GARANTİ FAKTORİNG HİZMETLERİ A.Ş.

FINANCIAL STATEMENTS
AS OF 30 JUNE 2012
(Translated into English from the Original Turkish Report)

DRT Bağımsız Denetim ve
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Convenience Translation of the Independent Auditor's
Review Report Originally Prepared and Issued in Turkish

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

INDEPENDENT AUDITORS' REVIEW REPORT

We have reviewed the balance sheet of Garanti Faktoring Hizmetleri A.Ş. ("the Company") as of 30 June 2012 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 flow, of Garanti Faktoring Hizmetleri A.Ş. for the period ended 30 June 2012 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.

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

Hasan Kılıç
Partner, SMMM

İstanbul, 3 August 2012

CONTENT

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
BALANCE SHEET AS OF 30 JUNE 2012

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

	ASSETS	Notes	Reviewed 30 June 2012			Audited 31 December 2011		
			TL	FC	TOTAL	TL	FC	TOTAL
I.	CASH AND CASH EQUIVALENTS	3	-	-	-	-	-	-
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	4	668	4.022	4.690	31	6.334	6.365
2.1	Financial Assets Held for Trading	4,1	-	4.021	4.021	-	6.334	6.334
2.2	Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.3	Derivative Financial Assets Held for Trading	4,2	668	1	669	31	-	31
III.	BANKS	5	232	1.885	2.117	878	6.214	7.092
IV.	AGREEMENTS		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	6	3.565	2	3.567	3.590	2	3.592
VI.	FACTORING RECEIVABLES	7	1.344.813	204.376	1.549.189	1.078.184	169.140	1.247.324
6.1	Discount Factoring Receivables		539.804	8.547	548.351	371.296	17.903	389.199
6.1.1	Domestic		554.950	7.317	562.267	381.385	18.055	399.440
6.1.2	Foreign		-	1.287	1.287	-	-	-
6.1.3	Unearned Income (-)		(15.146)	(57)	(15.203)	(10.089)	(152)	(10.241)
6.2	Other Factoring Receivables		805.009	195.829	1.000.838	706.888	151.237	858.125
6.2.1	Domestic		805.009	156.091	961.100	706.888	128.716	835.604
6.2.2	Foreign		-	39.738	39.738	-	22.521	22.521
VII.	NON-PERFORMING RECEIVABLES	8	4.385	-	4.385	2.158	-	2.158
7.1	Non-Performing Factoring Receivables		19.000	-	19.000	15.445	-	15.445
7.2	Specific Provisions (-)		(14.615)	-	(14.615)	(13.287)	-	(13.287)
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	961	-	961	1.144	-	1.144
XIV.	INTANGIBLE ASSETS (Net)	10	1.333	-	1.333	1.410	-	1.410
14.1	Goodwill				-			-
14.2	Other		1.333	-	1.333	1.410	-	1.410
XV.	DEFERRED TAX ASSETS	11	6.090	-	6.090	4.328	-	4.328
XVI.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
16.1	Held For Sale		-	-	-	-	-	-
16.2	Discontinued Operations		-	-	-	-	-	-
XVII.	OTHER ASSETS	12	2.468	161	2.629	1.455	162	1.617
	TOTAL ASSETS		1.364.515	210.446	1.574.961	1.093.178	181.852	1.275.030

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

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
BALANCE SHEET AS OF 30 JUNE 2012

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

	LIABILITIES	Notes	Reviewed 30 June 2012			Audited 31 December 2011		
			TL	FC	Total	TL	FC	Total
I.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	4,3	197	12	209	816	-	816
II.	FUNDS BORROWED	13	1.199.641	267.803	1.467.444	875.653	304.452	1.180.105
III.	FACTORING PAYABLES	7	1.079	1.304	2.383	318	2.718	3.036
IV.	MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Asset-backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	SUNDRY CREDITORS	14	3.555	276	3.831	770	130	900
VI.	OTHER LIABILITIES	14	-	473	473	-	306	306
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	15	3.778		3.778	4.117		4.117
IX.	PROVISIONS	16	1.272	-	1.272	1.228	-	1.228
9.1	Reserves for Restructuring		-	-	-	-	-	-
9.2	Reserves For Employee Benefits		862	-	862	728	-	728
9.3	Other Provisions		410	-	410	500	-	500
X.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI.	PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
11.1	Held for Sale		-	-	-	-	-	-
11.2	Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED LOANS		-	-	-	-	-	-
XIII.	SHAREHOLDERS' EQUITY	17	95.571	-	95.571	84.522	-	84.522
13.1	Paid-in Capital		21.000	-	21.000	21.000	-	21.000
13.2	Capital Reserves		24.849	-	24.849	2.093	-	2.093
13.2.1	Share Premium		-	-	-	-	-	-
13.2.2	Share Cancellation Profits		-	-	-	-	-	-
13.2.3	Marketable Securities Revaluation Reserve		5	-	5	(29)	-	(29)
13.2.4	Tangible and Intangible Assets Revaluation Reserve		22.722	-	22.722	-	-	-
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		38.707	-	38.707	26.895	-	26.895
13.3.1	Legal Reserves		3.286	-	3.286	1.614	-	1.614
13.3.2	Statutory Reserves		-	-	-	-	-	-
13.3.3	Extraordinary Reserves		35.421	-	35.421	25.281	-	25.281
13.3.4	Other Profit Reserves		-	-	-	-	-	-
13.4	Profit or Loss		11.015	-	11.015	34.534	-	34.534
13.4.1	Retained Earnings / (Accumulated Losses)		-	-	-	-	-	-
13.4.2	Current Year Profit/Loss		11.015	-	11.015	34.534	-	34.534
	TOTAL LIABILITIES AND EQUITY		1.305.093	269.868	1.574.961	967.424	307.606	1.275.030

