GARANTİ FAKTORİNG HİZMETLERİ A.Ş.

FINANCIAL STATEMENTS AS OF 30 JUNE 2011

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of
Garanti Faktoring Hizmetleri A.Ş.
İstanbul

We have reviewed the balance sheet of Garanti Faktoring Hizmetleri A.Ş. ("the Company") as of 30 June 2011 and the related statements of income, changes in shareholders' equity and cash flows for the six months period then ended. These financial statements are the responsibility of the Company's management. Our responsibility, as independent auditors, is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out by the Banking Regulation and Supervision Board. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is principally limited to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of Garanti Faktoring Hizmetleri A.Ş. for the period ended 30 June 2011 in accordance with the regulations, communiqués and circulars announced by the Banking regulation and Supervision Board in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Without modifying our report, we draw attention to the following matter:

As explained in Note 2.6, the Company has restated its financial statements as of 30 June 2010 after reviewing its factoring receivables portfolio, its foreign currency valuations, interest calculations and derivative financial instruments' fair value calculations.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Hasan Kılıç
Partner

İstanbul, 11 August 2011

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
BALANCE SHEET AS OF 30 JUNE 2011

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

	ASSETS	Notes	Reviewed 30 June 2011 TL	FC	TOTAL	Audited 31 December 2010 TL	FC	TOTAL
I.	**CASH AND CASH EQUIVALENTS**	3	-	-	-	1	-	1
II.	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)**	4	627	7,275	7,902	303	9,008	9,311
2.1	Financial Assets Held for Trading	4,1	-	7,272	7,272	-	9,008	9,008
2.2	Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.3	Derivative Financial Assets Held for Trading	4,2	627	3	630	303	-	303
III.	**BANKS**	5	1,793	177,808	179,601	105,163	3,170	108,333
IV.	**RECEIVABLES FROM REVERSE REPURCHASE AGREEMENTS**		-	-	-	-	-	-
V.	**FINANCIAL ASSETS AVAILABLE FOR SALE (Net)**	6	4,278	13	4,291	4,155	13	4,168
VI.	**FACTORING RECEIVABLES**	7	787,651	219,313	1,006,964	1,253,745	173,553	1,427,298
6.1	Discount Factoring Receivables		355,995	12,364	368,359	313,801	7,613	321,414
6.1.1	Domestic		363,914	12,446	376,360	318,871	7,613	326,484
6.1.2	Foreign		-	-	-	-	-	-
6.1.3	Unearned Income (-)		(7,919)	(82)	(8,001)	(5,070)	-	(5,070)
6.2	Other Factoring Receivables		431,656	206,949	638,605	939,944	165,940	1,105,884
6.2.1	Domestic		431,638	179,847	611,485	939,926	138,787	1,078,713
6.2.2	Foreign		18	27,102	27,120	18	27,153	27,171
VII.	**NON-PERFORMING RECEIVABLES**	8	6,548	-	6,548	6,796	-	6,796
7.1	Non-Performing Factoring Receivables		13,944	-	13,944	13,723	-	13,723
7.2	Specific Provisions (-)		(7,396)	-	(7,396)	(6,927)	-	(6,927)
VIII.	**DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES**		-	-	-	-	-	-
8.1	Fair Value Hedging		-	-	-	-	-	-
8.2	Cash Flow Hedging		-	-	-	-	-	-
8.3	Net Foreign Investment Hedging		-	-	-	-	-	-
IX.	**INVESTMENTS HELD TO MATURITY (Net)**		-	-	-	-	-	-
X.	**SUBSIDIARIES (Net)**		-	-	-	-	-	-
XI.	**ASSOCIATES (Net)**		-	-	-	-	-	-
XII.	**JOINT VENTURES (Net)**		-	-	-	-	-	-
XIII.	**TANGIBLE ASSETS (Net)**	9	1,339	-	1,339	1,335	-	1,335
XIV.	**INTANGIBLE ASSETS (Net)**	10	1,491	-	1,491	1,442	-	1,442
14.1	Goodwill		-	-	-	-	-	-
14.2	Other		1,491	-	1,491	1,442	-	1,442
XV.	**DEFERRED TAX ASSETS**	11	4,740	-	4,740	3,215	-	3,215
XVI.	**ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)**		-	-	-	-	-	-
16.1	Held For Sale		-	-	-	-	-	-
16.2	Discontinued Operations		-	-	-	-	-	-
XVII.	**OTHER ASSETS**	12	1,138	487	1,625	3,666	-	3,666
	TOTAL ASSETS		809,605	404,896	1,214,501	1,379,821	185,744	1,565,565

The accompanying notes are an integral part of these unconsolidated financial statements.

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
BALANCE SHEET AS OF 30 JUNE 2011
(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

	LIABILITIES	Notes	Reviewed 30 June 2011			Audited 31 December 2010		
			TL	FC	TOTAL	TL	FC	TOTAL
I.	**DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING**	*4,3*	**4,727**	**2**	**4,729**	**311**	**-**	**311**
II.	**FUNDS BORROWED**	*13*	**645,398**	**503,001**	**1,148,399**	**830,487**	**680,464**	**1,510,951**
III.	**FACTORING PAYABLES**	*7*	**2,951**	**1,057**	**4,008**	**1,489**	**155**	**1,644**
IV.	**MARKETABLE SECURITIES ISSUED (Net)**		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Asset-backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	**SUNDRY CREDITORS**	*14*	**247**	**424**	**671**	**276**	**1**	**277**
VI.	**OTHER LIABILITIES**		-	**413**	**413**	-	-	-
VII.	**DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES**		-	-	-	-	-	-
7.1	Fair Value Hedging		-	-	-	-	-	-
7.2	Cash Flow Hedging		-	-	-	-	-	-
7.3	Net Foreign Investment Hedging		-	-	-	-	-	-
VIII.	**TAXES PAYABLE AND LIABILITIES**	*15*	**2,675**	-	**2,675**	**1,176**	-	**1,176**
IX.	**PROVISIONS**	*16*	**661**	-	**661**	**1,189**	-	**1,189**
9.1	Reserves for Restructuring		-	-	-	-	-	-
9.2	Reserves For Employee Benefits		661	-	661	1,139	-	1,139
9.3	Other Provisions		-	-	-	50	-	50
X.	**DEFERRED TAX LIABILITY**		-	-	-	-	-	-
XI.	**PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS**		-	-	-	-	-	-
11.1	Satış Amaçlı		-	-	-	-	-	-
11.2	Durdurulan Faaliyetlere İlişkin		-	-	-	-	-	-
XII.	**SUBORDINATED LOANS**		-	-	-	-	-	-
XIII.	**SHAREHOLDERS' EQUITY**	*17*	**52,945**	-	**52,945**	**50,017**	-	**50,017**
13.1	Paid-in Capital		21,000	-	21,000	21,000	-	21,000
13.2	Capital Reserves		2,122	-	2,122	2,122	-	2,122
13.2.1	Share Premium		-	-	-	-	-	-
13.2.2	Share Cancellation Profits		-	-	-	-	-	-
13.2.3	Marketable Securities Revaluation Reserve		-	-	-	-	-	-
13.2.4	Tangible and Intangible Assets Revaluation Reserve		-	-	-	-	-	-
13.2.5	Bonus Shares Obtained From Associates Subsidiaries and Joint Ventures		-	-	-	-	-	-
13.2.6	Hedging Funds (Effective Portion)		-	-	-	-	-	-
13.2.7	Accumulated Revaluation Reserves on Assets Held For Sale and Discontinued Operations		-	-	-	-	-	-
13.2.8	Other Capital Reserves		2,122	-	2,122	2,122	-	2,122
13.3	Profit Reserves		5,547	-	5,547	1,408	-	1,408
13.3.1	Legal Reserves		1,613	-	1,613	1,408	-	1,408
13.3.2	Statutory Reserves		-	-	-	-	-	-
13.3.3	Extraordinary Reserves		3,934	-	3,934	-	-	-
13.3.4	Other Profit Reserves		-	-	-	-	-	-
13.4	Profit or Loss		24,276	-	24,276	25,487	-	25,487
13.4.1	Retained Earnings / (Accumulated Losses)		21,348	-	21,348	21,348	-	21,348
13.4.2	Current Year Profit/Loss		2,928	-	2,928	4,139	-	4,139
	TOTAL LIABILITIES AND EQUITY		**709,604**	**504,897**	**1,214,501**	**884,945**	**680,620**	**1,565,565**

The accompanying notes are an integral part of these unconsolidated financial statements.

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
STATEMENT OF OFF - BALANCE SHEET AS OF 30 JUNE 2011
(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

OFF-BALANCE SHEET ITEMS		Notes	Reviewed 30 June 2011			Audited 31 December 2010		
			TL	FC	TOTAL	TL	FC	TOTAL
I.	**IRREVOCABLE FACTORING OPERATIONS**		**369,703**	**-**	**369,703**	**799,682**	**-**	**799,682**
II.	**REVOCABLE FACTORING OPERATIONS**		**560,923**	**1,542,525**	**2,103,448**	**459,133**	**173,553**	**632,686**
III.	**GUARANTEES TAKEN**	*26,1*	**125,813**	**1,257,995**	**1,383,808**	**122,188**	**641,948**	**764,136**
IV.	**GUARANTEES GIVEN**	*26,2*	**1,158**	**-**	**1,158**	**1,251**	**-**	**1,251**
V.	**COMMITMENTS**	*26,3*	**-**	**7,245**	**7,245**	**-**	**8,972**	**8,972**
5.1	Irrevocable Commitments		-	7,245	7,245	-	8,972	8,972
5.2	Revocable Commitments		-	-	-	-	-	-
5.2.1	Lease Commitments		-	-	-	-	-	-
5.2.1.1	Finance Lease Commitments		-	-	-	-	-	-
5.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
5.2.2	Other Revocable Commitments		-	-	-	-	-	-
VI.	**DERIVATIVE FINANCIAL INSTRUMENTS**	*26,4*	**288,676**	**303,267**	**591,943**	**405,300**	**409,291**	**814,591**
6.1	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
6.1.1	Fair Value Hedges		-	-	-	-	-	-
6.1.2	Cash Flow Hedges		-	-	-	-	-	-
6.1.3	Net Investment Hedges		-	-	-	-	-	-
6.2	Derivative Financial Instruments Held For Trading		288,676	303,267	591,943	405,300	409,291	814,591
6.2.1	Forward Buy/Sell Transactions		68,151	77,841	145,992	-	-	-
6.2.2	Swap Buy/Sell Transactions		220,525	225,426	445,951	405,300	409,291	814,591
6.2.3	Options Buy/Sell Transactions		-	-	-	-	-	-
6.2.4	Futures Buy/Sell Transactions		-	-	-	-	-	-
6.2.5	Other		-	-	-	-	-	-
VII.	**ITEMS HELD IN CUSTODY**		**325,857**	**68,643**	**394,500**	**256,209**	**48,837**	**305,046**
	TOTAL OFF BALANCE SHEET ITEMS		**1,672,130**	**3,179,675**	**4,851,805**	**2,043,763**	**1,282,601**	**3,326,364**

The accompanying notes are an integral part of these unconsolidated financial statements.

