities, available-for-sale financial assets and buildings. The methods used to measure fair value are further discussed in Note 39.

2.3 Functional and Presentation Currency

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 until their closures

	Local Currency	Functional Currency
Dodo Maritime Ltd.	EUR	US Dollar
Cano Maritime Ltd.	EUR	US Dollar
Hako Maritime Ltd.	EUR	US Dollar
Zeyno Maritime Ltd.	EUR	US Dollar

2.4 Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2. BASIS OF PREPARATION (continued)

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 8 – Loans and advances to customers
Note 13 & 14 – Measurement of property and equipment and intangible assets
Note 21 – Funds borrowed
Note 25 – Provisions
Note 26 – Other liabilities
Note 27 – Taxation
Note 32 – Commitments and contingencies
Note 39 – Financial risk management

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group entities.

The consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classification of the consolidated financial statements is changed, in order to maintain consistency, the consolidated financial statements of the prior periods are also reclassified in line with the related changes with respective disclosures for the major differences.

3.1 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 income statement, respectively.

3.2 Accounting in Hyperinflationary Economies

Turkey was a hyperinflationary economy until 31 December 2005. 2005 was a monitoring year for the inflation in Turkey. Due to the decreasing trend in inflation rate and the sustained positive trends in qualitative factors such as the economic growth for the last three years, financial and economic stabilization, and the decreasing interest rates, Turkey is considered non-hyperinflationary economy under International Accounting Standard ("IAS") No 29 starting from 1 January 2006. Therefore, the application of IAS 29 was ceased in 2006.

3.3 Foreign Currency Translation

(i) 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.

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)
31 December 2015	3.1776	2.9076
31 December 2014	2.8207	2.3189
31 December 2013	2.9365	2.1343

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Foreign operations

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

The asset and liability items in the statements of financial position of Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited 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 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.

3.4 Property and Equipment

(i) Recognition and measurement

The cost of the property and equipment purchased before 31 December 2005 are restated for the effects of inflation in TL units current at 31 December 2005 pursuant to IAS 29. The property and equipment purchased after this date are recorded at their historical costs. Accordingly, property and equipment are carried at cost, less accumulated depreciation and impairment losses, except for buildings. Buildings are recorded at the fair value and the amounts over carrying value of the buildings are recorded as property revaluation reserve under equity.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains/losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within other income or other expenses in profit or loss. The Group's revalued properties and property revaluation reserve, between 1 January 2014 and 21 May 2015, completely belongs to Tekstil Bankası A.Ş. which was classified as a discontinued operation in the Group's consolidated IFRS financial statements starting from 30 June 2014 until 21 May 2015 and deconsolidated as at 22 May 2015 as a result of the sale of the 75.50% shares of Tekstil Bankası A.Ş. by GSD Holding A.Ş. and there was no remaining property to be revalued in the consolidated financial statements of the Group on 22 May 2015.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced item is derecognised. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The residual values of the ships of the Group are determined based on the actual sale prices published as of the report date for the ships having the same or similar qualifications which are of the age and condition expected at the end of their useful lives being equal to the depreciation period of 18 years. Depreciation methods, useful lives and residual values are reviewed at least annually unless there is a triggering event.

	Years
Buildings	50
Ships	18
Office and vehicle equipment	2- 15
Motor vehicles	5
Leasehold improvements	Lease term, not less than 5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property and equipment is the greater of the fair value less costs to sell and value in use. Impairment losses are recognized in the consolidated income statement.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year the asset is derecognized.

3.5 Intangible Assets

Intangible assets acquired separately from a business are capitalized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets, excluding development costs, created within the business, are not capitalized and expenditure is charged against profits in the year in which it is incurred. The cost of the intangible assets purchased before 31 December 2005 are restated for the effects of inflation in TL units current at 31 December 2005 pursuant to IAS 29.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized on a straight-line basis over the best estimate of their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The Group amortizes intangible assets with a finite life on a straight-line basis over the estimated useful lives of 3-15 years. There are no intangible assets with indefinite useful lives.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated income statement when the asset is derecognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Assets Held for Sale

A property is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. A property is not depreciated and is stated at the lower of its carrying amount and fair value less costs to sell while it is classified as held for sale or while it is a part of a disposal group classified as held for sale. A property that ceases to be classified as held for sale or ceases to be included in a disposal group classified as held for sale is measured at the lower of its carrying amount before the property or disposal group was classified as held for sale, adjusted for any depreciation or revaluations that would have been recognized had the property or disposal group not been classified as held for sale, and its recoverable amount at the date of subsequent decision not to sell.

The disclosures on the classification of the subsidiary as a discontinued operation in relation to the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and the calculation of gain on the sale of the subsidiary resulting in loss of control are given in Note:11 "Assets Held for Sale".

3.7 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Recognition and Derecognition of Financial Instruments

The Group recognizes a financial asset or financial liability in its consolidated statement of financial position when and only when it becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group does not have any assets where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor retained control of the asset that is recognized to the extent of the Group's continuing involvement in the asset.

The Group derecognizes a financial liability when the obligation under the liability is discharged or cancelled or expires.

When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

3.9 Investments and Other Financial Assets

When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments, not at fair value through profit or loss, directly attributable transaction costs, except unquoted equity instruments which are carried at cost and unquoted borrowing securities which are carried at amortized cost. The Group determines the classification of its financial assets at initial recognition.

All regular way purchases and sales of financial assets are recognized on the settlement date, i.e. the date that the asset is delivered to or by the Group. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets, i.e. for assets carried at cost or amortized cost, change in value is not recognized; for assets classified as trading or as available for sale, the change in value is recognized through profit or loss and in equity, respectively.

The Group classifies its financial assets in the following categories:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Trading assets

Financial assets classified as held for trading are included in this category. Trading securities are securities, which were either acquired for generating a profit from short term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short term profit taking exists. Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. All trading securities are initially recognized at their fair values at the acquisition date. After initial recognition, trading securities are re-measured at fair value based on quoted bid prices. All related income and loss for fair value accounting is recognized in the consolidated income statement. Interest earned on trading securities is recorded as interest income. Dividends received are recorded as dividend income.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Such assets are carried at amortized cost using the effective interest method less any impairment in value. Gains and losses are recognized in the consolidated income statement when the loans and receivables are derecognized or impaired, as well as through the amortization process. Interest earned on such loans and receivables is reported as interest income.

(iii) Held to maturity financial assets

Held-to-maturity securities are financial assets with fixed maturities that the Group has the intent and ability to hold until maturity. Investment securities held-to-maturity are initially recognized at cost. Investment securities held-to-maturity are accounted for by using a discounting method based on internal rate of return applied on the net investment amounts after the deduction of provision for impairments. Interest earned on held-to-maturity securities is recognized as interest income and reflected in the consolidated income statement.

(iv) Available for sale financial assets

Available for sale financial assets are those which are not classified in any of the three categories mentioned above. All available for sale securities are initially recognized at cost at the acquisition date, being the fair value of the consideration given and including acquisition charges associated with the available for sale securities and subsequently they are measured at fair value. For investments that are actively traded in organized financial markets, fair value is determined by reference to quoted market bid prices. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. Equity securities for which fair values cannot be measured reliably are recognized at cost less impairment, if any. Gains or losses on re-measurement to fair value are recognized in equity until it is sold. Interest earned on available for sale investments is recorded as interest income. Dividends received and foreign exchange gains / (losses) are recorded as dividend income and foreign exchange gain/ (loss) in the consolidated income statement, respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Repurchase and Resale Transactions

The Group enters into purchases (sales) of investments under agreements to resell (repurchase) substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in other money market placements. The receivables are shown as collateralized by the underlying security. Investments sold under repurchase agreements continue to be recognized in the consolidated statement of financial position and are measured in accordance with the accounting policy for either trading assets or financial assets available-for-sale, as appropriate. The proceeds from the sale of the investments are recognized in other money market deposits.

The difference between the purchase and resale considerations or the sale and repurchase considerations is recognized on an accrual basis using effective interest rate over the period of the transaction and is included in interest income or expense, respectively.

3.11 Impairment of Financial Assets

i) Assets carried at amortized cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

(a) significant financial difficulty of the issuer or obligor;

(b) a breach of contract, such as a default or delinquency in interest or principal payments by more than 90 days;

(c) the Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the Group would not otherwise consider;

(d) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

  (i) adverse changes in the payment status of borrowers; or

  (ii) national or local economic conditions that correlate with defaults on the assets in the group

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the consolidated income statement. Impairment and uncollectibility are measured and recognized individually for receivables that are individually significant and on a portfolio basis for a group of similar receivables that are not individually identified as impaired.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not the foreclosure is probable.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

A write off is made when all or part of a receivable is deemed uncollectible or in the case of debt forgiveness. Write offs are charged against previously established allowances and reduce the principal amount of a receivable. Recoveries of receivables written off in earlier period are included in income.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

The amount of the reversal should not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed.

ii) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

iii) Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Leases

i) Finance leases (the Group as lessor)

The Group presents leased assets as receivables equal to the net investment in the leases. Finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

ii) Finance leases (the Group as lessee)

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

iii) Operating leases (the Group as lessee)

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the consolidated income statement on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental expense over the lease term on a straight-line basis. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place. The hiring of the dry bulk carrier ships of the Group Companies under time charter agreements are accounted for as operating leases.

3.13 Income Taxes

Tax expense (income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred taxes.

i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or directly in equity, respectively, and not in the consolidated income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

3.14 Derivative Financial Instruments

The Group enters into transactions with derivative instruments including forwards, swaps and options in the foreign exchange and capital markets. Most of these derivative transactions are considered as effective economic hedges under the Group's risk management policies; however since they do not qualify for hedge accounting under the specific provisions of IAS 39 "*Financial Instruments: Recognition and Measurement*", they are treated as derivatives held for trading. Derivative financial instruments are initially recognized at fair value on the date at which a derivative contract is entered into and subsequently re-measured at fair value. Any gains or losses arising from changes in fair value on derivatives are recognized in the consolidated income statement.

Fair values are obtained from quoted market prices in active markets, including recent market transactions, to the extent publicly available, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

3.15 Fiduciary Assets

Assets held by the Group in a fiduciary agency or custodian capacity for its customers are not included in the statement of financial position, since such items are not treated as assets of the Group.

3.16 Trade Receivables

Trade receivables are recognized at original invoice amount and carried at amortized cost less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when judicial decisions or insolvency documents regarding the default of the customer have been obtained.

3.17 Factoring Receivables

Factoring receivables are measured at amortised cost less specific allowances for uncollectibility and unearned interest income. Specific allowances are made against the carrying amount of factoring receivables and that are identified as being impaired based on regular reviews of outstanding balances to reduce factoring receivables to their recoverable amounts. When a factoring receivable is known to be uncollectible, all the necessary legal procedures have been completed, and the final loss has been determined, receivable is written off immediately.

3.18 Interest-bearing Deposits and Funds Borrowed

All deposits and borrowings are initially recognized at fair value of consideration received less directly attributable transaction costs. After initial recognition, all interest bearing deposits and borrowings are subsequently measured at amortized cost using effective yield method. Amortized cost is calculated by taking into account any discount or premium on settlement. Gain or loss is recognized in the consolidated income statement when the liability is derecognized as well as through amortization process.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs may include interest expense calculated using the effective interest method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost. An entity shall begin capitalising borrowing costs as part of the cost of a qualifying asset when it incurs expenditures for the asset and borrowing costs and undertakes activities that are necessary to prepare the asset for its intended use or sale. An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.20 Treasury Shares

The Company's own equity instruments which are owned by the Company itself or its subsidiaries are deducted from equity under the heading "Treasury shares". No gain or loss is recognized in the consolidated income statement on the purchase, issue, sale or cancellation of the Company's own equity instruments. Considerations paid to reacquire the Company's own equity instruments are recognised directly in equity by debiting "Treasury shares". Considerations received as a result of the sale of the Company's own equity instruments reacquired and recognised directly in "Treasury shares" previously are recognised directly in equity by crediting "Treasury shares" for as much as their reacquisition cost and by crediting or debiting "Retained earnings" for as much as the gain or loss of the sale transaction, respectively, disclosing it as a "Change in retained earnings" in the consolidated statement of changes in equity.

3.21 Employee Benefits

The Group has both defined benefit and defined contribution plans as described below:

i) Defined benefit plans

In accordance with existing social legislation in Turkey, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum termination indemnities to each employee who has completed over one year of service with the company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the accompanying consolidated financial statements, the Group has reflected a liability calculated using actuarial method and discounted by using the current market yield at the reporting date on government bonds, in accordance with IAS 19 "*Employee Benefits*".

The principal actuarial assumptions used at 31 December 2015 and 31 December 2014 are as follows;

	2015	**2014**
	%	**%**
Discount rate	10.80	8.00
Expected rate of salary/limit increase	6.00	6.00

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Remeasurements of the net defined benefit liability (asset) recognised in other comprehensive income shall not be reclassified to profit or loss in a subsequent period. However, the entity may transfer those amounts recognised in other comprehensive income within equity. The Group, within the scope of that provision, adopted the accounting policy to transfer the prior-year-end balance of the Remeasurements of the Net Defined Benefit Liability (Asset) cumulatively recognised as other comprehensive income within equity to the Retained Earnings within equity as at each year-beginning.

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. The ceiling amount at 1 January 2016 is full TL 4,093 (31 December 2014: full TL 3,438). The liability is not funded, as there is no funding requirement.

In the accompanying consolidated financial statements, the Group has reflected a liability by recognising the expected cost of bonus payments when, and only when, it has a present constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. An obligation under profit-sharing and bonus plans results from employee service and not from a transaction with the Group's owners. Therefore, the Group recognises the cost of profit-sharing and bonus plans not as a distribution of profit but as an expense.

The Group has recognized the expected cost of employee benefits in the form of accumulated vesting paid absences relating to the unused entitlement arising from the services rendered by the Group's employees, required to be paid when the employment of the personnel is terminated due to any reason in accordance with the existing social legislation in Turkey, as a long-term liability by measuring it on an undiscounted basis since its discounting does not have a significant impact on the consolidated financial position or performance of the Group.

ii) Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly administered social security funds on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

3.22 Provisions, Contingent Liabilities and Assets

i) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

ii) Contingent liabilities and assets

Contingent liabilities are not recognized in the financial statements but disclosed in the notes if the possibility of any outflow is low. Contingent assets are not included in financial statements but explained in the notes if an inflow of economic benefits is probable.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Income and Expense Recognition

Interest income and expense are recognized in the consolidated income statement for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income recognition on loans is suspended when loans are overdue by more than 90 days. Interest accrual does not start until such loans become performing.

Fee and commission income arising on financial services provided, including cash management services, brokerage services, investment advice and financial planning, investment banking services, project and structured finance transactions, and asset management services is recognized when the corresponding service is provided. Certain commissions, such as those deriving from letters of guarantee and other banking services are also usually recognized as income when received.

Trading income, net includes gains and losses arising from disposals of trading assets and financial assets available-for-sale and changes in the fair value of trading securities.

3.23 Income and Expense Recognition

Financial leases consist of leases of vehicles and various equipments, including industrial machinery and office equipment. The excess of aggregate lease rentals plus the residual value over the cost of the leased asset constitutes the unearned lease income to be taken into income over the term of the lease and produce a constant periodic rate of return on the net cash investment remaining in each lease. The Group restructures the payment terms on some of the lease contracts cancelled due to customers' inability to repay on a timely basis. Interest income from revision of lease contracts reflects the additional fees and charges arising from delayed payments of the customers.

3.23 Income and Expense Recognition (continued)

Factoring commission income represents the upfront charge to the customer to cover the service given and the collection expenses incurred. Factoring commission is accounted for on accrual basis.

Sales revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Revenue from rendering services is recognized by reference to the stage of completion when it can be measured reliably. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

3.24 Earnings per Share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Increases in the number of shares due to share capital increases made from internal resources during the period or after the end of the period until the financial statements are authorized for issue are taken into consideration in the calculation of weighted average number of the shares from the beginning of the period.

3.25 Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the reporting dates (adjusting events) are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.26 Related Parties

A party is related to an entity if:

(a) Directly, or indirectly through one or more intermediaries, the party:
  (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the entity that gives it significant influence over the entity; or
  (iii) has joint control over the entity;
(b) the party is an associate of the entity;
(c) the party is a joint venture in which the entity is a venturer
(d) the party is a member of the key management personnel of the entity or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

3.27 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.28 Offsetting a financial asset and a financial liability

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In accounting for a transfer of a financial asset that does not qualify for derecognition, the Group shall not offset the transferred asset and the associated liability.

3.29 New standards and interpretations not yet adopted

The Group applied all of the relevant and required standards promulgated by the IASB and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") as of 31 December 2015.

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2015 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) The new standards, amendments and interpretations which are effective as at 1 January 2015 are as follows:

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The amendment did not have a significant impact on the consolidated financial statements of the Group.

Annual Improvements to TAS/TFRSs

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

The new standards, amendments and interpretations

i) The new standards, amendments and interpretations which are effective as at 1 January 2015 are as follows:

Annual Improvements - 2010–2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to performance and service conditions which are vesting conditions are clarified. The amendment is effective prospectively.

TFRS 3 Business Combinations

The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 (or IFRS 9, as applicable). The amendment is effective for business combinations prospectively.

TFRS 8 Operating Segments

The changes are as follows: i) An entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The amendment to TAS 16.35(a) and TAS 38.80(a) clarifies that revaluation can be performed, as follows:
i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. . In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is effective retrospectively.

3.29 New standards and interpretations not yet adopted

The new standards, amendments and interpretations (continued)

i) The new standards, amendments and interpretations which are effective as at 1 January 2015 are as follows:

Annual Improvements – 2011–2013 Cycle

TFRS 3 Business Combinations

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

TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of IAS 39 (or IFRS 9, as applicable). The amendment is effective prospectively.

TAS 40 Investment Property

The amendment clarifies the interrelationship of TFRS 3 and TAS 40 in determining whether the transaction is the purchase of an asset or business combination. The amendment is effective prospectively.

The amendments did not have a significant impact on the consolidated financial statements of the Group.

ii)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, when the new standards and interpretations become effective.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012 and February 2015, the new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

TFRS 11 Acquisition of an Interest in a Joint Operation (Amendment)

TFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in TFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in TFRS 3 and other TFRSs except for those principles that conflict with the guidance in this TFRS. In addition, the acquirer shall disclose the information required by TFRS 3 and other TFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

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

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

TAS 16 Property, Plant and Equipment and TAS 41 Agriculture (Amendment) – Bearer Plants

TAS 16 is amended to provide guidance that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in TAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of TAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

TAS 27 Equity Method in Separate Financial Statements (Amendments to TAS 27)

In February 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey issued an amendment to TAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

• At cost

• In accordance with IFRS 9,

Or

• Using the equity method defined in TAS 28

TAS 27 Equity Method in Separate Financial Statements (Amendments to TAS 27) (continued)

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In February 2015, amendments issued to TFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in TFRS 10 and TAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in TFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

In February 2015, amendments issued to TFRS 10, TFRS 12 and TAS 28, to address the issues that have arisen in applying the investment entities exception under TFRS 10 Consolidated Financial Statements. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TAS 1: Disclosure Initiative (Amendments to TAS 1)

In February 2015, amendments issued to TAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted. These amendments are not expected to have a significant impact on the notes to the consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.29 New standards and interpretations not yet adopted (continued)

The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Annual Improvements to TFRS - 2012-2014 Cycle

In February 2015, POA issued, Annual Improvements to TFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – clarifies that changes in methods of disposal (through sale or distribution to owners) would not be considered a new plan of disposal, rather it is a continuation of the original plan
- IFRS 7 Financial Instruments: Disclosures – clarifies that i) the assessment of servicing contracts that includes a fee for the continuing involvement of financial assets in accordance with IFRS 7; ii) the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report
- IAS 19 Employee Benefits – clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located
- IAS 34 Interim Financial Reporting –clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

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

Annual Improvements – 2010–2012 Cycle

IFRS 13 Fair Value Measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.29 New standards and interpretations not yet adopted (continued)

The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by the Public Oversight Authority (POA) (continued)

Annual Improvements – 2011–2013 Cycle

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 original effective date was January 1, 2017. However, in September 2015, IASB decided to defer the effective date to reporting periods beginning on or after January 1, 2018, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by the Public Oversight Authority (POA) (continued)

IFRS 9 Financial Instruments - Final standard (2014)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 16 Leases

In January 2016, the IASB has published a new standard, IFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses (Amendments)

In January 2016, the IASB issued amendments to IAS 12 Income Taxes. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the requirements on recognition of deferred tax assets for unrealised losses, to address diversity in practice. These amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2017 with earlier application permitted. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. If the Company/Group applies this relief, it shall disclose that fact. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by the Public Oversight Authority (POA) (continued)

IAS 7 'Statement of Cash Flows (Amendments)

In January 2016, the IASB issued amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The improvements to disclosures require companies to provide information about changes in their financing liabilities. These amendments are to be applied for annual periods beginning on or after January 1, 2017 with earlier application permitted. When the Company/Group first applies those amendments, it is not required to provide comparative information for preceding periods. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

3.30 Comparative information and restatement of prior periods' financial statements

The Company's consolidated financial statements as at 31 December 2015 are prepared comparatively with the prior period financial statements, in order to maintain consistency for the year ended as at 31 December 2014.

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

4. SEGMENT INFORMATION

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

Consolidated Statement of Comprehensive Income (01.01.2015-30.06.2015)										
Country of Operation	**Turkey**	**Turkey&Malta International**	**Turkey**	**Turkey**			**Segment Information Combined by Countries**			
	(1) Banking	**(1) (2) Marine**	**Factoring**	**Holding**	**Inter-segment Eliminations**	**Group**	**Turkey**	**(3) Malta International**	**Inter-country Eliminations**	**Group**
CONTINUING OPERATIONS										
Holding activities income	-	-	-	2,865	(2,865)	-	5,475	-	(5,475)	-
Holding activities expense (-)	-	-	-	(2,803)	2,803	-	(5,337)	-	5,337	-
Gross profit/(loss) from holding activities	**-**	**-**	**-**	**62**	**(62)**	**-**	**138**	**-**	**(138)**	**-**
Marine sector income	-	31,583	-	-	-	31,583	-	31,583	-	31,583
Marine sector expense (-)	-	(34,260)	-	-	-	(34,260)	-	(34,260)	-	(34,260)
Gross profit/(loss) from marine sector operations	**-**	**(2,677)**	**-**	**-**	**-**	**(2,677)**	**-**	**(2,677)**	**-**	**(2,677)**
Gross profit/(loss) from commercial sector operations	**-**	**(2,677)**	**-**	**62**	**(62)**	**(2,677)**	**138**	**(2,677)**	**(138)**	**(2,677)**
Interest income	19,543	25	35,537	-	(130)	54,975	55,105	-	(130)	54,975
Service income (net)	4,972	-	-	-	(21)	4,951	5,029	-	(78)	4,951
Revenue from financial activities	**24,515**	**25**	**35,537**	**-**	**(151)**	**59,926**	**60,134**	**-**	**(208)**	**59,926**
Interest expense (-)	(4,569)	-	(22,708)	-	3,245	(24,032)	(27,349)	-	3,317	(24,032)
Service expense (-)	(200)	-	(125)	-	8	(317)	(326)	-	9	(317)
Cost of financial activities (-)	**(4,769)**	**-**	**(22,833)**	**-**	**3,253**	**(24,349)**	**(27,675)**	**-**	**3,326**	**(24,349)**
Provision income/(expense) arising from financial sector operations, net	(1,524)	(206)	(661)	-	-	(2,391)	(2,391)	-	-	(2,391)
Foreign exchange gain/(loss), net	(2,323)	5	124	-	(877)	(3,071)	(2,194)	-	(877)	(3,071)
Other financial sector operations income/(expense), net	264	10	356	-	(268)	362	630	-	(268)	362
Gross profit/(loss) from financial sector operations	**16,163**	**(166)**	**12,523**	**-**	**1,957**	**30,477**	**28,504**	**-**	**1,973**	**30,477**
GROSS PROFIT/(LOSS)	**16,163**	**(2,843)**	**12,523**	**62**	**1,895**	**27,800**	**28,642**	**(2,677)**	**1,835**	**27,800**
Administrative expenses (-)	(9,236)	(4,098)	(8,383)	(11,573)	328	(32,962)	(30,756)	(2,610)	404	(32,962)
Other income from operating activities	36	1,249	313	64,740	(3,712)	62,626	66,327	11	(3,712)	62,626
Other expense from operating activities (-)	-	(624)	-	(41,898)	2,402	(40,120)	(42,522)	-	2,402	(40,120)
OPERATING PROFIT/(LOSS)	**6,963**	**(6,316)**	**4,453**	**11,331**	**913**	**17,344**	**21,691**	**(5,276)**	**929**	**17,344**
Income from investment activities	370	3	60	32,153	-	32,586	39,780	-	(7,194)	32,586
Expense from investment activities (-)	-	-	(3)	-	-	(3)	(3)	-	-	(3)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	**7,333**	**(6,313)**	**4,510**	**43,484**	**913**	**49,927**	**61,468**	**(5,276)**	**(6,265)**	**49,927**
Financing expenses (-)	(25)	(20,522)	(17)	(993)	808	(20,749)	(15,659)	(13,092)	8,002	(20,749)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**7,308**	**(26,835)**	**4,493**	**42,491**	**1,721**	**29,178**	**45,809**	**(18,368)**	**1,737**	**29,178**

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

4. SEGMENT INFORMATION (continued)

Consolidated Statement of Comprehensive Income (continued) (01.01.2015-31.12.2015)										
Country of Operation	Turkey	Turkey&Malta International	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1) (2) Marine	Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3) Malta International	Inter-country Eliminations	Group
Tax income/(expense) from continuing operations	**(1,443)**	**1,545**	**(936)**	**(5,413)**	**-**	**(6,247)**	**(6,247)**	**-**	**-**	**(6,247)**
Current tax income/(expense)	(2,131)	-	(885)	(246)	-	(3,262)	(3,262)	-	-	(3,262)
Deferred tax income/(expense)	688	1,545	(51)	(5,167)	-	(2,985)	(2,985)	-	-	(2,985)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**5,865**	**(25,290)**	**3,557**	**37,078**	**1,721**	**22,931**	**39,562**	**(18,368)**	**1,737**	**22,931**
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**(11,619)**	**-**	**-**	**204,892**	**(1,721)**	**191,552**	**193,289**	**-**	**(1,737)**	**191,552**
NET PROFIT/(LOSS)	**(5,754)**	**(25,290)**	**3,557**	**241,970**	**-**	**214,483**	**232,851**	**(18,368)**	**-**	**214,483**
Net profit/(loss) (continuing and discontinuing operations) attributable to:							-	-	-	-
Non-controlling interest	**(2,912)**	**(3,583)**	**372**	**-**	**-**	**(6,123)**	**(6,123)**	**-**	**-**	**(6,123)**
Equity holders of the company	**(2,842)**	**(21,707)**	**3,185**	**241,970**	**-**	**220,606**	**238,974**	**(18,368)**	**-**	**220,606**
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	**(27)**	**(30)**	**(50)**	**97**	**-**	**(10)**	**(10)**	**-**	**-**	**(10)**
Remeasurements of the net defined benefit liability (asset)	(27)	(30)	(50)	97	-	(10)	(10)	-	-	(10)
Which will be classified in profit or loss	**(1,628)**	**23,348**	**-**	**4,114**	**-**	**25,834**	**30,090**	**(4,256)**	**-**	**25,834**
Change in currency translation differences	-	23,348	-	-	-	23,348	27,604	(4,256)	-	23,348
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	(1,628)	-	-	4,114	-	2,486	2,486	-	-	2,486
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**(1,655)**	**23,318**	**(50)**	**4,211**	**-**	**25,824**	**30,080**	**(4,256)**	**-**	**25,824**
TOTAL COMPREHENSIVE INCOME	**(7,409)**	**(1,972)**	**3,507**	**246,181**	**-**	**240,307**	**262,931**	**(22,624)**	**-**	**240,307**
Total comprehensive income attributable to:							-	-	-	-
Non-controlling interest	**(3,140)**	**1,556**	**367**	**-**	**-**	**(1,217)**	**(1,217)**	**-**	**-**	**(1,217)**
Equity holders of the company	**(4,269)**	**(3,528)**	**3,140**	**246,181**	**-**	**241,524**	**264,148**	**(22,624)**	**-**	**241,524**
CONSOLIDATED BALANCESHEET (30.06.2015)										
TOTAL ASSETS	**305,501**	**291,497**	**255,875**	**649,611**	**(169,887)**	**1,332,597**	**1,359,035**	**278,426**	**(304,864)**	**1,332,597**
TOTAL LIABILITIES	**208,572**	**202,094**	**227,799**	**32,611**	**(169,887)**	**501,189**	**531,136**	**274,917**	**(304,864)**	**501,189**
Other segment information (continued and discontinued operations)										
Capital expenditures	390	23	80	1,776	-	2,269	2,269	-	-	2,269
Depreciation expense	(920)	(14,298)	(24)	(206)	-	(15,448)	(1,160)	(14,288)	-	(15,448)
Amortization expense	(190)	(1)	(17)	(41)	-	(249)	(249)	-	-	(249)
Impairment (losses)/reversal income recognized in income statem	(8,229)	(206)	(661)	-	-	(9,096)	(9,096)	-	-	(9,096)

(1) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the banking segment consists of the relevant amounts of Tekstil Bankası A.Ş. for discontinued operations and GSD Bank for continuing operations.

(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 its decreasing materiality.

(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.