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

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
STATEMENT OF OFF - BALANCE SHEET ITEMS AS OF 30 JUNE 2012
(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

	OFF-BALANCE SHEET ITEMS	Notes	Reviewed 30 June 2012			Audited 31 December 2011		
			TL	FC	Total	TL	FC	Total
I.	IRREVOCABLE FACTORING OPERATIONS		162.799	8.430	171.229	-	196.765	196.765
II.	REVOCABLE FACTORING OPERATIONS		676.602	321.610	998.212	484.201	491.034	975.235
III.	GUARANTEES TAKEN	26,1	104.159	1.789.107	1.893.266	115.904	1.522.069	1.637.973
IV.	GUARANTEES GIVEN	26,2	1.899	-	1.899	1.294	-	1.294
V.	COMMITMENTS	26,3	861	4.873	5.734	206	6.499	6.705
5.1	Irrevocable Commitments		861	4.873	5.734	206	6.499	6.705
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	133.594	199.492	333.086	62.852	63.119	125.971
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		133.594	199.492	333.086	62.852	63.119	125.971
6.2.1	Forward Buy Sell Transactions		32.908	32.777	65.685	3.537	3.506	7.043
6.2.2	Swap Buy Sell Transactions		100.686	166.715	267.401	59.315	59.613	118.928
6.2.3	Options Buy Sell Transactions		-	-	-	-	-	-
6.2.4	Futures Buy Sell Transactions		-	-	-	-	-	-
6.2.5	Other		-	-	-	-	-	-
VII.	ITEMS HELD IN CUSTODY		464.705	74.722	539.427	335.474	55.953	391.427
	TOTAL OFF BALANCE SHEET ITEMS		1.544.619	2.398.234	3.942.853	999.931	2.335.439	3.335.370

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

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

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

	INCOME STATEMENT	Notes	Reviewed 1 January - 30 June 2012	Reviewed 1 April - 30 June 2012	Reviewed 1 January - 30 June 2011	Reviewed 1 April - 30 June 2011
I.	OPERATING INCOME	18	70.531	32.169	41.183	20.874
	FACTORING INCOME		70.531	32.169	41.183	20.874
1.1	Factoring Interest Income		60.451	27.767	32.674	15.892
1.1.1	Discount		32.279	16.982	14.890	9.020
1.1.2	Other		28.172	10.785	17.784	6.872
1.2	Factoring Commission Income		10.080	4.402	8.509	4.982
1.2.1	Discount		7.019	2.640	5.349	3.085
1.2.2	Other		3.061	1.762	3.160	1.897
II.	OPERATING EXPENSES (-)	19	(15.798)	(8.280)	(11.790)	(6.221)
2.1	Personnel Expenses		(8.782)	(4.316)	(7.036)	(3.634)
2.2	Retirement Pay Provision Expenses		(30)	(15)	(31)	(1)
2.3	Research and Development Expenses		-	-	-	-
2.4	General Administrative Expenses		(6.711)	(3.684)	(4.716)	(2.579)
2.5	Other		(275)	(265)	(7)	(7)
III.	OTHER OPERATING INCOME	20	44.463	16.881	156.150	58.085
3.1	Interest income from Deposits		121	63	7.267	3.901
3.2	Interest income from Reverse Repurchase Agreements		-	-	-	-
3.3	Interest income from Marketable Securities		201	104	95	42
3.3.1	Interest Income from Financial Assets Held for Trading		48	24	95	42
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		153	80	-	-
3.3.4	Interest Income from Financial Assets Held to Maturity		-	-	-	-
3.4	Dividend Income		-	-	-	-
3.5	Interest Received from Money Market Placements		23.840	8.884	9.640	5.322
3.5.1	Derivative Financial Transactions		23.840	8.884	9.600	5.322
3.5.2	Other		-	-	40	-
3.6	Foreign Exchange Gains		19.825	7.687	138.759	48.546
3.7	Other		476	143	389	274
IV.	FINANCIAL EXPENSES (-)	21	(40.428)	(19.527)	(33.413)	(18.544)
4.1	Interest Expense on Funds Borrowed		(39.939)	(19.254)	(33.109)	(18.407)
4.2	Interest Expense on Factoring Payables		-	-	-	-
4.3	Finance Lease Expense		-	-	-	-
4.4	Interest Expense on Securities Issued		-	-	-	-
4.5	Other Interest Expenses		(1)	-	-	-
4.6	Other Fees and Commissions		(488)	(273)	(304)	(137)
V.	SPECIFIC PROVISION FOR NON-PERFORMING RECEIVABLES (-)	22	(1.507)	(219)	(670)	(497)
VI.	OTHER OPERATING EXPENSES (-)	23	(43.476)	(15.987)	(148.101)	(51.304)
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		(23.923)	(8.071)	(15.907)	(8.921)
6.4	Foreign Exchange Losses		(19.459)	(7.822)	(132.104)	(42.359)
6.5	Other		(94)	(94)	(90)	(24)
VII.	NET OPERATING INCOME		13.785	5.037	3.359	2.393
VIII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
IX.	NET MONETARY GAIN LOSS		-	-	-	-
X.	PROFIT LOSS ON CONTINUING OPERATIONS BEFORE TAX		13.785	5.037	3.359	2.393
XI.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	11	(2.770)	(1.016)	(431)	(243)
11.1	Current Tax Charge		(4.532)	(2.253)	(1.956)	(1.562)
11.2	Deferred Tax Charge (-)		-	-	-	-
11.3	Deferred Tax Benefit (+)		1.762	1.237	1.525	1.319
XII.	NET PERIOD PROFIT LOSS FROM CONTINUING OPERATIONS		11.015	4.021	2.928	2.150
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		-	-	-	-
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		-	-	-	-
XVIII.	NET PERIOD PROFIT LOSS		11.015	4.021	2.928	2.150
	Earnings/Loss Per Share (Kuruş (0.01 TL) per thousand shares)	24	524,52	191,48	139,43	102,38