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2011

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

	INCOME STATEMENT	Notes	Reviewed 1 January - 30 June 2011	Not Reviewed 1 April - 30 June 2011	Reviewed 1 January - 30 June 2010 (Restated Note 2.6)	Not Reviewed 1 April - 30 June 2010 (Restated Note 2.6)
I.	**OPERATING INCOME**	*18*	**41,183**	**20,874**	**41,216**	**22,122**
	FACTORING INCOME		**41,183**	**20,874**	**41,216**	**22,122**
1.1	Factoring Interest Income		32,674	15,892	33,884	18,201
1.1.1	Discount		14,890	9,020	15,402	6,274
1.1.2	Other		17,784	6,872	18,482	11,927
1.2	Factoring Commission Income		8,509	4,982	7,332	3,921
1.2.1	Discount		5,349	3,085	5,183	2,720
1.2.2	Other		3,160	1,897	2,149	1,201
II.	**OPERATING EXPENSES (-)**	*19*	**(11,790)**	**(6,221)**	**(11,011)**	**(5,513)**
2.1	Personnel Expenses		(7,036)	(3,634)	(6,202)	(2,964)
2.2	Retirement Pay Provision Expenses		(31)	(1)	(55)	(19)
2.3	Research and Development Expenses		-	-	-	-
2.4	General Administrative Expenses		(4,716)	(2,579)	(4,754)	(2,530)
2.5	Other		(7)	(7)	-	-
III.	**OTHER OPERATING INCOME**	*20*	**156,150**	**58,085**	**733,807**	**356,018**
3.1	Interest income from Deposits		7,267	3,901	16,463	7,795
3.2	Interest income from Reverse Repurchase Agreements		-	-	-	-
3.3	Interest income from Marketable Securities		95	42	175	80
3.3.1	Interest Income from Financial Assets Held for Trading		95	42	175	80
3.3.2	Interest Income from Financial Assets at Fair Value Through Profit and Loss		-	-	-	-
3.3.3	Interest Income from Financial Assets Available For Sale		-	-	-	-
3.3.4	Interest Income from Financial Assets Held to Maturity		-	-	-	-
3.4	Dividend Income		-	-	-	-
3.5	Interest Received from Money Market Placements		9,640	5,322	34,144	33,723
3.5.1	Derivative Financial Transactions		9,600	5,322	34,076	33,679
3.5.2	Other		40	-	68	44
3.6	Foreign Exchange Gains		138,759	48,546	682,855	314,281
3.7	Other		389	274	170	139
IV.	**FINANCIAL EXPENSES (-)**	*21*	**(33,413)**	**(18,544)**	**(38,961)**	**(19,658)**
4.1	Interest Expense on Funds Borrowed		(33,109)	(18,407)	(38,582)	(19,475)
4.2	Interest Expense on Factoring Payables		-	-	-	-
4.3	Finance Lease Expense		-	-	-	-
4.4	Interest Expense on Securities Issued		-	-	-	-
4.5	Other Interest Expenses		-	-	-	-
4.6	Other Fees and Commissions		(304)	(137)	(379)	(183)
V.	**SPECIFIC PROVISION FOR NON-PERFORMING RECEIVABLES (-)**	*22*	**(670)**	**(497)**	**(9)**	**(9)**
VI.	**OTHER OPERATING EXPENSES (-)**	*23*	**(148,101)**	**(51,304)**	**(723,591)**	**(355,209)**
6.1	Impairment on Marketable Securities (-)		-	-	-	-
6.1.1	Financial Assets at Fair Value Through Profit and Loss		-	-	-	-
6.1.2	Financial Assets Available For Sale		-	-	-	-
6.1.3	Financial Assets Held to Maturity		-	-	-	-
6.2	Expense from Impairment on Tangible and Intangible Assets		-	-	-	-
6.2.1	Impairment on Tangible Assets		-	-	-	-
6.2.2	Impairment on Assets Held for Sale and Discontinued Operations		-	-	-	-
6.2.3	Impairment on Goodwill		-	-	-	-
6.2.4	Impairment on Intangible Assets		-	-	-	-
6.2.5	Impairment on Subsidiaries, Associates and Joint Ventures		-	-	-	-
6.3	Losses from Derivative Financial Transactions		(15,907)	(8,921)	(36,721)	(36,721)
6.4	Foreign Exchange Losses		(132,104)	(42,359)	(686,864)	(318,485)
6.5	Other		(90)	(24)	(6)	(3)
VII.	**NET OPERATING INCOME**		**3,359**	**2,393**	**1,451**	**(2,249)**
VIII.	**AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER**		-	-	-	-
IX.	**NET MONETARY GAIN/LOSS**		-	-	-	-
X.	**PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (VII+VIII+IX)**		3,359	2,393	1,451	(2,249)
XI.	**TAX PROVISION FOR CONTINUING OPERATIONS (±)**	*11*	**(431)**	**(243)**	**(293)**	**360**
11.1	Current Tax Charge		(1,956)	(1,562)	(310)	341
11.2	Deferred Tax Charge (+)		-	-	-	-
11.3	Deferred Tax Benefit (-)		1,525	1,319	17	19
XII.	**NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (X±XI)**		**2,928**	**2,150**	**1,158**	**(1,889)**
XIII.	**INCOME ON DISCONTINUED OPERATIONS**		-	-	-	-
13.1	Income on Assets Held for Sale		-	-	-	-
13.2	Gain on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
13.3	Other Income on Discontinued Operations		-	-	-	-
XIV.	**EXPENSE ON DISCONTINUED OPERATIONS (-)**		-	-	-	-
14.1	Expenses on Assets Held for Sale		-	-	-	-
14.2	Losses on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
14.3	Other Expenses on Discontinued Operations		-	-	-	-
XV.	**PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XIII-XIV)**		-	-	-	-
XVI.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		-	-	-	-
16.1	Current Tax Charge		-	-	-	-
16.2	Deferred Tax Charge (+)		-	-	-	-
16.3	Deferred Tax Benefit (-)		-	-	-	-
XVII.	**NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XV±XVI)**		-	-	-	-
XVIII.	**NET PERIOD PROFIT/LOSS**		**2,928**	**2,150**	**1,158**	**(1,889)**
	Earnings/Loss Per Share (Kuruş per 1 thousand shares)	*24*	139,43	102,38	55,14	(89,95)

The accompanying notes are an integral part of these unconsolidated financial statements.

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

	STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED FOR UNDER EQUITY	Notes	Reviewed 1 January - 30 June 2011	Reviewed 1 January - 30 June 2010
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS		-	-
1.1	Net change in fair value of available for sale investments		-	-
1.2	Net change in fair value of available for sale investments (Transfer to Profit/Loss)		-	-
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES		-	-
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES		-	-
IV.	FOREIGN EXCHANGE DIFFERENCES ON FOREIGN CURRENCY TRANSACTIONS		-	-
V.	PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES		-	-
5.1	Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)		-	-
5.2	The portion reclassified and presented in the income statement		-	-
VI.	PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS		-	-
6.1	Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)		-	-
6.2	The portion reclassified and presented in the income statement		-	-
VII.	THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUTING POLICIES		-	-
VIII.	OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS		-	-
IX.	DEFERRED TAX OF VALUATION DIFFERENCES		-	-
X.	TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)		-	-
XI.	PROFIT/LOSS FOR THE PERIOD		-	-
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)		-	-

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED 30 JUNE 2011

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

		Notes	Paid-in Capital	Inflation Adjustment to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Profit/(Loss)	Retained Earnings / (Accumulated Losses)	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained From Investments	Hedging Funds	Reserves on Assets Held for Sale and Discontinued	Total Shareholders' Equity
	PRIOR PERIOD																	
	1 January - 30 June 2010																	
	(Reviewed)																	
I.	**Balances at the beginning of the period (previously reported)**	17	19,280	2,122	-	-	970	-	-	-	10,055	19,055	-	-	-	-	-	51,482
II.	Corrections made as per TAS 8		-	-	-	-	-	-	-	-	(3,090)	(2,514)	-	-	-	-	-	(5,604)
2.1	Effect of corrections (Note 2.6)		-	-	-	-	-	-	-	-	(3,090)	(2,514)	-	-	-	-	-	(5,604)
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted balances at the beginning of the period (I+II)**		19,280	2,122	-	-	970	-	-	-	6,965	16,541	-	-	-	-	-	45,878
	Changes during the period																	
IV.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Hedging Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation reserve on marketable securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Revaluation reserve on marketable securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share issuance		1,720	-	-	-	-	-	-	-	-	(1,720)	-	-	-	-	-	-
XV.	Inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Subordinated loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Current period net profit/loss		-	-	-	-	-	-	-	-	1,158	-	-	-	-	-	-	1,158
XIX.	Profit distribution		-	-	-	-	438	-	-	-	(6,965)	6,527	-	-	-	-	-	-
19.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.2	Transfers to reserves		-	-	-	-	438	-	-	-	-	(438)	-	-	-	-	-	-
19.3	Other		-	-	-	-	-	-	-	-	(6,965)	6,965	-	-	-	-	-	-
	Balance at the end of the period (30 June 2010) (III+IV+......+XVII+XVIII+XIX)		21,000	2,122	-	-	1,408	-	-	-	1,158	21,348	-	-	-	-	-	47,036
	CURRENT PERIOD																	
	1 January - 30 June 2011																	
	(Reviewed)																	
I.	**Balances at the beginning of the prior period**	17	21,000	2,122	-	-	1,408	-	-	-	4,139	21,348	-	-	-	-	-	50,017
	Changes during the period																	
II.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Hedging Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Revaluation reserve on marketable securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation reserve on marketable securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Subordinated loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Current period net profit/loss		-	-	-	-	-	-	-	-	2,928	-	-	-	-	-	-	2,928
XVII.	Profit distribution		-	-	-	-	205	-	3,934	-	(4,139)	-	-	-	-	-	-	-
17.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17.2	Transfers to reserves		-	-	-	-	205	-	3,934	-	(4,139)	-	-	-	-	-	-	-
17.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period (30 June 2010) (I+II+III+...+XV+XVI+XVII)		21,000	2,122	-	-	1,613	-	3,934	-	2,928	21,348	-	-	-	-	-	52,945

The accompanying notes are an integral part of these unconsolidated financial statements.