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

4. SEGMENT INFORMATION (continued)

Consolidated Statement of Comprehensive Income (01.01.2014-31.12.2014)										
Country of Operation	Turkey	Turkey&Malta International	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1) (2) Marine	Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3) Malta International	Inter-country Eliminations	Group
CONTINUING OPERATIONS										
Holding activities income	-	-	-	2,449	(2,449)	-	4,329	-	(4,329)	-
Holding activities expense (-)	-	-	-	(2,381)	2,381	-	(4,206)	-	4,206	-
Gross profit/(loss) from holding activities	**-**	**-**	**-**	**68**	**(68)**	**-**	**123**	**-**	**(123)**	**-**
Marine sector income	-	21,209	-	-	-	21,209	-	21,209	-	21,209
Marine sector expense (-)	-	(19,182)	-	-	-	(19,182)	-	(19,182)	-	(19,182)
Gross profit/(loss) from marine sector operations	**-**	**2,027**	**-**	**-**	**-**	**2,027**	**-**	**2,027**	**-**	**2,027**
Gross profit/(loss) from commercial sector operations	**-**	**2,027**	**-**	**68**	**(68)**	**2,027**	**123**	**2,027**	**(123)**	**2,027**
Interest income	13,836	220	25,670	-	(72)	39,654	39,726	-	(72)	39,654
Service income (net)	3,928	-	-	-	(52)	3,876	4,237	-	(361)	3,876
Revenue from financial activities	**17,764**	**220**	**25,670**	**-**	**(124)**	**43,530**	**43,963**	**-**	**(433)**	**43,530**
Interest expense (-)	(991)	-	(13,938)	-	945	(13,984)	(16,151)	-	2,167	(13,984)
Service expense (-)	(63)	-	(149)	-	40	(172)	(220)	-	48	(172)
Cost of financial activities (-)	**(1,054)**	**-**	**(14,087)**	**-**	**985**	**(14,156)**	**(16,371)**	**-**	**2,215**	**(14,156)**
Provision income/(expense) arising from financial sector operations, net	(1,705)	209	(1,483)	-	-	(2,979)	(2,979)	-	-	(2,979)
Foreign exchange gain/(loss), net	(243)	4	(22)	-	18	(243)	(261)	-	18	(243)
Trading income, net	-	-	-	-	-	-	-	-	-	-
Other financial sector operations income/(expense), net	196	(69)	275	-	(270)	132	402	-	(270)	132
Gross profit/(loss) from financial sector operations	**14,958**	**364**	**10,353**	**-**	**609**	**26,284**	**24,754**	**-**	**1,530**	**26,284**
GROSS PROFIT/(LOSS)	**14,958**	**2,391**	**10,353**	**68**	**541**	**28,311**	**24,877**	**2,027**	**1,407**	**28,311**
Administrative expenses (-)	(7,918)	(4,314)	(7,517)	(3,864)	342	(23,271)	(21,976)	(1,669)	374	(23,271)
Other income from operating activities	27	5,263	320	65	(503)	5,172	5,624	28	(480)	5,172
Other expense from operating activities (-)	-	(3,456)	-	(7)	228	(3,235)	(3,463)	-	228	(3,235)
OPERATING PROFIT/(LOSS)	**7,067**	**(116)**	**3,156**	**(3,738)**	**608**	**6,977**	**5,062**	**386**	**1,529**	**6,977**
Income from investment activities	-	42	-	-	-	42	5,522	-	(5,480)	42
Expense from investment activities (-)	-	(6)	-	-	-	(6)	(6)	-	-	(6)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	**7,067**	**(80)**	**3,156**	**(3,738)**	**608**	**7,013**	**10,578**	**386**	**(3,951)**	**7,013**
Financing expenses (-)	(19)	(9,122)	(18)	(56)	3,716	(5,499)	(6,548)	(8,147)	9,196	(5,499)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**7,048**	**(9,202)**	**3,138**	**(3,794)**	**4,324**	**1,514**	**4,030**	**(7,761)**	**5,245**	**1,514**

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

4. SEGMENT INFORMATION (continued)

Consolidated Statement of Comprehensive Income (continued) (01.01.2014-31.12.2014)										
Country of Operation	**Turkey**	**Turkey&Malta International**	**Turkey**	**Turkey**			**Segment Information Combined by Countries**			
	(1) Banking	**(1) (2) Marine**	**Factoring**	**Holding**	**Inter-segment Eliminations**	**Group**	**Turkey**	**(3) Malta International**	**Inter-country Eliminations**	**Group**
Tax income/(expense) from continuing operations	**(1,230)**	**451**	**(674)**	**3,792**	**-**	**2,339**	**2,339**	**-**	**-**	**2,339**
Current tax income/(expense)	(1,263)	(235)	(659)	-	-	(2,157)	(2,157)	-	-	(2,157)
Deferred tax income/(expense)	33	686	(15)	3,792	-	4,496	4,496	-	-	4,496
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**5,818**	**(8,751)**	**2,464**	**(2)**	**4,324**	**3,853**	**6,369**	**(7,761)**	**5,245**	**3,853**
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**1,328**	**-**	**-**	**-**	**(4,345)**	**(3,017)**	**2,249**	**-**	**(5,266)**	**(3,017)**
NET PROFIT/(LOSS)	**7,146**	**(8,751)**	**2,464**	**(2)**	**(21)**	**836**	**8,618**	**(7,761)**	**(21)**	**836**
Net profit/(loss) (continuing and discontinuing operations) attributable to:										
Non-controlling interest	**527**	**(2,157)**	**269**	**-**	**-**	**(1,361)**	**(1,361)**	**-**	**-**	**(1,361)**
Equity holders of the company	**6,619**	**(6,594)**	**2,195**	**(2)**	**(21)**	**2,197**	**9,979**	**(7,761)**	**(21)**	**2,197**
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	**1,368**	**(29)**	**(2)**	**(106)**	**-**	**1,231**	**1,231**	**-**	**-**	**1,231**
Change in property revaluation reserve	1,991	-	-	-	-	1,991	1,991	-	-	1,991
Tanımlanmış Fayda Planları Yeniden Ölçüm Kazançları/Kayıpları	(623)	(29)	(2)	(106)	-	(760)	(760)	-	-	(760)
Which will be classified in profit or loss	**1,644**	**7,612**	**-**	**-**	**-**	**9,256**	**9,313**	**(57)**	**-**	**9,256**
Change in currency translation differences	-	7,612	-	-	-	7,612	7,669	(57)	-	7,612
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	1,644	-	-	-	-	1,644	1,644	-	-	1,644
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**3,012**	**7,583**	**(2)**	**(106)**	**-**	**10,487**	**10,544**	**(57)**	**-**	**10,487**
TOTAL COMPREHENSIVE INCOME	**10,158**	**(1,168)**	**2,462**	**(108)**	**(21)**	**11,323**	**19,162**	**(7,818)**	**(21)**	**11,323**
Total comprehensive income attributable to:										
Non-controlling interest	**1,247**	**415**	**269**	**-**	**-**	**1,931**	**1,931**	**-**	**-**	**1,931**
Equity holders of the company	**8,911**	**(1,583)**	**2,193**	**(108)**	**(21)**	**9,392**	**17,231**	**(7,818)**	**(21)**	**9,392**
CONSOLIDATED BALANCESHEET (31.12.2014)										
TOTAL ASSETS	**3,741,492**	**243,348**	**192,135**	**5,481**	**(72,619)**	**4,109,837**	**4,082,866**	**235,833**	**(208,862)**	**4,109,837**
TOTAL LIABILITIES	**3,039,573**	**171,279**	**163,566**	**1,789**	**(72,619)**	**3,303,588**	**3,260,666**	**251,784**	**(208,862)**	**3,303,588**
Other segment information (continued and discontinued operations)										
Capital expenditures	12,604	111,095	53	57	-	123,809	12,753	111,056	-	123,809
Depreciation expense	(3,229)	(7,066)	(25)	(175)	-	(10,495)	(3,436)	(7,059)	-	(10,495)
Amortization expense	(643)	-	(17)	(23)	-	(683)	(683)	-	-	(683)
Impairment (losses)/reversal income recognized in income statement	(45,824)	209	(1,483)	-	-	(47,098)	(47,098)	-	-	(47,098)

(1) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., the banking segment consists of the relevant amounts of Tekstil Bankası A.Ş. for discontinued operations and GSD Bank for continuing operations.

(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 its decreasing materiality.

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

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position:

	2015	2014
Cash on hand	2	3
Balances with the Central Bank	530	13
Cash and balances with the Central Bank	**532**	**16**
Deposits with other banks and financial institutions	**90,656**	**4,571**
Other money market placements	**-**	**-**
Reserve deposits at the central bank	**1,013**	**696**
Cash and cash equivalents in the statement of financial position	**92,201**	**5,283**

Cash and cash equivalents in the statement of cash flows:

Continuing Operations	**2015**	**2014**
Cash on hand	2	3
Balances with the Central Bank	530	13
Deposits with other banks and financial institutions	90,656	4,571
Reserve deposits at the central bank	1,013	696
Cash and cash equivalents in the statement of financial position	**92,201**	**5,283**
Less: Reserve deposits at the central bank	(1,013)	(696)
Less: Income accruals	(95)	-
Cash and cash equivalents in the statement of cash flows	**91,093**	**4,587**

Discontinued Operations	**21 May 2015**	**31 December 2014**
Cash on hand and Balances with the Central Bank	266,868	216,610
Deposits with other banks and financial institutions	228,514	83,339
Other money market placements	-	86,026
Reserve deposits at the central bank	119,536	131,980
Cash and cash equivalents in the statement of financial position	**614,918**	**517,955**
Less: Reserve deposits at the central bank	(119,536)	(131,980)
Less: Income accruals	(130)	(95)
Cash and cash equivalents in the statement of cash flows	**495,252**	**385,880**

Cash and cash equivalents in the statement of cash flows include those parts of the items classified as "Cash and balances with the Central Bank", "Deposits with other banks and financial institutions", and "Other money market placements" in the statement of financial position which is with original maturities of less than 3 months.

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

5. CASH AND CASH EQUIVALENTS (continued)

As at 31 December 2015 and 31 December 2014, the amounts and interest range of deposits and placements are as follows:

	2015				2014			
	Amount		Effective Interest rate (%)		Amount		Effective Interest rate (%)	
	TL	FC	TL	FC	TL	FC	TL	FC
Cash on hand	2	-	-	-	3	-	-	-
Balances with the Central Bank	264	266	-	-	13	-	-	-
Deposits with other banks and financial institutions	5,413	85,243	6.75-13.50	1.90-2.80	39	4,532	-	1.75
Cash and cash equivalents	**5,679**	**85,509**			**55**	**4,532**		
Reserve deposits	**-**	**1,013**	**-**	**-**	**-**	**696**	**-**	**-**

Main balances in deposits with other banks and financial institutions are demand or overnight deposits. The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

Reserves required to be deposited with the Central Bank

Reserve deposits represent the minimum cash reserve maintained with the Central Bank of Turkey (the "Central Bank"), as required by the Turkish Banking Law, calculated on the basis of the domestic liabilities after deducting certain liabilities taken at the rates determined by the Central Bank.

The banks operating in Turkey, in accordance with the regulations of the Central Bank of Turkey regarding the reserves required to be deposited with the Central Bank by banks, are required to maintain deposits with the Central Bank in Turkish Liras (or in USD Dollars and/or EURO with a maximum of 60%, at least 50% being in USD Dollars, or standard gold with a maximum of 30% in blocked accounts to be multiplied by the factors indicated in the related Communiqué) for liabilities in Turkish Lira; and in USD Dollars and/or EURO (or standard gold with a maximum of 0% in blocked accounts) for liabilities in foreign currencies except those in precious metal deposit accounts, USD Dollars being obligatory for USD Dollar-denominated liabilities; and in USD Dollars and/or EURO (or standard gold in blocked accounts) for liabilities in foreign currencies in precious metal deposit accounts, for the period of 14 days beginning on Fridays two weeks after the relevant calculation made once every two weeks applying the ratios stated below to the domestic liabilities with the exception of certain liabilities. The banks are allowed to maintain the required reserve deposits with the Central Bank as an average for all liabilities in Turkish Lira and for the part of 3% for liabilities in foreign currencies during the two weeks period. The required reserve deposits maintained with the Central Bank as an average is classified as "Balances with the Central Bank" in the consolidated statement of financial position of the Group. The Central Bank of the Republic of Turkey started to pay interest on the required reserves held in Turkish Liras and Foreign Currency in order of November 2014 and May 2015.

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

5. CASH AND CASH EQUIVALENTS (continued)

Required reserve ratios applied to certain liabilities of banks in Turkey

	Turkish Lira (TL)		Foreign Currency	
	2015	**2014**	**2015**	**2014**
Liabilities subject to reserve deposits	**Required Reserve Ratios (%)**			
Demand deposits, notice deposits, private current accounts	11.50	11.50	13.00	13.00
Deposits/participation accounts up to 1 month maturity	11.50	11.50	13.00	13.00
Deposits/participation accounts up to 3 months maturity	11.50	11.50	13.00	13.00
Deposits/participation accounts up to 6 months maturity	8.50	8.50	13.00	13.00
Deposits/participation accounts up to 1 year maturity	6.50	6.50	13.00	13.00
Deposits/participation accounts with 1 year or longer maturity, cumulative deposits/participation accounts	5.00	5.00	9.00	9.00
Special fund pools	Rate corresponding to maturity	Rate corresponding to maturity	Rate corresponding to maturity	Rate corresponding to maturity
Other liabilities up to 1 year maturity	11.50	11.50	25,00	18.00
Other liabilities up to 2 year maturity	8.00	8.00	20,00	13.00
Other liabilities up to 3 year maturity	8.00	8.00	15,00	8.00
Other liabilities between 3 and 5 years maturity	5.00	5.00	7,00	7.00
Other liabilities longer than 5 years maturity	5.00	5.00	5,00	6.00

Required reserves based on the banks’ leverage ratio

The banks whose leverage ratios calculated in accordance with the procedures and principles determined by the Central Bank of the Republic of Turkey based on the accounting standards and the uniform chart of accounts applied by the banks are in the below mentioned ranges are required to maintain reserves with the Central Bank in addition to those mentioned above, to be determined according to the basic arithmetic average of the monthly leverage ratios for the quarterly calculation periods and to be implemented for the liabilities in Turkish Lira and foreign currencies subject to the reserve requirement in all maturities separately, during the 6 required reserve periods starting from the first required reserve period of the 4th calendar month following the calculation period. The leverage ratio is calculated by dividing the primary equity by the total of total liabilities, non-cash loans and liabilities, revocable commitments multiplied with a coefficient of 0.1, commitments arising from derivative financial instruments multiplied with their own loan conversion ratios and irrevocable commitments.

Required reserve ratios based on the banks’ leverage ratio

	Leverage ratio ranges (%)				
	Below 3	**3.0-3.25**	**3.25-3.5**	**3.5-4.0**	**4.0-5.0**
Calculation period of required reserve based on leverage ratio	**Required reserve ratios based on leverage ratio (%)**				
4th quarter of 2013 and 1st, 2nd, 3rd quarters of 2014	2.0	1.5	1.0	0.0	0.0
4th quarter of 2014 and 1st, 2nd, 3rd quarters of 2015	2.0	1.5	1.5	1.0	0.0
4th quarter of 2015 and subsequent periods	2.0	1.5	1.5	1.5	1.0

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

6. MARKETABLE SECURITIES

a) Trading Securities

	2015		2014	
	Amount	**Effective interest rate (%)**	**Amount**	**Effective interest rate (%)**
Debt instruments				
Turkish government bonds (TL)	311	10.78	962	8.04-8.85
	311		**962**	
Other				
	-		**-**	
Total	**311**		**962**	

As at 31 December 2015 and 31 December 2014, none of trading debt securities has floating interest rates.

	2015	**2014**
At 1 January	**962**	**1,765**
Additions	306	959
Disposals (sales and redemptions)	(959)	(279)
Interest received due to redemptions	(41)	(21)
Change in fair value and other gains/losses, net	43	19
Transfer from continuing operations to discontinued operations	-	(1,481)
Closing balance at the end of period	**311**	**962**

Carrying values of trading securities pledged under repurchase agreements and related liabilities:

	2015	**2014**
Trading securities subject to repo transactions	227	-
Related liability - other money market deposits	220	-

b) Available For Sale Securities

	2015		2014	
	Amount	**Effective interest rate (%)**	**Amount**	**Effective interest rate (%)**
Debt instruments				
Eurobonds issued by Republic of Turkey	14,320	5.29-5.96	-	
Other				
Common stocks	369,166	-	160	-
	383,486		**160**	
Total	**383,486**		**160**	

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

6. MARKETABLE SECURITIES (continued)

b) Available For Sale Securities (continued)

			GSD Holding A.Ş's Shareholding		
31 December 2015 Shareholdings in available for sale securities	**Carrying Value**	**Paid Capital**	**Direct (%)**	**Indirect (%)**	**Total (%)**
Silopi Elektrik Üretim A.Ş.	369,006	202,050	15.00	0.00	15.00
Borsa İstanbul A.Ş.	160	423,234	-	0.04	0.04
Total	**369,166**				

The movement in available for sale securities (including loaned securities) is summarized as follows:

	2015	**2014**
At 1 January	**160**	**389,108**
Additions	346,814	-
Disposals (sales and redemptions)	(9,248)	-
Interest received due to redemptions	(136)	-
Foreign exchange difference	31,454	-
Change in fair value and other gains/losses, net	5,426	-
Exclusion from consolidation due to the disposal of subsidiaries	9,016	-
Transfer from continuing operations to discontinued operations	-	(388,948)
Closing balance at the end of period	**383,486**	**160**

c) Held to maturity securities

As at 31 December 2015 and 31 December 2014, the Group has no held to maturity investment security.

e) Marketable securities given as a guarantee

As at 31 December 2015 and 31 December 2014, the carrying values and nominal amounts of the government securities including securities subject to repo transactions held with the Central Bank and Borsa Istanbul Takas ve Saklama Bankası Anonim Şirketi (Istanbul Settlement and Custody Bank Inc.) as a guarantee for stock exchange transactions and money market operations are as follows:

	2015		**2014**	
	Carrying value	**Nominal amount**	**Carrying value**	**Nominal amount**
Available for sale debt securities	-	-	-	-
Trading securities	41	40	962	1,000
Total	**41**	**40**	**962**	**1,000**

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

7. 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 31 December 2015 and 31 December 2014 are as follows:

	2015	2014
GSD Eğitim Vakfı	377	377
GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş. (1)	106	106
GSD Gayrimenkul Yatırım ve Geliştirme A.Ş. (1) (2)	90	90
GSD Plan Proje Etüd A.Ş. (1) (2)	90	90
Total	**663**	**663**

(1) With the purpose of transforming each of GSD Gayrimenkul Yatırım ve Geliştirme A.Ş., GSD Plan Proje Etüd A.Ş. and GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., the subsidiaries of GSD Holding A.Ş., to a single shareholder company, the shares of GSD Gayrimenkul Yatırım ve Geliştirme A.Ş. with a nominal value of full TL 4.00 owned by the other shareholders, the shares of GSD Plan Proje Etüd A.Ş. with a nominal value of full TL 4.00 owned by the other shareholders and the shares of GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş. with a nominal value of full TL 10,000 owned by the other shareholders have been bought by GSD Holding A.Ş. for full TL 1.40, full TL 1.28 and full TL 22,331.39, respectively, as of 26 November 2014.

(2) Each of the share capitals of GSD Plan Proje Etüd A.Ş. and GSD Gayrimenkul Yatırım ve Geliştirme A.Ş. has been increased from full TL 50,000 to full TL 90,000, the share capital increases being registered in trade registry on 29 December 2014 and 24 December 2014, respectively.

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

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

8. LOANS AND ADVANCES TO CUSTOMERS

	2015					
	Amount			**Effective interest rate (%)**		
	Turkish Lira	**Foreign Currency**	**Foreign Currency Indexed**	**Turkish Lira**	**Foreign Currency**	**Foreign Currency Indexed**
Corporate loans	232,057	-	9,653	12.48-19.00	-	5.50-6.50
Total	**232,057**	**-**	**9,653**			
Loans in arrears	16,531	-	-	-	-	-
Less: Allowance for impairment on loans and advances to customers	(14,504)	-	-	-	-	-
Total, net	**234,084**					

	2014					
	Amount			**Effective interest rate (%)**		
	Turkish Lira	**Foreign Currency**	**Foreign Currency Indexed**	**Turkish Lira**	**Foreign Currency**	**Foreign Currency Indexed**
Corporate loans	95,512	-	820	11.20-19.08	-	4.80-6.00
Total	**95,512**	**-**	**820**			
Loans in arrears	17,881	-	-	-	-	-
Less: Allowance for impairment on loans and advances to customers	(12,980)	-	-	-	-	-
Total, net	**100,413**	**-**	**820**			

As at 31 December 2015 and 31 December 2014 all of the loans and advances to customers have fixed rates.

In the consolidated financial statements of the Group as of 31 December 2014, the general provision set for loans in accordance with IFRS based on past experience, in addition to the general provision set in accordance with BRSA's regulations disclosed in Note 39, is TL 12,885 for the year 2014 and 17,309 TL cumulatively (31 December 2014: TL 4,424). The mentioned amounts completely belong to Tekstil Bankası A.Ş., which has been classified as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5" in consequence of the agreement for sale of shares signed on 29 April 2014 between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. and ceased to be a subsidiary of GSD Holding A.Ş. and to be consolidated with GSD Holding A.Ş. in IFRS financial statements when the sale transaction was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control being occurred.

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

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

8. LOANS AND ADVANCES TO CUSTOMERS (continued)

Movements in the allowance for impairment:

	Continuing Operations	
	2015	**2014**
Allowance at the beginning of the year	**12,980**	**173,053**
Recoveries	(1,471)	(1,804)
Allowance for impairment	2,995	3,508
Allowance net of recoveries	**(1,524)**	**1,704**
Loans written off during the period	-	-
Transfer from continuing operations to discontinued operations	-	(161,777)
Allowance at the end of the period	**14,504**	**12,980**

As at 31 December 2015, non-performing loans and advances to customers on which interest are not being accrued, or where interest is suspended amount to TL 16,531 (31 December 2014: TL 17,881).

As at 31 December 2015, the portfolio reserve amounting to TL 3,935 (31 December 2014: TL 1,921) for impairment is provided based on the past experience, the management's assessments of the current economic conditions and the inherent risk in the credit portfolio of the Group. It is included in the total allowance presented in the table above.

9. FINANCE LEASE RECEIVABLES, NET AND LIABILITIES ARISING FROM FINANCE LEASES

Finance lease receivables, net

	2015	**2014**
Invoiced lease receivables	92	89
Not later than 1 year	29	254
Later than 1 year but not later than 5 years	-	-
Doubtful finance lease receivables	2,651	2,445
Finance lease receivables, gross	**2,772**	**2,788**
Less: Unearned interest income	(7)	(10)
Less: Allowance for doubtful finance lease receivables	(2,651)	(2,445)
Finance lease receivables, net	**114**	**333**

The aging of net finance lease receivables is as follows:

	2015	**2014**
Not later than 1 year	114	333
Later than 1 year but not later than 5 years	-	-
Finance lease receivables, net	**114**	**333**

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

9. FINANCE LEASE RECEIVABLES, NET AND LIABILITIES ARISING FROM FINANCE LEASES (continued)

As at 31 December 2015 and 31 December 2014, financial lease contracts have fixed interest rates. At 31 December 2015, the average effective interest rates is 3.06% for Euro denominated lease receivables (31 December 2014: 12.23% for US Dollar, 7.53% for Euro, and 12.64% for TL denominated lease receivables).

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

	2015	**2014**
Allowance at the beginning of year	**2,445**	**2,654**
Allowance for doubtful lease receivables	206	59
Recoveries	-	(268)
Allowance net of recoveries	**206**	**(209)**
Finance lease receivables written off during the period	**-**	**-**
Allowance at the end of period	**2,651**	**2,445**

Liabilities arising from finance leases

	2015	**2014**
Advances taken due to finance leases	469	386
Payables related to leased assets	35	44
Total	**504**	**430**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

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

10. FACTORING RECEIVABLES AND PAYABLES

	2015					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	252,241	184	2,308	12.00-35.00	6.00-7.00	5.21-7.01
Doubtful factoring receivables	6,134	-	-	-	-	-
Total factoring receivables	**258,375**	**184**	**2,308**			
Less: Provision for doubtful factoring receivables	(5,501)	-	-	-	-	-
Factoring receivables, net	**252,874**	**184**	**2,308**			
Factoring payables	**919**	**-**	**46**			

	2014					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	186,831	1,464	2,605	12.00-25.00	6.50-8.75	4.76-6.76
Doubtful factoring receivables	5,648	-	-	-	-	-
Total factoring receivables	**192,479**	**1,464**	**2,605**			
Less: Provision for doubtful factoring receivables	(4,840)	-	-	-	-	-
Factoring receivables, net	**187,639**	**1,464**	**2,605**			
Factoring payables	**306**	**-**	**33**			

Movement in the allowance for doubtful factoring receivables:

	2015	2014
Allowance at the beginning of year	**4,840**	**3,357**
Recoveries	(302)	(206)
Allowance for doubtful factoring receivables	963	1,689
Allowance net of recoveries	**661**	**1,483**
Factoring receivables written off during the period	-	-
Allowance at the end of period	**5,501**	**4,840**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

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

11. ASSETS HELD FOR SALE

	2015	2014
Assets held for sale from continuing operations	941	281
Assets held for sale from discontinued operations	-	3,563,620
Total	**941**	**3,563,901**

	2015	2014
Liabilities related to assets held for sale from continuing operations	-	-
Liabilities related to assets held for sale from discontinued operations	-	3,018,013
Total	**-**	**3,018,013**

Assets held for sale from continuing operations:

	2015	2014
Cost	941	281
Total	**941**	**281**

Properties held for sale comprise properties that are acquired from defaulted loan customers and will be mainly realized through sale rather than through continuing use.

Continuing Operations	**2015**	**2014**
Opening balance at 1 January	**281**	**7,597**
Additions	1,045	-
Disposals	(385)	-
Provision for impairment	-	-
Transfer from continuing operations to discontinued operations	-	(7,316)
Closing balance at the end of period	**941**	**281**

As at 31 December 2015, none of the properties held for sale is carried at the lower of their carrying amounts and their fair values less costs to sell based on independent appraisal reports (31 December 2014: TL none).

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

11. ASSETS HELD FOR SALE (continued)

Assets held for sale from continuing operations: (continued)

The movement in the accumulated impairment is as follows:

Continuing Operations	2015	2014
At 1 January	**-**	**1,638**
Reversal of provision due to disposals	-	-
Provision for impairment	-	-
Transfer from continuing operations to discontinued operations	-	(1,638)
Closing balance at the end of period	**-**	**-**

The sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC

As a result of the negotiations carried out by the intermediary institutions authorised by the Board of Directors of GSD Holding A.Ş., GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) signed an agreement for purchase and sale of shares on 29 April 2014 comprising

a) the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC,

b) the determination of a price of full Turkish Liras (TL) of 668,810,011.63 for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. by taking into consideration the audited financial statements of Tekstil Bankası A.Ş. as of 31 December 2013, subject to adjustment after closing based on the change in the net asset value of Tekstil Bankası A.Ş. between 31 December 2013 and the transaction closing date in proportion to the percentage of the shares being sold, which is to be collected in U.S. Dollars (USD), the conversion from TL to USD being made based on the average of the buying and selling foreign exchange rates announced by the Central Bank of the Republic of Turkey during the period shortly before the closing date of the transaction,

c) representations and warranties, pre-completion undertakings, indemnities and other clauses as are customary for an agreement for purchase and sale of shares;

completion of the transaction being conditional upon obtaining the necessary regulatory approvals from the relevant regulatory authorities in Turkey and China, including the China Banking Regulatory Commission, the Banking Regulation and Supervision Agency of Turkey and the Competition Authority of Turkey.

Since the mentioned share sale transaction falls within the scope of the significant transactions as per the 23rd article of the Capital Market Law No:6362, it has been submitted to the Ordinary General Assembly Meeting for the year 2013 held on 3 June 2014 for approval pursuant to the article 408/2-f of the Turkish Commercial Code No:6102. The approval of the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. has been resolved on by a majority vote with TL 96,714,845.774 votes in the affirmative and TL 1.92 votes in the negative by the General Assembly Meeting of GSD Holding A.Ş. for the year 2013 held on 3 June 2014, and no right to leave has arisen in consequence of this transaction pursuant to the Communiqué on the Common Principles on the Significant Transactions and the Right to Leave (II-23.1) of the Capital Markets Board.

11. ASSETS HELD FOR SALE (continued)

The sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC (continued)

In order to get the necessary regulatory approvals for the completion of the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC), the formal applications to the Banking Regulation and Supervision Agency (BRSA) of Turkey and the Competition Authority of Turkey have been made by ICBC on 6 August 2014. The Competition Authority of Turkey, by means of the resolution dated 20 August 2014 numbered 14-29/593-259, has approved the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC). The approval of the China Banking Regulatory Commission (CBRC) for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC) has been notified to GSD Holding A.Ş. on 20 March 2015 and afterwards the Banking Regulation and Supervision Agency (BRSA) of Turkey has approved the same share sale transaction on 2 April 2015.

The closing of the transaction related to the agreement for purchase and sale of shares comprising the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC) signed on 29 April 2014, being conditional upon obtaining the necessary regulatory approvals from the relevant regulatory authorities in Turkey and China, has been executed between GSD Holding A.Ş. and ICBC on 22 May 2015, the assignment to ICBC of the shares constituting the subject of the agreement having been made and entered to the share ledger as of this date. The Extra Ordinary General Assembly Meeting of Tekstil Bankası A.Ş., in which the new members of the board of directors were elected, was held on 22 May 2015.