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED FOR UNDER EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

(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 2012	Reviewed 1 January - 30 June 2011
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS		41	-
1.1	Net change in fair value of available for sale investments		41	-
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 differe		-	-
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		-	-
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		(7)	-
X.	TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)		34	-
XI.	PROFIT/LOSS FOR THE PERIOD		-	-
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)		34	-

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

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012
(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	Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Profit (Loss)	Earnings / (Accumulated	Securities Revaluation	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained From Investments	Hedging Funds	Reserves on Assets Held for Sale	Shareholders' Equity
	PRIOR PERIOD																	
	1 January - 30 June 2011																	
	(Bağımsız İncelemeden Geçmiş)																	
I.	Balances at the beginning of the period (Previously reported)	17	21.000	2.122	-	-	1.408	-	-	-	4.139	21.348	-	-	-	-	-	50.017
II.	Corrections made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of corrections (Note 2.6)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted balances		21.000	2.122	-	-	1.408	-	-	-	4.139	21.348	-	-	-	-	-	50.017
	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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Subordinated loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Current period net profit/loss		-	-	-	-	-	-	-	-	2.928	-	-	-	-	-	-	2.928
XIX.	Profit distribution		-	-	-	-	205	-	3.934	-	(4.139)	-	-	-	-	-	-	-
19.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.2	Transfers to reserves		-	-	-	-	205	-	3.934	-	(4.139)	-	-	-	-	-	-	-
19.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balance at the end of the period (30 June 2011) (III+IV+......+XVII+XVIII+XIX)		21.000	2.122	-	-	1.613	-	3.934	-	2.928	21.348	-	-	-	-	-	52.945
	CURRENT PERIOD																	
	1 January - 30 June 2012																	
	(Bağımsız İncelemeden Geçmiş)																	
I.	Balances at the beginning of the prior period (30 June 2011)	17	21.000	2.122	-	-	1.614	-	25.281	-	34.534	-	(29)	-	-	-	-	84.522
	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		-	-	-	-	-	-	-	-	(22.722)	-	-	22.722	-	-	-	-
VI.	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation reserve on marketable securities		-	-	-	-	-	-	-	-	-	-	34	-	-	-	-	34
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		-	-	-	-	-	-	-	-	11.015	-	-	-	-	-	-	11.015
XVII.	Profit distribution		-	-	-	-	1.672	-	10.140	-	(11.812)	-	-	-	-	-	-	-
17.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17.2	Transfers to reserves		-	-	-	-	1.672	-	10.140	-	(11.812)	-	-	-	-	-	-	-
17.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period (30 June 2012) (I+II+III+...+XV+XVI+XVII)		21.000	2.122	-	-	3.286	-	35.421	-	11.015	-	5	22.722	-	-	-	95.571

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

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

	STATEMENT OF CASH FLOWS	Notes	Reviewed 1 January - 30 June 2012	Reviewed 1 January - 30 June 2011
A.	CASH FLOWS FROM OPERATING ACTIVITIES			
1.1	Operating profit before changes in operating assets and liabilities		20.780	11.806
1.1.1	Interest/leasing income received		66.900	37.356
1.1.2	Leasing expenses		633	(507)
1.1.3	Dividends received		-	-
1.1.4	Fees and commissions received	*18*	9.879	8.447
1.1.5	Other income		-	-
1.1.6	Collections from previously written off receivables	*8*	179	201
1.1.7	Payments to personnel and service suppliers		(15.538)	(11.651)
1.1.8	Taxes paid	*11*	(2.263)	-
1.1.9	Other		(39.010)	(22.040)
1.2	Changes in operating assets and liabilities		(26.862)	54.506
1.2.1	Net (increase) decrease in factoring receivables		(311.847)	415.292
1.2.2	Net (increase) decrease in other assets		(374)	2.635
1.2.3	Net increase (decrease) in factoring payables		(653)	2.364
1.2.4	Net increase (decrease) in funds borrowed		285.423	(365.794)
1.2.5	Net increase (decrease) in due payables		-	-
1.2.6	Net increase (decrease) in other liabilities		589	9
I.	Net cash provided from operating activities		(6.082)	66.312
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*	(63)	(206)
2.4	Fixed assets sales		-	-
2.5	Cash paid for purchase of financial assets available for sale		(3.500)	-
2.6	Cash obtained from sale of financial assets available for sale		3.712	-
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		1.137	1.264
II.	Net cash provided from investing activities		1.286	1.058
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		(179)	4.921
V.	**Net increase/decrease in cash and cash equivalents**		**(4.975)**	**72.291**
VI.	**Cash and cash equivalents at the beginning of the period**		**7.092**	**106.985**
VII.	**Cash and cash equivalents at the end of the period**		**2.117**	**179.276**