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2011
(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

	STATEMENT OF CASH FLOW	*Notes*	Reviewed 1 January - 30 June 2011	Reviewed 1 January - 30 June 2010 (Restated Note 2.6)
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
1.1	Operating profit before changes in operating assets and liabilities		11,806	146
1.1.1	Interest/leasing income received		37,356	31,214
1.1.2	Leasing expenses		(507)	(233)
1.1.3	Dividends received		-	-
1.1.4	Fees and commissions received	*18*	8,447	7,332
1.1.5	Other income		-	-
1.1.6	Collections from previously written off receivables	*8*	201	-
1.1.7	Payments to personnel and service suppliers		(11,651)	(6,304)
1.1.8	Taxes paid	*11*	-	(2,964)
1.1.9	Other		(22,040)	(28,899)
1.2	Changes in operating assets and liabilities		54,506	(53,050)
1.2.1	Net (increase) decrease in factoring receivables		415,292	(318,269)
1.2.2	Net (increase) decrease in other assets		2,635	(342)
1.2.3	Net increase (decrease) in factoring payables		2,364	1,175
1.2.4	Net increase (decrease) in funds borrowed		(365,794)	263,022
1.2.5	Net increase (decrease) in due payables		-	-
1.2.6	Net increase (decrease) in other liabilities		9	1,364
I.	Net cash provided from operating activities		66,312	(52,904)
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
2.1	Cash paid for purchase of joint ventures, associates and subsidiaries		-	-
2.2	Cash obtained from sale of joint ventures, associates and subsidiaries		-	-
2.3	Fixed assets purchases	*9,10*	(206)	(238)
2.4	Fixed assets sales		-	-
2.5	Cash paid for purchase of financial assets available for sale		-	-
2.6	Cash obtained from sale of financial assets available for sale		-	-
2.7	Cash paid for purchase of financial assets held to maturity		-	-
2.8	Cash obtained from sale of financial assets held to maturity		-	-
2.9	Other		1,264	1,982
II.	Net cash provided from investing activities		1,058	1,744
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
3.1	Cash obtained from funds borrowed and securities issued		-	-
3.2	Cash used for repayment of funds borrowed and securities issued		-	-
3.3	Capital increase		-	-
3.4	Dividends paid		-	-
3.5	Payments for finance leases		-	-
3.6	Other		-	-
III.	Net cash provided from financing activities		-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		4,921	206
V.	**Net increase in cash and cash equivalents**		**72,291**	**(50,954)**
VI.	**Cash and cash equivalents at the beginning of the period**		**106,985**	**256,157**
VII.	**Cash and cash equivalents at the end of the period**		**179,276**	**205,203**

The accompanying notes are an integral part of these unconsolidated financial statements.

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

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

Aktif Finans Faktoring Hizmetleri A.Ş. was incorporated on 4 September 1990 in Turkey to provide factoring services to industrial and commercial firms. The commercial title of Aktif Finans Faktoring Hizmetleri A.Ş. was changed to Garanti Faktoring Hizmetleri A.Ş. ("the Company") with the approval of the General Assembly held on 27 March 2002. The Company offered its shares to public in 1994 with the authorization of Capital Markets Board ("CMB"). The Company operates in accordance with Capital Markets Law and the Communiqué on the "The Establishment and Main Activities of Finance Leasing, Factoring and Financing Companies" made by the Banking Regulation and Supervision Agency ("BRSA").

Information about the Company's shareholders and respective shares are as follows:

	30 June 2011	Shareholding (%)	31 December 2010	Shareholding (%)
Türkiye Garanti Bankası A.Ş.	17,187	81.84	17,187	81.84
Türkiye İhracat Kredi Bankası A.Ş.	2,053	9.78	2,053	9.78
Publicly Trading	1,760	8.38	1,760	8.38
Capital	21,000	100.00	21,000	100.00

The shareholding of Türkiye Garanti Bankası A.Ş. as of 30 June 2011 and 31 December 2010 is 55.40% and 55.40%, respectively. Türkiye Garanti Bankası A.Ş. has obtained the remaining shares by 26.44% and 26.44% from Istanbul Stock Exchange.

The Company has 177 employees as at 30 June 2011 (31 December 2010: 155).

The Company is registered in Turkey and operates at the following address:

Eski Büyükdere Caddesi Ayazağa Köy Yolu No:23 34396 Maslak / İstanbul.

The Company provides factoring services substantially in one geographical segment (Turkey).

Dividends Payable

As of the report date there is no dividend distribution decision made. In accordance with the decision made at the General Assembly Meeting held on 11 May 2011, the Company has decided to transfer 2010 profit to the legal reserves and extraordinary reserves.

In accordance with the decision made at the General Assembly Meeting held on 28 April 2010, the Company has decided to transfer TL 1,720 thousand of 2009's profit to the capital; issue new shares and distribute them as bonus shares to the shareholders.

Approval of Financial Statements

The financial statements were approved and authorized for issue by the Board of Directors based on the Board of Directors decision dated 10 August 2011. The General Assembly has the authority to change the financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1. Basis of Presentation

2.1.1. Accounting Standards Applied

The Company maintains its books of account in accordance with the Turkish Accounting Standards applying the Communiqué on "The Application of Uniform Charts of Accounts and its Guide Book In Connection to the Establishment and Main Activities of Finance Leasing, Factoring and Financing Companies and The Format of the Financial Statements for Public Presentation" published in the Official Gazette No: 26525 on 17 May 2007.

The Company also applies the requirements of the Communiqué on the "Principles and Procedures of Receivable Allowances to be Provided by Finance Leasing, Factoring and Financing Companies"; which is prepared based on the Communiqué on "The Application of Uniform Charts of Accounts and its Guide Book in Connection to the Establishment and Main Activities of Financial Leasing, Factoring and Financing Companies" published in the Official Gazette No:26315 on 10 October 2006; published in the Official Gazette No: 26588 on 20 July 2007.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.1.2 Preparation of Financial Statements in Hyperinflationary Periods

Restatement adjustments have been made to compensate for the effect of changes in the general purchasing power of the Turkish Lira, in accordance with Turkish Accounting Standards on "Preparation of Financial Statements in Hyperinflationary Periods" ("TAS 29") for the financial statements prepared until 31 December 2004. BRSA issued a circular on 28 April 2005 stating that the indicators requiring the application of inflation accounting ceased to exist; consequently inflation accounting was not applied in the financial statements after 1 January 2005.

2.1.3. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.2. Changes in Accounting Policies

Changes in accounting policies are applied retrospectively and the prior period financial statements are restated accordingly. There is no significant change in the accounting policies of the Company in the current year.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.3. Changes in Accounting Estimates and Errors

If the changes in accounting estimates relate to only one period, changes are applied in the current period but if changes in estimates relate to future periods, changes are applied both in the current and following periods prospectively. Significant accounting errors are applied retrospectively and reorganized the prior period financial statements.

Reporting Standards in accordance with the preparation of financial statements, management, policies and the implementation of the reported assets, liabilities, income and expenditure to take decisions that affect the amounts, to make estimates and assumptions required. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed constantly. Accounting estimates are updates, update the affected period, and these updates are recognized in subsequent periods. The main notes used the estimates are as follows:

Note 4 – Financial Assets at fair value through profit and loss
Note 7 – Factoring receivables
Note 9 – Tangible Assets
Note 10 – Intangible Assets
Note 11 – Tax Assets and Liabilities
Note 16 – Provisions

The Company has not been a change in accounting estimates in the current year.

Significant accounting errors are applied retrospectively and reorganized the prior period financial statements. The Company has restated its prior period financial statements as explained in Note 2.6 in detail.

2.4 Adoption of New and Revised International Financial Reporting Standards

The following new and revised standards and interpretations have been adopted by the Company in the current period and have affected the amounts reported and disclosures in these financial statements. Details of other standards and interpretations adopted in these financial statements but that have had no material impact on the financial statements are set out in further sections.

2.4.1. New and Revised Standards affecting presentation and disclosure only:

IFRS 7 *Financial Instruments: Disclosures* (as part of Improvements to IFRSs issued in 2010)

The amendment encourages qualitative disclosures in the context of the quantitative disclosure required to help users to form an overall picture of the nature and extent of risks arising from financial instruments. The amendment also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans. The amendments have been applied retrospectively.

2.4.2. Standards and Interpretations affecting the reported results or balance sheet:

None.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.4. Adoption of New and Revised International Financial Reporting Standards (cont'd)

2.4.3. Standards and Interpretations that are effective as of 2011 but have no effect on the June 2011 financial statements, amendments and interpretations to the current standards:

IAS 1 ***Presentation of Financial Statements*** (as part of Improvements to IFRSs issued in 2010)

The amendments to IAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The amendments have been applied retrospectively.

IAS 24 (2009) ***'Related Party Disclosures'***

In November 2009, IAS 24 "Related Party Disclosures" was revised. The revision to the standard provides government-related entities with a partial exemption from the disclosure requirements. The revised standard is mandatory for annual periods beginning on or after 1 January 2011.

IAS 32 (Amendments) ***Financial Instruments: Presentation*** **and IAS 1** ***Presentation of Financial Statements***

The amendments to IAS 32 and IAS 1 are effective for annual periods beginning on or after 1 February 2010. The amendments address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

IFRS 1 (amendments) ***First-time Adoption of IFRS – Additional Exemptions***

Amendments to IFRS 1 which are effective for annual periods on or after 1 July 2010 provide limited exemption for first time adopters to present comparative IFRS 7 fair value disclosures.

IFRIC 14 (Amendments) ***Pre-payment of a Minimum Funding Requirement***

Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognized for any surplus arising from voluntary pre-payments made.

IFRIC 19 ***'Extinguishing Financial Liabilities with Equity Instruments'***

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or part, a financial liability.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.4.3. Standards and Interpretations that are effective as of 2011 but have no effect on the December 2011 financial statements, amendments and interpretations to the current standards (Cont'd)

May 2010, Annual Improvements

Further to the above amendments and revised standards, the IASB has issued Annual Improvements to IFRSs in May 2010 that cover mainly IFRS 7 standards/interpretations: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 3 Business Combinations; IFRS 7 Financial Instruments: Disclosures; IAS 1 Presentation of Financial Statements; IAS 27 Consolidated and Separate Financial Statements; IAS 34 Interim Financial Reporting and IFRIC 13 Customer Loyalty Programmes. With the exception of amendments to IFRS 3 and IAS 27 which are effective on or after 1 July 2010, all other amendments are effective on or after 1 January 2011 with early adoption option.

These standards, amendments and interpretations do not have a significant impact on the Company's financial performance or financial condition.

2.4.4. Standards and Interpretations that are not yet effective and have not been early adopted, amendments and interpretations to the current standards by the Company:

IFRS 1 (Amendments) ***First-time Adoption of IFRS – Additional Exemptions***

On 20 December 2010, IFRS 1 is amended to provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs and provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time. The amendment above will be effective for annual periods beginning on or after 1 July 2011.

These amendments are not relevant to the Company, as it is an existing IFRS preparer.

IFRS 7 ***"Financial Instruments: Disclosures"***

In October 2010, IFRS 7 Financial Instruments: Disclosures is amended by IASB as part of its comprehensive review of off balance sheet activities. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment will be effective for annual periods beginning on or after 1 July 2011. The Company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 9 ***'Financial Instruments: Classification and Measurement'***

In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 Financial Instruments: Recognition and Measurement. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.4.4. Standards and Interpretations that are not yet effective and have not been early adopted, amendments and interpretations to the current standards by the Company (Cont'd)

IFRS 9 *'Financial Instruments: Classification and Measurement'* (Cont'd)

at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Company has not had an opportunity to consider the potential impact of the adoption of this standard.