In consequence of the agreement for sale of shares signed on 29 April 2014 between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., the assets, liabilities and consolidated income statement items of Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. have been classified and consolidated as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5". When the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control occurred and Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., a subsidiary of Tekstil Bankası A.Ş. with a %100 percent shareholding ceased to be a subsidiary of GSD Holding A.Ş. and to be consolidated with GSD Holding A.Ş. in IFRS financial statements. The disclosures on the the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC are given in Note:11 "Assets Held for Sale".

The final price regarding the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., in accordance with the agreement for purchase and sale of shares dated 29 April 2014, is the sum of Turkish Liras (TL) 668,810 determined by taking into consideration the audited financial statements of Tekstil Bankası A.Ş. as of 31 December 2013 and the change in the net asset value of Tekstil Bankası A.Ş. between 31 December 2013 and 21 May 2015 in proportion to the percentage of the shares being sold. The mentioned sale price has been set forth to be paid in U.S. Dollars (USD) using the average foreign exchange rate announced by the Central Bank of the Republic of Turkey, being determined as TL/USD 2.6851, in accordance with the provisions of the same agreement and the USD equivalent of the initial sale price for payment purposes has been calculated to be USD 249,081,975.21 being equal to the USD equivalent of the initial sale price of TL 668,810 determined by taking into consideration the audited financial statements of Tekstil Bankası A.Ş. as of 31 December 2013, converted using the contractual foreign exchange rate of TL/USD 2.6851. USD 229,081,975.21 of the USD equivalent of the initial sale price, except the Price Adjustment Reserved Amount of USD 10,000,000 and the Escrow Amount of USD 10,000,000, has been collected as an initial payment by GSD Holding A.Ş. on 22 May 2015.

11. ASSETS HELD FOR SALE (continued)

The sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC (continued)

The financial statements of Tekstil Bankası A.Ş. prepared as of 21 May 2015, the day before the transaction closing date, in order to calculate the final price of the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş.to ICBC have been finalized on 21 August 2015, having been agreed on by the parties to the sale transaction. Thus, the final sale price has been determined to be TL 671,675 by an increase of TL 2,865 in comparison with TL 668,810 determined by taking into consideration the audited financial statements of Tekstil Bankası A.Ş. as of 31 December 2013 and the USD equivalent of the Purchase Price Adjustment of TL 2,865 calculated to be USD 1,067,209.69 through conversion using the contractual foreign exchange rate of TL/USD 2.6851 and the Price Adjustment Reserved Amount of USD 10,000,000 has been collected on 28 August 2015. The remaining uncollected part of the sale price is the Escrow Amount of USD 10,000,000, which will be collected pursuant to the provisions set forth in the agreement.

The classification of the subsidiary as a discontinued operation in relation to the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and the calculation of gain on the sale of the subsidiary resulting in loss of control

After the signing of the agreement for sale of shares signed on 29 April 2014 between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., in accordance with "the standard IFRS 5 Non-current Assets Held for Sale and Discontinued Operations", Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., a subsidiary of Tekstil Bankası A.Ş. with a %100 percent shareholding have been consolidated as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015, the day before the transaction closing date, and the consolidated assets and liabilities and income statement items of Tekstil Bankası A.Ş., by continuing to be consolidated and measured at their carrying amounts in the consolidation which is the lower of their carrying amounts and fair values less costs to sell, as measured before this date. In this context, , the consolidated assets and liabilities of Tekstil Bankası A.Ş. are collectively classified under "Assets Held for Sale from Discontinued Operations" and "Liabilities Related to Assets Held for Sale from Discontinued Operations", respectively, in the consolidated IFRS statements of financial position of GSD Holding A.Ş.; the consolidated income statement items of Tekstil Bankası A.Ş. are collectively classified under "Net Profit/(Loss) from Discontinued Operations" in the consolidated IFRS income statements of GSD Holding A.Ş., the classification being made comparatively in prior year income statements. There is no classification as a discontinued operation for "Accumulated Other Comprehensive Income" and "Non-controlling Interests" recognised under shareholders' equity in the consolidated IFRS statement of financial position of GSD Holding A.Ş. and "Other Comprehensive Income" in the consolidated IFRS statements of comprehensive income and the disclosures as to the part of these items pertaining to the discontinued operation are given in notes to the financial statements. The consolidated cash flows of Tekstil Bankası A.Ş. are collectively classified under "Net cash provided by operating activities before changes in operating assets and liabilities from discontinued operations", "Net cash (used in) / provided by operating activities from discontinued operations", "Net cash (used in) / provided by investing activities from discontinued operations", "Net cash (used in) / provided by financing activities from discontinued operations" and "Discontinued Operations" in the consolidated IFRS statement of cash flows of GSD Holding A.Ş..

11. ASSETS HELD FOR SALE (continued)

When the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control occurred and Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., its subsidiary, ceased to be a subsidiary of GSD Holding A.Ş. and to be consolidated with GSD Holding A.Ş. in IFRS financial statements. Thereby, GSD Holding A.Ş. derecognised the consolidated assets and liabilities of Tekstil Bankası A.Ş. at their carrying amounts and the carrying amount of the non-controlling interest in Tekstil Bankası A.Ş. at the date when control is lost (including any components of other comprehensive income attributable to them); recognised the consideration for the sale and any investment retained in Tekstil Bankası A.Ş. (that is the shares of Tekstil Bankası A.Ş. held by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as at 21 May 2015, the date when control is lost) at their fair values on 21 May 2015, the date when control is lost; reclassified "Fair Value Reserve" arising from the accumulation in equity of remeasuring available for sale financial assets classified under other comprehensive income in relation to Tekstil Bankası A.Ş. to profit or loss in the consolidated income statement and transferred "Property Revaluation Reserve" and "Remeasurements of the Net Defined Benefit Liability (Asset)" accumulated in equity in relation to Tekstil Bankası A.Ş. directly to "Retained Earnings" in equity and recognised any resulting difference as a gain or loss in profit or loss attributable to the equity holders of the parent in the consolidated IFRS financial statements in compliance with "the standard IFRS 10 Consolidated Financial Statements". Pursuant to "the standard IFRS 5 Non-current Assets Held for Sale and Discontinued Operations", the gain or loss resulting from these records and the share selling expenses composed of the financial consultancy fee and the other expenses arising from the sale transaction and the corporate tax expense on the gain on the sale of shares have been classified under "Net Profit/(Loss) from Discontinued Operations" in the consolidated IFRS income statement of GSD Holding A.Ş..

The classification of the subsidiary as a discontinued operation in relation to the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and the calculation of gain on the sale of the subsidiary resulting in loss of control

The total sale price regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., in accordance with the agreement for purchase and sale of shares dated 29 April 2014, is calculated to be TL 671,675 as of the report date, which is the sum of TL 668,810 determined by taking into consideration the audited financial statements of Tekstil Bankası A.Ş. as of 31 December 2013 and TL 968 being assumed to be the part in proportion to the percentage of the shares being sold of the change in the net asset value of Tekstil Bankası A.Ş. between 31 December 2013 and 21 May 2015 in the amount of TL 1.282 in terms of BRSA (the Banking Regulation and Supervision Agency) financials. The mentioned final sale price is subject to change, the amount of the change being named the Purchase Price Adjustment, since it will be finalised when GSD Holding A.Ş. and ICBC agreed on the financial statements of Tekstil Bankası A.Ş. prepared as of 21 May 2015 and has been set forth to be paid in U.S. Dollars (USD) using the average of the foreign exchange rates announced by the Central Bank of the Republic of Turkey, being determined as TL/USD 2.6851, in accordance with the provisions of the same agreement and USD 229,081,975.21 of the total sale price has been collected as an initial payment by GSD Holding A.Ş. on 22 May 2015. The Price Adjustment Reserved Amount of USD 10,000,000 and the Purchase Price Adjustment will be collected within ten business days of the date of agreement by GSD Holding A.Ş. and ICBC on the financial statements of Tekstil Bankası A.Ş. prepared as of 21 May 2015. The remaining part of the sale price is the Escrow Amount of USD 10,000,000, which will be collected within the scope of the provisions set forth in the agreement.

11. ASSETS HELD FOR SALE (continued)

The corporate tax base of the 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. which is the subject of the agreement for purchase and sale of shares signed between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) is TL 399,530 in the books of account of GSD Holding A.Ş. and 75 % of the gain on the sale of the shares in terms of the corporate tax to be determined by deducting the corporate tax base of the shares, being the subject of the sale agreement, in the amount of TL 399,530 from the sale price of the shares which is equal to the total of the sale price of TL 668,810 according to the financial statements of Tekstil Bankası A.Ş. as of 31 December 2013 and TL 968 being assumed to be the part in proportion to the percentage of the shares being sold of the change in the net asset value of Tekstil Bankası A.Ş. between 31 December 2013 and 21 May 2015, the day before the transaction closing date, in the amount of TL 1.282 in terms of BRSA (the Banking Regulation and Supervision Agency) financials as of the report date is subject to corporate tax exception providing that it will be recognised as a special reserve under the shareholders' equity to be retained for a period of 5 years without a distribution in cash or will be added to the share capital by a share capital increase through bonus shares and the remaining 25% of the gain on the sale of the shares is subject to 20% corporate tax, but in that case 75% of the share selling expenses composed of the financial consultancy fee and the other expenses arising from the sale transaction shall not be deducted from the net corporate tax base for the period.

The classification of the subsidiary as a discontinued operation in relation to the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and the calculation of gain on the sale of the subsidiary resulting in loss of control

In accordance with the standard "IFRS 10 Consolidated Financial Statements", the gain, TL 200,660, in terms of the consolidated IFRS financial statements on the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC), which was accounted for as a sale of a subsidiary resulting in loss of control as of the transaction closing date, has been determined by deducting TL 451,174 which is the net total in proportion to the percentage of the shares being sold of the consolidated assets and liabilities of Tekstil Bankası A.Ş. of TL 597,581 included in the IFRS financial statement consolidation of GSD Holding A.Ş.- in other words, the consolidated IFRS shareholders' equity of Tekstil Bankası A.Ş.- and the share selling expenses composed of the financial consultancy fee and other expenses of TL 6,562 arising from the sale transaction and the corporate tax expense of TL 13,279 on the tax gain on the sale of shares, which was calculated as explained above, from the sale price of the shares of TL 671,675, which was calculated as explained above and has been classified under "Gain or Loss Relating to the Discontinuance, net".

As part of the accounting for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC as a sale of a subsidiary resulting in loss of control in the consolidated IFRS financial statements of GSD Holding A.Ş. in accordance with the standard "IFRS 10 Consolidated Financial Statements", the difference between the the part in the amount of TL 7,029 attributable to the equity holders of the parent of the fair value of the shares of Tekstil Bankası A.Ş. of TL 9,016 held by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. which was deconsolidated and started to be carried at its fair value in the consolidated IFRS financial statements as of the transaction closing date and the part in the amount of TL 4,785 in order of before and after KGOP TL 4,231 and TL 2,244 of the net total attributable to equity holders of the parent of the assets and liabilities of Tekstil Bankası A.Ş. included in the IFRS financial statement consolidation of GSD Holding A.Ş. in proportion to the percentage of these shares (the consolidated IFRS equity interest) which was deconsolidated and derecognized as of 21 May 2015 has been classified under "Gain or Loss Relating to the Discontinuance, net", in addition to the above amounts.

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

11. ASSETS HELD FOR SALE (continued)

As part of the accounting for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC as a sale of a subsidiary resulting in loss of control in the consolidated IFRS financial statements of GSD Holding A.Ş. in accordance with the standard "IFRS 10 Consolidated Financial Statements", "the Fair Value Reserve" of TL 665 arising from the accumulation in equity of remeasuring available for sale financial assets classified under other comprehensive income in relation to Tekstil Bankası A.Ş. was reclassified to profit or loss in the consolidated income statement and "the Property Revaluation Reserve" of TL 5.240 accumulated in equity in relation to Tekstil Bankası A.Ş. was transferred directly to "Retained Earnings" in equity as of 21 May 2015.

DISCONTINUED OPERATIONS CONSOLIDATED INCOME STATEMENT (01.01.2015-31.12.2015)	Before Consolidation Eliminations	Consolidation Eliminations	After Consolitadion Eliminations
Profıt/(loss) before tax from discontinued operations	**(14,133)**	**(1,737)**	**(15,870)**
Tax income/(expense) from discontinued operations	**2,530**	-	**2,530**
Current tax income/(expense)	(707)	-	(707)
Deferred tax income/(expense)	3,237	-	3,237
Gain or loss relating to the discontinuance, net	**204,892**	-	**204,892**
Gain or loss relating to the discontinuance	224,733	-	224,733
The cost to sell the discontinued operations	(6,562)	-	(6,562)
Tax expense relating to the discontinuance	(13,279)	-	(13,279)
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**193,289**	**(1,737)**	**191,552**
DISCONTINUED OPERATIONS CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (01.01.2015-31.12.2015)	**Before Consolidation Eliminations**	**Consolidation Eliminations**	**After Consolitadion Eliminations**
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**193,289**	**(1,737)**	**191,552**
OTHER COMPREHENSIVE INCOME	-	-	-
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	(1,628)	-	(1,628)
OTHER COMPREHENSIVE INCOME (NET OF TAX)	**(1,628)**	-	**(1,628)**
TOTAL COMPREHENSIVE INCOME			
Net profıt/(loss) from discontinued operations	**191,661**	**(1,737)**	**189,924**
Non-controlling interest	(1,149)		(1,149)
Equity holders of the company	192,810	(1,737)	191,073

12. BORROWING COSTS

In the consolidated financial statements of the Group as of 31 December 2014, and the borrowing costs totaling TL 3,235 incurred within the scope of the ship building agreements signed between GSD Dış Ticaret A.Ş., merged into GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., another GSD Group Company operating in the maritime sector, on 31 December 2014, and Yangzhou Dayang Shipbuilding Co. Ltd. established in China for the construction of 2 dry bulk carrier ships with 63,500 dwt transportation capacity per ship are capitalised as part of the cost of the ships classified in "Ships" under "Property and Equipment" after the delivery dates of the ships and "Advances Given for the Purchase Orders of Tangible Assets" under "Prepaid Expenses" until the delivery dates of the ships in accordance with "IAS 23 Borrowing Costs", the capitalized borrowing costs being equivalent to TL 912 in 2013 and TL 2,323 in 2014.

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

13. PROPERTY AND EQUIPMENT

Continuing Operations	**Land and Buildings**	**Office and Vehicle Equipment**	**Leasehold Improvements**	**Ships**	**Motor Vehicles**	**Total**
At 1 January 2015, net of accumulated depreciation and impairment	**9**	**348**	**107**	**227,198**	**71**	**227,733**
Additions	-	518	871	-	473	**1,862**
Disposals, net	(7)	(2)	(1)	-	(60)	**(70)**
Foreign currency translation differences	-	-	-	57,636	-	**57,636**
Depreciation charge for the period	-	(152)	(76)	(14,288)	(34)	**(14,550)**
At 31 December 2015, net of accumulated depreciation and impairment	**2**	**712**	**901**	**270,546**	**450**	**272,611**
At 31 December 2015						
Cost	2	5,191	1,124	208,118	526	**214,961**
Foreign currency translation differences	-	-	-	89,769	-	**89,769**
Accumulated depreciation(*)	-	(4,479)	(223)	(27,341)	(76)	**(32,119)**
Net carrying amount	**2**	**712**	**901**	**270,546**	**450**	**272,611**

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

Continuing Operations	**Land and Buildings**	**Office and Vehicle Equipment**	**Leasehold Improvements**	**Ships**	**Motor Vehicles**	**Total**
At 1 January 2014, net of accumulated depreciation and impairment	**11,739**	**4,626**	**603**	**107,936**	**119**	**125,023**
Additions	-	103	3	111,056	10	**111,172**
Disposals, net	-	-	-	-	-	**-**
Transfer from continuing operations to discontinued operations	(11,730)	(4,249)	(448)	-	(18)	**(16,445)**
Foreign currency translation differences	-	-	-	15,265	-	**15,265**
Depreciation charge for the period	-	(132)	(51)	(7,059)	(40)	**(7,282)**
At 31 December 2014, net of accumulated depreciation and impairment	**9**	**348**	**107**	**227,198**	**71**	**227,733**
At 31 December 2014						
Cost	9	4,718	257	208,118	308	**213,410**
Foreign currency translation differences	-	-	-	29,490	-	**29,490**
Accumulated depreciation(*)	-	(4,370)	(150)	(10,410)	(237)	**(15,167)**
Net carrying amount	**9**	**348**	**107**	**227,198**	**71**	**227,733**

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

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

13. PROPERTY AND EQUIPMENT (continued)

Discontinued Operations (*)	**Land and Buildings**	**Office and Vehicle Equipment**	**Leasehold Improvements**	**Motor Vehicles**	**Total**
At 1 January 2014, net of accumulated depreciation and impairment	-	-	-	-	-
Additions	-	3,115	8,713	-	**11,828**
Disposals, net	-	(334)	(1)	-	**(335)**
Transfer from continuing operations to discontinued operations	11,730	4,249	448	18	**16,445**
Revaluation adjustment	2,096	-	-	-	**2,096**
Depreciation charge for the period	(196)	(1,411)	(1,596)	(10)	**(3,213)**
At 31 December 2014, net of accumulated depreciation and impairment	**13,630**	**5,619**	**7,564**	**8**	**26,821**
At 31 December 2014					
Cost	9,623	21,316	14,942	105	**45,986**
Revaluation adjustment (**)	7,228	-	-	-	**7,228**
Accumulated depreciation	(3,221)	(15,697)	(7,378)	(97)	**(26,393)**
Net carrying amount	**13,630**	**5,619**	**7,564**	**8**	**26,821**

(*) In consequence of the agreement for purchase and sale of shares signed on 29 April 2014 between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., the consolidated assets and liabilities and the consolidated income statement items of Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. have been classified as a discontinued operation and the consolidated assets of Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. have been classified under assets held for sale in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5". When the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control occurred and Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., a subsidiary of Tekstil Bankası A.Ş. with a %100 percent shareholding ceased to be a subsidiary of GSD Holding A.Ş. and to be consolidated with GSD Holding A.Ş. in IFRS financial statements. The related disclosures are given in Note:11 "Assets Held for Sale".
(**) The buildings of Tekstil Bankası A.Ş. classified under assets held for sale with a carrying value of TL 13,630 are revalued based on independent appraisal reports. The last revaluation on buildings was made as at 31 December 2014 (Note 30).

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, owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. its four maritime affiliates located in Malta, into account as cash generating units as basis as of 31 December 2015 in accordance with TAS 36 and has not made a provision for impairment as of 31 December 2015 since the value of use are higher than carrying amounts for each of the four 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 Company 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.

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

14. INTANGIBLE ASSETS

Continuing Operations	**Patents and Licenses**
At 1 January 2015 net of accumulated amortization	**197**
Additions	116
Disposals, net	-
Amortization charge for the period	(91)
At 31 December 2015 net of accumulated amortization	**222**
At 31 December 2015	
Cost	2,224
Accumulated amortization	(2,002)
Net carrying amount	**222**

Continuing Operations	**Patents and Licenses**
At 1 January 2014 net of accumulated amortization	**2,045**
Additions	122
Disposals, net	-
Transfer from continuing operations to discontinued operations	(1,902)
Amortization charge for the period	(68)
At 31 December 2014 net of accumulated amortization	**197**
At 31 December 2014	
Cost	2,108
Accumulated amortization	(1,911)
Net carrying amount	**197**

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

14. INTANGIBLE ASSETS (continued)

Discontinued Operations (*)	**Patents and Licenses**
At 1 January 2014 net of accumulated amortization	**-**
Additions	687
Disposals, net	-
Transfer from continuing operations to discontinued operations	1,902
Amortization charge for the period	(615)
At 31 December 2014 net of accumulated amortization	**1,974**
At 31 December 2014	
Cost	19,240
Accumulated amortization	(17,266)
Net carrying amount	**1,974**

(*) In consequence of the agreement for purchase and sale of shares signed on 29 April 2014 between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., the consolidated assets and liabilities and the consolidated income statement items of Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. have been classified as a discontinued operation and the consolidated assets of Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. have been classified under assets held for sale in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5". When the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control occurred and Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., a subsidiary of Tekstil Bankası A.Ş. with a %100 percent shareholding ceased to be a subsidiary of GSD Holding A.Ş. and to be consolidated with GSD Holding A.Ş. in IFRS financial statements. The related disclosures are given in Note:11 "Assets Held for Sale".

15. TRADE RECEIVABLES, NET

	2015	**2014**
Customers	29,079	-
Trade receivables from maritime activities	2,479	1,834
Export goods receivables	1,981	1,981
Less: Provision for doubtful trade receivables	(1,981)	(1,981)
Total, net	**31,558**	**1,834**

Movement in the provision for doubtful trade receivables:

	31 December 2015	**31 December 2014**
Allowance at the beginning of year	**1,981**	**1,981**
Provision for doubtful receivables	-	-
Recoveries	-	-
Provision net of recoveries	**-**	**-**
Allowance at the end of period	**1,981**	**1,981**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

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

16. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	2015	2014
Transitory receivables (*)	5,286	3,925
Value added tax receivables	-	263
Deposits and guarantees given	5	1
Collaterals given	-	-
Receivables related to credit cards	-	-
Payments on behalf of mutual funds	-	-
Other	38.322	540
Total	**43,613**	**4,729**

(*) The credit balance counterpart of "Transitory receivables in Other Receivables" is "Transfer orders in Other Payables".

Collaterals given in other receivables

	2015	2014
Other collaterals given	7	1
Total	**7**	**1**

Other Payables

	2015	2014
Transfer orders	5,648	4,034
Taxes and funds payable other than on income	1,272	1,058
Other	202	86
Total	**7,122**	**5,178**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

17. INVENTORIES

	2015	2014
Ship mineral oil	1,716	1,427
Total	**1,716**	**1,427**

18. PREPAID EXPENSES

	2015	2014
Other prepaid expenses	778	631
Total	**778**	**631**

19. OTHER ASSETS

	2015	2014
Deferred VAT	524	265
Other	17	22
Total	**541**	**287**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

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

20. DEPOSITS AND BORROWERS' FUNDS

a) Other money market deposits (*)

	2015				2014			
	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	7,495	-	9.07-14.55	-	-	-	-	-
Total	**7,495**	**-**			**-**	**-**		

(*) Deposits have fixed interest rates.

d) Borrowers' funds

	2015				2014			
	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	845	19	-	-	338	-	-	-
Time	6,485	2,185	8.00-12.25	1.25-2.00	4,280	2,495	9.20-9.80	2,25-3.00
Total	**7,330**	**2,204**			**4,618**	**2,495**		

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

21. FUNDS BORROWED

	2015				2014			
	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	**258,516**	**7,393**			**143,134**	**2,802**		
Fixed interest	229,787	7,393	11.25-14.25	2.90-3.30	143,134	2,802	9.80-13.50	2.60-3.50
Floating interest	28.729	-		-	-	-	-	-
Medium/long Term	**-**	**198.350**			**-**	**119.327**		
Fixed interest	-	64,215	-	3.75-5.50	-	-	-	-
Floating interest	-	134,135	-	3.13-5.28	-	119.327	-	3.02-5.07
Total	**258,516**	**205,743**			**143,134**	**122,129**		

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

	2015		2014	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	11,995	12,130	-	10,159
Up to 2 year	52,220	11,679	-	9,768
Up to 3 year	-	11,679	-	9,769
Up to 4 year	-	11,679	-	9,768
More than 5 year	-	61,273	-	79,863
Total	**64,215**	**134,135**	**-**	**119,327**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

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

22. ISSUED SECURITIES

There is no issued security as of 31 December 2015 and 31 December 2014.

23. TRADE PAYABLES

	2015	2014
Export trade payables	225	1,651
Payables to suppliers	161	155
Payables to marine sector suppliers	42	28
Total	**428**	**1,834**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

24. DEFERRED INCOME

	2015	2014
Provisions		
Deferred income on vessel time charters	398	680
Deferred income on factoring commissions	83	94
Other	9	-
Total	**490**	**774**

25. PROVISIONS

	2015	2014
Provisions		
Provision for employee termination benefits obligation	1,641	1,772
Employee bonus provision	1,219	1,124
Provision for vacation pay liability	1,214	1,218
Provision for unindemnified non-cash loans	12	12
Total	**4,086**	**4,126**

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

25. PROVISIONS (continued)

Employee Termination Benefits Obligation

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 4,093 (full) and TL 3,438 (full) as at 1 January 2016 and 31 December 2014, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

International Accounting Standard No 19 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:

	2015	**2014**
Discount rate	10.80	8.00
Expected rates of salary/limit increases	6.00	6.00

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:

	Continuing Operations	
	2015	**2014**
At 1 January	**1,772**	**6,914**
Actuarial losses/(gains)	11	242
Interest cost on the provision	82	72
Provision reversed due to being paid	(354)	(176)
Provision reversed without being paid	(61)	(41)
Service cost	191	276
Transfer from continuing operations to discontinued operations	-	(5,515)
Closing balance at the end of period	**1,641**	**1,772**

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

25. PROVISIONS (continued)

Vacation pay liability

The Group has provided for undiscounted short-term employee benefits earned during the period as per services rendered in compliance with IAS 19 in the accompanying consolidated financial statements.

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

	Continuing Operations	
	2015	**2014**
At 1 January	**1,218**	**4,697**
Provision reversed during the period	(111)	(18)
Provision set during the period	107	218
Transfer from continuing operations to discontinued operations	-	(3,679)
Closing balance at the end of period	**1,214**	**1,218**

Unindemnified non-cash loans

The movement in provision for unindemnified non-cash loans is as follows:

	Continuing Operations	
	2015	**2014**
At 1 January	**12**	**7,267**
Provision set/(reversed) during the period	-	1
Transfer from continuing operations to discontinued operations	-	(7,256)
Closing balance at the end of period	**12**	**12**

Provision for litigation (Continuing Operations)

There is no provision for litigations that is required to be set or disclosed for continuing operations as at 31 December 2015 and 31 December 2014.

Provision for litigation (Discontinued Operations)

The Group has set a provision of TL 3,248 for the present obligations that are considered by the Group companies to be more likely than not that arise from the litigations against the Group companies which are not a subject of other provisions in the financial statements as at 31 December 2014.

The movement in provision for litigation is as follows:

	Continuing Operations	
	2015	**2014**
At 1 January	-	**7,646**
Provision set/(reversed) during the period	-	-
Transfer from continuing operations to discontinued operations	-	(7,646)
Closing balance at the end of period	-	-

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

25. PROVISIONS (continued)

Employee bonus provision

The movement in employee bonus provision is as follows:

	31 December 2015	31 December 2014
At 1 January	**1,124**	**1,288**
Provision reversed during the period	(37)	(221)
Provision set during the period	132	57
Closing balance at the end of period	**1,219**	**1,124**

Credit card bonus provision

The movement in credit card bonus provision is as follows:

	Continuing Operations	
	2015	2014
At 1 January	-	**178**
Provision set/(reversed) during the period	-	-
Transfer from continuing operations to discontinued operations	-	(178)
Closing balance at the end of period	-	-

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

26. OTHER LIABILITIES

	2015	2014
Other	9	10
Total	**9**	**10**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

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

27. TAXATION

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in Turkey. In Turkey, the corporation tax rate for the fiscal period ended 31 December 2015 is 20% (31 December 2014: 20%). Corporate tax returns are required to be filed within the first twenty-five days of the fourth month following the reporting date and paid in one installment until the end of the fourth month. The tax legislation provides for a temporary tax of 20% (31 December 2014: 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the period.

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.

There is no tax losses carried forward as at 31 December 2015 and the breakdown of the corporate tax losses as at 31 December 2014 in terms of their final years of utilization is as follows.

2014	**Expiry years of the tax losses carried forward**							**Recognized deferred tax asset**	**Unrecognized deferred tax asset**
Group company	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Total**		
GSD Holding A.Ş. (*)	1,713	2,324	3,318	3,182	3,777	3,510	**17,824**	3,565	-
Total	**1,713**	**2,324**	**3,318**	**3,182**	**3,777**	**3,510**	**17,824**	**3,565**	**-**

(*)Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized. GSD Holding A.Ş., being able to assess the probability that taxable profit will be available against which the unused tax losses can be utilised until the end of the carry forward periods stated above, has recognized the deferred tax asset arising from the unused tax losses carried forward.

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.

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

27. TAXATION (continued)

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 (31 December 2014: 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 27659 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. Therefore, the consolidated financial statements of the Group as at 31 December 2013 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. GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., has sued for the utilization of the investment allowance relating to 75% of the earnings which could not be utilised in the corporate tax return filed for the year 2010 reserving the right to sue and has been entitled to utilise it by adjusting the corporate tax return for the year 2010 via offsetting the investment allowance not utilized previously against the corporate tax of TL 641 paid during the year 2014 and to take back the paid amount by the decision of the tax court notified on 27 March 2014. The amounts that have been taken back in cash and by offsetting until 31 December 2014 amounted to TL 396 and TL 245, respectively, totalling TL 641.

As at 31 December 2015 and 31 December 2014, the Group has the following unused investment allowances:

Unused investment allowances				
Group company	**2015**		**2014**	
	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.	96,149	-	99,157	18,561
Total	**96,149**	**-**	**99,157**	**18,561**

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

27. TAXATION (continued)

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 tax-payers 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.