(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 the Capital Markets Board ("CMB"). The Company operates in accordance with the Capital Markets Law and the Communiqué on the "The Establishment and Main Activities of Finance Leasing, Factoring and Financing Companies" issued by the Banking Regulation and Supervision Agency ("BRSA").

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

	30 June 2012	Shareholding (%)	31 December 2011	Shareholding (%)
Türkiye Garanti Bankası AŞ	17.187	81,84	17.187	81,84
Türkiye İhracat Kredi Bankası AŞ	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 31 December 2011 is 55.40% and Türkiye Garanti Bankası A.Ş. has obtained the remaining 26.44% shares from public shares via Istanbul Stock Exchange. There is no change since 31 December 2011.

The Company has 174 employees as of 30 June 2012 (31 December 2011: 179)

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

Eski Büyükdere Caddesi

Ayazağa Köy Yolu No:23 Kat:2 34396 Maslak / İstanbul

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

Dividends Payable:

At the General Assembly Meeting of the company held on 27 June 2012 regarding the 2011 profit distribution, in line with the profit distribution principles stated in the Company's articles of association, it has been decided that the remaining profit from the after tax profit in the financial statements prepared based on the International Financial Reporting Standards in accordance with the Capital Markets Board Regulation Serial:XI Number: 25, after the appropriation of the special reserve under equity for %75 of the gain on sale of the equity participation amounting to TL 22.722.431,52 as per the Article 5-1-e of the Corporate Tax Law, is to be transfered to the legal reserves and extraordinary reserves.

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 3 August 2012. 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. The Company has applied the accounting policies in line with the prior financial year.

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. Material prior period errors are corrected retrospectively and prior period financial statements are restated.

The management is required to apply accounting policies and make decisions, estimations and assumptions that affect the reported assets, liabilities, income and expenses, in order to prepare the financial statements in accordance with the Reporting Standards. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed constantly. The effect of a change in accounting estimates is recognized prospectively in the current and future periods. The main notes for the items including estimates are as follows:

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

2.3 Changes in Accounting Estimates and Errors (Cont'd)

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

2.4 Adoption of New and Revised International Financial Reporting Standards

(a) New and Revised IFRSs affecting presentation and disclosure

None.

(b) New and Revised IFRSs affecting the reported financial performance and / or financial position

None.

(c) New and Revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs have been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IAS 12 *Deferred Taxes – Recovery of Underlying Assets*

The amendment is effective for annual periods beginning on or after 1 January 2012. 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, through sale. The Company does not have investment property.

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

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

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

Amendments to IFRS 7 *Disclosures – Transfers of Financial Assets*

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

These amendments to IFRS 7 did not have a significant effect on the Company's disclosures. However, if the Company enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

(d) New and Revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 7	*Disclosures – Offsetting of Financial Assets and Financial Liabilities*
IFRS 9	*Financial Instruments*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 13	*Fair Value Measurement*
Amendments to IAS 1	*Presentation of Items of Other Comprehensive Income*
IAS 19 (as revised in 2011)	*Employee Benefits*
IAS 27 (as revised in 2011)	*Separate Financial Statements*
IAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
Amendments to IAS 32	*Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities*

The amendments to IFRS 7 require an entity to disclose information about rights of offset and related agreements for financial instruments under an enforceable master netting agreement or similar arrangement. The new disclosures are required for annual or interim periods beginning on or after 1 January 2013.

IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

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

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

Key requirements of IFRS 9 are described as follows:

- IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

IFRS 9 was amended to defer the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 to annual periods beginning on or after 1 January 2015. Prior to the amendments, application of IFRS 9 was mandatory for annual periods beginning on or after 1 January 2013. The amendments continue to permit early application. The amendments modify the existing comparative transition disclosures in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Instead of requiring restatement of comparative financial statements, entities are either permitted or required to provide modified disclosures on transition from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9 depending on the entity's date of adoption and whether the entity chooses to restate prior periods.

The Company management anticipates that IFRS 9 will be adopted in the Company's financial statements for the annual period beginning 1 January 2015 and that the application of IFRS 9 may have significant impact on amounts reported in respect of the Company's financial assets and financial liabilities (e.g. the Company's investments in redeemable notes that are currently classified as available-for-sale investments will have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss). However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

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

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

Key requirements of these five Standards are described below:

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation, which is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers has been withdrawn upon the issuance of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

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

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

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The management anticipates that IFRS 13 will be adopted in the Company's financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to IAS 19 will be adopted in the Company's financial statements for the annual period beginning 1 January 2013 and that the application of the amendments to IAS 19 may have impact on amounts reported in respect of the Companys' defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

On 19 October 2011 the IASB issued an Interpretation, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, clarifying the requirements for accounting for stripping costs in the production phase of a surface mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted.