IAS 12 *"Income Taxes"*

In December 2010, IAS 12 the standard of "Income Taxes" is amended. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be , be through sale. The amendment will be effective for annual periods beginning on or after 1 January 2012. The Company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 12 *"Disclosure of Interest In Other Entities"*

IFRS 12 requires extensive disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. An entity is required to disclose information that helps users of its financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 27 *"Separate Financial Statements (2011)"*

The requirements relating to separate financial statements are unchanged and are included in the amended IAS 27. The other portions of IAS 27 are replaced by IFRS 10.

IAS 28 *"Investments in Associates and Joint Ventures (2011)"*

IAS 28 is amended for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

IFRS 13 *"Fair Value Measurements"*

On 12 May 2011, IASB issued IFRS 13 Fair Value Measurement, which establishes a single source of guidance for fair value measurement under IFRSs. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements for disclosures on fair value measurements. The Standard does not include requirements on when fair value measurements is required; it prescribes how fair value is to be measured if another Standard requires it. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.4.4. Standards and Interpretations that are not yet effective and have not been early adopted, amendments and interpretations to the current standards by the Company (Cont'd)

IAS 1 *"Presentation of Financial Statements (2011) – Presentation of Items of Other Comprehensive Income"*

The amendments to IAS 1 provides guidance on the presentation of items contained in other comprehensive income (OCI) and their classification within OCI. The new standard is mandatory for annual periods beginning on or after 1 July 2012. The Company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 19 *"Employee Benefits (2011) (Amendments)"*

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

2.5 . Summary of Significant Accounting Policies

(a) Revenue

Factoring service income is composed of collected and accrued interest income and commission income earned from advance payments made to customers.

A specific percentage amount, obtained from invoice total subject to factoring transactions, constitutes commission income.

Dividend revenue from investments is recognized when the shareholders' rights to receive payment have been established.

Other interest income is accrued based on the effective interest rate which equals the estimated cash flows to net book value of the related asset.

(b) Financial Instruments

Financial Assets

All financial assets are initially measured at fair value, plus transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value and recognized or derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5 . Summary of Significant Accounting Policies (cont'd)

(b) Financial Instruments (cont'd)

<u>Financial Assets (cont'd)</u>

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for financial assets other than those financial assets designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated under this category upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or achieved more relevant accounting measurement. Derivatives are also categorized as held for trading unless they are designated as hedges.

Credit linked notes are classified as financial assets held for trading and measured at fair value, with changes in fair value recognised in profit or loss. They are measured at amortized cost when their fair value cannot be reliably measured. Amortized cost is calculated using effective interest rate method.

Held to maturity investments

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest method less impairment, with revenue recognized on an effective yield basis.

Available- for- sale financial assets

Quoted equity investments and quoted certain debt securities held by the Company that are traded in an active market are classified as being available- for-sale financial assets and are stated at fair value. Investments in unquoted equity investments that are not traded in an active market but are also classified as available-for-sale financial assets and stated at cost since their value can't be reliably measured. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

(b) Financial Instruments (cont'd)

Financial Assets (cont'd)

Available- for- sale financial assets (cont'd)

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

Factoring receivables and other receivables

Factoring receivables and other receivables are stated at fair value at initial recognition. Subsequent to initial recognition, all receivables except for factoring receivables are carried at amortized cost using the effective interest method. Factoring transactions are accounted for at carrying amounts in subsequent reporting periods. The Company management believes that carrying amounts of factoring receivables approximate to their fair values since amortization is taken into account at initial recognition.

Effective from 1 January 2008, in accordance with the Communiqué (No: 26588) on the "Principles and Procedures of Receivable Allowances To Be Provided By Financial Leasing, Factoring and Financing Companies" issued on 20 July 2007, special provision rate allocated for the factoring receivables considering their guarantees are as follows: 20%, at a minimum, for factoring receivables overdue more than 90 days not exceeding 180 days; 50%, at a minimum, for factoring receivables overdue more than 180 days not exceeding 360 days; and 100%, at a minimum, for factoring receivables overdue more than 1 year. The Company allocates 100% provision for all doubtful factoring receivables which do not have strong collaterals without considering the time intervals above. Other receivables that have fixed or determinable payments that are not quoted in an active market are also classified in this category. These receivables are measured at amortized cost using the effective interest method less any impairment.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss are subject to impairment testing at each balance sheet date to determine whether there is any indication of impairment of financial asset or financial asset Company. An entity shall assess at each balance sheet date whether there is any objective evidence that a financial asset or Company of financial assets is impaired. A financial asset or Company of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset. That loss event or events must also have an impact on the estimated future cash flows of the financial asset or Company of financial assets. For loans and receivables, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by impairment loss directly for all financial assets except factoring receivables. When a trade receivable is uncollectible, it is written off against the allowance account. Changes in allowance accounts are recognized in profit or loss.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

(b) Financial Instruments (cont'd)

Financial Assets (cont'd)

Impairment of financial assets (cont'd)

Specific provision is allocated for factoring receivables in accordance with the Communiqué (No: 26588) on the "Principles and Procedures of Receivable Allowances To Be Provided By Financial Leasing, Factoring and Financing Companies" issued on 20 July 2007.

With the exception of available for sale equity instruments, 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 through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying value of these assets approximates their fair value.

Derivative financial instruments and hedge accounting

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are designated as held for trading and resulting gain or loss is recognized in profit or loss immediately as the derivatives do not meet the criteria for hedge accounting despite they provide economic hedge.

Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

(b) Financial Instruments (cont'd)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value at initial recognition, and remeasured at fair value as of the balance sheet date at each reporting period. The changes in fair value are recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of financial liability, or, where appropriate, a shorter period.

(c) Tangible Assets and Amortization

Tangible assets are carried at historical cost, less accumulated depreciation and accumulated impairment losses.

Tangible assets are depreciated principally on a straight-line basis considering the expected useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Expenses for the maintenance of tangible assets are normally recorded in profit and loss statement. Gain or loss arising on the disposal or retirement of an item of tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(d) Intangible Assets

Intangible Fixed Assets Acquired

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their useful lives.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

(d) Intangible Assets (cont'd)

Computer Software (cont'd)

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible fixed assets. Costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (3 – 5 years).

(e) Impairment of Assets

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Capital Increase

Capital increases decided at General Assembly Meetings by the existent shareholders and accounted by the registered nominal values.

(g) Retirement Pay Provision

Under the Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) "Employee Benefits" ("IAS 19").

(h) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

(h) Provisions, Contingent Liabilities and Contingent Assets (cont'd)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(i) Borrowing Costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

(j) Effects of Changes in Exchange Rates

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates. The results and financial position of the Company is expressed in thousands of TL, which is the functional currency of the Company, and the presentation currency for the financial statements.

The foreign currency exchange rates used by the Company as of 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011	31 December 2010
USD	1.6302	1.5460
EURO	2.3492	2.0491
GBP	2.6111	2.3886

In preparing the financial statements of the Company, transactions in currencies other than TL (foreign currencies) are recorded at the prevailing exchange rates at the transaction date. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(k) Earnings per Share

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are treated as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

(l) Subsequent Events

Events after balance sheet date comprise any event between the balance sheet date and the date of authorization of the financial statements for publication, even if any event after balance sheet date occurred subsequent to an announcement on the Company's profit or following any financial information disclosed to public.

The Company adjusts the amounts recognized in its financial statements to reflect adjusting events after the balance sheet date if such subsequent events arise.

(m) Finance Lease

Lease- The Company as Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lesser is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged to the profit or loss in accordance with the Company's general policy on borrowing costs as detailed above.

Rental payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant leases.

(n) Segmental Information

No segmental information is disclosed as the Company provides only factoring services and only in Turkey.

(o) Taxation on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

(o) Taxation on Income (cont'd)

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

(p) Statement of Cash Flows

In statement of cash flows, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows mainly generated from factoring operations of the Company.

Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Company.

Cash flows relating to finance activities express sources of financial activities and payment schedules of the Company.

	30 June 2011	31 December 2010
Cash / Foreign Currency	-	1
Banks	179,276	106,984
	179,276	**106,985**

2.6. Comparative Information and Restatement of Prior Period Financial Statements

In order to give a true understanding of the financial position and performance trends, the Company's financial statements are prepared comparatively with the prior period. When the presentation or classifications in the current year financial statements are changed, the prior period financial statements are reclassified accordingly in order to provide comparative information.

The Company has reviewed its factoring receivables portfolio, its foreign currency valuations, interest calculations and derivative financial instruments' fair value calculations and restated the opening balances of 2010 and the financial statements as of 30 June 2010 in accordance with IAS 8. The effects of the restatements to the prior period financial statements are summarized below:

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.6. Comparative Information and Restatement of Prior Period Financial Statements (Cont'd)

Balance Sheet Effect:	Previously Reported 1 January 2010	Restatement	Restated 1 January 2010
Factoring Receivables	850,740	(7,004)	843,736
Deferred Tax Assets	1,979	1,400	3,379
Retained Earnings/ (Accumulated Losses)	19,055	(2,514)	16,541
Net Profit / (Loss) for the Period	10,055	(3,090)	6,965
Total Assets	1,138,517	(5,604)	1,132,913
Total Shareholders' Equity	51,482	(5,604)	45,878

Balance Sheet Effect:	Previously Reported 30 June 2010	Restatement	Restated 30 June 2010
Factoring Receivables	1,175,129	(10,365)	1,164,764
Deferred Tax Assets	737	2,660	3,397
Assets on Trading Derivatives	7,254	(3,268)	3,986
Factoring Payables	1,801	(311)	1,490
Liabilities on Trading Derivatives	1,562	(20)	1,542
Retained Earnings/ (Accumulated Losses)	26,952	(5,604)	21,348
Net Profit / (Loss) for the Period	6,196	(5,038)	1,158
Total Assets	1,415,716	(10,971)	1,404,745
Total Shareholders' Equity	57,678	(10,642)	47,036

	Previously Reported 1 January-30 June 2010	Restatement	Restated 1 January-30 June 2010
Factoring Income	40,806	410	41,216
Gain on Capital Market Transactions (Derivative Transactions)	37,343	(3,267)	34,076
Loss from Derivative Transactions	(36,741)	20	(36,721)
Foreign Exchange Gain /Loss	(683,403)	(3,461)	(686,864)
Deferred Tax (Benefit) / Charge	(1,243)	1,260	17
Net Profit / (Loss) for the Period	6,196	(5,038)	1,158

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

3. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	**FC**	**TL**	**FC**
Cash / Foreign Currency	-	-	1	-
	-	**-**	**1**	**-**

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

4.1 Financial Assets Held for Trading

Details of the Company's credit linked notes that are classified as financial assets held for trading as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	**FC**	**TL**	**FC**
Turkish Corporate Bonds	-	7,272	-	9,008
Turkish Corporate Investment Funds	-	-	-	-
	-	**7,272**	**-**	**9,008**

	30 June 2011			
	Carrying Amount	**Nominal**	**Interest Rate (%)**	**Maturity**
Turkish Corporate Bonds				
USD	7,272	7,245	2.34	2013
EURO	-	-	-	-
	7,272	**7,245**		

	31 December 2010			
	Carrying Amount	**Nominal**	**Interest Rate (%)**	**Maturity**
Turkish Corporate Bonds				
USD	8,603	8,589	2.35	2013
EURO	405	383	9.50	2011
	9,008	**8,972**		

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

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Cont'd)

4.2. Derivative Financial Assets Held for Trading

Derivative financial instruments are stated at fair value. Increase in fair value is classified as derivative financial assets held for trading while decrease in fair value is classified as derivative financial liabilities held for trading.