Deferred tax assets and liabilities

Deferred tax assets and liabilities as at 31 December 2015 and 31 December 2014 are as follows:

	2015	2014
Deferred tax liabilities		
Valuation differences of securities	2,667	-
Valuation and depreciation differences of fixed assets	70	4
Derivative financial instruments	3	-
Other	1	-
Gross deferred tax liabilities	**2,741**	**4**
Deferred tax assets		
Provisions arising from financial sector operations	1,130	686
Provision for employee termination benefits obligation	329	355
Derivative financial instruments	278	-
Provision for employee unused paid vacation obligation	243	243
Provision for employee bonus	165	170
Valuation differences on securities	83	-
Tax-losses carried forward	-	3,565
Investment allowance	-	3,712
Other	17	19
Gross deferred tax assets	**2,245**	**8,750**
Deferred tax assets/(liabilities), net	**(496)**	**8,746**

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

27. TAXATION (continued)

Deferred tax assets and liabilities (continued)

Movement of net deferred tax assets can be presented as follows:

	Continuing Operations		Discontinued Operations	
	2015	**2014**	**2015**	**2014**
Deferred tax assets, net at 1 January	**8,746**	**15,248**	**9,722**	**-**
Deferred income tax recognized in consolidated income statement	(2,985)	4,496	3,237	1,363
Deferred income tax recognized in consolidated other comprehensive income	(6,257)	(2,030)	4	32
Utilisation of investment allowance relating to prior periods (*)	-	(641)	-	-
Transfer from continuing operations to discontinued operations	-	(8,327)	-	8,327
Exclusion from consolidation due to the disposal of subsidiaries	-	-	(12,963)	-
Deferred tax assets, net at the end of period	**(496)**	**8,746**	**-**	**9,722**

(*) See the information related with the investment allowance in this note.

Income tax benefit / (expense)

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis. Major components of income tax benefit / (expense) for the periods ended 31 December 2015 and 31 December 2014 are as follows:

Consolidated income tax benefit /(expense)						
	2015			**2014**		
Continuing Operations	**Consolidated income statement**	**Consolidated other comprehensive income**	**Consolidated statement of comprehensive income**	**Consolidated income statement**	**Consolidated other comprehensive income**	**Consolidated statement of comprehensive income**
Current income tax benefit/(expense)	3,262	(1,671)	4,933	(2,157)	-	(2,157)
Deferred income tax benefit /(expense)	(2,985)	(6,257)	(9,242)	4,496	(2,030)	2,466
Total	**(6,247)**	**(7,928)**	**(14,175)**	**2,339**	**(2,030)**	**309**

Consolidated income tax benefit /(expense)						
	2015			**2014**		
Discontinued Operations	**Consolidated income statement**	**Consolidated other comprehensive income**	**Consolidated statement of comprehensive income**	**Consolidated income statement**	**Consolidated other comprehensive income**	**Consolidated statement of comprehensive income**
Current income tax benefit/(expense)	(13,986)	402	(13,584)	(2,077)	(405)	(2,482)
Deferred income tax benefit /(expense)	3,237	4	3,241	1,363	32	1,395
Total	**(10,749)**	**406**	**(10,343)**	**(714)**	**(373)**	**(1,087)**

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

27. TAXATION (continued)

Prepaid Income Tax

Continuing Operations Prepaid Income Tax	2014	Recognised in Period	(Taken Back) / Paid in Period	2015
Taken back from 2014's overpaid corporate tax	10	-	(10)	-
Taken back current year's overpaid corporate tax	-	2,834	-	2,834
Prepaid Income Tax	**10**	**2,834**	**(10)**	**2,834**

Continuing Operations Prepaid Income Tax	2013	Recognised in Period	(Taken Back) / Paid in Period	2014
Taken back from previous years' overpaid corporate tax	-	641	(641)	-
Taken back from 2013's overpaid corporate tax	38	3	(41)	-
Taken back from 2014's overpaid corporate tax	-	-	10	10
Prepaid Income Tax	**38**	**644**	**(672)**	**10**

Discontinued Operations Prepaid Income Tax	2013	Recognised in Period	(Taken Back) / Paid in Period	2014
Taken back from 2014's overpaid corporate tax	3,134	-	(842)	2,292
Prepaid Income Tax	**3,134**	**-**	**(842)**	**2,292**

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

Continuing Operations	2015	2014
Corporate income taxes payable	18,212	2,157
Prepaid income taxes	(15,692)	(1,649)
Income taxes payable, net	**2,520**	**508**

A reconciliation between income tax expense calculated by multiplying the net profit from operating activities before income tax and non-controlling interest with the applicable income tax rate and the income tax expense in the consolidated income statement of the Group is as follows:

		Continuing Operations						**Discontinued Operations**
		2015		**2014**		**2015**		**2014**
Profit before income tax and non-controlling interest		**29.178**		**1.514**		**202.301**		**(2.303)**
Corporate tax at applicable rate of 20%	(20%)	(5.835)	(20%)	(303)	(20%)	(40.460)	20%	461
Effect of recognizing deferred tax asset of the prior periods	0%	(22)	201%	3.049	-	-	-	-
Effect of utilization of investment allowance	13%	3.924	100%	1.513	-	-	-	-
Effect of provisions arising from financial sector operations	0%	33	1%	16	-	-	-	-
Effect of tax-exempt income	0%	3	1%	12	-	-	21%	488
Effect of different corporate tax rates	(13%)	(3.674)	(102%)	(1.551)	-	-	-	-
Effect of recognizing deferred tax asset on investment allowance	(13%)	(3.712)	(90%)	(1.354)	-	-	-	-
Effect of non-deductible expenses	0%	(103)	(6%)	(96)	-	-	(4%)	(83)
Effect of offsetting current tax by utilization of investment allowance	-	-	-	-	-	-	-	-
Effect of deferred commission income from financial sector operations	-	-	-	-	-	-	-	-
Effect of profit on sale of fixed assets	-	-	-	-	-	-	-	-
Effect of profit on sale of assets held for sale	-	-	-	-	-	-	6%	138
Effect of recognizing no deferred tax asset over current year tax loss	-	-	-	-	-	-	-	-
Effect of recognizing deferred tax asset over previous years' losses	-	-	-	-	-	-	(19%)	(441)
Effect of unrecognizing deferred tax asset over temporary differences	-	-	-	-	-	-	-	-
Effect of gain on sale of subsidiary shares	-	-	-	-	(5%)	(9.482)	-	-
Effect of cash dividend income	-	-	-	-	-	-	-	-
Effect of profit on sale of assets held for sale	0%	53	-	-	-	-	-	-
Effect of corporate tax exemption on gain on sale of subsidiary shares	-	-	-	-	20%	39.837	-	-
Effect of corporate tax exemption on profit from valuation of securities	16%	4.667	-	-	-	-	-	-
Effect of corporate tax exemption on profit sales of properties	0%	9	-	-	-	-	-	-
Effect of advance expense of board of directors recognized in income statement	(4%)	(1.278)	-	-	-	-	-	-
Reversion of deferred (tax assets)/liabilities in the beginning of period	(1%)	(343)	-	-	-	-	-	-
Effect of consolidation elimination between continuing and discontinuing operatic	1%	347	69%	1.053	(0%)	(347)	(45%)	(1.049)
Other (Major non-allocated deferred tax asset/liability effect)	(1%)	(316)	-	-	(0%)	(297)	(10%)	(228)
Income tax benefit /(expense) in the consolidated income statement	**(22%)**	**(6.247)**	**%154**	**2.339**	**(%5)**	**(10.749)**	**(%31)**	**(714)**

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

27. TAXATION (continued)

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 and Zeyno Maritime Limited, established on 22 April 2013, all domiciled in Malta, are subject to 0% corporate tax in Malta. The current or prior period profits of Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited and Zeyno Maritime Limited are subject to 20% 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.

28. DERIVATIVES

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price of one or more underlying financial instruments, reference rates or indices. Derivative financial instruments include forwards, swaps, futures and options.

The table below shows the favourable (assets) and unfavourable (liabilities) fair values of derivative financial instruments together with the contractual cash inflows and outflows which are notional amounts for the purchase and sale contracts for derivatives held for trading for currency purchase and sale, analyzed on the basis of the remaining period at the reporting date to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at period-end and are neither indicative of the market risk nor credit risk.

2015	Carrying value of derivative assets (Fair value)	Carrying value of derivative liabilities (Fair value)	Total contractual cash inflows and (outflows) (*)	Up to 1 months	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years
Derivatives held for trading								
Derivatives held for trading for currency and precious metal purchase and sale								
Currency swap purchase	-	1,376	**137,093**	137,093	-	-	-	-
Currency swap sale	-	-	**(139,093)**	(139,073)	-	-	-	-
Cash inflows of derivatives	**-**	**1,376**	**137,093**	**137,093**	**-**	**-**	**-**	**-**
Cash outflows of derivatives	**-**	**-**	**(139,073)**	**(139,073)**	**-**	**-**	**-**	**-**
Total	**-**	**1,376**	**(1,980)**	**(1,980)**	**-**	**-**	**-**	**-**

2014	Carrying value of derivative assets (Fair value)	Carrying value of derivative liabilities (Fair value)	Total contractual cash inflows and (outflows) (*)	Up to 1 months	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years
Derivatives held for trading								
Derivatives held for trading for currency and precious metal purchase and sale								
Continuing Operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Discontinued Operations	**12,786**	**5,736**	**5,913**	**8,611**	**(2,702)**	**4**	**-**	**-**

(*) Contractual cash inflows and outflows are the net total of the notional amounts of the purchase and sale contracts for derivatives held for trading for currency and precious metal purchase and sale.

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

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

29. 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:

	2015				2014			
	GSD Group(*)	Delta Group(**)	Share-holders(***)	Key Executives	GSD Group(*)	Delta Group(**)	Share-holders(***)	Key Executives
	Continuing Operations				Continuing Operations			
Cash loans	-	-	595	-	-	-	688	-
Deposits-Borrowers' funds	142	-	10	-	-	-	1	-
	Discontinued Operations				Discontinued Operations			
Cash loans	-	-	-	-	-	5	92	276
Deposits-Borrowers' funds	-	-	-	-	214	244	17,635	17,412

	2015				2014			
	GSD Group(*)	Delta Group(**)	Share-holders(***)	Key Executives	GSD Group(*)	Delta Group(**)	Share-holders(***)	Key Executives
	Continuing Operations				Continuing Operations			
Interest income	-	-	136	-	-	-	87	-
Rent income	-	-	2,693	-	-	-	2,141	-
Rent expense	-	-	3	-	-	-	3	-
Commission income	60	-	-	-	53	-	-	-
	Discontinued Operations				Discontinued Operations			
Interest income	-	-	-	1	-	-	28	-
Interest expense	5	1	125	337	15	37	737	1,214
Rent expense	-	-	269	-	-	-	1,004	-
Donation expense	-	-	-	-	20	-	-	-

(*) The unconsolidated subsidiaries classified in the "unquoted equity instruments" caption in the consolidated financial statements.
(**) Delta Group is under the control of M.Turgut Yılmaz, the chairman of the board of directors of the Company.
(***) M.Turgut Yılmaz, the chairman of the board of directors of the Company.

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 13,249 for continuing operations for the annual period ended 31 December 2015 and TL 1,661 for discontinued operations for the three-month period ended 31 March 2015 (31 December 2014: TL 7,325 for continuing operations, TL 6,650 for discontinued operations 31 March 2014: TL 1,548 for discontinued operations).

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

30. SHARE CAPITAL / TREASURY SHARES

Share Capital

As at 31 December 2015 and 31 December 2014, the nominal values and number of shares of the issued capital of the Company are as follows in terms of share groups:

	2015			2014		
Share group	**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)**
A (bearer shares)(*)	39,280	0.01	392.80	39,280	0.01	392.80
B (bearer shares) (*)	39,280	0.01	392.80	39,280	0.01	392.80
C (bearer shares) (*)	39,280	0.01	392.80	39,280	0.01	392.80
D (bearer shares)	24,999,882,160	0.01	249,998,821.60	24,999,882,160	0.01	249,998,821.60
Total	**25,000,000,000**		**250,000,000.00**	**25,000,000,000**		**250,000,000.00**

(*) The Board of Directors of the GSD Holding A.Ş. resolved to amend the 7th , 8th and 9th articles of the Articles of the Association of the Company on 12 February 2014 in order to change the Class (A), (B) and (C) shares of the Company from the registered form to the bearer form in accordance with 485th article of the Turkish Commercial Code No:6102 due to the removal of the restriction on transferability of the registered shares of the Company in consequence of the amendments to the articles of the association made in 2013 to comply with the Turkish Commercial Code No:6102 and the completion of the dematerialisation of the shares traded in stock exchange in Turkey recently, and to get the necessary permissions from the Capital Markets Board of Turkey (CMB) and the Ministry of Customs and Trade and to fulfill all other procedures. The mentioned amendments to the Articles of the Association of the Company which were approved by the CMB and the Ministry of Customs and Trade by means of the permits dated 20 March 2014 and 28 March 2014, respectively, were approved by the Ordinary General Assembly Meeting of the Company for the year 2013 held on 3 June 2014 and were registered in Istanbul Trade Registry on 12 June 2014.

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 2017.

Treasury Shares

As at 31 December 2015 and 31 December 2014, 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 Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., are as follows:

	2015			2014		
The owner of the treasury shares	**Carrying value**	**Nominal value**	**Ownership percentage**	**Carrying value**	**Nominal Value**	**Ownership percentage**
GSD Holding A.Ş.	20,853	17,000	6.800%	-	-	-
Buyback shares	**20,853**	**17,000**	**6.800%**	-	-	-
GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.	7,015	7,904	3.162%	10,737	11,654	4.662%
Capital adjustments due to cross-ownership	**7,015**	**7,904**	**3.162%**	**10,737**	**11,654**	**4.662%**
Total	**27,868**	**24,904**	**9.962%**	**10,737**	**11,654**	**4.662%**

(*)The merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., both of which are the subsidiaries of GSD Holding A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is registered in trade registry on 31 December 2014.

Privileges

The Company's Board of Directors consists of 9 members which are selected by the general assembly according to Turkish Commercial Code. 5 members of the board of directors, 2 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, 2 members of the board of directors are selected from the candidates nominated by Class (B) shareholders and 2 members of the board of directors are selected from the candidates nominated by Class (C) shareholders by the general assembly.

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

30. 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.

Changes in Non-Controlling Interests Without Loss of Control

According to "IAS 27 –*Consolidated and Separate 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 comprehensive income statement, but directly classified in "Changes in non-controlling interests without loss of control" under equity.

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

	2015	2014
Effect of acqusition of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. shares by GSD Holding A.Ş. from other GSD group companies in July 2015. (7)	(31)	-
Effect of the share buy-back by GSD Denizcilik Gayrimenkul İnş.San. ve Tic. A.Ş. as a result of the utilisation of the rights to leave in 2015 arising from the merger with GSD Dış Tic.A.Ş. registered in trade registry on 31 December 2014 (4) (5) (6)	(3)	-
Effect of the merger of GSD Dış Tic. A.Ş. and GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. under GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. and the share buyback by GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. (4) (5) (6)	-	3,818
Effect of the acquisition of 0.483% shares of GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. by GSD Holding A.Ş. in 2014 (3)	-	131
Effect of the disposal of 1.56% shares of GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. by GSD Dış Tic. A.Ş. in 2011 (1)	-	327
Effect of the acquisition of 1.001% shares of Tekstil Bankası A.Ş. by GSD Dış Tic. A.Ş. in 2011 (2)	-	2,018
Effect of the acquisition of 0.036% shares of Tekstil Bankası A.Ş. by GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. in 2011 (2)	-	35
The Changes in Non-Controlling Interests Without Loss of Control	**(34)**	**6,329**

(1)GSD Dış Ticaret A.Ş. sold out its 1.56% shares of Class (C) in Tekstil Finansal Kiralama A.Ş. with a nominal value of TL 469 between 23 February 2011 and 8 March 2011 for TL 1,239 in Istanbul Stock Exchange. As a result of the sale of shares of Tekstil Finansal Kiralama A.Ş. by GSD Dış Ticaret A.Ş., the indirect shareholding of GSD Holding A.Ş. in Tekstil Factoring Hizmetleri A.Ş. has decreased by 0.03% due to the shareholding of 1.98% in Tekstil Factoring Hizmetleri A.Ş. owned by Tekstil Finansal Kiralama A.Ş.. Tekstil Finansal Kiralama A.Ş. (Tekstil Finance Lease Inc.)'s company name has been changed as GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (GSD Marine Property Construction Industry and Trade Inc.) on 26 August 2011. The company name of Tekstil Factoring Hizmetleri A.Ş. has been changed to Tekstil Faktoring A.Ş. on 15 November 2012 and then has been changed to GSD Faktoring A.Ş. on 21 July 2014.

30. SHARE CAPITAL / TREASURY SHARES (continued)

The Cumulative Changes in Non-Controlling Interests Without Loss of Control: (continued)

(2) GSD Dış Ticaret A.Ş. purchased Class (A) shares of Tekstil Bankası A.Ş. with a nominal value of TL 4,206 for TL 2,772 between 15 August 2011 and 18 August 2011 in Istanbul Stock Exchange and increased its direct shareholding in Tekstil Bankası A.Ş. from zero to TL 4,206 and 1.00%. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. purchased Class (A) shares of Tekstil Bankası A.Ş. with a nominal value of TL 150 for TL 107 on 16 September 2011 in Istanbul Stock Exchange and increased its direct shareholding in Tekstil Bankası A.Ş. from zero to TL 150 and 0.04%. As a result of these share purchases, the shareholding in Tekstil Bankası A.Ş. owned by GSD Holding A.Ş. increased from zero to 1.02% indirectly and from 75.00% to 76.52% directly and indirectly. The Group's shareholding in Tekstil Bankası A.Ş. owned directly and indirectly by GSD Holding A.Ş. was consolidated in the consolidated financial statements of the Group as at 31 December 2013 and 31 December 2012.

(3) GSD Holding A.Ş. purchased the Class (C) shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with a nominal value of full TL 145,000 for full TL 146,900 between 29 April 2014 and 30 April 2014 in Borsa Istanbul (BIST) and increased the nominal value and percentage of its direct shareholding in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from full TL 16,336,424.18 and 54.455% to full TL 16,481,424.18 and 54.938%, respectively. Thus, the total direct and indirect shareholding in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. owned by GSD Holding A.Ş. increased to 54.942% together with its indirect shareholding of 0.004%. As a result of the purchase of 0.483% shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by GSD Holding A.Ş., the indirect shareholding of GSD Holding A.Ş. in Tekstil Faktoring A.Ş. increased by 0.01%, due to the shareholding of 1.98% in Tekstil Faktoring A.Ş. owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş..

(4) The merger of GSD Dış Ticaret A.Ş., a subsidiary of GSD Holding A.Ş., and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., another subsidiary of GSD Holding A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the share capital increase of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. made due to the merger have been registered in trade registry on 31 December 2014 and due to the share capital increase required to be made within the scope of the merger transaction and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilization of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.938% to 74.093% and after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.has increased from 54.938% to 77.070% (31 December 2014: 76.913%), the total direct and indirect shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.941% to 77.072% (31 December 2014: 76.916%). The detailed information is available in "Note: 42 Other Issues".

(5) The indirect shareholding of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. has changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 0.036% shareholding in Tekstil Bankası A.Ş. and GSD Dış Ticaret A.Ş. with 1% shareholding in Tekstil Bankası A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has decreased from 76.52% to 76.30% (31 December 2014: 76.30%).

(6) The indirect shareholding of GSD Holding A.Ş. in GSD Faktoring A.Ş. has changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 1.98% shareholding in GSD Faktoring A.Ş., and GSD Dış Ticaret A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in GSD Faktoring A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has increased from 89.09% to 89.54% (31 December 2014: 89.53%).

(7) Group (C) shares of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., having a nominal value of TL 2,015,845.00 which have a 3.863% ratio in the capital, have been sold to GSD Holding A.Ş. on June 30, 2015 at Istanbul Stock Exchange (BIST) Wholesale Market in accordance with the Communique on Repurchased Shares of CMB (II-22.1) with a total cash price of TL 2.015.845,00 having a TL 1,38 price per share and TL 1 nominal value. GSD Holding A.Ş. purchased Group C shares of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. owned by GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., GSD Yatırım Bankası A.Ş. and GSD Faktöring A.Ş. having nominal values of TL 1.169,36, TL 44,36 and TL 44,36 respectively off-exchange with a price of TL 1,38 per share having a nominal value of TL 1 on July 1, 2015 with a cash price of TL 1.613,72, TL61,22 and TL 61,22 respectively. As a result of aforementioned transactions, direct share ratio of GSD Holding A.Ş. at capital of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. have increased to 77,96% from 74,09% and there is no remaining indirect share. Indirect share rate of GSD Holding A.Ş. at capital of GSD Faktöring has increased at a ratio of 0,01% since GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. has a share of 1,98% in the capital of GSD Faktöring as a result of transactions above and its direct and indirect total share has increased to 89,55% from 89,54%.

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

30. SHARE CAPITAL / TREASURY SHARES (continued)

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

	2015	2014
Openning Balance	**6,329**	**2,380**
Beginning balance of the fund transferred to retained earnings	(6,329)	-
Effect of acqusition of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. shares by GSD Holding A.Ş. from other GSD group companies in July 2015. (7)	(31)	-
Effect of the share buy-back by GSD Denizcilik Gayrimenkul İnş.San. ve Tic. A.Ş. as a result of the utilisation of the rights to leave in 2015 arising from the merger with GSD Dış Tic.A.Ş. registered in trade registry on 31 December 2014 (4) (5) (6)	(3)	-
Effect of the merger of GSD Dış Tic. A.Ş. and GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. under GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. and the share buyback by GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. in 2014 (4) (5) (6)	-	3,818
Effect of the acquisition of 0.483% shares of GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. by GSD Holding A.Ş. in 2014 (3)	-	131
The Changes in Non-Controlling Interests Without Loss of Control	**(34)**	**6,329**

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

30. SHARE CAPITAL / TREASURY SHARES (continued)

Non-controlling interests

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

	Tekstil Bankası A.Ş.	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.(***)	Consolidated
1 January 2015	**144,763**	**19,478**	**2,992**	**167,233**
Non-controlling interest in net profit/(loss) in the income statement	(2,908)	(5,574)	372	(8,110)
Non-controlling interest in profit/(loss) from financial asset remeasurement and reclassification in other comprehensive income	(228)	-	-	(228)
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	-	5,146	-	5,146
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	-	(7)	(5)	(12)
Repurchased share sales profit/loss related to shares of minority in premiums/discounts	-	299	-	299
Share of minority in dividend paid by parent company to the subsidiary	-	550	-	550
Dividends paid to non-controlling interest	-	17	(417)	(400)
Equity effect of change in shareholding of non-controlling interest (Effect of acqusition of GSD Denizcilik shares by GSD Holding A.Ş. in BIST)	-	(111)	(3)	(114)
Indirect effect of the disposal of subsidiaries	(4)	1,991	-	1,987
Direct effect of the disposal of subsidiaries	(141,623)	-	-	(141,623)
31 December 2015	**-**	**21,622**	**2,936**	**24,558**

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

	Tekstil Bankası A.Ş.	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.(***)	Consolidated
1 January 2014	**142,172**	**29,859**	**3,231**	**175,262**
Non-controlling interest in net profit/(loss) in the income statement	527	(2,157)	269	(1,361)
Non-controlling interest in profit/(loss) from change in property revaluation reserve in other comprehensive income	467	-	-	467
Non-controlling interest in profit/(loss) from financial asset remeasurement and reclassification in other comprehensive income	386	-	-	386
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	-	2,582	-	2,582
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(133)	(10)	-	(143)
Dividends paid to non-controlling interest	-	31	(382)	(351)
Equity effect of change in shareholding of non-controlling interest (Equity effect of the acquisition of shares of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. by GSD Holding A.Ş. in BIST)	-	(317)	(3)	(320)
Equity effect of change in shareholding of non-controlling interest (Effect of the merger of GSD Dış Tic. A.Ş. and GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. under GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. and the share buyback by GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş.)	1,344	(10,510)	(123)	(9,289)
31 December 2014	**144,763**	**19,478**	**2,992**	**167,233**

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

31 December 2015	**Tekstil Bankası A.Ş. (**)**	**GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.**	**GSD Faktoring A.Ş.**
Total assets	**3,072,961**	**300,751**	**255,875**
Total liabilities	2,475,380	202,094	227,799
Total equity	597,581	98,657	28,076
Total liabilities and equity	**3,072,961**	**300,751**	**255,875**
31 December 2015			
Net period profit/(loss)	(12,268)	(15,218)	3,557
Other comprehensive income	(963)	13,758	(50)
Total comprehensive income	**(13,231)**	**1,460**	**3,507**

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

31 December 2014	**Tekstil Bankası A.Ş. (**)**	**GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.**	**GSD Faktoring A.Ş.**
Total assets	**3,632,438**	**268,762**	**192,135**
Total liabilities	3,021,626	171,279	163,566
Total equity	610,812	97,483	28,569
Total liabilities and equity	**3,632,438**	**268,762**	**192,135**
31 December 2014			
Net period profit/(loss)	2,228	(8,549)	2,464
Other comprehensive income	3,068	16,842	(2)
Total comprehensive income	**5,296**	**8,293**	**2,462**

(*) Extracted from IFRS financial statements consolidated in the Group's financial statements after consolidation adjustments except intra-group eliminations.
(**) The figures for Tekstil Bankası A.Ş on the table as at 31 December 2015 are given as at 21 May 2015. The disclosures on the classification of Tekstil Bankası A.Ş. as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5" as a result of the signing of an agreement on 29 April 2014 for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and its deconsolidation as a result of the closing of the transaction on 22 May 2015 are given in Note:11 "Assets Held for Sale".
(***) The company name of Tekstil Faktoring A.Ş. has been changed to GSD Faktoring A.Ş. on 21 July 2014.

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

30. SHARE CAPITAL / TREASURY SHARES (continued)

OTHER COMPREHENSIVE INCOME

The disclosures on the classification of Tekstil Bankası A.Ş. as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with “the standard IFRS 5” as a result of the signing of an agreement on 29 April 2014 for the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and its deconsolidation as a result of the closing of the transaction on 22 May 2015 are given in Note:11 “Assets Held for Sale”.

Property revaluation reserve:

The Group’s property revaluation reserve, between 1 January 2014 and 21 May 2015, completely belongs to Tekstil Bankası A.Ş. which has been classified as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with “the standard IFRS 5” as a result of the signing of an agreement on 29 April 2014 for the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and deconsolidated as a result of the closing of the transaction on 22 May 2015.

The consolidated property and equipment of Tekstil Bankası A.Ş. have been classified under “Assets Held for Sale” in the consolidated financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with “IFRS 5 Non-current Assets Held for Sale and Discontinued Operations”. The buildings of Tekstil Bankası A.Ş. classified under “Assets Held for Sale” with a carrying value of TL 13,630 as at 31 December 2014 were revalued based on independent appraisal reports.

The revaluation increases and decreases are recognised in the consolidated statement of comprehensive income and accumulated in equity under the heading of “Property revaluation reserve” with the exception that the revaluation increases and decreases which are due to the impairment increases and decreases are recognised in the consolidated income statement. The last revaluation on buildings was made as at 31 December 2014. When a revalued property or a subsidiary owning a revalued property is disposed of, the related part of the revaluation reserve is transferred directly to “Retained earnings” in equity without the transfer from revaluation reserve to retained earnings being made through the consolidated income statement. In this context, the balance of TL 5,240 attributable to equity holders of the parent of the revaluation reserve belonging to Tekstil Bankası A.Ş. as at 21 May 2015 was transferred directly to “Retained earnings” in equity without the transfer from revaluation reserve to retained earnings being made through the consolidated income statement due to the deconsolidation of Tekstil Bankası A.Ş. as a result of the closing of the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC on 22 May 2015.

The movement in the property revaluation reserve (*):

	2015	2014
At 1 January	**5,240**	**3,731**
Increase/(decrease) in the reserve	-	2,096
Effect of deferred tax recognized in equity (**)	-	(105)
Property revaluation reserve transferred to retained earnings	-	-
Deferred tax effect transferred to retained earnings	-	-
Change in closing balance of the reserve attributable to non-controlling interest change in ownership percentage	-	(15)
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling inte	-	(467)
Transfer to retained earnings due to the disposal of subsidiaries	(5,240)	-
Closing Balance	**-**	**5,240**

(*)The Group’s property revaluation reserve, between 1 January 2014 and 21 May 2015, completely belongs to Tekstil Bankası A.Ş. which has been classified as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with “the standard IFRS 5” as a result of the signing of an agreement on 29 April 2014 for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and deconsolidated as a result of the closing of the transaction on 22 May 2015.

(**) The deferred tax effect is computed based on a corporate tax rate of 5% instead of 20%, taking into account 75% corporate tax exception on sales of land and buildings.

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

30. SHARE CAPITAL / TREASURY SHARES (continued)

OTHER COMPREHENSIVE INCOME (continued)

Fair value reserve:

Available for sale securities are initially recognised at cost at the acquisition date, being the fair value of the consideration given and other transaction costs incurred to acquire them and subsequently measured at fair value. Gains or losses on re-measurement to fair value of available for sale securities are recognized in equity until they are sold. Interest earned, dividends received and foreign exchange gains/(losses) on available for sale investments are recognised under interest income, dividend income and foreign exchange gain/ (loss) in the consolidated income statement, respectively.

When available for sale securities or a subsidiary owning available for sale securities are/is disposed of, the related part of the fair value reserve is transferred to the relevant income/expense item in the consolidated income statement. In this context, the balance of TL 665 attributable to equity holders of the parent of the fair value reserve belonging to Tekstil Bankası A.Ş. as at 21 May 2015 was transferred to "Profit/(loss) before tax from discontinued operations" in the amount of TL 831 and "Tax income/(expense) from discontinued operations" in the amount of - TL 166 in the consolidated income statement due to the deconsolidation of Tekstil Bankası A.Ş. as a result of the closing of the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC on 22 May 2015.