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

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

The amendments to IAS 32 are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice. The amendments are effective for annual periods beginning on or after 1 January 2014.

Annual Improvements 2009/2011 Cycle

Further to the above amendments and revised standards, the IASB have issued Annual Improvements to IFRSs in May 2012 that cover 5 main standards/interpretations as follows:

IFRS 1 - Permit the repeated application of IFRS 1, borrowing costs on certain qualifying assets
IAS 1 - Clarification of the requirements for comparative information
IAS 16 - Classification of servicing equipment
IAS 32 - Clarify that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes
IAS 34 - Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments

All amendments are effective on or after 1 January 2013. Early adoptions of these amendments are allowed. The Company has not yet had an opportunity to consider the potential impact of the adoption of these amendments to the standards.

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 proportion of factoring invoice total obtained 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)

Financial Assets (Cont'd)

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 not 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.

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)

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

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the prevailing 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% for factoring receivables overdue more than 1 year. While the Company previously allocated 100% provision for all doubtful factoring receivables which had no significant collaterals without considering the time intervals above, the Company started to allocate special provision in accordance with the Communiqué after 24 February 2012. For the postdated factoring receivables of the clients for which special provision for their overdue receivables had been allocated, free provision is provided based on the rates specified in the Communiqué.

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

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 group. An entity shall assess at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group 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 group 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.

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 by the BRSA 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.

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

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.

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.

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

2.5 Summary of Significant Accounting Policies (Cont'd)

(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.

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.

(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 by the existing shareholders are decided in the General Assembly Meetings and accounted for over 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").

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

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.

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 2012 and 31 December 2011 are as follows:

	30 June 2012	31 December 2011
USD	1,8065	1,8889
EURO	2,2742	2,4438
GBP	2,8216	2,9170

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.

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

2.5 Summary of Significant Accounting Policies (Cont'd)

(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.

(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 operates in Turkey and provides only factoring services.

(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 2012	31 December 2011
Banks	2.117	7.092
	2.117	**7.092**

3 CASH AND CASH EQUIVALENTS

None.

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 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Turkish Corporate Bonds	-	4.021	-	6.334
	-	**4.021**	**-**	**6.334**

	30 June 2012			
	Carrying Amount	Nominal	Interest Rate (%)	Maturity
Turkish Corporate Bonds				
USD	4.021	4.014	2,34	2013
	4.021	**4.014**		

	31 December 2011			
	Carrying Amount	Nominal	Interest Rate (%)	Maturity
Turkish Corporate Bonds				
USD	6.334	6.296	2,47	2013
	6.334	**6.296**		

(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 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	**FC**	**TL**	**FC**
Derivative Financial Assets Held for Trading	668	1	31	-
	668	**1**	**31**	**-**

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 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	**FC**	**TL**	**FC**
Derivative Financial Liabilities Held for Trading	197	12	816	-
	197	**12**	**816**	**-**

5 BANKS

Details of banks as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	**FC**	**TL**	**FC**
Demand deposits	232	1.885	878	6.214
	232	**1.885**	**878**	**6.214**

There is no restriction on bank deposits as at 30 June 2012 and 31 December 2011.

The bank balances, excluding income accruals, with original maturities shorter than 3 months which form the basis of cash flows statement amount TL 2.117 as of 30 June 2012 (31 December 2011: TL 7.092).

(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 and public debt securities held as collateral as at 30 June 2012 and 31 December 2011. 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 2012			31 December 2011		
	Carrying Value		Share Percentage %	Carrying Value		Share Percentage %
Investments in shares	TL	FC		TL	FC	
International Factors Group SC	-	2	1,47	-	2	1,43
	-	2		-	2	

	30 June 2012			
	Carrying Amount	Nominal	Interest rate (%)	Maturity
Public Debt Securities				
Turkish Lira	3.565	3.679	9,54	2012
	3.565	**3.679**		

	31 December 2011			
	Carrying Amount	Nominal	Interest rate (%)	Maturity
Public Debt Securities				
Turkish Lira	3.590	3.712	8,30	2012
	3.590	**3.712**		

7 FACTORING RECEIVABLES AND PAYABLES

Factoring Receivables

Details of factoring receivables as at 30 June 2012, 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Domestic and import factoring receivables	1.359.959	163.408	1.088.273	146.771
Export factoring receivables	-	41.025	-	22.521
Unearned interest income	(15.146)	(57)	(10.089)	(152)
Factoring receivables, net	**1.344.813**	**204.376**	**1.078.184**	**169.140**

Factoring receivables with revised payment plan amounts to TL 1.659 thousand as at 30 June 2012 (31 December 2011: TL 1.659 thousand). The Company has received a mortgage with a fair value of TL 1.659 thousand (31 December 2011: TL 1.659 thousand) for these factoring receivables.