Details of derivative financial assets held for trading that arise from currency swap buy-sell agreements as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	**FC**	**TL**	**FC**
Derivative Financial Assets Held for Trading	627	3	303	-
	627	**3**	**303**	**-**

4.3. Derivative Financial Liabilities Held for Trading

Details of derivative financial liabilities held for trading that arise from currency swap buy-sell agreements as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	**FC**	**TL**	**FC**
Derivative Financial Liabilities Held for Trading	4,727	2	311	-
	4,727	**2**	**311**	**-**

5. BANKS

Details of banks as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	**FC**	**TL**	**FC**
Demand deposits	1,793	6,545	3,814	3,170
Time deposits	-	171,263	101,349	-
	1,793	**177,808**	**105,163**	**3,170**

Time deposits are composed of bank placements with maturities less than 3 months. Interest rate for the EUR time deposits is 3.9% and USD time deposits is 4.69%. There is no restriction on bank deposits as at 30 June 2011 and 31 December 2010.

The bank balances, excluding income accruals, with original maturities shorter than 3 months which form the basis of cash flows statement amounts to TL 179,276 as at 30 June 2011 (31 December 2010: TL 106,984).

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

6. FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale are composed of unquoted equity share investments as at 30 June 2011 and 31 December 2010. These investments are stated at their acquisition cost in the accompanying financial statements as the fair values of these investments cannot be reliably measured.

	30 June 2011			31 December 2010		
	Carrying Value		Share Percentage (%)	Carrying Value		Share Percentage (%)
	TL	FC		TL	FC	
Garanti Finansal Kiralama AŞ.	4,278	-	5.86	4,155	-	5.86
International Factors Group SC	-	13	0.25	-	13	0.25
	4,278	**13**		**4,155**	**13**	

7. FACTORING RECEIVABLES AND PAYABLES

Factoring Receivables

Details of factoring receivables as at 30 June 2011and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Domestic factoring receivables	777,012	-	1,251,372	-
Export and import factoring receivables	18,558	219,395	7,443	173,553
Unearned interest income	(7,919)	(82)	(5,070)	-
Factoring receivables, net	**787,651**	**219,313**	**1,253,745**	**173,553**

Factoring receivables with revised payment plan amounts to TL 4,019 thousand as at 30 June 2011 (31 December 2010: TL 2,425 thousand). The Company has received a mortgage with a fair value of TL 1,839 thousand for these factoring receivables (31 December 2010: TL 2,245 thousand).

The Company has no material overdue factoring receivable other than mentioned above.

Factoring Payables

Details of short term factoring payables as at 30 June 2011and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Factoring payables	2,951	1,057	1,489	155
	2,951	**1,057**	**1,489**	**155**

Factoring payables represent the amounts of collections on behalf of factoring customers but have not transferred to the factoring customer accounts yet.

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

8. NON-PERFORMING RECEIVABLES

Details of the Company's non-performing factoring receivables and the provisions allocated for them as at 30 June 2011and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	**FC**	**TL**	**FC**
Non-performing factoring receivables	13,944	-	13,723	-
Specific provisions	(7,396)	-	(6,927)	-
	6,548	**-**	**6,796**	**-**

Aging of non- performing factoring receivables and specific provision allocated for them as at 30 June 2011and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	Total non -performing factoring receivables	**Provision allocated**	**Total non-performing factoring receivables**	**Provision allocated**
Overdue for 1-3 months	369	369	-	-
Overdue for 3-6 months	174	174	-	-
Overdue for 6-12 months	2,150	2,150	93	53
Overdue for 1 year and over	11,251	4,703	13,630	6,874
	13,944	**7,396**	**13,723**	**6,927**

Amount of collaterals received for non-performing factoring receivables that is limited with the exposure is TL 9,940 thousand (31 December 2010: TL 9,946 thousand).

The movement of provision for non-performing factoring receivables is as follows:

	30 June 2011	**30 June 2010**
Balance as at 1 January	**6,927**	**6,369**
Provision provided for the period	670	9
Collections during the period	(201)	-
Balance at the end of the year	**7,396**	**6,378**

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

9. TANGIBLE ASSETS

The movement of tangible assets for the period ended as at 30 June 2011 is as follows:

	1 January 2011	Additions	Disposals	30 June 2011
Acquisition Cost				
Furniture and fixtures	3,408	196	-	3,604
Vehicles	19	-	-	19
Leasehold improvements	1,091	10	-	1,101
	4,518	**206**	**-**	**4,724**

	1 January 2011	Additions	Disposals	30 June 2011
Accumulated Depreciation				
Furniture and fixture	2,265	185	-	2,450
Vehicles	5	1	-	6
Leasehold improvements	913	16	-	929
	3,183	**202**	**-**	**3,385**
Net book value	**1,335**			**1,339**

The movement of tangible assets for the period ended as at 30 June 2010 is as follows:

	1 January 2010	Additions	Disposals	30 June 2010
Acquisition Cost				
Furniture and fixtures	2,603	132	-	2,735
Vehicles	26	-	(7)	19
Leasehold improvements	958	105	-	1,063
	3,587	**237**	**(7)**	**3,817**

	1 January 2010	Additions	Disposals	30 June 2010
Accumulated Depreciation				
Furniture and fixtures	1,945	135	-	2,080
Vehicles	7	2	(7)	2
Leasehold improvements	819	54	-	873
	2,771	**191**	**(7)**	**2,955**
Net book value	**816**			**862**

As of 30 June 2011 the insurance on tangible assets amounts to TL 825 thousand (31 December 2010: TL 795 thousand) and the insurance premium amounts to TL 3 thousand (31 December 2010: TL 3 thousand).

	Useful lives
Vehicles	5
Furniture and fixture	3-15
Leasehold improvements	3-10

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

10. INTANGIBLE ASSETS

The movement of intangible assets for the period ended as of 30 June 2011 is as follows:

	1 January 2011	**Additions**	**Disposals**	**30 June 2011**
Acquisition Cost				
Rights	2,864	-	-	2,864
Other (software)	666	414	-	1,080
	3,530	**414**	**-**	**3,944**

	1 January 2011	**Additions**	**Disposals**	**30 June 2011**
Accumulated Amortization				
Rights	1,422	365	-	1,787
Other(Software)	666	-	-	666
	2,088	**365**	**-**	**2,453**
Net book value	**1,442**			**1,491**

The movement of intangible assets for the period ended as of 30 June 2010 is as follows:

	1 January 2010	**Additions**	**Disposals**	**30 June 2010**
Acquisition Cost				
Rights	2,183	198	-	2,381
Other (software)	666	-	-	666
	2,849	**198**	**-**	**3,047**
Accumulated Amortization				
Rights	753	321	-	1,074
Other (software)	616	43	-	659
	1,369	**364**	**-**	**1,733**
Net book value	**1,480**			**1.314**

The Company does not have internally generated intangible asset as at 30 June 2011 and 30 June 2010.

	Useful lives
Rights	3-5
Other	5

11. TAX ASSETS AND LIABILITIES

Corporate Tax

The Company is subject to the Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting exempt income and other non-taxable income (carried forward losses if available and investment incentives if preferred).

The effective tax rate in 2011 is 20% (2010: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax is calculated as 20% of the income in the year 2011 (2010: 20%).

Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1 April and 25 April of the following year (between 1st and 25th of the following 4. month of the tax year for the tax responsibles who have special tax years). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. Income tax withholding 24 April 2003 - 22 July 2006 is 10% among all companies. This rate since 22 July 2006, by the Council of Ministers No. 2006/10731 of 15% is applied. Undistributed dividends incorporated in share capital are not subject to income tax withholding.

Withholding tax at the rate of 19.8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, the investments without investment incentive certificates do not qualify for tax allowance.

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

11. TAX ASSETS AND LIABILITIES (Cont'd)

Reconciliation of tax charge:

	30 June 2011	30 June 2010
Reported profit before taxation	3,359	1,451
Calculated taxation on reported profit	(672)	(290)
Permanent differences:		
Nondeductible expenses	(62)	(11)
Other non-taxable income	36	8
Corporate tax return	267	-
Tax Charge	**(431)**	**(293)**

The corporate tax payable as at 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011	31 December 2010
Corporate tax provision	2,223	903
Advance taxes	(397)	(2,924)
Withholding income taxes	(67)	-
Corporate tax payable	**1,759 (**)**	**(2,021) (*)**

(*) Presented in "Other Assets" in the financial statements.
(**) Presented in "Taxes payable and liabilities" in the financial statements

The tax charge in the income statement for the period ended as at 30 June 2011 and 30 June 2010 is as summarized below:

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010 (Restated Note 2.6)	1 April-30 June 2010 (Restated Note 2.6)
Current tax charge	(2,223)	(1,829)	(310)	341
Provision for tax dispute	267	267	-	-
Deferred tax (charge)/benefit	1,525	1,319	17	19
	(431)	**(243)**	**(293)**	**360**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The effective corporate tax rate is 20% as at 30 June 2011 (31 December 2010: 20%). The Company calculates deferred tax assets and liabilities according to the balance sheet liability method on the temporary differences that will be utilized using the rate 20%.