The movement in the fair value reserve (*):

	2015		
	Continuing Operations	**Discontinued Operations**	**Total**
At 1 January	**-**	**1,400**	**1,400**
Transfer to discontinued operations from continuing operations	-	-	-
Increase/(decrease) in the reserve	5,142	(1,203)	3,393
Effect of current tax recognized in equity	-	249	249
Effect of deferred tax recognized in equity	(1,028)	(9)	(1,037)
Change in closing balance attributable to non-controlling interests arising from change in ownership percentage	-	-	-
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	-	228	228
Transfer to profit/loss due to disposal of subsidiaries	-	(665)	(665)
Closing Balance	**4,114**	**-**	**4,114**

	2014		
	Continuing Operations	**Discontinued Operations**	**Total**
At 1 January	**146**	**-**	**146**
Transfer to discontinued operations from continuing operations	(146)	146	-
Increase/(decrease) in the reserve	-	2,053	2,053
Effect of current tax recognized in equity	-	(405)	(405)
Effect of deferred tax recognized in equity	-	(4)	(4)
Change in closing balance attributable to non-controlling interests arising from change in ownership percentage	-	(4)	(4)
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	-	(386)	(386)
Transfer to profit/loss due to disposal of subsidiaries	-	-	
Closing Balance	**-**	**1,400**	**1,400**

(*)The Group's fair value reserve, in the year 2014, completely belongs to Tekstil Bankası A.Ş. which has been classified as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5" as a result of the signing of an agreement on 29 April 2014 for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and deconsolidated as a result of the closing of the transaction on 22 May 2015 and, in the year 2015, belongs to GSD Holding A.Ş. and Tekstil Bankası A.Ş. with respect to continuing and discontinued operations, respectively.

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

30. SHARE CAPITAL / TREASURY SHARES (continued)

OTHER COMPREHENSIVE INCOME (continued)

Translation Reserve:

The Group's translation reserve, between 1 January 2014 and 31 December 2015, belongs to GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. which is classified as continuing operations in the Group's consolidated IFRS financial statements.

The movement in the translation reserve based on the accumulated balances of the factors leading to the exchange differences:

	2014	Movement	2015
Exchange differences arising on the opening net assets	(640)	(4,050)	(4,690)
Exchange differences arising on income and expenses	(614)	(206)	(820)
Exchange differences arising on long-term receivables	21,852	34,505	56,357
Current tax income/(expense) effect of FX translation difference	-	(1,671)	(1,671)
Deferred tax income/(expense) effect of FX translation difference	(4,371)	(5,230)	(9,601)
Fund period increase/(decrease) share of non-controlling interest (change at the beginning of period)	42	169	211
Fund period increase/(decrease) share of non-controlling interest (change at the end of period)	2,718	-	2,718
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	(6,506)	(5,146)	(8,722)
Fund period increase/(decrease) share of non-controlling interest (total)	(3,746)	(4,976)	(8,722)
Total translation reserve, net	**12,481**	**18,371**	**30,852**

	2013	Movement	2014
Exchange differences arising on the opening net assets	4	(644)	(640)
Exchange differences arising on income and expenses	(557)	(57)	(614)
Exchange differences arising on long-term receivables	11,460	10,392	21,852
Effect of deferred tax on exchange differences recognized in other comprehensive income	(2,292)	(2,079)	(4,371)
Change in opening balance of the reserve attributable to non-controlling interests arising from change in ownership percentage	-	42	42
Change in closing balance of the reserve attributable to non-controlling interests arising from change in ownership percentage	-	2,718	2,718
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	(3,924)	(2,582)	(6,506)
Total translation reserve, net	**4,691**	**7,790**	**12,481**

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

30. SHARE CAPITAL / TREASURY SHARES (continued)

OTHER COMPREHENSIVE INCOME (continued)

The movement in the translation reserve:

	2015	2014
At 1 January	**12,481**	**4,691**
Increase/(decrease) in the reserve	30,249	9,691
Effect of current tax expense recognized in comprehensive income	(1,671)	-
Effect of deferred tax recognized in equity	(5,230)	(2,079)
Change in opening balance of the reserve attributable to non-controlling interests arising from change in ownership percentage	169	42
Change in closing balance of the reserve attributable to non-controlling interests arising from change in ownership percentage	-	2,718
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	(5,146)	(2,582)
Closing Balance	**30,852**	**12,481**

Remeasurements of the Net Defined Benefit Liability (Asset):

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.

Remeasurements of the net defined benefit liability (asset) recognised in other comprehensive income shall not be reclassified to profit or loss in a subsequent period. However, the entity may transfer those amounts recognised in other comprehensive income within equity. The Group, within the scope of that provision, adopted the accounting policy to transfer the prior-year-end balance of the Remeasurements of the Net Defined Benefit Liability (Asset) cumulatively recognised as other comprehensive income within equity to the Retained Earnings within equity as at each year-beginning.

The Group transferred the balance of – TL 620 of the Remeasurements of the Net Defined Benefit Liability (Asset) cumulatively recognised as other comprehensive income within equity as at 31 December 2014 to the Retained Earnings within equity as at 1 January 2015.

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

30. SHARE CAPITAL / TREASURY SHARES (continued)

OTHER COMPREHENSIVE INCOME (continued)

Remeasurements of the Net Defined Benefit Liability (Asset): (continued)

The movement in remeasurements of the net defined benefit liability (asset):

31 December 2015	**Continuing Operations**	**Discontinued Operations**	**Total**
At 1 January	**(187)**	**(433)**	**(620)**
Remeasurement gains/losses	(11)	-	(11)
Effect of deferred tax recognized in equity	1	-	1
Funds transferred to retained earnings	234	541	775
The effect of deferred tax expense transferred to retained earnings	(47)	(108)	(155)
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	12	-	12
Closing Balance	**2**	**-**	**2**

31 December 2014	**Continuing Operations**	**Discontinued Operations**	**Total**
At 1 January	**-**	**-**	**-**
Remeasurement gains/losses	(242)	(708)	(950)
Effect of deferred tax recognized in equity	49	141	190
Change in closing balance of the reserve attributable to non-controlling interests arising from change in ownership percentage	(4)	1	(3)
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	10	133	143
Closing Balance	**(187)**	**(433)**	**(620)**

31. LEGAL AND OTHER RESERVES AND RETAINED EARNINGS

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. As at 31 December 2015, the legal reserves of the Company and their inflation adjustment are TL 7,562 (31 December 2014: TL 7,274) and TL 5,868 (31 December 2014: TL 5,868), respectively.

31. LEGAL AND OTHER RESERVES AND RETAINED EARNINGS (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

The Ordinary General Assembly of the Company has resolved on 25 June 2015 that the profit distribution policy of Company for the year 2015 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.

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

31. LEGAL AND OTHER RESERVES AND RETAINED EARNINGS (continued)

The Resolutions of GSD Group Companies on Profit Distribution

The Ordinary General Assembly of GSD Holding A.Ş. resolved to distribute TL 60,000 cash dividend to the shareholders and and TL 6,000 cash dividend to the members of the board of directors, totally from the extraordinary reserves on 25 June 2015, the cash dividend to be distributed to the members of the board of directors being to be expensed in the current year profit in accordance with IFRS. The cash dividend distribution was made on 29 July 2015 to the holders of the non-exchange traded shares and on 31 July 2015 to the holders of the exchange traded shares and the members of the board of directors.

The Ordinary General Assembly of Tekstil Faktoring A.Ş. resolved to distribute TL 4,000 cash dividend in total, TL 2,165 being from the net profit for the year 2014 and TL 1,835 being from the extraordinary reserves on 23 March 2015. (The Extra Ordinary General Assembly of Tekstil Faktoring A.Ş. resolved to distribute TL 3,500 cash dividend on 8 July 2014.)

Retained earnings

	2015	2014
Extraordinary reserves (historical)	12,696	94,087
Extraordinary reserves (arising from the first application of inflation accounting)	68,925	68,925
Inflation adjustment on extraordinary reserves	23,082	23,082
Legal reserves	7,562	7,275
Reserves related to withdrawal of shares	20,853	-
Inflation adjustment on legal reserves	5,868	5,868
Transaction costs of equity transactions	(901)	(901)
IFRS adjustments	96,789	81,145
Retained earnings	**234.874**	**279,481**

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

	2015	2014
Net profit for the period	303,135	5,750
Extraordinary reserves (historical)	12,696	94,087
Extraordinary reserves (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	**407,838**	**191,844**

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 contacts, from corporate tax in this regard.

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

31. LEGAL AND OTHER RESERVES AND RETAINED EARNINGS (continued)

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 (continued)

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.

32. COMMITMENTS AND CONTINGENCIES

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

	2015	**2014**
Letters of guarantee	508,980	413,308
Total non-cash loans	**508,980**	**413,308**
Other commitments	25	24
Total non-cash loans and off-balance sheet commitments	**509,005**	**413,332**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in the Note 39.

Litigation (Continuing Operations)

There is no provision for litigations that is required to be set or disclosed for continuing operations as at 31 December 2015 and 31 December 2014.

Litigation (Discontinued Operations)

A customer has sued Tekstil Bankası A.Ş. with the claim that his deposit has been withdrawn from his account with false documents. The amount of the litigation is Australian Dollars 1,229,213. The trial in court has been concluded and TL 3,521 has been paid to the litigator on 13 January 2014. The trial has been completely finalised.

Fiduciary Activities (Discontinued Operations)

The Group through Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., its 100% owned subsidiary, which has been classified as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5" as a result of the signing of an agreement on 29 April 2014 for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and deconsolidated as a result of the closing of the transaction on 22 May 2015, provided custody, investment management and advisory services to third parties and managed 5 mutual funds which were established under the regulations of the Capital Markets Board of Turkey and purchased and sold marketable securities on behalf of funds, marketed their participation certificates and provided other services in return for a management fee in accordance with the CMB regulations and the charters of the funds and undertook management responsibility for their operations until 21 May 2015.

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

33. OPERATING INCOME

Gross profit/(loss) from marine sector operations

	2015	2014
Rental income on ship time charters	29,841	20,950
Marine sector insurance indemnity income	1,206	-
Other income	536	259
Marine sector income	**31,583**	**21,209**
Ship depreciation expense	(14,288)	(7,059)
Ship personnel expenses	(10,636)	(6,427)
Various materials, oil and fuel expenses of ships	(2,593)	(3,041)
Ship insurance expenses	(1,652)	(867)
Technical management fees	(1,320)	(797)
Fuel purchase and sale prices difference expense at the beginning and end of the rental	(889)	-
Maintenance and repair expenses	(773)	-
Loss of hire	(696)	-
Other expenses	(1,413)	(991)
Marine sector expense	**(34,260)**	**(19,182)**
Gross profit/(loss) from marine sector operations	**(2,677)**	**2,027**

Gross profit/(loss) from financial sector operations

a) Service income and cost of service

	2015	2014
Fees and commission income	4,951	3,751
Income from banking services	-	125
Service income	**4,951**	**3,876**
Fees and commission expense	(317)	(172)
Cost of service	**(317)**	**(172)**
Service income less cost of service	**4,634**	**3,704**

b) Interest income / (expense)

	2015	2014
Interest income		
Interest income on factoring receivables	35,534	25,665
Interest income on loans and advances	19,369	13,750
Interest income on securities	43	19
Interest income on finance lease contracts	25	220
Interest received from banks	5	-
Interest income	**54,975**	**39,654**
Interest expense		
Interest expense on funds borrowed	(23,009)	(13,390)
Interest expense on other money market deposits	(375)	(10)
Other interest expense	(648)	(584)
Interest expense	**(24,032)**	**(13,984)**
Net interest income	**30,943**	**25,670**

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

33. OPERATING INCOME (continued)

Gross profit/(loss) from financial sector operations (continued)

Provision expense arising from financial sector operations

	2015	2014
(Provision)/reversal of provision for loans and advances to customers	(1,524)	(1,704)
(Provision)/reversal of provision for factoring receivables	661	(1,483)
(Provision)/reversal of provision for unindemnified non-cash loans	-	(1)
(Provision)/reversal of provision for finance lease receivables	(206)	209
Total	**(2,391)**	**(2,979)**

Other financial sector operations income/(expense), net

	2015	2014
Banking Regulation and Supervision Agency contribution expense	(59)	(42)
Banking Association contribution expense	(11)	(52)
Gain on sale of leased assets	10	-
Loss on sale of leased assets	-	(69)
Recoveries of loans previously written off in prior years	-	1
Other income/(expense)	422	294
Total	**362**	**132**

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

34. ADMINISTRATIVE EXPENSES

Administrative expenses

	2015	**2014**
Personnel expenses	(23,201)	(16,102)
Rent expenses	(3,235)	(2,493)
Taxes paid other than on income	(1,332)	(567)
Vehicle, transportation and travel expenses	(1,320)	(861)
Communication expenses	(783)	(730)
External audit expense	(539)	(635)
Building and fixed-asset expenses	(420)	(349)
Amortization and depreciation expenses	(353)	(291)
Legal expenses	(312)	-
Office and printed material expenses	(112)	(92)
Insurance expense	(48)	(43)
Donation, aid and social responsibility expenses	(46)	(83)
Advertising expenses	(11)	(22)
Other expenses	(1,250)	(1,003)
Total	**(32,962)**	**(23,271)**

Personnel expenses

	2015	**2014**
Wages and salaries	(12,879)	(11,951)
Dividend for Board of Directors and personnel	(6,000)	-
Cost of defined contribution plan	(1,230)	(1,128)
Paid bonus expense	(1,185)	(1,373)
Other fringe benefits	(809)	(750)
Paid expense for employee termination benefits obligation	(334)	(212)
Paid expense for unused paid vacation obligation	(328)	(133)
Provision expense for employee termination benefits obligation	(191)	(276)
Provision expense for employee bonus	(132)	(52)
Provision expense for unused paid vacation obligation	(107)	(218)
Other	(6)	(4)
Total	**(23,201)**	**(16,102)**

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

35. OTHER INCOME / (EXPENSE) FROM OPERATING ACTIVITIES

Other income from operating activities

	2015	2014
Other foreign exchange gains	59,019	624
Interest income on deposits with banks and financial institutions	2,730	21
Reversal of provision for employee termination benefits obligation	415	217
Foreign exchange gains on derivative instruments	214	-
Reversal of provision for unused paid vacation obligation	111	18
Reversal of employee bonus provision	37	221
Other indemnity income	10	-
Foreign exchange gains on advances for ship purchase orders	-	3,884
Adjustment income on prior period corporate tax provision	-	3
Other income	90	184
Total	**62,626**	**5,172**

Other expense from operating activities

	2015	2014
Other foreign exchange losses	(39,399)	(507)
Foreign exchange losses on derivative instruments	(712)	-
Foreign exchange losses on advances for ship purchase orders	-	(2,721)
Adjustment expense on prior period corporate tax provision	-	(7)
Other expense	(9)	-
Total	**(40,120)**	**(3,235)**

36. INCOME / (EXPENSE) FROM INVESTMENT ACTIVITIES

Income from investment activities

	2015	2014
Foreign exchange gains on the non-current assets and the current assets not included in cash equivalents	31,454	-
Gain on disposal of property and equipment and assets held for sale	638	20
Gain on sale of available for sale securities	210	-
Interest income of long term assets and investments not included in cash equivalents	284	-
Other income	-	22
Total	**32,586**	**42**

Expense from investment activities (-)

	2015	2014
Loss on disposal of property and equipment and assets held for sale	(3)	-
Other expense	-	(6)
Total	**(3)**	**(6)**

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

37. FINANCING EXPENSES

Financing expenses:

	2015	2014
Foreign exchange loss on borrowings	(12,038)	(2,212)
Interest expense on borrowings	(8,526)	(3,067)
Interest expense on the provision for employee benefits	(82)	(72)
Other financing expenses	(103)	(148)
Total	**(20,749)**	**(5,499)**

38. 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	2015	2014
Net profit	28,133	5,737
The weighted average number of shares with a nominal value of full TL 1	237,242,035	238,345,778
Basic earnings per share with a nominal value of full TL 1	**0.119**	**0.024**
Diluted earnings per share with a nominal value of full TL 1	**0.119**	**0.024**

Discontinued Operations	2015	2014
Net profit	192,473	(3,540)
The weighted average number of shares with a nominal value of full TL 1	237,242,035	238,345,778
Basic earnings per share with a nominal value of full TL 1	**0.811**	**(0.015)**
Diluted earnings per share with a nominal value of full TL 1	**0.811**	**(0.015)**

39. FINANCIAL RISK MANAGEMENT

THE REGULATIONS REGARDING THE RISK MANAGEMENT IN THE GROUP COMPANIES

The Regulations Regarding the Liquidity Risks of the Group's Bank

In the Group bank, in accordance with banking regulations, total liquidity adequacy ratio and foreign currency liquidity adequacy ratio related to the first maturity bracket are calculated as of each working day for the following seven day period; total liquidity adequacy ratio and foreign currency liquidity adequacy ratio related to the second maturity bracket are calculated as of the last working day of the week for the following thirty one day period. Short-term asset and liability items and non-cash loans and commitments which are required to be paid on their maturities are taken into this calculation on their amounts weighted in the proportions stated in the relevant communiqué and foreign currency indexed assets and liabilities are taken into this calculation as TL items (foreign currency indexed assets and liabilities are to be regarded as foreign currency items only for the calculation of foreign currency liquidity adequacy ratio until 31 December 2015). The weekly simple arithmetic average of the total liquidity adequacy ratios related to the first maturity bracket and the total liquidity adequacy ratio related to the second maturity bracket can not be lower than 100%; the weekly simple arithmetic average of the foreign currency liquidity adequacy ratios related to the first maturity bracket and the foreign currency liquidity adequacy ratio related to the second maturity bracket can not be lower than 80%.

The Regulations Regarding the Liquidity Coverage Ratios of the Group's Bank

In the Group bank, in accordance with banking regulations, the liquidity position is measured by the calculation of the total liquidity coverage ratio in terms of the total of the Turkish Liras and and foreign currencies and the foreign currency liquidity coverage ratio in terms of the foreign currencies, both ratios being both on consolidated and separate-entity bases. The liquidity coverage ratio is calculated based on the division of high quality liquid asset stock by net cash outflows. The separate-entity total and foreign currency liquidity coverage ratios are to be found by taking the weekly simple arithmetic average of the liquidity coverage ratios to be calculated in terms of the total of the Turkish Liras and and foreign currencies and the foreign currencies, respectively, as of each working day on separate-entity basis. The consolidated total and foreign currency liquidity coverage ratios are to be found by taking the monthly simple arithmetic average of the liquidity coverage ratios to be calculated in terms of the total of the Turkish Liras and and foreign currencies and the foreign currencies, respectively, as of each working day on consolidated basis. The consolidated total and foreign currency liquidity coverage ratios are calculated as of the end of each month until 1 January 2017. The separate-entity and consolidated total liquidity coverage ratios can not be lower than 100 %; The separate-entity and consolidated foreign currency liquidity coverage ratios can not be lower than 80 %; the requirement to meet the minimum liquidity coverage ratios comes into force on 1 january 2015; the minimum liquidity coverage ratios to be applied until 1 January 2019 are to be determined by BRSA by taking the assent of the Central Bank of Turkey. The reporting by banks in Turkey on the liquidity coverage ratios begins on 1 January 2014.

39. FINANCIAL RISK MANAGEMENT (continued)

The Regulations Regarding the Foreign Exchange Risks of the Group's Bank

In the Group bank, in accordance with banking regulations, the standard ratio of foreign currency net overall position/shareholders' equity, is calculated as of each working day on a separate basis and as of the period ends as of which the consolidated shareholders' equity is calculated on a consolidated basis.

The weekly simple arithmetic average of the absolute values of the standard ratios of foreign currency net overall position/shareholders' equity calculated as of each working day and the absolute value of the standard ratio of foreign currency net overall position/shareholders' equity calculated on the consolidated financials can not exceed 20%. The foreign currency net overall position indicates the difference between the TL equivalents of the total of all foreign currency assets including all foreign currency asset accounts, foreign currency indexed assets, forward foreign currency purchase commitments and the total of all foreign currency liabilities including all foreign currency liability accounts, foreign currency indexed liabilities, forward foreign currency selling commitments. The shareholders' equity as of the last period end calculated according to the Communiqué on the Shareholders' Equities of Banks is taken into the calculation of the standard ratio of foreign currency net overall position/shareholders' equity.

The Regulations Regarding the Capital Adequacy Requirements of the Group's Bank

In the Group bank, in accordance with banking regulations, the capital adequacy ratio and, beginning from 1 January 2014, the main capital adequacy ratio and the core capital adequacy ratio are required to be calculated on separate and consolidated bases and meet the minimum 8%, 6% and 4.5% respectively and held at these levels. The capital adequacy standard ratio, the main capital adequacy ratio and the core capital adequacy ratio are calculated by dividing the shareholders' equity, the main equity capital and the core equity capital respectively by the sum of "the amount taken as the basis to the credit risk+the amount taken as the basis to the market risk+the amount taken as the basis to the operational risk".

The shareholders' equity, the main equity capital and the core equity capital are calculated according to the rules and principles stated in the Communiqué on the Shareholders' Equities of Banks.

The amount taken as the basis to the credit risk is calculated for the credit risk arising from the on-balance sheet asset items, non–cash loans, commitments and derivative financial instruments. The amount taken as the basis to the credit risk is calculated by means of the standard approach or the approaches based upon internal rating.

39. FINANCIAL RISK MANAGEMENT (continued)

The Regulations Regarding the Capital Adequacy Requirements of the Group's Bank (continued)

The amount taken as the basis to the market risk is the sum of the amounts taken as the basis to the market risk arising from the general market risk and specific risk composed of the interest rate risk, the equity instrument risk, the position risk held on the collective investment institutions and the credit derivative risk, the currency risk, the clearing risk, the commodity risk, the counterparty credit risk. The amount taken as the basis to the market risk is calculated for the market risk comprising the general market risk and specific risk related to the positions on the financial instruments with interest rate-linked returns, equity instruments, the positions on the collective investment institutions (mutual funds and investment trusts); the foreign exchange risk arising from the positions on all the on-balance sheet foreign currency asset and liability items, the foreign currency irrevocable non-cash loans and derivative financial instruments; the clearing risk for the loss to be incurred by the banks due to the price changes of the underlying securities, foreign currency items or commodities in the case of a clearing transaction default for the transactions on the delivery of a security, foreign currency item or commodity at the price and maturity specified in the agreement requiring the both parties to meet their obligations at the maturity; the commodity risk for the commodity-based derivative financial instruments and precious metals; the market risk for over-the-counter derivative financial instruments and the credit derivatives, the securities included in purchase and sell portfolio or the commodity-based securities or the commodity borrowing or lending transactions and the repurchase agreements and reverse repo agreements, the margin trading in securities and the counterparty credit risk that the counterparty to the transactions with long-term clearing defaults before the final payment in the cash-flow of the transaction. The amount taken as the basis to the market risk is calculated by means of the standard method or the risk measurement methods with the permission of BRSA.

The amount taken as the basis to the operational risk is calculated for the losses arising from missing out mistakes and misapplications due to the shortcomings of the bank's internal controls, not being able to behave according to the time and conditions by the bank management and personnel, the errors in managing the bank, the errors and shortcomings in the management information systems and disasters such as earthquake, fire and flood or terror attacks. The amount taken as the basis to the operational risk is calculated by means of the basic indicator approach and the standard approach or the advanced measurement approaches with the permission of BRSA.

The Regulations Regarding the Capital Protection and Cyclic Capital Buffers of the Group's Bank

The additional core equity capital is the excess of the banks' core equity capital over the core equity capital utilized by them to meet the capital adequacy standard ratio, the main capital adequacy ratio and the core capital adequacy ratio as required by the relevant directive, on separate and consolidated bases. The banks' additional core capital requirement is the amount calculated by multiplying the sum of the bank-specific cyclic capital buffer ratio (BCCB) and the capital protection buffer ratio (CPB) with risk-weighted assets (RWA). The CPB ratio is 2.5% on separate and consolidated bases (0% for 2014, 0% for 2015, 0.625% for 2016, 1.2%5 for 2017, 1.875% for 2018, 2.5% for 2019 and the subsequent years). The BCCB ratio is calculated by banks based on the country distribution of the loan portfolios on separate and consolidated bases in line with the principles and procedures to be determined by the Banking Regulation and Supervision Agency (BRSA). The cyclic capital buffer ratio which will be used by the banks for their risks in Turkey in the calculation of the BCCP ratio is determined by the BRSA. The risk-weighted assets (RWA) are calculated by dividing the shareholders' equity of the banks by their capital adequacy standard ratio calculated in accordance with the relevant directive. The profit distribution is limited to the maximum profit distribution rate stated in the relevant communiqué in the event that the additional core equity capital which will be calculated by banks on separate and consolidated bases is lower than the additional core equity capital requirement. The banks which are subject to the profit distribution limitation pursuant to the mentioned provisions are required to submit a capital restoration plan approved by the board of directors of the bank and intended to satisfy the additional core capital requirement to the BRSA within one month after the notification of the maximum profit distribution rate.

39. FINANCIAL RISK MANAGEMENT (continued)

Internal Capital Adequacy Assessment Process (ICAAP), Capital Planning Buffer, Internal Capital Buffer and Internal Capital Adequacy Requirement

The banks are required to internally calculate the capital that is adequate to meet the risks they are exposed to and can be exposed to, on separate and consolidated bases and maintain their activities by means of a capital over this level. The ICAAP is the set of processes to allow the top management to identify, measure, consolidate and monitor the risks in an accurate and adequate level; to calculate and maintain the adequate internal capital determined based on the bank's risk profile, strategies and activity plan; establish, implement and develop continuously strong risk management systems. The banks are required to establish, implement and develop the ICAAP in their own structures. ICAAP incorporates the qualitative characteristics of the capital planning, corporate governance and risk management capabilities not reflected in the financial figures and takes into consideration the sensitivity to the economic cycle and the other external risk factors. The best practice guides of the BRSA are taken into consideration in the establishment and implementation of the ICAAP, within the limits of the relevant provisions of the regulations, the other relevant legislation and the principle of measuredness. The ICAAP must be integrated into the organizational structure, the risk appetite structure and the operating processes of the bank and must form the basis of them.

Banks are required to calculate and maintain a capital planning buffer so as to prevent capital adequacy from dropping below the internal and legal minimum capital adequacy level in the presence of possible adverse situations and losses that can be encountered in the next three year period; considering the stress testing and the scenario analysis, the risk appetite, the capital plan, the strategic plan and budget, the action plans against urgent and unforeseen circumstances and other matters they require; the internal capital adequacy requirement is calculated by adding cyclical capital buffer stated in "the Regulation on the Capital Protection and the Cyclic Capital Buffers", published in the Official Gazette dated 5 November 2013 and numbered 28812, and the bigger of the capital protection buffer and the capital planning buffer stated in the same regulation to the internal minimum capital adequacy level. The part of the internal capital adequacy requirement of the bank which exceeds the legal capital adequacy level is named as the internal capital buffer. The internal capital buffer is maintained as the core capital.

When the current capital adequacy level falls below the internal capital adequacy requirement, the bank submits urgently an action plan to the BRSA so as to enable the current capital adequacy level to exceed the internal capital adequacy requirement level. The mentioned plan is implemented after the approval of the BRSA.

The Regulations Regarding the Leverage Ratios of the Group Bank

Starting from 1 January 2014, the leverage ratio is calculated by dividing the main equity capital by the total risk amount; the consolidated leverage ratio is calculated by dividing the consolidated main equity capital by the consolidated total risk amount. Starting from 1 January 2015, the quarterly simple arithmetic average as of the periods ended March, June, September and December of the leverage ratios which are calculated monthly on separate and consolidated bases are required to be attained and maintained at a minimum of 3%.

39. FINANCIAL RISK MANAGEMENT (continued)

The Regulations Regarding the Equity Standard Ratio of the Group's Financial Leasing and Factoring Companies (*)

The ratio of the shareholders' equity to the total assets of the financial leasing and factoring companies are required to be attained and maintained at a minimum of 3% in accordance with the relevant directive.

The Regulations Regarding the Provisions To Be Set Against the Receivables of the Group's Bank, Financial Leasing And Factoring Companies (*)

The Group's bank and financial leasing and factoring companies are required to set a provision against the losses with uncertain amount arising or expected to be arising from their loan, finance lease and factoring and other receivables in accordance with the methods and principles specified in the relevant communiqué and directive.

The Group's bank carries its loans and other receivables classifying them into five groups and setting a general provision against those classified into the first group as standard loans and other receivables and the second group as close watch loans and other receivables and setting a specific provision against those classified into the third, fourth and fifth groups as non-performing loans and other receivables in line with the rules and principles specified in the relevant directive.

The Group's bank and financial leasing and factoring companies are required to set a specific provision

a) in the ratio of at least 20% of their receivables whose principal or interest or both of them are more than 90 days but less than 180 days due (more than 150 days but less than 240 days due for the Group's financial leasing company and, being effective from, 24 December 2013, more than 180 days but less than 270 days due for the factoring transactions with guarantee of the Group's factoring company) from the maturity date or the date of payment,

b) in the ratio of at least 50% of their receivables whose principal or interest or both of them are more than 180 days but less than a year due (more than 240 days but less than a year due for the Group's financial leasing company and, being effective from 24 December 2013, more than 270 days but less than a year due for the factoring transactions with guarantee of the Group's factoring company) from the maturity date or the date of payment,

c) in the ratio of at least 100% of their receivables whose principal or interest or both of them are more than a year due from the maturity date or the date of payment.

The Group's bank and financial leasing and factoring companies can set a specific provision at their will (banks, in the above-mentioned ratios; financial leasing and factoring companies, in the ratios to be determined by themselves) against their loan, finance lease and factoring and other receivables, even if the length of non-payment did not exceed the above-mentioned terms, taking into account the credibility of the debtor and the other criteria specified in the relevant communiqué and directive.