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

7 FACTORING RECEIVABLES AND PAYABLES (Cont'd)

Factoring Receivables (Cont'd)

The amount of past due but not impaired receivables of the Company is TL 2.458 Thousand (31 December 2011: 1.896 Thousand):

	30 June 2012	31 December 2011
Overdue for 1 month	1.561	1.355
Overdue for 1-3 months	897	541
	2.458	**1.896**

Factoring Payables

Details of short term factoring payables as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Factoring payables	1.079	1.304	318	2.718
	1.079	**1.304**	**318**	**2.718**

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

8 NON-PERFORMING RECEIVABLES

Details of the Company's non-performing factoring receivables and the provisions allocated for them as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Non-performing factoring receivables	19.000	-	15.445	-
Specific provisions	(14.615)	-	(13.287)	-
Non-performing receivables, net	**4.385**	-	**2.158**	-

Aging of non-performing factoring receivables and specific provision allocated for them as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	Total non - performing factoring receivables	Provision	Total non -performing factoring receivables	Provision
Overdue for 1-3 months	479	96	1.252	1.252
Overdue for 3-6 months	2.027	429	578	578
Overdue for 6-12 months	2.581	2.335	293	293
Overdue for 1 year and over	13.913	11.755	13.322	11.164
Total	**19.000**	**14.615**	**15.445**	**13.287**

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

8 NON-PERFORMING RECEIVABLES (cont'd)

Amount of collaterals received for non-performing factoring receivables capped with the exposure is TL 9.940 thousand (31 December 2011: TL 9.940 thousand).

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

	30 June 2012	31 December 2011
Balance as at 1 January	**13.287**	**6.927**
Provision provided for the period (*)	1.507	6.631
Collections during the period (**)	(179)	(271)
Balance at the end of the year	**14.615**	**13.287**

(*) The provisions provided during the period and the cancellation of the same provisions due to collections during the period are presented as a net value.

(**) Refers to the the cancelled amount of a special provision, provided in prior periods, due to collections made in the current period.

9 TANGIBLE ASSETS

The movement of tangible assets for the period ended as at 30 June 2012 is as follows:

	1 January 2012	Additions	Tranfers(*)	Disposals	30 June 2012
Acquisition Cost					
Furniture and fixtures	3.618	61	(1.110)	-	2.569
Vehicles	19	-	-	-	19
Leasehold improvements	1.108	2	(1)	-	1.109
	4.745	63	(1.111)	-	3.697

Accumulated Depreciation	1 January 2012	Charge for the period	Tranfers	Disposals	30 June 2012
Furniture and fixture	2.650	192	(1.084)	-	1.758
Vehicles	8	2	1	-	11
Leasehold improvements	943	16	8	-	967
	3.601	210	(1.075)	-	2.736
Net book value	1.144				961

(*) Transfers refer to the reclassifications and corrections made by the Company, after revisiting its tangible assets and the relevant accounting records during the period. As the net effect of these corrections on income / expenses accounts is TL 262 thousand loss and therefore is not material on the overall financial statements, it is presented in the current period income statement.

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

9 TANGIBLE ASSETS (cont'd)

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

	1 January 2012	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**

Accumulated Depreciation	**1 January 2012**	**Charge for the period**	**Disposals**	**30 June 2011**
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**

As of 30 June 2012 the insurance on tangible assets amounts to TL 1.390 thousand (31 December 2011: TL 1.390 thousand) and the insurance premium amounts to TL 4 thousand (31 December 2011: TL 4 thousand).

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

10 INTANGIBLE ASSETS

The movement of intangible assets for the period ended as of 30 June 2012 is as follows:

	1 January 2012	Additions	Transfers (*)	Disposals	30 June 2012
Acquisition Cost					
Rights	3.072	-	4	-	3.076
Other (Software)	1.287	544	8	-	1.839
	4.359	**544**	12	-	**4.915**

Accumulated Amortization	**1 January 2012**	**Charge for the period**	**Transfers**	**Disposals**	**30 June 2012**
Rights	1.673	237	709	-	2.619
Other (Software)	1.276	158	(471)	-	963
	2.949	**395**	**238**	-	**3.582**
Net book value	**1.410**				**1.333**

(*) Please refer to Note 9

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

10 INTANGIBLE ASSETS (cont'd)

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**

Accumulated Amortization	**1 January 2011**	**Charge for the period**	**Disposals**	**30 June 2011**
Rights	1.422	365	-	1.787
Other (Software)	666	-	-	666
	2.088	**365**	-	**2.453**
Net book value	**1.442**			**1.491**

The Company does not have internally generated intangible asset as at 30 June 2012 and 31 December 2011.

	Useful lives
Rights	3-5
Other	3-5

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 2012 is 20% (2011: 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 2012 (2011: 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.

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

11 TAX ASSETS AND LIABILITIES (Cont'd)

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.

Reconciliation of tax charge

	30 June 2012	30 June 2011
Reported profit before taxation	13.785	3.359
Calculated taxation on reported profit	(2.757)	(672)
Permanent differences:		
Non-deductible expenses	(100)	(62)
Other non-taxable income	37	36
Reversal of overaccrual of 2011 tax provision	(4)	-
Corporate tax refund	-	267
Other	54	
Tax Charge	**(2.770)**	**(431)**

The corporate tax payable as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012	31 December 2011
Corporate tax provision	4.553	6.040
Advance taxes	(2.271)	(3.253)
Witholding income taxes	(13)	(198)
Corporate Tax Payable	**2.269**	**2.589**

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

	1 January-30 June 2012	1 April - 30 June 2012	1 January-30 June 2011	1 April - 30 June 2011
Current tax charge	(4.553)	(2.274)	(2.223)	(1.829)
Reversal of overaccrual of 2011 tax provision	21	21	-	-
Corporate tax refund	-	-	267	267
Deferred tax charge/(benefit)	1.762	1.237	1.525	1.319
	(2.770)	**(1.016)**	**(431)**	**(243)**

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

11 TAX ASSETS AND LIABILITIES (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.

The effective corporate tax rate is 20% as at 30 Juner 2012 (31 December 2011: 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%.