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

11. TAX ASSETS AND LIABILITIES (Cont'd)

Breakdown of temporary differences and deferred tax assets and liabilities that are calculated by using current tax rates as at 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011	31 December 2010
Temporary Differences		
Unearned factoring interest income	8,001	5,070
Factoring receivable provisions and adjustments	11,890	11,420
Retirement pay provision	182	151
Unused vacation accrual	479	449
Valuation differences of derivative financial assets (net)	4,099	8
Valuation differences of time deposits	1	-
Temporary differences related to deferred tax assets	**24,652**	**17,098**
Temporary differences on tangible and intangible assets	889	908
Valuation differences of funds borrowed	58	50
Valuation differences of time deposits	-	17
Other	-	56
Temporary differences related to deferred tax liabilities	**947**	**1,031**
Deferred tax assets / (liabilities)		
Unearned factoring interest income	1,600	1,014
Factoring receivable provisions and adjustments	2,378	2,284
Retirement pay provision	36	31
Unused vacation accrual	96	90
Valuation differences of derivative financial assets (net)	820	1
Valuation differences of time deposits	-	-
Deferred tax assets	**4,930**	**3,420**
Temporary differences on tangible and intangible assets	(178)	(182)
Valuation differences of funds borrowed	(12)	(10)
Valuation differences of time deposits	-	(3)
Other	-	(10)
Deferred tax liabilities	**(190)**	**(205)**
Deferred tax assets (net)	**4,740**	**3,215**

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

11. TAX ASSETS AND LIABILITIES (Cont'd)

Movement of deferred tax assets in the period is as follows:

	1 January- 30 June 2011	1 January- 30 June 2010 (Restated Note 2.6)
1 January	3,215	3,379
Deferred tax benefit/ (charge)	1,525	17
30 June	**4,740**	**3,396**

12. OTHER ASSETS

Details of other assets as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Prepaid taxes	607	-	2,021	-
Withholding income Taxes	6	-	-	-
Commission return receivable	-	-	1,300	-
Prepaid expenses	352	-	240	-
Other	173	487	105	-
	1,138	**487**	**3,666**	-

13. FUNDS BORROWED

Details of funds borrowed as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Funds Borrowed	645,398	503,001	830,487	680,464
	645,398	**503,001**	**830,487**	**680,464**

	30 June 2011				30 December 2010			
		Interest	TL Equivalent			Interest	TL Equivalent	
	Original Amount	Rate (%)*	Up to 1 year	1 year and over	Original Amount	Rate (%)*	Up to 1 year	1 year and over
TL	645,398	8.60-15.75	645,398	-	830,487	7.35-9.24	830,487	-
USD	227,380	2.20-3.25	366,036	-	349,187	2.50-3.25	539,843	-
EURO	58,303	3.07-3.99	136,965	-	68,626	2.80-3.20	140,621	-
Total			**1,148,399**	-			**1,510,951**	-

* These rates represent the interest rate range of outstanding funds borrowed with fixed and floating rates as at 30 June 2011 and 31 December 2010.

There is no guarantee given for the funds borrowed as at 30 June 2011 and 31 December 2010.

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

14. SUNDRY CREDITORS

Details of sundry creditors as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Sundry creditors	245	90	247	1
Transitory liability accounts	2	334	29	-
	247	**424**	**276**	**1**

Sundry creditors are consisting of supplier payables regarding to the services that are taken for the Company's operations.

15. TAXES PAYABLE AND LIABILITIES

Details of taxes payable and liabilities as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Corporate tax payable(*)	1,759	-	-	-
Income tax payable	207	-	482	-
Premium payable	198	-	188	-
Stamp tax payable	6	-	12	-
V.A.T payable	6	-	10	-
BITT payable	499	-	484	-
	2,675	**-**	**1,176**	**-**

*Income tax provision amounting TL 2,223 thousand has been offsetted with the prepaid corporate tax amounting TL 397 thousand and prepaid withholding income tax amounting TL 67 thousand , as at 30 June 2011.

16. PROVISIONS

Details of provisions as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Provision for employee benefits	661	-	1,139	-
Other provisions	-	-	50	-
	661	**-**	**1,189**	**-**

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

16. PROVISIONS (Cont'd)

16.1 Provision for Employee Benefits

Provision for employee benefits include retirement pay provision amounting to TL 182 thousand (31 December 2010: TL 151 thousand) and unused vacation accrual amounting to TL 479 thousand (31 December 2010: TL 449 thousand). The entity does not have any personnel premium provision as at 30 June 2011(31 December 2010: TL 539 thousand).

Retirement Pay Provision

Under the Turkish Labor Law, the Company is required to pay employment termination benefits to each employee whose contract is terminated after one service year or who is entitled to a retirement at the age of 60 (58 for women) after 25 service years (20 for women) or who is called for military service or who is dead. Some transitional provisions related to the pre-retirement service term were excluded from the scope of the Law since the related law was amended as of 23 May 2002. The amount payable consists of one month's salary limited to a maximum of TL 2,623.23 (full) for each period of service as at 30 June 2011 (31 December 2010: TL 2, 517.01 (full)).

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2010, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 5.1% and a discount rate of 10%, resulting in a real discount rate of approximately 4.66%. (31 December 2010: inflation rate of 5.1%, discount rate of 10%, real discount rate of 4.66%). Estimated ratio for retirement pay amounts that would not be paid because of voluntary leave is 70%. The company, effective from 1 January 2011 the calculation of retirement pay provision for the TL 2,623.23 (full) ceiling amount has taken into consideration.

Movement of retirement pay provision in the period is as follows:

	30 June 2011	30 June 2010
Balance at 1 January	**151**	**87**
Payments during the period	(43)	(36)
Provision provided for the period	74	55
Balance at the end of the period	**182**	**106**

Personnel Bonus Provision

Movement of the personnel bonus provision in the period is as follows:

	30 June 2011	30 June 2010
Balance at 1 January	**539**	**441**
Paid in the period	(539)	(944)
Provision provided for the period	-	878
Balance at the end of the period	**-**	**375**

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

16. PROVISIONS (Cont'd)

16.1 Provision for Employee Benefits (Cont'd)

Unused Vacation Accrual

Movement of the unused vacation accrual during the period is as follows:

	30 June 2011	30 June 2010
Balance at 1 January	**449**	**314**
Paid in the period	-	-
Accrual for the period	30	44
Balance at the end of the period	**479**	**358**

17. SHAREHOLDERS' EQUITY

17.1 Paid-in Capital

As at 30 June 2011, the Company's share capital amounts to TL 21,000 thousand (31 December 2010: TL 21,000 thousand). As at 30 June 2011 the Company has 2,100,000,000 total registered shares consisting of 1,057,724,557 preferred shares and 1,042,275,443 ordinary shares with a par value of Kr 1each (31 December 2010: TL 2,100,000,000).

In accordance with the resolution issued at the General Assembly Meeting held on 28 April 2010, the Company has decided to transfer TL 1,720 thousand of 2009's profit to capital; issue new shares and distribute them as bonus shares to shareholders and allocate the remaining profit to legal and extraordinary reserves. The Company has decided to file an application to the CMB for the declaration and registration of the related capital transfer upon its BOD meeting held on 14 May 2010. Capital increase was approved by the CMB as at 23 August 2010 and published in the Trade Registry Gazette dated 8 September 2010.

The inflation adjustments to all shareholders' equity items can be only available for and used in the bonus share issue or loss offsetting, while carrying amount of extraordinary reserves can be only used in the bonus share issue, profit distribution in cash or loss offsetting.

Article 399 of Section 15 in the Communiqué Serial: XI, No: 25 requires the amount followed under the "accumulated losses" account which resulted from the first financial statements adjusted for inflation accounting should be taken into account as an allowance during the distributable profit calculation in compliance with the profit distribution requirements of the CMB. Also, the amount followed under the "accumulated losses" account can be deducted against profit for the period and undistributed retained earnings, if any, and the remaining loss is to be deducted against

17. SHAREHOLDERS' EQUITY (Cont'd)

17.1 Paid-in Capital (Cont'd)

in the order of extraordinary reserves, statutory reserves and capital reserves arising from equity inflation adjustments. Following the related treatment, the Company's accumulated losses amounting to TL 77,212 thousand, which was resulted from the subsequent offsetting of the Company's net profit for the period as of 31 December 2004 against extraordinary reserves and statutory reserves, was recognized in the financial statements by offsetting against the capital adjustment account based on the General Assembly's resolution dated 29 March 2005.

17.2. Capital Reserves

Capital reserves amounting to TL 2,122 thousand as at 30 June 2011 and 31 December 2010 includes the capital reserves from inflation adjustments to paid-in capital.

17.3. Profit Reserves

The Company's profit reserves comprise of the first legal reserves amounting to TL 1,613 thousand as at 30 June 2011 (31 December 2010: TL 1,408 thousand).

17.4. Retained Earnings

As at 30 June 2011 and 31 December 2010, the Company's retained earnings amount to TL 21,348 thousand.

17.5. Profit Distribution

Retained earnings on statutory books can be distributed except the sentence related with legal reserves that is specified below.

The legal reserves consist of the first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. As per Turkish Commercial Code, the first legal reserve can only be offset against losses to the point that the legal reserves exceed 50% of the paid-in capital.

The capital raise to be made through the internal resources should be based on the lower of the amounts calculated using the CMB's accounting procedures and the figures recorded to legal books.

In addition, in accordance with the requirements of the Turkish Commercial Code, the Company is primarily required to appropriate legal reserves from the statutory records. If net distributable profit in legal books is greater than the CMB net distributable profit, all of the CMB net distributable profit should be distributed, if not, all of the net distributable profit in legal books should be distributed. If loss is incurred as per the Company's CMB financial statements or in the legal books, no profit distribution is made.

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

18. OPERATING INCOME

The details of operating income for the periods ended as of 30 June 2011 and 30 June 2010 are as follows:

	1January-30 June 2011	1 April-30 June 2011	1January-30 June2010 (Restated Note 2.6)	1 April-30June 2010 (Restated Note 2.6)
Factoring interest income	32,674	15,892	33,884	18,201
Factoring commission income (net)	8,509	4,982	7,332	3,921
Commission income	*9,225*	5,411	7,661	4,107
Commission expense	*(716)*	*(429)*	*(329)*	*(186)*
Balance at the end of the year	**41,183**	**20,874**	**41,216**	**22,122**

19. OPERATING EXPENSES

The details of operating expenses for the periods ended as at 30 June 2011 and 30 June 2010 are as follows:

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Personnel expenses	7,036	3,634	6,202	2,964
Customer referral commission expenses	598	510	821	447
Vehicle expenses	787	441	642	334
Depreciation and amortization expenses	567	290	555	338
Communication expenses	494	256	426	187
Advertising expenses	139	14	388	217
Consultancy expenses	169	87	385	195
Office rent expenses	507	258	233	130
Data processing maintenance and contract expenses	317	153	282	147
Travel expenses	216	80	286	151
Maintenance and repair expenses	144	67	134	73
Subscription expenses	124	65	130	72
Office supplies expenses	96	35	88	44
Taxes and duties expenses	263	235	46	26
Retirement pay provision	31	1	55	19
Representation expenses	105	24	165	89
Training expenses	61	36	71	34
Other	136	35	102	46
	11,790	**6,221**	**11,011**	**5,513**

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

19. OPERATING EXPENSES (Cont'd)

The details of personnel expenses classified under operating expenses for the years end as at 30 June 2011 and 30 June 2010 are as follows:

	1 January-30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Salaries	4,997	2,592	4,033	2,157
Bonuses	486	238	879	228
Social security premium employer's share	553	280	452	227
Meal expenses	285	139	229	116
Transportation expenses	235	123	230	117
Insurance expenses	139	71	96	42
Overtime expenses	117	63	106	51
Unemployment insurance employer's share	72	36	59	29
Compensation expenses	43	26	23	13
Other	109	66	95	(16)
	7,036	**3,634**	**6,202**	**2,964**