The Group's bank and financial leasing and factoring companies are required to classify the collaterals held as security against their loan, finance lease and factoring and other receivables into four groups specified in the relevant communiqué and directive and follow them in this way. The amount of the collateral is only taken into account in the determination of the amount of the specific provision as a deduction from the amount of the receivable in the below-mentioned ratios:

The ratio in which the first group of collaterals is to be taken into account: 100%
The ratio in which the second group of collaterals is to be taken into account: 75%
The ratio in which the third group of collaterals is to be taken into account: 50%
The ratio in which the fourth group of collaterals is to be taken into account: 25%

39. FINANCIAL RISK MANAGEMENT (continued)

The Regulations Regarding the Provisions To Be Set Against the Receivables of the Group's Bank, Financial Leasing And Factoring Companies (*) (continued)

The Group's bank are required to set a general provision in the ratio of 1% and 0.2% against the cash and non-cash loans, respectively, (in the ratio of %0 for the cash and non-cash export loans, in the ratio of 0.5% and 0.1% against the cash and non-cash loans, respectively, provided to the small and medium sized enterprises) classified into the first group as standard loans, against which a specific provision are not set and in the ratio of 5 times those mentioned above against the loans of the same group whose original repayment plans are lengthened by means of alterations to the terms of the contract.

The Group's bank are required to set a general provision in the ratio of 2% and 0.4% against the cash and non-cash loans, respectively, classified into the second group as close watch loans, against which a specific provision are not set and in the ratio of 2.5 times those mentioned above against the loans of the same group whose original repayment plans are lengthened by means of alterations to the terms of the contract.

In the event that the ratio of the consumer loans to the total loans exceeds 25% or the ratio of the consumer loans apart from the mortgage loans against which a specific provision are set (regarded as non-performing loans) to the total of these type of loans exceeds 8%; the Group's bank are required to set a general provision in the ratio of 4% and 8% against the consumer loans apart from the mortgage loans classified into the first group as standard loans and the second group as close watch loans, respectively, and in the ratio of 2.5 and 1.25 times those mentioned above against the loans of the first and second group, respectively, whose original repayment plans are lengthened by means of alterations to the terms of the contract.

The Group's financial leasing and factoring companies can set a general provision at their will against the losses with uncertain amount expected to be arising from their finance lease and factoring receivables even if their principal or interest or both of them are not past due or less than 90 days due.

(*) Tekstil Finansal Kiralama A.Ş. exited from the status of finance lease company and ceased to be subject to finance lease regulations as at 16 June 2011, its authorisation certificate for finance lease activity having been cancelled by the Banking Regulation and Supervision Agency on that date upon its application on 27 May 2011. The Extraordinary General Assembly of Tekstil Finansal Kiralama A.Ş. (Tekstil Finance Lease Inc.) decided to change the company name to GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (GSD Marine Property Construction Industry and Trade Inc.) and the main business activity of the company from finance lease to marine freight transportation and determine the business name as GSD Marin (GSD Marine) on 24 August 2011, the related amendments to the articles of association of the company having been registered in trade registry on 26 August 2011. While the main business activity of the company was finance lease in 2012, since the company continues to collect the payments arising from the outstanding finance lease contracts and has not yet started its new business activity due to the ships on order being under construction in 2012; the main business activity of the company is marine freight transportation since the ships on order, having been completed and delivered to the company, started to operate and the ratio of finance lease receivables to total assets further decreased resulting in the finance lease being as a secondary activity starting from 2013.

39. FINANCIAL RISK MANAGEMENT (continued)

MARKET RISK

Market risk is the risk of loss from the Group's on-off balance sheet items, caused by the volatility in interest rates, stock prices and foreign currency exchange rates.

The top management closely monitors the amount of market risk, to which the Group has been exposed or can be exposed with regards to its position. Therefore, Market Risk Committees are constituted in the Group's banks and the market risks are measured by employing the measurement models in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy of Banks " and reported to the top management.

Furthermore, the market risk is mitigated by determining the scope of buy/sell transactions, the instruments used in buy/sell transactions, the markets that buy/sell transactions are realized and the limits regarding the buy/sell transactions that can generate market risk in the Group's banks.

SENSITIVITY ANALYSIS FOR MARKET RISK

According to International Financial Reporting Standard No 7, there are three types of market risk: interest rate risk, currency risk and other price risk. Other price risk may include risks such as equity price risk, commodity price risk, prepayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected) and residual value risk. As at 30 June 2015 and 31 December 2014, since the Group's consolidated exposure to other price risk is not material, the Group's consolidated sensitivity analyses are given below in relevant sections only for interest rate risk and currency risk.

CREDIT RISK

Financial instruments contain an element of risk that the counter parties of the Group may be unable to meet the terms of the agreements, totally or partially.

The Credit Evaluation and Monitoring Departments in the Group's bank are responsible to manage the credit risk. The leasing company of the Group has a department which follows up the risk of the leasing receivables besides the credit risk monitoring department.

In the Group's bank, a rating system related with the follow-up of the credit risk on company and group basis has been initiated, and the top management is informed regularly about the company and group risks.

The credibility of the debtors of the Group's bank is assessed periodically in accordance with the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves".

There are control limits on forward transaction agreements and for those instruments the credit risk is assessed together with the other potential risks derived from the market fluctuations.

In forward transactions, the fulfillment of rights and acts materialize at maturity. However, in order to minimize the risk, the risk is closed by purchasing the reverse position from the market if necessary.

For credit transactions carried out abroad, a structure considering the country risk and market conditions of the related countries exists; nevertheless, such risks do not exist in the portfolio.

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

39. FINANCIAL RISK MANAGEMENT (continued)

	2015		2014	
	Cash	**Non-Cash**	**Cash**	**Non-Cash**
Finance	190.021	47.721	88.479	7.967
Construction	10.504	24.888	2.998	984
Production	9.186	27.768	2.192	24.462
Agriculture	1.110	-	-	-
Tourism	-	57	415	753
Food and Beverage	-	-	30	4.136
Main metal products and processed materials	-	270.510	-	267.084
Energy	-	96.790	-	44.075
Service	-	7.070	-	24.845
Automotive	-	-	-	-
Textile	-	-	-	-
Iron and Steel	-	-	-	-
Chemicals	-	-	-	-
Foreign trade	-	-	-	-
Electronics	-	-	-	-
Paper production and publishing	-	-	-	-
Other	30.889	34.176	2.218	39.002
Corporate loans	**241.710**	**508.980**	**96.332**	**413.308**
Consumer loans	-	-	-	-
Interest accruals (*)	-	-	-	-
Loans in arrears	**16.531**	-	**17.881**	-
Provision for possible loan losses	**(14.504)**	-	**(12.980)**	-
Total	**243.737**	**508.980**	**101.233**	**413.308**

(*) Including accumulated foreign exchange gain / (loss) on loans indexed to a foreign currency.

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

39. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK ANALYSIS OF FINANCIAL INSTRUMENTS

	Receivables										
	Trade receivables		Other receivables								
31 December 2015	Related party	Other party	Related Party	Other Party	Balances with banks and other financial institutions (*)	Marketable securities (**)	Derivative financial instruments	Loans and advances to customers	Factoring receivables	Finance lease receivables, net	Other
The maximum exposure to credit risk at the end of the reporting period (A+B+C+D+E) (***)	**-**	**31.558**	**-**	**43.613**	**92.199**	**14.631**	**-**	**752.730**	**255.366**	**114**	**-**
- The part of the maximum exposure to credit risk mitigated by a collateral held as security and other credit enhancements	-	29.079	-	43.296	-	-	-	703.952	255.366	114	-
A. The net carrying amount of the financial assets that are neither past due nor impaired	**-**	**31.558**	**-**	**43.613**	**92.199**	**14.631**	**-**	**237.775**	**254.381**	**22**	**-**
B. The net carrying amount of the financial assets that would otherwise be past due or impaired whose terms have been renegotiated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. The net carrying amount of the financial assets that are past due but not impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**352**	**92**	**-**
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	352	92	-
D. The net carrying amount of the financial assets that are individually or collectively determined to be impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.950**	**633**	**-**	**-**
- Past due (gross carrying amount)	-	1.981	-	-	-	-	-	16.531	6.134	2.651	-
- Impairment provision (-)	-	(1.981)	-	-	-	-	-	(10.569)	(5.501)	(2.651)	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	7.948	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	3.935	-	-	-
- Impairment provision (-)	-	-	-	-	-	-	-	(3.947)	-	-	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
E. Off-balance sheet credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**509.005**	**-**	**-**	**-**
31 December 2014											
The maximum exposure to credit risk at the end of the reporting period (A+B+C+D+E) (***)	**-**	**1,834**	**-**	**4,729**	**5,280**	**962**	**-**	**514,553**	**191,708**	**333**	**-**
- The part of the maximum exposure to credit risk mitigated by a collateral held as security and other credit enhancements	-	-	-	3,925	-	-	-	501,727	191,708	333	-
A. The net carrying amount of the financial assets that are neither past due nor impaired	**-**	**1,834**	**-**	**4,729**	**5,280**	**962**	**-**	**94,411**	**190,491**	**244**	**-**
B. The net carrying amount of the financial assets that would otherwise be past due or impaired whose terms have been renegotiated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. The net carrying amount of the financial assets that are past due but not impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**409**	**89**	**-**
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	409	89	-
D. The net carrying amount of the financial assets that are individually or collectively determined to be impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,810**	**808**	**-**	**-**
- Past due (gross carrying amount)	-	1,981	-	-	-	-	-	17,881	5,648	2,445	-
- Impairment provision (-)	-	(1,981)	-	-	-	-	-	(11,059)	(4,840)	(2,445)	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	8,041	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	1,921	-	-	-
- Impairment provision (-)	-	-	-	-	-	-	-	(1,933)	-	-	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
E. Off-balance sheet credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**413,332**	**-**	**-**	**-**

(*) This item includes Cash and Balances with the Central Bank except cash on hand, Deposits with other banks and financial institutions, Other money market placements and Reserve deposits at the Central Bank in the consolidated statement of financial position.

(**) Shares, due to not having credit risk, are not included in marketable securities.

(***) In the determination of this amount, factors that enhance the credibility, such as guarantees, are not taken into consideration.

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

39. FINANCIAL RISK MANAGEMENT (continued)

Ageing of the financial assets that are past due but not impaired								
	Receivables							
31 December 2015	**Trade receivables**	**Other receivables**	**Balances with banks and other financial institutions**	**Marketable securities**	**Derivative financial institutions**	**Loans and advances to customers**	**Factoring receivables**	**Finance lease receivables, net**
0-30 days past due	-	-	-	-	-	-	316	92
1-3 months past due	-	-	-	-	-	-	29	-
3-12 months past due	-	-	-	-	-	-	7	-
1-5 years past due	-	-	-	-	-	-	-	-
Over 5 years past due	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**352**	**92**
The part mitigated by a collateral held as security and other credit enhancements	**-**	**-**	**-**	**-**	**-**	**-**	**352**	**92**

Ageing of the financial assets that are past due but not impaired								
	Receivables							
31 December 2014	**Trade receivables**	**Other receivables**	**Balances with banks and other financial institutions**	**Marketable securities**	**Derivative financial institutions**	**Loans and advances to customers**	**Factoring receivables**	**Finance lease receivables, net**
0-30 days past due	-	-	-	-	-	-	178	89
1-3 months past due	-	-	-	-	-	-	145	-
3-12 months past due	-	-	-	-	-	-	86	-
1-5 years past due	-	-	-	-	-	-	-	-
Over 5 years past due	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**409**	**89**
The part mitigated by a collateral held as security and other credit enhancements	**-**	**-**	**-**	**-**	**-**	**-**	**409**	**89**

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

39. FINANCIAL RISK MANAGEMENT (continued)

Collateral obtained against loans and advances to customers that are not impaired:	**2015**	**2014**
Cash collateral	-	850
Other collaterals (mortgage over movable properties, institutional and personal guarantees, guarantee notes)	224,145	92,117
Total	**224,145**	**92,967**

Collateral obtained against non-cash loans that are not impaired:	**2015**	**2014**
Cash collateral	4,996	5,013
Other collaterals (mortgage over movable properties, institutional and personal guarantees, guarantee notes)	466,863	395,706
Total	**471,859**	**400,719**

Collateral obtained against loans and advances to customers that are impaired:	**2015**	**2014**
Other collaterals	7,948	8,041
Total	**7,948**	**8,041**

The collaterals obtained against finance lease receivables in relation to the outstanding lease contracts:	**2015**	**2014**
Mortgages	-	232
Guarantee notes	114	101
Total	**114**	**333**

Collateral obtained against factoring receivables:	**2015**	**2014**
Guarantees	104,235	-
Collateral bill	140,435	8,003
Check collateral	8,388	3,001
Guarantees issued by financial institutions	2,308	2,605
Customer checks and notes	-	178,099
Total	**255,366**	**191,708**

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

39. FINANCIAL RISK MANAGEMENT (continued)

LIQUIDITY RISK

Liquidity risk occurs when there is an insufficient amount of cash or cash inflows to meet the cash outflows in full and on time, resulting from the unstable cash inflows.

Liquidity risk may occur when positions cannot be closed on a timely basis with an appropriate price and sufficient amount due to unfavourable market conditions. In factoring companies, in order to mitigate the liquidity risk from the checks received, the Group attaches importance to the collectability of checks.

In the Group’s banks, the liquidity position is evaluated on a daily basis. In weekly meetings of the Asset-Liability Committee, three month-period cash flow projections are reviewed and the extent of positions to be taken is decided accordingly. Alternative strategies that will be taken in case of lack of liquidity are assessed. The existing limits and limit gaps of the Group within Interbank, Istanbul Stock Exchange, Money Market and secondary markets are followed instantly. The maximum limits in the statement of financial position of the Group related with the maturity risk are determined by the Board of Directors.

The table below analyses the contractual undiscounted cash flows from the financial liabilities of the Group into the maturity groupings based on the remaining period at reporting date to the contractual maturity date. Such undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows. The contractual maturity analysis based on undiscounted cash flows from the derivative financial instruments of the Group is given in the Note 27 Derivatives, where the notional amounts of the derivative financial instruments are classified into the time bands with respect to the remaining contractual maturities.

Liquidity risk analysis of the contractual undiscounted cash flows from the financial liabilities based on the remaining period at reporting date to the contractual maturity date

	Carrying value	Total contractual undiscounted cash flows	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years
As at 31 December 2015								
Financial liabilities								
Liabilities from money market transactions	7,495	7,504	7,504	-	-	-	-	-
Funds borrowed	464,259	494,959	192,418	46,196	16,108	25,638	151,239	63,360
Borrowers' funds	9,534	9,595	5,770	3,825	-	-	-	-
Factoring payables	965	965	-	965	-	-	-	-
Liabilities arising from finance leases	504	504	504	-	-	-	-	-
Total	**482,757**	**513,527**	**206,196**	**50,986**	**16,108**	**25,638**	**151,239**	**63,360**

	Carrying value	Total contractual undiscounted cash flows	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years
As at 31 December 2014								
Financial liabilities								
Funds borrowed	**265,263**	**318,296**	130,158	9,166	5,637	19,304	64,205	89,826
Borrowers' funds	**7,113**	**7,181**	1,749	3,474	-	1,958	-	-
Factoring payables	**339**	**339**	-	339	-	-	-	-
Liabilities arising from finance leases	**430**	**430**	430	-	-	-	-	-
Total	**273,145**	**326,246**	**132,337**	**12,979**	**5,637**	**21,262**	**64,205**	**89,826**

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

39. FINANCIAL RISK MANAGEMENT (continued)

The table below analyses assets and liabilities of the Group into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date.

Liquidity risk analysis of the statement of financial position amounts based on the remaining period at reporting date to the contractual maturity date

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Un-assigned	Total
As at 31 December 2015								
Assets from continuing operations								
Cash and balances with the Central Bank	532	-	-	-	-	-	-	**532**
Deposits with banks and other financial institutions	75,066	15,590	-	-	-	-	-	**90,656**
Reserve deposits at the Central Bank	1,013	-	-	-	-	-	-	**1,013**
Financial assets at fair value through profit or loss	-	311	-	-	-	-	-	**311**
Available for sale securities	-	-	-	-	-	14,320	369,166	**383,486**
Loans and advances	197,618	24,673	13,918	3,246	2,162	93	2,027	**243,737**
Factoring receivables, net	110,179	106,378	32,463	6,346	-	-	-	**255,366**
Finance lease receivable, net	114	-	-	-	-	-	-	**114**
Unquoted equity instruments	-	-	-	-	-	-	663	**663**
Assets held for sale	-	-	-	-	-	-	941	**941**
Property and equipment, net	-	-	-	-	-	-	272.611	**272.611**
Intangible assets, net	-	-	-	-	-	-	222	**222**
Prepaid expenses	-	-	-	-	-	-	778	**778**
Prepaid income tax	-	-	-	2,834	-	-	-	**2,834**
Deferred tax assets	-	-	-	-	-	-	1,905	**1,905**
Trade and other receivables and other assets	8,496	-	29,076	38,137	2	-	1,717	**77,428**
Total assets	**393,018**	**146,952**	**75,457**	**50,563**	**2,164**	**14,413**	**650,030**	**1,332,597**
Liabilities from continuing operations								
Derivative financial liabilities	1,376	-	-	-	-	-	-	**1,376**
Liabilities from money market transactions	7,495	-	-	-	-	-	-	**7,495**
Funds borrowed	192,066	44,962	14,183	38,823	112,838	61,387	-	**464,259**
Borrowers' funds	5,764	3,770	-	-	-	-	-	**9,534**
Factoring payables	-	965	-	-	-	-	-	**965**
Liabilities arising from finance leases	504	-	-	-	-	-	-	**504**
Deferred income	-	-	-	-	-	-	490	**490**
Income taxes payable	-	873	1,647	-	-	-	-	**2,520**
Provisions	-	-	506	713	2,855	-	-	**4,074**
Debt provisions	-	-	-	12	-	-	-	**12**
Deferred tax liability	-	-	-	-	-	-	2,401	**2,401**
Trade and other payables and other liabilities	7,559	-	-	-	-	-	-	**7,559**
Total liabilities	**214,764**	**50,570**	**16,336**	**39,548**	**115,693**	**61,387**	**2,891**	**501,189**
Net liquidity gap	**178,254**	**96,382**	**59,121**	**11,015**	**(113,529)**	**(46,974)**	**647,139**	**831,408**
As at 31 December 2014								
Total assets	**1,434,356**	**588,943**	**471,998**	**599,362**	**559,605**	**151,614**	**303,959**	**4,109,837**
Total liabilities	**2,147,431**	**792,635**	**129,981**	**106,702**	**53,118**	**70,095**	**3,626**	**3,303,588**
Net liquidity gap	**(713,075)**	**(203,692)**	**342,017**	**492,660**	**506,487**	**81,519**	**300,333**	**806,249**

39. FINANCIAL RISK MANAGEMENT (continued)

CURRENCY RISK

Foreign currency risk, which indicates the possibility that the Group will incur losses due to adverse movements between currencies, is managed by close monitoring of the top management and taking positions in accordance with approved limits.

Currency risk is followed on foreign currency/TL and foreign currency/ foreign currency basis and different risk techniques, methods and instruments are used for each of them. The Group hedges the risk in foreign currency/ foreign currency position with spot/forward arbitrage and future transactions.

In the Group's banks, the capital adequacy requirement arising from foreign currency risk is calculated by considering all foreign currency assets and liabilities and derivative financial instruments of the Group's banks. The net short and long positions in terms of TL of each foreign currency are computed. The position with the greater absolute value is determined as the basis for the computation of capital adequacy requirement.

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

39. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity Analysis for Currency Risk

The Group's sensitivity analysis for currency risk is presented for continuing and discontinued operations together as at 31 December 2014 and only for continuing operations as at 31 December 2015 and the following explanations and figures must be taken into account together with the disclosures on the classification of Tekstil Bankası A.Ş. as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5" as a result of the signing of an agreement on 29 April 2014 for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and its deconsolidation as a result of the closing of the transaction on 22 May 2015 given in Note:11 "Assets Held for Sale".

At 31 December 2015 and 31 December 2014, if all foreign currencies had strengthened or weakened 10 per cent against TL with all other variables held constant, the changes in the consolidated post-tax profit of the Group for the periods ended 31 December 2015 and 31 December 2014 and other components of equity of the Group as at those dates, which is the changes in net profit or other comprehensive income, net of tax, attributable to equity holders of the parent for the periods 31 December 2015 and 31 December 2014, respectively, would have been as follows:

	2015			
	Net Profit/(Loss)		**Other Components of Equity**	
	Foreign currencies' strengthening	Foreign currencies' weakening	Foreign currencies' strengthening	Foreign currencies' weakening
The 10% change in TL/USD:				
1- The change in USD denominated assets/liabilities except derivatives	36,999	(36,999)	9,825	(9,825)
2- Hedging effect arising from the derivatives	10,966	(10,966)	-	-
3- Net effect due to the change in TL/USD (1+2)	**47,965**	**(47,965)**	**9,825**	**(9,825)**
The 10% change in TL/EUR:				
4- The change in EUR denominated assets/liabilities except derivatives	131	(131)	-	-
5- Hedging effect arising from the derivatives	-	-	-	-
6- Net effect due to the change in TL/EUR (4+5)	**131**	**(131)**	**-**	**-**
The 10% change in TL/Other foreign currencies:				
7- The change in other foreign currencies denominated assets/liabilities except derivatives	(2)	2	-	-
8- Hedging effect arising from the derivatives	-	-	-	-
9- Net effect due to the change in TL/Other foreign currencies (7+8)	**(2)**	**2**	**-**	**-**
TOTAL (3+6+9)	**48,094**	**(48,094)**	**9,825**	**(9,825)**

	2014			
	Net Profit/(Loss)		**Other Components of Equity**	
	Foreign currencies' strengthening	Foreign currencies' weakening	Foreign currencies' strengthening	Foreign currencies' weakening
The 10% change in TL/USD:				
1- The change in USD denominated assets/liabilities except derivatives	(9,978)	9,978	7,407	(7,407)
2- Hedging effect arising from the derivatives	11,688	(11,688)	-	-
3- Net effect due to the change in TL/USD (1+2)	**1,710**	**(1,710)**	**7,407**	**(7,407)**
The 10% change in TL/EUR:				
4- The change in EUR denominated assets/liabilities except derivatives	(19,452)	19,452	-	-
5- Hedging effect arising from the derivatives	19,547	(19,547)	-	-
6- Net effect due to the change in TL/EUR (4+5)	**95**	**(95)**	**-**	**-**
The 10% change in TL/Other foreign currencies:				
7- The change in other foreign currencies denominated assets/liabilities except derivatives	(301)	301	-	-
8- Hedging effect arising from the derivatives	(2,388)	2,388	-	-
9- Net effect due to the change in TL/Other foreign currencies (7+8)	**(2,689)**	**2,689**	**-**	**-**
TOTAL (3+6+9)	**(884)**	**884**	**7,407**	**(7,407)**

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

39. FINANCIAL RISK MANAGEMENT (continued)

The concentrations of assets, liabilities and off-balance sheet items in terms of currencies

	TL	US Dollars	Euro	Others	Total
At 31 December 2015					
Assets from continuing operations					
Cash and balances with the Central Bank	266	266	-	-	**532**
Deposits with banks and other financial institutions	5,413	84,883	347	13	**90,656**
Reserve deposits at the Central Bank	-	1,013	-	-	**1,013**
Financial assets at fair value through profit or loss	311	-	-	-	**311**
Available for sale securities	160	383,326	-	-	**383,486**
Loans and advances, net	234,084	3,208	6,445	-	**243,737**
Factoring receivables, net	252,874	184	2,308	89	**255,366**
Finance lease receivables, net	23	47	44	-	**114**
Unquoted equity instruments	663	-	-	-	**663**
Assets held for sale	941	-	-	-	**941**
Property and equipment, net	2,065	270,546	-	-	**272,611**
Intangible assets, net	222	-	-	-	**222**
Prepaid expenses	233	545	-	-	**778**
Prepaid income tax	2,834	-	-	-	**2,834**
Deferred tax asset	1,905	-	-	-	**1,905**
Trade and other receivables and other assets	44,156	33,271	1	-	**77,428**
Total assets	**546,150**	**777,289**	**9,145**	**13**	**1,332,597**
Liabilities from continuing operations					
Derivative financial liabilities	1,376	-	-	-	**1,376**
Liabilities from money market transactions	7,495	-	-	-	**7,495**
Funds borrowed	258,516	198,539	7,204	-	**464,259**
Borrowers' funds	7,330	2,194	10	-	**9,534**
Factoring payables	919	-	13	33	**965**
Liabilities arising from finance leases	225	142	137	-	**504**
Deferred income	79	398	13	-	**490**
Income taxes payable	2,520	-	-	-	**2,520**
Provisions	4,074	-	-	-	**4,074**
Debt provisions	12	-	-	-	**12**
Trade and other payables and other liabilities	7,398	161	-	-	**7,559**
Total liability	**292,345**	**201,434**	**7,377**	**33**	**501,189**
Net balance sheet position	**253,805**	**575,855**	**1,768**	**(20)**	**831,408**
Net off-balance sheet position	**(139,073)**	**137,093**	**-**	**-**	**(1,980)**
Net notional amount of derivatives from continuing operations	(139,073)	137,093	-	-	**(1,980)**
At 31 December 2014					
Total assets	**2,921,169**	**1,025,567**	**157,324**	**5,777**	**4,109,837**
Total liabilities	**1,707,685**	**1,103,358**	**481,659**	**10,886**	**3,303,588**
Net balance sheet position	**1,213,484**	**(77,791)**	**(324,335)**	**(5,109)**	**806,249**
Net off-balance sheet position	**(466,656)**	**125,288**	**320,240**	**27,041**	**5,913**

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

39. FINANCIAL RISK MANAGEMENT (continued)

INTEREST RATE RISK

Interest rate risk is the probability of loss due to changes in interest rates depending on the Group's position regarding the interest bearing financial instruments. Interest rate risk arises as a result of maturity mismatch on re-pricing of assets and liabilities, changes in the correlation between interest rates of different financial instruments and unexpected changes in the shape and slope of yield curves. Exposure to interest rate risk arises when there is a mismatch between rate sensitive assets and liabilities. The Group handles the interest rate risk within the context of market risk and asset-liability management. The Group monitors the interest rates in the market on a daily basis and updates its interest rates when necessary. The table below summarizes the Group's exposure to interest rate risk on the basis of the remaining period at the reporting date to the re-pricing date.

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non interest bearing	Total
At 31 December 2015								
Assets from continuing operations								
Cash and balances with the Central Bank	-	-	-	-	-	-	532	**532**
Deposits with banks and other financial institutions	71,497	15,590	-	-	-	-	3,569	**90,656**
Reserve deposits at the Central Bank	1,013	-	-	-	-	-	-	**1,013**
Financial assets at fair value through profit or loss	-	311	-	-	-	-	-	**311**
Available for sale securities	-	-	-	-	-	14,320	369,166	**383,486**
Loans and advances, net	197,618	24,673	13,918	3,246	2,162	93	2,027	**243,737**
Factoring receivables, net	110,179	106,378	32,463	6,346	-	-	-	**255,366**
Finance lease receivables, net	114	-	-	-	-	-	-	**114**
Unquoted equity instruments	-	-	-	-	-	-	663	**663**
Assets held for sale	-	-	-	-	-	-	941	**941**
Property and equipment, net	-	-	-	-	-	-	272,611	**272,611**
Intangible assets, net	-	-	-	-	-	-	222	**222**
Prepaid expenses	-	-	-	-	-	-	778	**778**
Prepaid income tax	-	-	-	-	-	-	2,834	**2,834**
Deferred tax asset	-	-	-	-	-	-	1,905	**1,905**
Trade and other receivables and other assets	-	-	-	-	-	-	77,428	**77,428**
Total assets	**380,421**	**146,952**	**46,381**	**9,592**	**2,162**	**14,413**	**732,676**	**1,332,597**
Liabilities from continuing operations								
Derivative financial liabilities	-	-	-	-	-	-	1,376	**1,376**
Liabilities from money market transactions	7,495	-	-	-	-	-	-	**7,495**
Funds borrowed	192,022	44,962	14,183	38,823	112,838	61,387	44	**464,259**
Borrowers' funds	5,764	3,770	-	-	-	-	-	**9,534**
Factoring payables	-	965	-	-	-	-	-	**965**
Liabilities arising from finance leases	-	-	-	-	-	-	504	**504**
Deferred income	-	-	-	-	-	-	490	**490**
Income taxes payable	-	-	-	-	-	-	2,520	**2,520**
Provisions	-	-	-	-	-	-	4,074	**4,074**
Debt provisions	-	-	-	-	-	-	12	**12**
Deferred tax liability	-	-	-	-	-	-	2,401	**2,401**
Trade and other payables and other liabilities	-	-	-	-	-	-	7,559	**7,559**
Total liability	**205,281**	**49,697**	**14,183**	**38,823**	**112,838**	**61,387**	**18,980**	**501,189**
Total interest sensitivity gap	**175,140**	**97,255**	**32,198**	**(29,231)**	**(110,676)**	**(46,974)**	**713,696**	**831,408**
At 31 December 2014								
Total assets	**1,703,950**	**484,938**	**225,367**	**333,083**	**505,178**	**132,103**	**725,218**	**4,109,837**
Total liabilities	**1,929,565**	**786,420**	**129,107**	**96,689**	**39,074**	**70,095**	**252,638**	**3,303,588**
Total interest sensitivity gap	**(225,615)**	**(301,482)**	**96,260**	**236,394**	**466,104**	**62,008**	**472,580**	**806,249**

39. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity Analysis for Interest Rate Risk

The Group's sensitivity analysis for interest rate risk is presented for continuing and discontinued operations together as at 31 December 2014 and only for continuing operations as at 31 December 2015 and the following explanations and figures must be taken into account together with the disclosures on the classification of Tekstil Bankası A.Ş. as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5" as a result of the signing of an agreement on 29 April 2014 for the sale of 75.50% shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and its deconsolidation as a result of the closing of the transaction on 22 May 2015 given in Note:11 "Assets Held for Sale".