Breakdown of temporary differences and deferred tax assets and liabilities that are calculated by using current tax rates as at 30 June 2012, 31 December 2011 are as follows:

	30 June 2012	31 December 2011
Temporary Differences		
Unearned factoring interest income	15.203	10.241
Factoring receivable provisions and adjustments	12.209	10.787
Deffered commisions	2.997	-
Retirement pay provision	161	145
Unused vacation accrual	703	583
Valuation differences of derivative financial assets	209	785
Temporary differences related to deferred tax assets	**31.482**	**22.541**
Temporary differences of derivative financial assets	465	-
Temporary differences on tangible and intangible assets	532	889
Valuation differences of funds borrowed	37	11
Temporary differences related to deferred tax liabilities	**1.034**	**900**
Deferred tax assets / (liabilities)		
Unearned factoring interest income	3.040	2.048
Factoring receivable provisions and adjustments	2.442	2.157
Deffered commisions	599	-
Retirement pay provision	32	29
Unused vacation accrual	141	117
Valuation differences of derivative financial assets	42	157
Deferred tax assets	**6.296**	**4.508**
Temporary differences of derivative financial assets	(93)	-
Temporary differences on tangible and intangible assets	(106)	(178)
Valuation differences of funds borrowed	(7)	(2)
Deferred tax liabilities	**(206)**	**(180)**
Deferred tax assets (net)	**6.090**	**4.328**

(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 2012	1 January - 30 June 2011
1 January	4.328	3.215
Deferred tax benefit/ (charge)	1.762	1.113
Balance at the end of the period	**6.090**	**4.328**

12 OTHER ASSETS

Details of other assets as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Prepaid expenses	1.130	-	372	-
Guarantees Given (Turkish Derivatives Exchange)	915	-	848	-
Other	423	161	235	162
	2.468	**161**	**1.455**	**162**

13 FUNDS BORROWED

Details of funds borrowed as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Funds Borrowed	1.199.641	267.803	875.653	304.452
	1.199.641	**267.803**	**875.653**	**304.452**

	30 June 2012				31 December 2011			
	Original Amount	Interest Rate (%)*	TL Equivalent Up to 1 Year	TL Equivalent 1 Year and over	Original Amount	Interest Rate (%)	TL Equivalent Up to 1 Year	TL Equivalent 1 Year and over
TL	1.199.641	11,23-15,00	1.199.641	-	875.653	12,36-16,28	875.653	-
USD	109.402	3,07-6,09	197.635	-	112.320	2,20-5,41	212.162	-
EURO	23.350	3,52-5,25	53.102	17.066	37.765	3,63-3,98	92.290	-
Total			**1.450.378**	**17.066**			**1.180.105**	**-**

* These rates represent the interest rate range of outstanding funds borrowed with fixed and floating rates as at 30 June 2012 and 31 December 2011.

There is no guarantee given for the funds borrowed as at 30 June 2012 and 31 December 2011.

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

14 SUNDRY CREDITORS AND OTHER LIABILITIES

Details of sundry creditors as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Deferred commissions	2.997	-	-	-
Sundry creditors	244	4	483	21
Transitory liability accounts	314	272	287	109
	3.555	**276**	**770**	**130**
Guarantee payments to customers	-	473	-	306
Other Liabilities	-	**473**	-	**306**

15 TAXES PAYABLE

Details of taxes payable and liabilities as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Corporate tax payable (*)	2.269	-	2.589	-
Income tax payable	242	-	409	-
Social security premiums payable	493	-	464	-
Stamp tax payable	7	-	10	-
V.A.T payable	10	-	23	-
Banking and Insurance Transactions Tax (BITT) payable	757	-	622	-
	3.778	-	**4.117**	-

* Income tax provision amounting to TL 4.553 thousand presented by netting the advance corporate tax amounting to TL 2.271 thousand and income withholding taxes amounting to TL 13 thousand, as at 30 June 2012.

* Income tax provision amounting to TL 6,040 thousand presented by netting the advance corporate tax amounting to TL 3.253 thousand and income withholding taxes amounting to TL 198 thousand, as at 31 December 2011.

16 PROVISIONS

Details of provisions as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Provision for employee benefits	862	-	728	-
Provision provided for postdated cheques	94	-	-	-
Other provisions	316	-	500	-
	1.272	-	**1.228**	-

(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 as of 30 June 2012, include retirement pay provision amounting to TL 160 thousand (31 December 2011: TL 145 thousand), unused vacation accrual amounting to TL 702 thousand (31 December 2011: TL 583 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 2.917,27 (full) for each period of service as at 30 June 2012 (31 December 2011: TL 2.731,85 (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 30 June 2012, 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 5,06% and a discount rate of 9,52%, resulting in a real discount rate of approximately 4,25%. (31 December 2011: 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 90,2%. The company, effective from 1 July 2012 the calculation of retirement pay provision for the TL 3.033,98 (full) ceiling amount has taken into consideration (31 December 2011: TL 2.805,04 (full) ceiling amount has taken into consideration announced on 1 January 2012).