20. OTHER OPERATING INCOME

The details of other operating income for the periods ended as at 30 June 2011 and 30 June 2010 are as follows:

	1 January-30 June 2011	1 April-30June 2011	1 January-30 June-2010 (Restated Note 2.6)	1 April-30 June 2010 (Restated Note 2.6)
Foreign exchange gains	138,759	48,546	682,855	314,281
Interest income on bank deposits	7,267	3,901	16,463	7,795
Income on derivative financial transactions	9,600	5,322	34,076	33,679
Interest income on financial assets held for trading	95	42	175	80
Other	429	274	238	183
	156,150	**58,085**	**733,807**	**356,018**

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

21. FINANCE EXPENSES

The details of finance expenses for the periods ended as at 30 June 2011 and 30 June 2010 are as follows:

	1 January-30 June 2011	1 April - 30 June 2011	1 January-30 June 2010	1 April - 30 June 2010
Interest expenses on funds borrowed	33,109	18,407	38,582	19,475
Fees and commissions paid	304	137	379	183
	33,413	**18,544**	**38,961**	**19,658**

22. SPECIFIC PROVISIONS FOR NON-PERFORMING RECEIVABLES

The details of provision for non-performing receivables for the periods ended as at 30 June 2011 and 30 June 2010 are as follows:

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Specific provision expenses	670	497	9	9
	670	**497**	**9**	**9**

23. OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended as at 30 June 2011 and 30 June 2010 are as follows:

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010 (Restated Note 2.6)	1 April-30 June 2010 (Restated Note 2.6)
Foreign exchange losses	132,104	42,359	686,864	318,485
Losses on derivative financial transactions	15,907	8,921	36,721	36,721
Other operating expenses	90	24	6	3
	148,101	**51,304**	**723,591**	**355,209**

24. EARNINGS PER SHARE

Calculation of earnings per share for the periods ended as at 30 June 2011 and 30 June 2010 are as follows:

	1January-30 June 2011	1 April-30 June 2011	1January-30 June 2010 (Restated Note 2.6)	1 April-30 June 2010 (Restated Note 2.6)
Profit / (Loss)for the period	2,928	2,150	1,158	(1,889)
Weighted average share with 1 KR of nominal value (000)	2,100,000	2,100,000	2,100,000	2,100,000
Earnings per thousand shares	**139.43**	**102.38**	**55.14**	**(89.95)**

25. EXPLANATIONS REGARDING RELATED PARTY TRANSACTIONS

The details of receivables and payables due from related parties as of 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Bank balances				
Türkiye Garanti Bankası AŞ	892	45,459	3,194	1,661
Demand deposits	*892*	*4,651*	*3,194*	*1,661*
Time deposits	-	*40,808*	-	-
Garantibank International NV	12	81	12	57
Demand deposits	*12*	*81*	*12*	*57*
Time deposits	-	-	-	-
	904	**45,540**	**3,206**	**1,718**

The amount of cheques and notes at custody by Türkiye Garanti Bankası A.Ş. related with factoring receivables as at 30 June 2011 is TL 353,332 thousand (31 December 2010: TL 300,986 thousand).

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Factoring receivables				
Doğuş Yayın Grubu A.Ş.	41,910	-	34,626	-
	41,910	**-**	**34,626**	**-**

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Funds borrowed				
Türkiye Garanti Bankası AŞ	48,514	66,844	-	190,968
Garantibank International NV	43,513	-	-	-
	92,027	**66,844**	**-**	**190,968**

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

25. EXPLANATIONS REGARDING RELATED PARTY TRANSACTIONS (Cont'd)

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Other receivables				
Türkiye Garanti Bankası A.Ş. (*)	-	-	1,300	-
	-	**-**	**1,300**	**-**

(*) Receivable is related to the commission returns.

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Sundry creditors				
Garanti Finansal Kiralama A.Ş.	15	-	-	-
Garanti Filo Yönetimi A.Ş.	15	-	1	-
Eureko Sigorta A.Ş.	1	-	-	-
	31	**-**	**1**	**-**

The Company has made purchases amounting to TL 383 thousand from Garanti Bilişim Teknolojisi ve Ticaret A.Ş for the period ended as at 30 June 2011 (30 June 2010: TL 388 thousand).

Income and expenses from related parties for the periods ended as at 30 June 2011 and 30 June 2010 are as follows:

	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Factoring interest income				
Doğuş Yayın Grubu A.Ş.	1,742	1,068	1,278	738
	1,742	**1,068**	**1,278**	**738**
Interest income on bank deposits				
Türkiye Garanti Bankası A.Ş.	1,539	860	2,667	795
	1,539	**860**	**2,667**	**795**
Factoring commission income				
Doğuş Yayın Grubu A.Ş.	191	73	124	69
	191	**73**	**124**	**69**
Interest expenses on funds borrowed				
Türkiye Garanti Bankası A.Ş.	3,355	1,818	2,724	1,691
Garanti Bank International NV	2,630	1,544	2,251	1,207
	5,985	**3,362**	**4,975**	**2,898**
Fees and Commissions Paid				
Türkiye Garanti Bankası AŞ	598	510	821	447
	598	**510**	**821**	**447**

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

25. EXPLANATIONS REGARDING RELATED PARTY TRANSACTIONS (Cont'd)

	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Türkiye Garanti Bankası AŞ (Customer referral commission expenses and rent expenses)	193	77	994	513
Garanti Filo Yönetim Hizmetler AŞ (Car rental expenses)	477	241	344	172
Garanti Bilişim Teknolojisi ve Ticaret AŞ (Data processing expenses)	262	64	205	205
Garanti Finansal Kiralama AŞ (Office rent expenses)	212	103	161	80
	1,144	**485**	**1,704**	**970**

The amount of salary and other benefits provided to board of directors and top management by the Company for the period ended as at 30 June 2011 is TL 289 thousand (30 June 2010: TL 259 thousand).

26. CONTINGENT ASSETS AND LIABILITIES

26.1. Guarantees Received

Guarantees received for the Company's factoring receivables as at 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Customer notes	80,977	1,245,270	81,527	640,226
Mortgage	44,836	-	40,661	-
Letters of guarantee	-	12,725	-	1,722
	125,813	**1,257,995**	**122,188**	**641,948**

26.2. Guarantees Given

Guarantees given as at 30 June 2011 and 31 December 2010 consist of letters of guarantee given to the institutions below:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Tax authority	1,008	-	1,008	-
Law court	143	-	236	-
Other	7	-	7	-
	1,158	-	**1,251**	-

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

26. CONTINGENT ASSETS AND LIABILITIES (Cont'd)

26.3. Debt Securities Investments

TL equivalent of nominal values of commitments given related to credit linked note (Please refer to Note 4) as at 30 June 2011 is as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Commitments given related to the Credit Linked Notes	-	7,245	-	8,972
	-	**7,245**	**-**	**8,972**

26.4. Derivative Agreements

The details of currency swap buy and sell agreements as at 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011		31 December 2010	
	TL	FC	TL	FC
Foreign currency swap buy	103,505	118,418	12,449	394,741
Foreign currency swap sell	117,020	107,008	392,851	14,550
Forward buy	34,540	38,457	-	-
Forward sell	33,611	39,384	-	-
	288,676	**303,267**	**405,300**	**409,291**

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

27.1 Financial Risk Management Purposes and Policies

The Company is exposed to various risks during its operations:

Credit Risk

Liquidity Risk

Market Risk

The purpose of this note is to give information about the Company's objectives, policies and processes for the management of above risks when exposed to these risks.

The Company's Board of Directors is broadly responsible for the determination of the risk management framework and supervision activities.

The Company's risk management policies are constituted for identifying and analyzing the risks that the Company may be exposed to. Risk management policies' objective is to comprise suitable risk limit controls, monitoring the risks and keeping to the limits for the Company's risks. The Company helps its personnel to understand their roles and responsibilities by providing disciplined and positive control environment with various training and management standards and processes.

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

27.1 Financial Risk Management Purposes and Policies (cont'd)

27.1.1 Credit Risk

The Company is subject to credit risk through its factoring operations. The Risk Management and Analysis Department of the Company is responsible to manage the credit risk. The Company requires a certain amount of collateral in respect of its financial assets. The Company management developed controls for early phases of credit approval and credit risk monitoring and management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not enter into factoring transaction with the firms which do not meet the predetermined criteria for credit approval. Credit evaluations are performed on all customers by Credit Risk Committee based on their authorization limits. Credit Risk Committee meets every week regularly and performs credit evaluations. The Company has early warning controls with respect to the monitoring of on-going credit risks and the Company regularly performs scoring of the creditworthiness of the customers. A special software program has been developed to monitor the credit risk of the Company. At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

27.1.2 Liquidity Risk

Liquidity risk arises in the general funding of the Company's activities and in the management of positions. It includes both risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Company has access to funding sources from banks. The Company continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Company's strategy.

27.1.3 Market Risk

All held for trading financial instruments are exposed to market risk. Market risk is the risk that changes in market prices will decrease the value of a financial asset. All financial instruments are stated at fair value and the changes in market prices affect operating income of the Company. The Company hedges itself for the changing market conditions through held for trading financial instruments. Market risk is managed through derivatives within the limits approved by management and risk preventive positions are held.

(i) Foreign Currency Risk

The Company is exposed to currency risk through transactions (such as factoring operations and borrowings) in foreign currencies. As the currency in which the Company presents its financial statements is TL, the financial statements are affected by movements in the exchange rates against TL. The Company uses currency swap and forward contracts to manage its exposure to foreign currency risk.

(ii) Interest Rate Risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. The Company is also exposed to interest rate risk due to its assets and liabilities with floating rates such as Euribor and repricing of them. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Company's business strategies.