Sensitivity Analysis for Interest Rate Risk for the Financial Instruments Carried at Fair Value

At 31 December 2015 and 31 December 2014, if interest rates at that date had been 1 per cent higher with all other variables held constant, the consolidated post-tax profit of the Group for the years ended 31 December 2015 and 31 December 2014 would have been TL 0 and TL 12 lower, respectively, and the consolidated other comprehensive income, net of tax of the Group would have been TL 504 and TL 581 lower as at those dates, respectively.

At 31 December 2015 and 31 December 2014, if interest rates at that date had been 1 per cent lower with all other variables held constant, the consolidated post-tax profit of the Group for the years ended 31 December 2015 and 31 December 2014 would have been TL 0 and TL 12 higher, respectively and the consolidated other comprehensive income, net of tax of the Group would have been TL 532 and TL 589 higher as at those dates, respectively.

Sensitivity Analysis for Interest Rate Risk for the Financial Instruments Carried at Other Than Fair Value

If interest rates at 31 December 2015 had been 1 per cent higher at that date and had been constant at this level for the following three months period with all other variables held constant, the consolidated interest income and the consolidated interest expense of the Group for the three months period from 1 January 2016 to 31 March 2016 would have been TL 914 and TL 468 higher, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 446 and TL 446 higher, respectively.

If interest rates at 31 December 2015 had been 1 per cent lower at that date and had been constant at this level for the following three months period with all other variables held constant, the consolidated interest income and the consolidated interest expense of the Group for the three months period from 1 January 2016 to 31 March 2016 would have been TL 914 and TL 468 lower, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 446 and TL 446 lower, respectively.

If interest rates at 31 December 2014 had been 1 per cent higher at that date and had been constant at this level for the following three months period with all other variables held constant, the consolidated interest income and the consolidated interest expense of the Group for the three months period from 1 January 2015 to 31 March 2015 would have been TL 3,757 and TL 4,675 higher, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 918 and TL 661 lower, respectively.

If interest rates at 31 December 2014 had been 1 per cent lower at that date and had been constant at this level for the following three months period with all other variables held constant, the consolidated interest income and the consolidated interest expense of the Group for the three months period from 1 January 2015 to 31 March 2015 would have been TL 3,757 and TL 4,675 lower, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 918 and TL 661 higher, respectively.

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

39. FINANCIAL RISK MANAGEMENT (continued)

Collaterals, pledges, mortgages and guarantees given by the Group

According to a regulation of the Capital Markets Board of Turkey dated 9 September 2009, 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.

Continuing Operations **Collaterals, pledges, mortgages and guarantees given by the Group**			**2015**		
	TL	**US Dollars**	**Euro**	**Others**	**Total**
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	**7**	**136,910**	**-**	**-**	**136,917**
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	-	122	-	-	122
4.Marketable Securities	-	-	-	-	-
5.Cash	7	2,650	-	-	2,657
6.Mortgage given as collateral against cash loans(***)	-	104,639	-	-	104,639
7.Subsidiary share pledge given as collateral against cash loans(***)	-	29,499	-	-	29,499
8.Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies	**207,650**	**362,173**	**1,012**	**-**	**570,835**
1. Guarantees given as collateral against cash loans (*)	207,535	303,598	1,012	-	512,145
2. Guarantees given as collateral against derivative contracts (*)	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	115	-	-	-	3,661
5. Mortgage given as collateral against cash loans(***)	-	29,499	-	-	29,499
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7. Bank deposit given as collateral against cash loans	-	29,076	-	-	29,076
8. Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities	**448,387**	**59,004**	**1,589**	**-**	**508,980**
1. Non-cash loans given by the Group Banks	448,387	59,004	1,589	-	508,980
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 Communique 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. 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	**656,044**	**558,087**	**2,601**	**-**	**1,216,732**

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

39. FINANCIAL RISK MANAGEMENT (continued)

Collaterals, pledges, mortgages and guarantees given by the Group (continued)

Collaterals, pledges, mortgages and guarantees given by the Group	**2014**				
	TL	**US Dollars**	**Euro**	**Others**	**Total**
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	**1**	**121,861**	**-**	**-**	**121,862**
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	-	97	-	-	97
4.Marketable Securities	-	-	-	-	-
5.Cash	1	2,435	-	-	2,436
6.Mortgage given as collateral against cash loans	-	93,332	-	-	93,332
7.Subsidiary share pledge given as collateral against cash loans	-	25,997	-	-	25,997
8.Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies	**198,397**	**292,037**	**1,914**	**-**	**492,348**
1. Guarantees given as collateral against cash loans (*)	157,831	266,040	1,914	-	425,785
2. Guarantees given as collateral against derivative contracts (*)	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	40,566	-	-	-	40,566
5. Mortgage given as collateral against cash loans	-	25,997	-	-	25,997
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7. Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities	**378,850**	**33,844**	**614**	**-**	**413,308**
1. Non-cash loans given by the Group Banks	378,850	33,844	614	-	413,308
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 Communique 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. 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	**577,248**	**447,742**	**2,528**	**-**	**1,027,518**

(*) 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.

(**) 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.

(***) The dry bulk cargo ships named M/V Cano, M/V Dodo, M/V Hako and M/V Zeyno owned by Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited and Zeyno Maritime Limited, respectively, and the 100% shares of Cano Maritime Limited 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.

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

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

	2015		2014	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Loans and advances to customers	243,737	243,737	101,233	101,233
Finance lease receivables	114	114	333	223
Total	**243,851**	**243,851**	**101,566**	**101,456**
Financial liabilities				
Funds borrowed	464,259	464,259	265,263	265,263
Total	**464,259**	**464,259**	**265,263**	**265,263**

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 carrying 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.

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

40. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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.

The fair value hierarchy of the financial assets and liabilities of the Group carried at fair value according to the foregoing principles as at 30 June 2015 and 31 December 2014 is given in the table below:

2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Trading securities	311	-	-	**311**
Available-for-sale investment securities	-	383,326	160	**383,486**
Derivative assets held for trading	-	-	-	**-**
Total	**311**	**383,326**	**160**	**383,797**
Liabilities				
Derivative liabilities held for trading	**-**	1,376	-	**1,376**
Total	**-**	**1,376**	**-**	**1,376**

2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Trading securities	962	-	-	**962**
Available-for-sale investment securities	-	-	160	**160**
Total	**962**	**-**	**160**	**1,122**
Liabilities				
Derivative liabilities held for trading	**-**	-	-	**-**
Total	**-**	**-**	**-**	**-**

41. SUBSEQUENT EVENTS

Capital increase by conversion of receivables from subsidiaries founded in Malta on February 29, 2016

On February 29, 2016, Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has decided to convert portions of receivables from subsidiaries amounting to USD 6,750,000 from Dodo Maritime Ltd and USD 6,750,000 from Cano Maritime Ltd., sourcing from becoming indebted to GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., to capital shares in accordance with Novation Agreement dated March 27,2013 and Tripartite Agreement and payments made to Hyundai Mipo Dockyard Co. Ltd in accordance with the Shipbuilding Agreement concluded on April 10, 2012 and to conclude contribution agreements in order to use aforementioned receivables as capital in capital increases and to carry out required other business and transactions and,

To convert portions of receivables from subsidiaries amounting to USD 6,000,000 from Hako Maritime Ltd and USD 6,000,000 from Zeyno Maritime Ltd., sourcing from becoming indebted to GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., to capital shares in accordance with Novation Agreement dated July 29,2014 and Tripartite Agreement and payments made to Yangzhou Dayang Shipbuilding Co. Ltd in accordance with the Shipbuilding Agreements concluded on February 5, 2013 and April 19,2013 for each ship of GSD Dış Ticaret A.Ş. merging through taking over as a result of transaction registered at trade registry on December 31, 2014 and to conclude contribution agreements in order to use aforementioned receivables as capital in capital increases and to carry out required other business and transactions.

In accordance with the Board of Directors resolution of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. dated February 29, 2016 and Extraordinary General Assembly Resolutions of Dodo Maritime Ltd., Cano Maritime Ltd., Hako Maritime Ltd. and Zeyno Maritime Ltd, which are subsidiaries of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., dated Feburary 29, 2016, it is decided to increase capitals of Dodo Maritime Ltd., Cano Maritime Ltd., Hako Maritime Ltd. and Zeyno Maritime Ltd. from USD 5.250.000 to USD 12.000.000; from USD 4.250.000 to USD 11.000.000; from USD USD 3.000.000 to USD 9.000.000 and USD 2.000.000 USD 8.000.000 respectively as a result of capital increase made on February 29, 2016 through converting portions of receivables from subsidiaries to capital share by issuing new share having a nominal value equal to receivable amount from those subsidiaries allocated to GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.

42. OTHER ISSUES

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) between 30 June 2015 and 31 December 2015

GSD Holding A.Ş. bought back the Class (D) shares of GSD Holding A.Ş. with a nominal value of full TL 17,000,000 and a percentage in share capital of 6.8 % for full TL 20,853,088.73 for unadjusted prices of full TL 1.10-1.55 per share with a nominal value of full TL 1 on the National Market of Borsa İstanbul between 30 June 2015 and 31 December 2015 to be settled 2 business day later within the framework of the Share Buy-Back Program of GSD Holding A.Ş. prepared by the Board of Directors of GSD Holding A.Ş. by means of the resolution dated 29 May 2015 and approved by the Annual General Assembly of GSD Holding A.Ş. held on 25 June 2015 in connection with the year 2014. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. sold the Class (D) of GSD Holding A.Ş. with a nominal value of full TL 3,750,000 and a percentage in share capital of 1.5 % for full TL 5,079,500.00 for unadjusted prices of full TL 1.24-1.55 per share with a nominal value of full TL 1 on the National Market of Borsa İstanbul between 30 June 2015 and 31 December 2015 to be settled 2 business day later within the framework of the Resolution of the Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. dated 25 June 2015 in relation to the sale of the Class (D) shares of GSD Holding A.Ş. owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with a nominal value of full TL 11,654,221.74 and a percentage in share capital of 4.662% on the National Market of Borsa İstanbul (BIST) pursuant to the Article 19/6 of the Communiqué on Bought Back Shares (II-22.1) of the Capital Markets Board of Turkey.

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

42. OTHER ISSUES (continued)

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) between 30 June 2015 and 31 December 2015

As a result of these transactions between 30 June 2015 and 31 December 2015, the buy-backed shares in relation to the shares of GSD Holding A.Ş. including those held by subsidiaries increased from a nominal value of full TL 11,654,221.74 and a percentage in share capital of 4.662% to a nominal value of full TL 24,904,221.74 and a percentage in share capital of 9.962% and the percentages in share capital of those held by GSD Holding A.Ş. and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. increased from zero to a 6.8% and decreased from 4.662% to 3.162%, respectively.

Buy/(Sell)Transactions				**CumulativePosition**		**TransactionExplanations**				
GSDHoldingA.Ş. Shareholder								**Trans. Market**	**Trans. Date**	**ValueDate**
SharesBoughtBackbya				-	-	-				
GSDHoldingA.Ş.	1,938	1,938	1,250	1,938	1,250		Buying	BISTUP		
GSDHoldingA.Ş.	552	552	477	2,490	1,727		Buying	BISTUP		
GSDHoldingA.Ş.	568	568	473	3,058	2,200		Buying	BISTUP		
GSDHoldingA.Ş.	1,019	1,019	800	4,077	3,000		Buying	BISTUP		
GSDHoldingA.Ş.	1,135	1,135	900	5,212	3,900		Buying	BISTUP		
GSDHoldingA.Ş.	1,241	1,241	1,000	6,453	4,900		Buying	BISTUP		
GSDHoldingA.Ş.	1,261	1,261	1,000	7,714	5,900		Buying	BISTUP		
GSDHoldingA.Ş.	1,267	1,267	1,000	8,981	6,900		Buying	BISTUP		
GSDHoldingA.Ş.	1,280	1,280	1,000	10,261	7,900		Buying	BISTUP		
GSDHoldingA.Ş.	1,547	1,547	1,300	11,808	9,200		Buying	BISTUP		
GSDHoldingA.Ş.	1,547	1,547	1,300	13,355	10,500		Buying	BISTUP		
GSDHoldingA.Ş.	1,560	1,560	1,300	14,915	11,800		Buying	BISTUP		
GSDHoldingA.Ş.	826	826	700	15,741	12,500		Buying	BISTUP		
GSDHoldingA.Ş.	1,118	1,118	1,000	16,859	13,500		Buying	BISTUP		
GSDHoldingA.Ş.	1,305	1,305	1,150	18,164	14,650		Buying	BISTUP		
GSDHoldingA.Ş.	1,150	1,150	1,000	19,314	15,650		Buying	BISTUP		
GSDHoldingA.Ş.	855	855	750	20,169	16,400		Buying	BISTUP		
GSDHoldingA.Ş.	684	684	600	20,853	17,000		Buying	BISTUP		
Total	**20,853**	**20,853**	**17,000**	**20,853**	**17,000**					
Cross-shareholding				**10,737**	**11,654**					
GSDDenizcilik	(1,938)	(1,132)	(1,250)	9,605	10,404			BISTUP		
GSDDenizcilik	(638)	(500)	(500)	9,105	9,904			BISTUP		
GSDDenizcilik	(756)	(623)	(600)	8,483	9,304			BISTUP		
GSDDenizcilik	(992)	(874)	(800)	7,609	8,504			BISTUP		
GSDDenizcilik	(756)	(594)	(600)	7,015	7,904			BISTUP		
Total	**(5,080)**	**(3,723)**	**(3,750)**	**7,015**	**7,904**					
Total	**15,773**	**17,130**	**13,250**	**27,868**	**24,904**					

42. OTHER ISSUES (continued)

Acquisition of GSD Holding A.Ş. the shares of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş in Group Companies

Group (C) shares of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., having a nominal value of TL 2,015,845.00 which have a 3.863% ratio in the capital, have been sold to GSD Holding A.Ş. on June 30, 2015 at Istanbul Stock Exchange (BIST) Wholesale Market in accordance with the Communique on Repurchased Shares of CMB (II-22.1) with a total cash price of TL 2.015.845,00 having a TL 1,38 price per share and TL 1 nominal value. GSD Holding A.Ş. purchased Group C shares of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. owned by GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., GSD Yatırım Bankası A.Ş. and GSD Faktöring A.Ş. having nominal values of TL 1.169,36, TL 44,36 and TL 44,36 respectively off-exchange with a price of TL 1,38 per share having a nominal value of TL 1 on July 1, 2015 with a cash price of TL 1.613,72, TL61,22 and TL 61,22 respectively in accordance with Board of Directors Resolution of GSD Holding A.Ş. dated June 30,2015.

As a result of aforementioned transactions, direct share ratio of GSD Holding A.Ş. at capital of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. have increased to 77,96% from 74,09% and there is no remaining indirect share. Indirect share rate of GSD Holding A.Ş. at capital of GSD Faktöring has increased at a ratio of 0,01% since GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. has a share of 1,98% in the capital of GSD Faktöring as a result of transactions above and its direct and indirect total share has increased to 89,55% from 89,54%.

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

Mehmet Turgut Yılmaz, Chairman of Board of Directors of GSD Holding A.Ş., has purchased Group B share of GSD Holding, having a nominal value of TL 1,07 off-exchange, at a price of TL 1,81 on March 18, 2015 and Group D share of GSD Holding A.Ş., having a total nominal value of TL 16.250.000 at BIST, at a price of TL 20.549.979,35 between May 25, 2015 and August 28, 2015. GSD Holding A.Ş. has realized reacquisition of Group D shares of GSD Holding A.Ş., having a capital ratio of %6,8 and nominal value of TL 17.000.000 at BIST National Market, with a total price of TL 20.853.088,73 between June 30, 2015 and December 31, 2015 in scope of Share Buyback Programme approved by Ordinary General Assembly on June 25, 2015. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has sold Group D shares constituting a 1,5% ratio at capital having a nominal value of TL 3.750.000 from Group D shares of GSD Holding A.Ş. having a capital ratio of %4,662 and nominal value of TL 11.654.221,74 between June 30, 2015 and December 31, 2015 at a price of TL 5.079.500,00 in BIST National Market. As a result of aforementioned transactions, the direct share amount, direct share ratio, direct and indirect total share rate of Mehmet Turgut Yılmaz in capital of GSD Holding A.Ş. have been increased to TL 63.750.001 from TL 47.500.000, to 25,50% from 19.00% and to 28,14% from 21,70 respectively while repurchased shares have increased to 31,26% from 22,76% with calculation deducted from capital. Total shares of Mehmet Turgut Yılmaz and ones taking joint action in capital of GSD Holding A.Ş. have increased to 40,10% from 28,30% while repurchased shares have increased to 33,47% from 24,79% with calculation deducted from capital. With respect to GSD Holding A.Ş. shares, shares at a total ratio of 40,10% including shares of Mehmet Turgut Yılmaz (25,50%), MTY Delta Denizcilik İç ve Dış Ticaret A.Ş. (4,50%), GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. (3,16%), GSD Holding A.Ş. (6,80%) and Adeo Turizm Otelcilik Ticaret Limited Şirketi (0,14%).

42. OTHER ISSUES (continued)

The purchase of the shares of Tekstil Bankası A.Ş. by GSD Holding A.Ş. from GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the sale of these shares to ICBC within the scope of the mandatory tender offer by ICBC

GSD Holding A.Ş. purchased the Class (A) shares of Tekstil Bankası A.Ş. with a nominal value of full TL 4,355,564.00 and a percentage in share capital of 1.037 % from GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. for full TL 9,016,017.48 in cash for a price of full TL 2.07 per share with a nominal value of full TL 1 on 30 June 2015 by means of off-exchange trading and sold these shares to ICBC for full TL 9,186,320.03 in cash for a price of full TL 2.1091 per share with a nominal value of full TL 1 on 30 July 2015 within the scope of the mandatory tender offer by ICBC by means of off-exchange trading. As a result of call price adjustment whose deficiency payment is made on August 24, 2015 by ICBC, sales prices and sales value of aforementioned shares are finalized as TL 2,118274 per share having a nominal value of TL 1 and TL 9.226.277,97 respectively.

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 in connection with the year 2014

The Annual General Assembly of GSD Holding A.Ş. held on 25 June 2015 in connection with the year 2014 resolved to approve the Three-Year Share Buy-Back Program of GSD Holding A.Ş. prepared by the Board of Directors of GSD Holding A.Ş. by means of the resolution dated 29 May 2015 and to authorise the Board of Directors of GSD Holding A.Ş. to make share buy-back within the 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, but is up to the 5.338 % of the share capital of the Company in the event that the shares of GSD Holding A.Ş. owned by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. with a percentage in share capital of 4.662 % are held without being sold for the duration of the program. The program is to be terminated when the amount of the share buy-backs reaches the maximum number of the shares to be bought back within the framework of the Share Buy-Back Program. The fixed upper and lower price limits for the the shares to be bought back within the framework of the Share Buy-Back Program are full TL 1.00 and full TL 2.25. In the event that the transactions requiring an adjustment to the share price are carried out, the specified lower and upper price limits are subject to adjustment within the framework of the regulations of Borsa Istanbul (BIST) and have been adjusted to be full TL 0.76 and full TL 2.01 due to the gross dividend distribution in cash of TL 0.24 per share with a nominal value of TL 1 on 29 July 2015 for the first time in this context. The principles for the disposal of the shares to be bought back within the framework of the Share Buy-Back Program are not determined. The total amount of the fund reserved for the share buy-back to be made within the framework of the Share Buy-Back Program is TL 60,000,000 and to be provided through equity sources.

42. OTHER ISSUES (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 in connection with the year 2014 (continued)

This Share Buy-back Programme is the first share buy-back programme to be implemented by GSD Holding A.Ş.. The shares of GSD Holding A.Ş. bought back and not disposed of until the beginning of the program consist of the shares of GSD Holding A.Ş. with a nominal value of TL 11,654,221.744 and with a percentage in share capital of 4.662% owned by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., a subsidiary of GSD Holding A.Ş., having been acquired prior to the coming into force of the Communiqué on Bought Back Shares (II-22.1) of CMB. In the event share buy-backs are made as much as the total amount of the fund of TL 60,000,000 reserved for the share buy-back to be made within the framework of the Share Buy-Back Program, the liquidity of the Company will decrease as much as that amount and 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 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.

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

The Board of Directors of GSD Holding A.Ş. resolved to appoint Akgün Türer, Board Member and General Manager of the Company to determine and evaluate the opportunities of possible partnership, participation, investment and cooperation in the maritime, energy and real estate sectors on 1 June 2015., As a result of the negotiations carried out by Akgün Türer within the scope of the mentioned appointment; The Board of Directors of GSD Holding A.Ş., on 8 June 2015, resolved on,

a) the purchase of the 15 % shares in the share capital of Silopi Elektrik Üretim A.Ş. (Silopi Electricity Production Inc.) operating in the energy sector by GSD Holding A.Ş. from Park Holding A.Ş.,

b) the determination of a total price of US$ 125,000,000 for 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. held by Park Holding A.Ş,

c) The authorisation of Murat Atım and Cezmi Öztürk, Board Members of the Company to jointly sign on behalf of GSD Holding A.Ş. an agreement for purchase and sale of shares and of shareholders comprising representations and warranties, pre-completion undertakings and other clauses as are customary for an agreement for purchase and sale of shares and of shareholders; completion of the transaction being conditional upon obtaining the necessary regulatory approvals from the relevant regulatory authorities including the Energy Market Regulatory Agency of Turkey and the Competition Authority of Turkey, and the above mentioned agreement has been signed within the scope of the authority granted as explained and the signed agreement has been approved by the Board of Directors of GSD Holding A.Ş. on the same date. The approval required to be obtained from the Energy Market Regulatory Agency of Turkey in connection with the mentioned agreement for purchase and sale of shares and of shareholders has been notified to the Company by a letter dated 24 June 2015. The parties to the agreement judged that there was no need to obtain the approval of the Competition Authority of Turkey with respect to the agreement.

42. OTHER ISSUES (continued)

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

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.

Pursuant to the Articles Of Association of Silopi Elektrik Üretim A.Ş., being in the authorised share capital system, the authorised and issued share capitals of Silopi Elektrik Üretim A.Ş. are full TL 400.000.000 and full TL 202.050.000, respectively, the issued share capital of the Company being made up of Class (A) registered shares with a nominal value of full TL 41,025,000 and Class (B) registered shares with a nominal value of full TL 161,025,000. The Board of Directors of Silopi Elektrik Üretim A.Ş. consists of 8 members selected by the general assembly, 4 members from the candidates nominated by Class (A) shareholders by majority vote and the other 4 members from the candidates nominated by Class (B) shareholders by majority vote.

The business activity of Silopi Elektrik Üretim A.Ş. is the electricity generation and selling and the purchase of its shares has been an equity investment made in the energy sector with a view to obtain dividend income regularly and diversify the lines of business by GSD Holding A.Ş.. Within the framework of the agreement for purchase and sale of shares and of shareholders signed between GSD Holding A.Ş. and Park Holding A.Ş. on 8 June 2015 and closed on 29 June 2015; GSD Holding A.Ş. shall have the right to nominate 1 member of the Board Of Directors; Park Holding A.Ş. guarantees that the minimum yearly dividend yield to be paid by Silopi Elektrik Üretim A.Ş. to GSD Holding A.Ş., being in proportion to the number of days from 29 June 2015, the transaction closing date, to the year-end for the year 2015, shall be no less than gross US$ 3.750.000 and pay the difference to GSD Holding A.Ş. otherwise and that it will ensure the maximum 15% shares of Silopi Elektrik Üretim A.Ş. shall be offered to the public and listed and traded in Borsa İstanbul (BIST) by means of share capital increase within 5 years from 8 June 2015, the agreement signing date; GSD Holding A.Ş. shall have the option to put back all or part of the shares of Silopi Elektrik Üretim A.Ş. it owns, whenever it wants, to Park Holding A.Ş., for the final option price, that is the arithmetic average of the option prices to be calculated by each of the two independent audit firms to be selected by each party to the transaction from those specified in the agreement, provided that the share sale price shall be no less than US$ 125,000,000, the share purchase price, in any case; GSD Holding A.Ş. shall be able to transfer the shares of Silopi Elektrik Üretim A.Ş. it owns to the acquirers other than Park Holding A.Ş. by the written permission of Park Holding A.Ş. (without any permission for transfers to the affiliated parties with control over or under the control of GSD Holding A.Ş.) and provided that the new acquirer shall be a party to the agreement under the same terms and conditions, but the restrictions on the transferability of the shares shall be removed concurrently with and following the initial public offering or in the event of the nonfulfillment of the commitment in relation to the initial public offering within the time frame stated in the agreement.

42. OTHER ISSUES (continued)

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

In relation to the accounting for the shareholding of 15% in Silopi Elektrik Üretim A.Ş., the management of GSD Holding A.Ş. has taken the view that GSD Holding A.Ş. has no significant influence over Silopi Elektrik Üretim A.Ş. taking into account the definition of significant influence which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies as stated in "IAS 28 Investments in Associates and Joint Ventures" and the purchase of 15% shares of Silopi Elektrik Üretim A.Ş. from Park Holding A.Ş. on 29 June 2015 is an acquisition of an equity instrument that can not be considered an investment in an associate in terms of IFRS and has classified the mentioned shares under the heading "Available-for-Sale Investment Securities" in the consolidated IFRS statement of financial position of the Group as of 30 June 2015. In line with that classification, in the consolidated IFRS financial statements of the Group as of 30 June 2015, the 15% shares of Silopi Elektrik Üretim A.Ş. have been measured at the share purchase price of US$ 125,000,000 translated using the closing foreign exchange rate taking into account the put option held at the fair value to be determined as specified in the agreement to be no less than the share purchase price of US$ 125,000,000, the positive foreign exchange difference of TL 31,112 calculated as of 31 December 2015 having been recognised as income in the consolidated IFRS income statement and plus the income accrual of TL 5,556 calculated in proportion to the number of days from 29 June 2015, the transaction closing date, to the end of period as of 31 December 2015 based on the minimum yearly dividend guarantee of US$ 3,750,000 stated in the agreement which has been classified under "Fair Value Reserve" recognised cumulatively in the equity in the consolidated IFRS statement of financial position of the Group as of 31 December 2015 and recognised as remeasurement gain under "Other Comprehensive Income" in the consolidated IFRS statement of comprehensive income of the Group for the period ended 31 December 2015.

42. OTHER ISSUES (continued)

Developments regarding the GSD Group companies in the maritime sector

GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. ("GSD Marin") has made a ship building agreement with Hyundai Mipo Dockyard Co. Ltd. on 10 April 2012 for the construction of 2 dry bulk carrier ships with 39,000 dwt transportation capacity per ship which will be delivered in June 2013 pursuant to the authority granted by the extraordinary general assembly held on 10 April 2012 having approved the decision of the board of directors within the scope of significant transaction on the same date. GSD Marin has established two wholly-owned companies in Malta under the names of Cano Maritime Ltd. and Dodo Maritime Ltd. with a share capital of EUR 5,000 each on 26 March 2013. The Board of Directors of GSD Marin has resolved on the signing of a Novation Agreement and a Tripartite Agreement with regard to its implementation between GSD Marin, Hyundai Mipo Dockyard Co. Ltd., Dodo Maritime Ltd. and Cano Maritime Ltd. in order to transfer all the rights and obligations arising from the ship building agreement signed by GSD Marin on 10 April 2012 with Hyundai Mipo Dockyard Co. Ltd. for the construction of 2 dry bulk carrier ships with 39,000 dwt transportation capacity per ship to Dodo Maritime Ltd. and Cano Maritime Ltd., established in Malta being wholly-owned by GSD Marin, for the ships with hull numbers 6150 and 6151 respectively and has also resolved on the provision of guarantee and share-pledge by GSD Marin in favour of credit institutions on behalf of Dodo Maritime Ltd. and Cano Maritime Ltd. as a collateral against the bank loans which will be used by them in this context and the submission of the above-mentioned transactions for the approval of the next general assembly which will be held and the implementation of other required transactions on 10 April 2013 and the Company's General Assembly held on 30 May 2013 has approved the mentioned resolution of the Board of Directors dated 10 April 2013. The delivery of the ships constructed within the scope of the ship building agreement signed for the construction of 2 dry bulk carrier ships with 39,000 dwt transportation capacity per ship has been taken on 7 May 2013 in South Korea so as to get them registered under the Malta flag on behalf of Dodo Maritime Ltd. and Cano Maritime Ltd., established in Malta being wholly-owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with a share capital of EUR 5,000 each. While the main business activity of the company was finance lease in 2012, since the company continues to collect the payments arising from the outstanding finance lease contracts and has not yet started its new business activity due to the ships on order being under construction in 2012; the main business activity of the company is marine freight transportation starting from 2013 since the ships on order, having been completed and delivered to the company, started to operate and the ratio of finance lease receivables to total assets further decreased resulting in the finance lease being as a secondary activity in 2013.

Dodo Maritime Ltd. and Cano Maritime Ltd., established in Malta on 26 March 2013 with a share capital of EUR 5,000 and being wholly-owned each by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. have taken delivery of the 2 dry bulk carrier ships named M/V Cano and M/V Dodo with 39,000 dwt transportation capacity per ship on 7 May 2013 and started operating the ships by time charter agreements and started earning rental income on the same date. The TFRS financial statements of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. prepared in order to be publicly announced started to be consolidated with those of Dodo Maritime Ltd. and Cano Maritime Ltd. in accordance with TFRS due to these subsidiaries being the ship-owner, beginning from the financials prepared as of 30 June 2013.

42. OTHER ISSUES (continued)

Developments regarding the GSD Group companies in the maritime sector (continued)

The Board of Directors of GSD Dış Ticaret A.Ş. resolved to terminate the by-pass export activities of the Company after re-evaluating the efficiency in this area of activity due to the loss of feasibility of by-pass export activities arising from the decrease in rights and benefits provided for foreign trade intermediary companies within the scope of the current legislation and to study on the evaluation of new activity areas in order to increase the profitability on 27 June 2012. GSD Dış Ticaret A.Ş. ceased to carry out the by-pass export activities within the scope of contracts with the manufacturer-supplier exporters as of 31 December 2012 and the Board of Directors of GSD Dış Ticaret A.Ş. resolved to start working primarily on shipping as the new main line of business on 31 December 2012. GSD Dış Ticaret A.Ş. has established two wholly-owned companies in Malta under the names of Hako Maritime Ltd. and Zeyno Maritime Ltd. on 1 April 2013 and 22 April 2013, respectively, with a share capital of EUR 5,000 each. The ship building agreement signed between GSD Dış Ticaret A.Ş. and Yangzhou Dayang Shipbuilding Co. Ltd. established in China for the construction of 2 dry bulk carrier ships with 63,500 dwt transportation capacity per ship, have come into force on 11 April 2013 and 4 June 2013. The General Assembly held on 29 May 2013 for the year 2012 of GSD Dış Ticaret A.Ş. has resolved to sign a Novation Agreement and a Tripartite Agreement for its implementation between the Company, Yangzhou Dayang Shipbuilding Co. Ltd., Hako Maritime Ltd. and Zeyno Maritime Ltd. in order to transfer all rights and obligations for the ships numbered 4032 and 4039 arising from the ship building agreement signed with Yangzhou Dayang Shipbuilding Co. Ltd. for the construction of 2 dry bulk carrier ships with 63,500 dwt transportation capacity per ship, to Hako Maritime Ltd. and Zeyno Maritime Ltd., established in Malta and wholly-owned by the Company. The delivery of the ship numbered 4032, constructed within the scope of ship building agreement which came into force on 11 April 2013 and was signed for the construction of a dry bulk carrier ship with 63,500 dwt transportation capacity between GSD Holding A.Ş.'s subsidiary GSD Dış Ticaret A.Ş. and Yangzhou Dayang Shipbuilding Co., Ltd. has been taken on 23 June 2014 in China so as to get it registered under the Malta flag on behalf of Hako Maritime Ltd. in accordance with the Novation Agreement and a Tripartite Agreement for its implementation between GSD Dış Ticaret A.Ş., Yangzhou Dayang Shipbuilding Co. and Hako Maritime Ltd., established in Malta and wholly-owned by GSD Dış Ticaret A.Ş., as it has been resolved in the Ordinary General Assembly Meeting of GSD Dış Ticaret A.Ş. for the year 2013 held on 29 May 2013. The delivery of the ship numbered 4039, constructed within the scope of the ship building agreement which came into force on 4 June 2013 and was signed for the construction of a dry bulk carrier ship with 63,500 dwt transportation capacity between GSD Holding A.Ş.'s subsidiary GSD Dış Ticaret A.Ş. and Yangzhou Dayang Shipbuilding Co., Ltd. has been taken on 29 September 2014 in China so as to get it registered under the Malta flag on behalf of Zeyno Maritime Ltd. in accordance with the Novation Agreement and a Tripartite Agreement for its implementation between GSD Dış Ticaret A.Ş., Yangzhou Dayang Shipbuilding Co. and Hako Maritime Ltd., established in Malta and wholly-owned by GSD Dış Ticaret A.Ş., as it has been resolved in the Ordinary General Assembly Meeting of GSD Dış Ticaret A.Ş. for the year 2013 held on 29 May 2013.

The main business activity of GSD Dış Ticaret A.Ş. has been maritime sector beginning from 2013, since the company has terminated its by-pass export activities as of 31 December 2012 and the ship building agreements contracted by the company to operate its new business activity have come into force in 2013. GSD Dış Ticaret A.Ş. has merged with GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., another GSD Group Company operating in the maritime sector, dissolving without liquidation on 31 December 2014.

42. OTHER ISSUES (continued)

Developments regarding the GSD Group companies in the maritime sector (continued)

Hako Maritime Ltd., established in Malta on 1 April 2013 with a share capital of EUR 5,000 and being wholly-owned by GSD Dış Ticaret A.Ş. has taken delivery of the dry bulk carrier ship named M/V Hako on 23 June 2014 and started operating the ship by time charter agreement and earning rental income on 26 June 2014. The financial statements of GSD Dış Ticaret A.Ş. included in the consolidated IFRS financial statements of GSD Holding A.Ş. started to be prepared in consolidated basis beginning from the reporting period as of 30 June 2014 since Hako Maritime Ltd., its subsidiary, fell under the scope of consolidation in accordance with IFRS after becoming the ship-owner on 23 June 2014. Zeyno Maritime Ltd., established in Malta on 22 April 2013 with a share capital of EUR 5,000 and being wholly-owned by GSD Dış Ticaret A.Ş. has taken delivery of the dry bulk carrier ship named M/V Hako on 29 September 2014 and started operating the ship by time charter agreement and earning rental income on 2 October 2014. The financial statements of Zeyno Maritime Ltd. have been consolidated with the financial statements of GSD Dış Ticaret A.Ş. included in the consolidated IFRS financial statements of GSD Holding A.Ş. in accordance with IFRS beginning from the reporting period as of 30 September 2014 since Zeyno Maritime Ltd. fell under the scope of consolidation in accordance with IFRS after becoming the ship-owner on 29 September 2014. GSD Dış Ticaret A.Ş. has merged into GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., another GSD Group Company operating in maritime sector, dissolving without liquidation, on 31 December 2014. Therefore, all of the assets and liabilities of GSD Dış Ticaret A.Ş., on 31 December 2014, have been taken over by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. and the financial statements of Hako Maritime Ltd. and Zeyno Maritime Ltd. have been consolidated with the financial statements of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. included in the consolidated IFRS financial statements of GSD Holding A.Ş. in accordance with IFRS beginning from the reporting period as of 31 December 2014.

The share capital increases of maritime subsidiaries of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. in Malta through capitalisation of receivables of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. as at 31 December 2015

The Board of Directors of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., on 31 December 2015, resolved;

to capitalise the receivables of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. of USD 5,243,569.50 and USD 4,243,569.50 from Dodo Maritime Ltd. and Cano Maritime Ltd., respectively, in the share capital increases of the same amount to be made by these subsidiaries, forming part of the payments made by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. to Hyundai Mipo Dockyard Co. Ltd. in terms of a Shipbuilding Contract dated the 10th of April 2012 and owed by Dodo Maritime Ltd. and Cano Maritime Ltd. to GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. by means of a Novation Agreement dated 27th March 2013 through which the Shipbuilding Contract has been assigned to Dodo Maritime Ltd. and Cano Maritime Ltd.; and to sign Contribution Agreements in order to put these receivables as contributions to the share capital increases to be made by these subsidiaries and to fulfil all necessary acts and procedures to that end;

to capitalise the receivables of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. of USD 2,993,580 and USD 1,993,481.50 from Hako Maritime Ltd. and Zeyno Maritime Ltd., respectively, in the share capital increases of the same amount to be made by these subsidiaries, forming part of the payments made by GSD Dış Ticaret A.Ş., which merged with GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. as at 31 December 2014, to Yangzhou Dayang Shipbuilding Co., Ltd. in terms of the Shipbuilding Contracts dated the 5th of February 2013 and the 19th of April 2013 and owed by Hako Maritime Ltd. and Zeyno Maritime Ltd. to GSD Dış Ticaret A.Ş. by means of the Novation Agreements dated the 8th of April 2014 and the 29th of July 2014 through which the Shipbuilding Contracts has been assigned to Hako Maritime Ltd. and Zeyno Maritime Ltd.; and to sign Contribution Agreements in order to put these receivables as contributions to the share capital increases to be made by these subsidiaries and to fulfil all necessary acts and procedures to that end.

42. OTHER ISSUES (continued)

The share capital increases of maritime subsidiaries of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. in Malta through capitalisation of receivables of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. as at 31 December 2015 (continued)

By means of the share capital increases through capitalisation of receivables of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. by the 4 maritime subsidiaries of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. in Malta which issued in favor of and alloted to GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. new ordinary shares with nominal values being equal to the amount of the capitalised receivables as consideration for the full settlement of the respective receivables on 31 December 2015, the authorised and issued share capital increased from USD 6,430.50 to USD 5,250,000 for Dodo Maritime Ltd., from 6,430.50 to USD 4,250,000 for Cano Maritime Ltd., from USD 6,420 to USD 3,000,000 for Hako Maritime Ltd. and from USD 6,518.50 to USD 2,000,000 for Zeyno Maritime Ltd..

42. OTHER ISSUES (continued)

The Merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş. under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.

The Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., on 9 June 2014, resolved to merge these two companies under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities GSD Dış Ticaret A.Ş. by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the dissolution of GSD Dış Ticaret A.Ş. without liquidation and to effectuate the merge based on the financial statements as at 30 June 2014 and in compliance with the 19th and 20th articles of the Corporate Tax Law No:5520, the relevant articles of the Turkish Commercial Code No:6102 and the Capital Markets Law No:6362, the provisions of the Communiqué on Merger and Spin-off (II-23.2) of the Capital Markets Board and other relevant legislations; to obtain a specialized institution report to determine the exchange ratio to be applied in merger; to prepare merger agreement, merger report, merger announcement text and other relevant documents; to make applications to the relevant authorities and carry out all other necessary transactions in this context.

On 12 September 2014, the Merger Agreement, regarding the merger of GSD Dış Ticaret A.Ş., the subsidiary of GSD Holding A.Ş., which is the main shareholder of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. was signed, the Merger Report, the Merger Announcement Text and the Specialized Agency Report have been prepared and the Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., due to the merger with GSD Dış Ticaret A.Ş. under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has resolved to increase the issued capital of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from full TL 30,000,000 TL to full TL 52,180,855.64 by full TL 22,180,855.64 by issuing Class (C) shares wholly and, since this capital increase arises from a merger taransaction requiring a general assembly resolution, to raise the authorized capital ceiling of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from full TL 50,000,000.00 to full TL 52,180,855.64 together with the capital increase by exceeding the ceiling for once pursuant to the article 6/6 of the Authorized Capital System Communiqué (II-18.1) of the Capital Markets Board; and to reserve all the shares to be issued within the scope of this capital increase for the shareholders of GSD Dış Ticaret A.Ş. other than GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. to replace the shares of GSD Dış Ticaret A.Ş. with a nominal value of full TL 9,999,980 owned by them based on the exchange ratio of 2.21809 determined in "the Specialized Agency Report regarding the Merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş." dated 12 September 2014 and prepared by KPMG Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.; and to amend the article 6 titled the Authorized Capital of the Articles of Association of the GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. due to this capital increase; and to get the required permissions, assents and approvals and afterwards to apply to the Capital Markets Board of Turkey for the share issuance certificate in relation to the share capital increase.

42. OTHER ISSUES (continued)

The Merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş. under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (continued)

The application, together with the required information and documents pursuant to the Communiqué On Merger And Demerger (II-23.2) of the Capital Markets Board was made to the Capital Markets Board of Turkey on 15 September 2014 in order to get approval for the Merger Announcement Text and get assent for the amendments to the articles of the association including the share capital increase. The Capital Markets Board of Turkey, on 5 November 2014, has resolved to approve the Merger Announcement Text prepared regarding the merger under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş. by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., and to entitle the shareholders of the GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. to have the right to leave for a price of full TL 1.45 per share pursuant to the article 24/1. of the Capital Markets Law No:6362, and to approve the amendments to the article 6 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. comprising the share capital increase of full TL 22,180,855.64 to be made due to merger and the authorised share capital increase from full TL 50,000,000.00 to full TL 52,180,855.64 depending on the share capital increase, and to approve the share issuance certificate regarding the share capital increase of full TL 22,180,855.64 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. to be made due to the merger and to give the issuance certificate after the application to be made to the Capital Markets Board of Turkey after the general assembly meeting to be held to vote for the merger agreement pursuant to the relevant Communique.

Since the merger falls within the scope of the significant transactions as per the 23rd article of the Capital Markets Law No:6362 and the 5th article of the Communiqué on the Common Principles on the Significant Transactions and the Right to Leave (II-23.1) published by the Capital Markets Board, the shareholders who attended the Extraordinary General Assembly Meeting of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. held to resolve on the merger and voted against the resolution on this significant transaction and lodged a statement of opposition to the minutes of the general assembly meeting were entitled to have the right to leave by selling their shares to GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. pursuant to the 24th article of the Capital Markets Law No:6362. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. was obliged to buy these shares at the request of these shareholders for a price of full TL 1.45 per share with a nominal value of full TL 1, which is the average of the weighted average prices of the stock exchange transactions within 30 days prior to 9 June 2014, the date when the mentioned significant transaction was disclosed to public.

The extraordinary general assembly meetings held on 22 December 2014 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., the subsidiaries of GSD Holding A.Ş. which are the parties to the merger transaction, have approved the Merger Agreement, regarding the merger of GSD Dış Ticaret A.Ş. into GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.. The rights to leave in relation to the shares with a nominal value of full TL 2,194,260 in total for a price of full TL 1.45 per share with a nominal value of full TL 1 have arisen for the shareholders who attended the Extraordinary General Assembly Meeting of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. held on 22 December 2014, voted against the merger agreement and the resolution on this significant transaction which is the merger transaction being the subject of the merger agreement discussed and resolved on by this general assembly and lodged a statement of opposition to the minutes of the general assembly meeting, pursuant to 23rd article of the Capital Markets Law No:6362 and the Communiqué on the Common Principles on the Significant Transactions and the Right to Leave (II-23.1) published by the Capital Markets Board.

42. OTHER ISSUES (continued)

The Merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş. under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (continued)

The merger of GSD Dış Ticaret A.Ş., a subsidiary of GSD Holding A.Ş., and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., another subsidiary of GSD Holding A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the share capital increase of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. due to the merger have been registered in trade registry on 31 December 2014 and the issuance of shares within the scope of this share capital increase due to the merger have been completed on 4 February 2015 after getting the issuance certificate from the CMB following the completion and submission of the required application documents. GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. has issued Class (C) shares with a nominal value of full TL 22,180,855.64 to effect the capital increase required to be made due to the merger to be reserved for the shareholders of GSD Dış Ticaret A.Ş. other than GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. to replace the shares of GSD Dış Ticaret A.Ş. with a nominal value of full TL 9,999,980 owned by them based on the exchange ratio of 2.21809 approved by the general assembly meetings held to resolve on the merger and has given Class (C) shares of GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. with a nominal value of full TL 2.21809 to the shareholders of GSD Dış Ticaret A.Ş. other than GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. for their each shareholding of GSD Dış Ticaret A.Ş. with a nominal value of full TL 1.00. As a result of the utilization of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has bought back Class (C) shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (GSDDE) with a nominal value of full TL 2,015,845 in total (full TL 1,913,764 in 2014 and full TL 102,081 in 2015) for full TL 2,922,975.25 in total (full TL 2,774,957.80 in 2014 and full TL 148,017.45 in 2015). As a result of the mentioned share capital increase and the share buy-back, the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.938% to 74.093% and after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.has increased from 54.938% to 77.070% (31 December 2014: 76.913%), the total direct and indirect shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.941% to 77.072% (31 December 2014: 76.916%).

The total shareholdings of GSD Holding A.Ş. and the parties acting together, taking into consideration of the shares bought back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., increased from 57.44% to 79.395%, and after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., increased from 57.44% to 78.568%. In relation to the shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., taking into consideration of the shares bought back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. between 30 December 2014 and 13 January 2015, 74.093% shares owned by GSD Holding A.Ş., 1.437% shares owned by Hakan Yılmaz, 0.002% shares owned by GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., 0.0001% shares owned by GSD Yatırım Bankası A.Ş., 0.0001% shares owned by GSD Faktoring A.Ş. and 3.863% shares owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., amounting to 79.395% shares in total, were acting together immediately following the share capital increase and the share buyback arising from the merger.

42. OTHER ISSUES (continued)

The Merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş. under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (continued)

In relation to the shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., after eliminating the shares bought back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. between 30 December 2014 and 13 January 2015, 77.070% shares owned by GSD Holding A.Ş., 1.495% shares owned by Hakan Yılmaz, 0.002% shares owned by GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., 0.0001% shares owned by GSD Yatırım Bankası A.Ş. and 0.0001% shares owned by GSD Faktoring A.Ş., amounting to 78.568% shares in total, were acting together immediately following the share capital increase and the share buyback arising from the merger. After eliminating indirect shareholding and reacquired-own-shareholding, as a result of the above-mentioned share capital increase of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the indirect shareholding of Mehmet Turgut Yılmaz in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. increased from 11.923% to 16.725%, the total indirect and direct shareholding in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.of Hakan Yılmaz, acting together with him, decreased from 3.40% to 2.758%, the total direct and indirect shareholdings of Mehmet Turgut Yılmaz and Hakan Yılmaz in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. increased from 15.323% to 19.483%.

The merger of GSD Dış Ticaret A.Ş., a subsidiary of GSD Holding A.Ş., and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., another subsidiary of GSD Holding A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the share capital increase of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. made due to the merger have been registered in trade registry on 31 December 2014 and due to the share capital increase required to be made within the scope of the merger transaction and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilization of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. increased from 54.938% to 74.093% and after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. increased from 54.938% to 77.070% (31 December 2014: 76.913%), the total direct and indirect shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. increased from 54.941% to 77.072% (31 December 2014: 76.916%). The detailed information is available in "Note: 41 Subsequent Events".

The indirect shareholding of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 0.036% shareholding in Tekstil Bankası A.Ş. and GSD Dış Ticaret A.Ş. with 1% shareholding in Tekstil Bankası A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., decreased from 76.52% to 76.30% (31 December 2014: 76.30%).

42. OTHER ISSUES (continued)

The Merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş. under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (continued)

The indirect shareholding of GSD Holding A.Ş. in GSD Faktoring A.Ş. changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 1.98% shareholding in GSD Faktoring A.Ş., and GSD Dış Ticaret A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in GSD Faktoring A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., increased from 89.09% to 89.54% (31 December 2014: 89.53%).

GSD Dış Ticaret A.Ş. has been taken over by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., dissolving without liquidation and the indirect shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. changed due to the merger registered in trade registry on 31 December 2014 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 100% shareholding in each of Cano Maritime Ltd. and Dodo Maritime Ltd., and GSD Dış Ticaret A.Ş. with 100% shareholding in each of Hako Maritime Ltd. and Zeyno Maritime Ltd. and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in Cano Maritime Ltd. and Dodo Maritime Ltd., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., increased from 54.94% to 77.07% (31 December 2014: 76.92%, the consolidated shareholding: 76.91%) and the direct and indirect shareholdings of GSD Holding A.Ş. in Hako Maritime Ltd. and Zeyno Maritime Ltd., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., decreased from 100.00% to 77.07% (31 December 2014: 76.92%, the consolidated shareholding: 76.91%).

The amendments to the articles of the association of GSD Holding A.Ş.

The Board of Directors of the GSD Holding A.Ş., on 25 March 2015, resolved to make the necessary amendments to the 13th and 15th articles of association of the Company in order to comply with the article 371/7 of the Turkish Commercial Code No: 6102 amended by the Law numbered 6552 and to get the necessary permissions from the Capital Markets Board of Turkey (CMB) and the Ministry of Customs and Trade and to fulfill all other procedures. The mentioned amendments to the Articles of the Association of the Company which were approved by the CMB and the Ministry of Customs and Trade by means of the permits dated 30 April 2015 and 7 May 2015, respectively, were approved by the Ordinary General Assembly Meeting of the Company for the year 2014 held on 25 June 2015 and were registered in Istanbul Trade Registry on 4 August 2015.

The Board of Directors of GSD Holding A.Ş. resolved to amend the 7th , 8th and 9th articles of the Articles of the Association of the Company on 12 February 2014 in order to change the Class (A), (B) and (C) shares of the Company from the registered form to the bearer form in accordance with 485th article of the Turkish Commercial Code No:6102 due to the removal of the restriction on transferability of the registered shares of the Company in consequence of the amendments to the articles of the association made in 2013 to comply with the Turkish Commercial Code No:6102 and the completion of the dematerialisation of the shares traded in stock exchange in Turkey recently, and to get the necessary permissions from the Capital Markets Board of Turkey (CMB) and the Ministry of Customs and Trade and to fulfill all other procedures.

42. OTHER ISSUES (continued)

The amendments to the articles of the association of GSD Holding A.Ş. (continued)

The mentioned amendments to the Articles of the Association of the Company which were approved by the CMB and the Ministry of Customs and Trade by means of the permits dated 20 March 2014 and 28 March 2014, respectively, were approved by the Ordinary General Assembly Meeting of the Company for the year 2013 held on 3 June 2014 and were registered in Istanbul Trade Registry on 12 June 2014.

The Sale of 75.50 % Shares of Tekstil Bankası A.Ş. Held By GSD Holding A.Ş. to ICBC

In consequence of the agreement for sale of shares signed on 29 April 2014 between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., the assets, liabilities and consolidated income statement items of Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. have been classified and consolidated as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "the standard IFRS 5". When the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control occurred and Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., a subsidiary of Tekstil Bankası A.Ş. with a %100 percent shareholding ceased to be a subsidiary of GSD Holding A.Ş. and to be consolidated with GSD Holding A.Ş. in IFRS financial statements. The disclosures on the the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC are given in Note:11 "Assets Held for Sale". The final price regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., in accordance with the agreement for purchase and sale of shares dated 29 April 2014, is the sum of Turkish Liras (TL) 668,810 determined by taking into consideration the audited financial statements of Tekstil Bankası A.Ş. as of 31 December 2013 and the change in the net asset value of Tekstil Bankası A.Ş. between 31 December 2013 and 21 May 2015 in proportion to the percentage of the shares being sold. The mentioned sale price has been set forth to be paid in U.S. Dollars (USD) using the average foreign exchange rate announced by the Central Bank of the Republic of Turkey, being determined as TL/USD 2.6851, in accordance with the provisions of the same agreement and the USD equivalent of the initial sale price for payment purposes has been calculated to be USD 249,081,975.21 being equal to the USD equivalent of the initial sale price of TL 668,810 determined by taking into consideration the audited financial statements of Tekstil Bankası A.Ş. as of 31 December 2013, converted using the contractual foreign exchange rate of TL/USD 2.6851. USD 229,081,975.21 of the USD equivalent of the initial sale price, except the Price Adjustment Reserved Amount of USD 10,000,000 and the Escrow Amount of USD 10,000,000, has been collected as an initial payment by GSD Holding A.Ş. on 22 May 2015. The financial statements of Tekstil Bankası A.Ş. prepared as of 21 May 2015, the day before the transaction closing date, in order to calculate the final price of the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş.to ICBC have been finalized on 21 August 2015, having been agreed on by the parties to the sale transaction. Thus, the final sale price has been determined to be TL 671,675 by an increase of TL 2,865 in comparison with TL 668,810 determined by taking into consideration the audited financial statements of Tekstil Bankası A.Ş. as of 31 December 2013 and the USD equivalent of the Purchase Price Adjustment of TL 2,865 calculated to be USD 1,067,209.69 through conversion using the contractual foreign exchange rate of TL/USD 2.6851 and the Price Adjustment Reserved Amount of USD 10,000,000 has been collected on 28 August 2015. The remaining uncollected part of the sale price is the Escrow Amount of USD 10,000,000, which will be collected pursuant to the provisions set forth in the agreement.

42. OTHER ISSUES (continued)

The conversion of the denomination of the share capitals from EURO to USD of the maritime companies established in Malta

Dodo Maritime Ltd. and Cano Maritime Ltd., established in Malta with a share capital of EUR 5,000 and being wholly-owned each by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. and Hako Maritime Ltd. and Zeyno Maritime Limited, established in Malta with a share capital of EUR 5,000 and being wholly-owned each by GSD Dış Ticaret A.Ş., resolved to convert the denomination of the share capital from EURO to USD, which is the functional currency of these companies pursuant to IFRS, by means of the resolutions of the extraordinary general meetings held on 24 July 2014. Thus, through the conversions made using USD/EURO exchange rates as at each of the establishment dates of these companies, the share capitals of both Dodo Maritime Ltd. and Cano Maritime Ltd. became USD 6,430.50 and the share capitals of Hako Maritime Ltd. and Zeyno Maritime Ltd. became USD 6,420 and USD 6,518.50, respectively, as at 24 July 2014.

The purchase of the shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by GSD Holding A.Ş. in Borsa Istanbul (BIST)

GSD Holding A.Ş. purchased the Class (C) shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with a nominal value of full TL 145,000 for full TL 146,900 between 29 April 2014 and 30 April 2014 in Borsa Istanbul (BIST) and increased the nominal value and the percentage of its direct shareholding in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from full TL 16,336,424.18 and 54.455% to full TL 16,481,424.18 and 54.938%, respectively. Thus, the total direct and indirect shareholding in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. owned by GSD Holding A.Ş. increased to 54.942% together with its indirect shareholding of 0.004%. As a result of the purchase of 0.483% shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by GSD Holding A.Ş., the indirect shareholding of GSD Holding A.Ş. in Tekstil Faktoring A.Ş. increased by 0.01%, due to the shareholding of 1.98% in Tekstil Faktoring A.Ş. owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş..

The share capital increase of Tekstil Faktoring A.Ş. and the change in the company name to GSD Faktoring A.Ş.

The Extraordinary General Assembly Meeting of Tekstil Faktoring A.Ş. held on 8 July 2014 resolved to increase the share capital of the Company from TL 8,100 to TL 20,000 by means of the capitalization of some internal sources amounting to TL 11,900 and to change the company name to GSD Faktoring A.Ş. and to make amendments to the articles of the association to comply with the changed legislation. The mentioned issues have been registered in Istanbul Trade Registry on 21 June 2014.

The Public Disclosure Made by Tekstil Bankası A.Ş. in relation to Tekstil Portföy Yönetim A.Ş. (Tekstil Portfolio Management Inc.)

Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. have disclosed on 8 December 2014 in Public Disclosure Platform (KAP in Turkish) that 4 and 1 investment funds established by Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., respectively, were planned to be transferred as at 30 June 2015 to Tekstil Portföy Yönetim A.Ş. (Tekstil Portfolio Management Inc.), resolved to be established and the custodian service is planned to be received from Takasbank A.Ş. (Istanbul Settlement and Custody Bank Inc.) pursuant to the Capital Markets Board's regulations regarding investment funds.

42. OTHER ISSUES (continued)

The Share Capital Increase of Tekstil Yatırım Menkul Değerler A.Ş.

The Extraordinary General Assembly Meeting of Tekstil Yatırım Menkul Değerler A.Ş. held on 27 May 2014 resolved to increase the share capital of the Company from TL 10,000 to TL 25,000 by means of the capitalization of the extraordinary reserves of TL 7,000 and the cash injection of TL 8,000. The mentioned share capital increase has been registered in İstanbul Trade Registry on 26 June 2014.

The purchase of the shares of Tekstil Yatırım Menkul Değerler A.Ş. by Tekstil Bankası A.Ş. from GSD Holding A.Ş. and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.

By means of the resolutions of the Board of Directors of GSD Holding A.Ş. and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. on 15 October 2014, all of the 0.001% Class (B) registered shares of Tekstil Yatırım Menkul Değerler A.Ş. with a nominal value of full TL 250 owned by GSD Holding A.Ş. has been sold for full TL 281.45 in cash and all of the 0.077% Class (B) registered shares of Tekstil Yatırım Menkul Değerler A.Ş. with a nominal value of full TL 19,250 owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has been sold for full TL 21,671.95 in cash to Tekstil Bankası A.Ş. which is the main shareholder of Tekstil Yatırım Menkul Değerler A.Ş. and the subsidiary of GSD Holding A.Ş.. After the sale, the shareholding of Tekstil Bankası A.Ş. in Tekstil Yatırım Menkul Değerler A.Ş. has increased from 99.920% to 99.998%.

The participation of GSD Gayrimenkul Yatırım ve Geliştirme A.Ş. in the tender in relation to the easement on the shipyard area in Tuzla district of Istanbul

GSD Gayrimenkul Yatırım ve Geliştirme A.Ş., the subsidiary of GSD Holding A.Ş. participated the tender made by Istanbul Anatolia 10th Office of Execution on 22 October 2014 in relation to the easement on the shipyard area belonging to the Treasury located in Tuzla district of Istanbul with the section number 28 and the parcel number 4649 and withdrew from the tender when the bids placed at the auction has exceeded the targeted level.

43. INITIAL TRANSITION TO TURKISH ACCOUNTING STANDARDS

Initial transition implementation of the Group to TAS/TFRS (IAS/IFRS) was performed for financial statements dated December 31, 2003, in which the consolidated financial statements dated December 31, 2002 were presented comparatively.

44. DISCLOSURES REGARDING STATEMENT OF CHANGES IN EQUITY

TL 400, included in "Dividend paid to non-controlling interest by Subsidiaries" item in consolidated statement of changes in equity of the Group dated March 31, 2015, comprises of portion belonging to non-controlling interest of cash dividend amounting to TL 4.000 which was paid from distributable net profit of 2014 and extraordinary reserves by GSD Faktoring A.Ş.

The Group, has transferred December 31, 2015 balance of "Re-measurement Profit/Losses of Defined Benefit Pension Plans" fund, which was tracked under equity and amounting to –620 to "Retained Profits/(Losses) under shareholder's equity as of January 1, 2015.

The Group, has transferred December 31, 2014 balance of "Non-controlling Interest Variance Fund", which was tracked under equity and amounting to TL 6.329, to "Retained Profits/(Losses) under shareholder's equity as of January 1, 2015.

Comprehensive disclosures related to statement of changes in equity have been mentioned in Note numbered 30-Capital, Reserves and Other Equity Items and Note numbered 38-Analysis of Other Comprehensive Income Items.