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

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

27.2 Explanations on Risk Management (cont'd)

27.2.1. Credit Risk

30 June 2011	Factoring Receivables		Non-performing receivables		Other Assets					
	Related Party	Others	Related Party	Others	Related Party	Others	Banks	Financial Assets Held for Trading	Derivative Financial Assets Held for Trading	Financial Assets Available for Sale
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	**41,910**	**965,054**	**-**	**6,548**	**-**	**1,625**	**179,601**	**7,272**	**630**	**4,291**
A. Carrying value of financial assets that are not past due nor impaired	41,910	965,054	-	-	-	1,625	179,601	7,272	630	4,291
B. Net book value of financial assets whose terms are reassessed, if not accepted as past due nor impaired	-	-	-	-	-	-	-	-	-	-
C. Financial assets that are past due nor impaired	-	-	-	-	-	-	-	-	-	-
-carrying value	-	-	-	-	-	-	-	-	-	-
- the part under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-	-
D.Net book value of impaired assets	-	-	-	6,548	-	-	-	-		-
- Past due (gross carrying value)	-	-	-	13,944	-	-	-	-	-	-
- Impairment (-)	-	-	-	(7,396)	-	-	-	-	-	-
-The part of net value under guarantee with collateral etc.	-	-	-	6,548	-	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-	-	-	-	-	-

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

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

27.2 Explanations on Risk Management (cont'd)

27.2.1. Credit Risk

31 December 2010	**Factoring Receivables**		**Non-performing receivables**		**Other Assets**					
	Related Party	**Others**	**Related Party**	**Others**	**Related Party**	**Others**	**Banks**	**Financial Assets Held for Trading**	**Derivative Financial Assets Held for Trading**	**Financial Assets Available for Sale**
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	**34,626**	**1,392,672**	**-**	**6,796**	**1,300**	**2,366**	**108,333**	**9,008**	**303**	**4,168**
A. Carrying value of financial assets that are not past due nor impaired	34,626	1,392,672	-	-	1,300	2,366	108,333	9,008	303	4,168
B. Net book value of financial assets whose terms are reassessed, if not accepted as past due nor impaired	-	-	-	-	-	-	-	-	-	-
C. Financial assets that are past due nor impaired	-	-	-	-	-	-	-	-	-	-
-carrying value	-	-	-	-	-	-	-	-	-	-
- the part under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-	-
D.Net book value of impaired assets	-	-	-	6,796	-	-	-	-		-
- Past due (gross carrying value)	-	-	-	13,723	-	-	-	-	-	-
- Impairment (-)	-	-	-	(6,927)	-	-	-	-	-	-
-The part of net value under guarantee with collateral etc.	-	-	-	6,796	-	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-	-	-	-	-	-

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

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

27.2 Explanations on Risk Management (cont'd)

27.2.2 Liquidity Risk

The following table provides an analysis for the Company's financial liabilities by grouping the contractual maturities as of the balance sheet date. Amounts in the following table are the undiscounted contractual cash flows.

30 June 2011

Contractual Maturities	Carrying Amount	Total Expected Cash Outflows	Less than 3 Months	3-12 month	1-5 year
Non-derivative financial liabilities	**1,153,078**	**1,161,175**	**949,140**	**212,035**	**-**
Funds borrowed	1,148,399	1,156,496	944,461	212,035	-
Factoring payables	4,008	4,008	4,008	-	-
Sundry creditors	671	671	671	-	-

Contractual Maturities	Carrying Amount	Total Expected Cash Outflows	Less than 3 Months	3-12 month	1-5 year
Derivative financial liabilities	**(2,103)**	**(2,103)**	**(2,103)**	**-**	**-**
Derivative cash inflows	294,920	294,920	294,920	-	-
Derivative cash outflows	(297,023)	(297,023)	(297,023)	-	-

31 December 2010

Contractual Maturities	Carrying Amount	Total Expected Cash Outflows	Less than 3 Months	3-12 month	1-5 year
Non-derivative financial liabilities	**1,512,872**	**1,522,769**	**889,375**	**585,756**	**47,638**
Funds borrowed	1,510,951	1,520,848	887,454	585,756	47,638
Factoring payables	1,644	1,644	1,644	-	-
Sundry creditors	277	277	277	-	-

Contractual Maturities	Carrying Amount	Total Expected Cash Outflows	Less than 3 Months	3-12 month	1-5 year
Derivative financial liabilities	**(211)**	**(211)**	**(211)**	**-**	**-**
Derivative cash inflows	407,190	407,190	407,190	-	-
Derivative cash outflows	(407,401)	(407,401)	(407,401)	-	-

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

27.2 Explanations on Risk Management (cont'd)

27.2.3 Market Risk (cont'd)

Foreign currency risk

Foreign currency risk is the risk arising from the value changes on financial instruments related with the change in exchange rates. The Company is exposed to currency risk due to its foreign currency borrowings. The currencies that the foreign currency risk of the Company mainly arises from are USD, Euro and GBP. As the financial statements of the Company are presented in TL, the financial statements are affected by fluctuations in these exchange rates against TL. The Company's net short position arises from the assets, liabilities and derivative financial instruments in foreign currencies as at 30 June 2011 and 31 December 2010.

Foreign currency assets and liabilities as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011	**31 December 2010**
	(TL equivalent in thousands)	**(TL equivalent in thousands)**
A. Foreign currency monetary assets	496,072	300,259
B. Foreign currency monetary liabilities	(504,897)	(680,620)
C. Derivative financial instruments	10,484	380,192
Net foreign currency position (A+B+C)	**1,659**	**(169)**

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

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

27.2 Explanations on Risk Management (cont'd)

27.2.3 Market Risk (cont'd)

Foreign currency risk (cont'd)

The table below summarizes the Company's foreign currency position in detail as of 30 June 2011 and 31 December 2010, Carrying amounts of the Company's foreign currency monetary assets and liabilities are presented with their original currencies:

30 June 2011	**USD**	**EURO**	**GBP**	**Other**	**Total**
Assets					
Cash and cash equivalents	-	-	-	-	-
Financial assets held for trading	7,275	-	-	-	7,275
Banks	162,060	14,292	1,419	37	177,808
Financial assets available for sale	-	13	-	-	13
Factoring receivables (*)	186,690	123,635	164	-	310,489
Other assets	-	487	-	-	487
Total Assets	**356,025**	**138,427**	**1,583**	**37**	**496,072**
Liabilities					
Funds borrowed	366,035	136,966	-	-	503,001
Factoring payables	77	943	37	-	1,057
Sundry creditors	366	359	112	-	837
Financial assets available for sale	2	-	-	-	2
Total liabilities	**366,480**	**138,268**	**149**	**0**	**504,897**
Net foreign currency position	**(10,455)**	**159**	**1,434**	**37**	**(8,825)**
Derivative financial instruments	11,637	(109)	(1,044)	-	10,484
Net position	**1,182**	**50**	**390**	**37**	**1,659**

* Includes the foreign currency indexed factoring receivables amounting to TL 91,176 thousand that are presented in TL column at the balance sheet,.

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

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

27.2 Explanations on Risk Management (cont'd)

27.2.3 Market Risk (cont'd)

Foreign currency risk (cont'd)

31 December 2010	**USD**	**EURO**	**GBP**	**Other**	**Total**
Assets					
Cash and cash equivalents	-	-	-	-	-
Financial assets held for trading	8,603	405	-	-	9,008
Banks	1,083	1,172	882	33	3,170
Financial assets available for sale	-	13	-	-	13
Factoring receivables (*)	179,921	107,639	508	-	288,068
Total Assets	**189,607**	**109,229**	**1,390**	**33**	**300,259**
Liabilities					
Funds borrowed	539,843	140,621	-	-	680,464
Factoring payables	3	152	-	-	155
Sundry creditors	1	-	-	-	1
Total liabilities	**539,847**	**140,773**	**-**	**-**	**680,620**
Net foreign currency position	**(350,240)**	**(31,544)**	**1,390**	**33**	**(380,361)**
Derivative financial instruments	350,507	31,835	(2,150)		380,192
Net position	**267**	**291**	**(760)**	**33**	**(169)**

* Includes the foreign currency indexed factoring receivables amounting to TL 114,515 thousand that are presented in TL column at the balance sheet.

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

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

27.2 Explanations on Risk Management (cont'd)

27.2.3 Market Risk (cont'd)

Foreign Currency Sensitivity Analysis

10% decrease in the TL against the relevant foreign currencies as of 30 June 2011 results with an increase in profit before tax for the period amounting to TL 166 thousand (31 December 2010: TL 17 thousand decrease). This analysis is made with the assumption that the other variables were held constant as of 30 June 2011 and 31 December 2010.

Profit / (Loss)	30 June 2011	30 June 2010
USD	118	(439)
EURO	5	127
GBP	39	(76)
Other	4	3
Total	**166**	**(385)**

Interest Rate Risk

Weighted average effective interest rates applied to financial instruments as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011				31 December 2010			
	USD (%)	EURO (%)	GBP (%)	TL (%)	USD (%)	EURO (%)	GBP (%)	TL (%)
Assets								
Banks								
Time deposits	4.69	3.90	-	-	-	-	-	9.00
Financial instruments held for trading	2.34	-	-	-	2.35	9.50	-	-
Factoring receivables	4.41	4.43	6.70	12.72	3.77	3.57	-	8.67
Liabilities								
Funds borrowed	2.85	3.54	-	11.21	2.93	3.57	-	7.68

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

27. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

27.2. Explanations on Risk Management (cont'd)

27.2.3 Market Risk (cont'd)

Interest Rate Sensitivity Analysis

The Company's financial instruments that have interest rate sensitivity as at 30 June 2011 and 31 December 2010 are as follows:

	Carrying Value	
Fixed Rate	**30 June 2011**	**31 December 2010**
Factoring receivables	814,193	1,252,604
Time deposits	171,263	101,349
Funds borrowed	1,045,732	1,444,300
Floating Rate		
Factoring receivables	192,771	174,694
Financial investments	7,272	9,008
Funds borrowed	102,667	66,651

If interest rates of the floating rate instruments denominated in USD and EURO were 100 basis point higher/lower at the date of reissue and all other variables were constant. Net income for the period would decrease/increase by TL 974 thousand TL (30 June 2010: TL 728 thousand) as a result of higher/lower interest expense from floating interest rate financial instruments.

Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the profit through the optimisation of the debt and equity balance. The capital structure of the Company consists of debt, cash and cash equivalents and equity comprising issued capital, reserves and retained earnings disclosed in Note 17.

The Company management reviews the cost of capital and the risks associated with each class of capital. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital and presents to the Board of Directors for approval.

The overall strategy of the Company does not differ materially from the prior period.

28. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The Company has calculated fair values of financial instruments using available market information and appropriate valuation methodologies. However, as the judgment is necessary to interpret market data to determine the estimated fair value, the calculated fair values may not be fully reflective of the value that could be realized in the current circumstances. Management assumes that the fair value of funds borrowed and marketable securities approximate their carrying value as they were repriced just before the balance sheet date due to their floating interest rates like Euribor and etc. Management also assumes that the fair values of other financial assets and liabilities at amortized cost including cash and banks other financial assets and short term bank loans denominated in TL approximate their carrying values due to their short term nature.

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

28. FINANCIAL INSTRUMENTS (Cont'd)

Fair Value of Financial Instruments Classification

The table below presents the fair value determination method of the financial instruments at fair value. The method for each level is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

30 June 2011	Level 1	Level 2	Level 3	Total
Financial assets held for trading	-	-	7,272	7,272
Derivative financial assets held for trading	-	630	-	630
	-	**630**	**7,272**	**7,902**
Derivative financial liabilities held for trading	-	4,729	-	4,729
	-	**4,729**	**-**	**4,729**

31 December 2010	Level 1	Level 2	Level 3	Total
Financial assets held for trading	-	-	9,008	9,008
Derivative financial assets held for trading	-	303	-	303
	-	**303**	**9,008**	**9,311**
Derivative financial liabilities held for trading	-	311	-	311
	-	**311**	**-**	**311**

29. SUBSEQUENT EVENTS

None.