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

	30 June 2012	30 June 2011
Balance at 1 January	**145**	**151**
Payments during the period	(15)	(43)
Provision provided for the period	30	74
Balance at the end of the period	**160**	**182**

Personnel Bonus Accrual

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

	30 June 2012	30 June 2011
Balance at 1 January	-	**539**
Paid in the period	-	(380)
Reversal	-	(159)
Accrual for the period	-	-
Balance at the end of the period	-	-

(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 2012	30 June 2011
Balance at 1 January	**583**	**449**
Paid in the period	(34)	(57)
Reversal	(45)	-
Accrual for the period	198	191
Balance at the end of the period	**702**	**583**

Provisions provided for postdate cheques

Movement of provision provided for post date cheques during the period is as follows:

	30 June 2012	30 June 2011
Balance at 1 January	**-**	**-**
Paid in the period	(53)	-
Provision provided for the period	147	-
Balance at the end of the period	**94**	**-**

Other Provisions

As of 31 December 2011, other provisions amounting to TL 316 thousand is provided for ongoing lawsuits and fines (31 December 2011: TL 500 thousand). The movement of other provisions during the period is as follows:

	30 June 2012	30 June 2011
Balance at 1 January	**500**	**-**
Paid in the period	(184)	-
Provision provided for the period	-	-
Balance at the end of the period	**316**	**-**

17 SHAREHOLDERS' EQUITY

17.1 Paid-in Capital

As at 30 June 2012, the Company's share capital amounts to TL 21.000 thousand (31 December 2011: TL 21.000 thousand). As at 30 June 2012 the Company has 2.100.000.000 (31 December 2011: 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 Kuruş (KR=0,01 TL) 1 each (31 December 2011: Kr 1).

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 only be 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 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 legal 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

As of 30 June 2012, capital reserves of TL 24.849 thousand (31 December 2011: TL 2.093) includes capital reserves from inflation adjustments to paid-in capital amounting to TL 2.122 thousand (31 December 2011: TL 2.122 thousand), TL 22.722 thousand tangible and intangible assets revaluation differences (31 December 2011: none) and TL 5 thousand marketable securities revaluation differences (31 December 2011: TL (29) thousand).

17.3 Profit Reserves

The Company's profit reserves comprise of the first legal reserves amounting to TL 3.286 thousand (31 December 2011: TL 1.614 thousand) and extraordinary reserves amounting to TL 35.421 thousand (31 December 2011: TL 25.281) as at 30 June 2012.

17.4 Profit Distribution

Retained earnings on statutory books can be distributed except for the 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 increase to be made through the internal resources should be based on the lower of the amounts calculated using the CMB's accounting standards and the figures recorded in the 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 the 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.)

17 SHAREHOLDERS' EQUITY (Cont'd)

17.4 Profit Distribution (Cont'd)

2011 PROFIT DISTRIBUTION TABLE	
2011 Net Profit	34.534
A – I. Legal reserve (Turkish Commercial Code 466/1) at 5%	1.672
Undistributable funds	22.722
B- First dividend at 5% of the paid-in capital	-
C- Extraordinary reserves at 5% after above deductions	-
D- Second dividend to the shareholders	-
E- Extraordinary reserves	10.140
F- II.Legal reserve (Turkish Commercial Code 466/2)	-

18 OPERATING INCOME

The details of operating income for the periods ended as of 30 June 2012 and 30 June 2011 are as follows:

	1 January - 30 June 2012	**1 April - 30 June 2012**	**1 January - 30 June 2011**	**1 April - 30 June 2011**
Factoring interest income	60.451	27.767	32.674	15.892
Factoring commission income (net)	10.080	4.402	8.509	4.982
Commission income	*10.556*	*4.655*	*9.225*	*5.411*
Commission expense	*(476)*	*(253)*	*(716)*	*(429)*
	70.531	**32.169**	**41.183**	**20.874**

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

19 OPERATING EXPENSES

The details of operating expenses for the periods ended as of 30 June 2012 and 30 June 2011 are as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Personnel expenses	8.782	4.316	7.036	3.634
Customer referral commission expenses	1.693	932	598	510
Vehicle expenses	885	462	787	441
Depreciation and amortization charges	605	372	567	290
Communication expenses	441	211	494	256
Advertising expenses	36	28	139	14
Consultancy expenses	243	124	169	87
Rent expenses	518	260	507	258
Data processing maintenance and contract	454	454	317	153
Travel expenses	71	54	216	80
Maintenance and repair expenses	66	26	144	67
Subscription expenses	159	84	124	65
Printed paper and stationery expenses	84	20	96	35
Taxes and duties	943	357	263	235
Retirement pay provision	30	15	31	1
Representation expenses	119	96	105	24
Law-suit expenses	4	2	2	1
Cleaning expenses	90	49	60	32
Lighting expenses	36	19	22	6
Security expenses	27	11	20	5
Food and beverage expenses	26	12	25	14
Insurance expenses	77	34	2	-
Other	409	342	66	13
	15.798	**8.280**	**11.790**	**6.221**

(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 2012 and 2011 are as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Salaries	6.464	3.306	4.997	2.592
Bonuses	317	13	486	238
Social security premium employer's share	717	364	553	280
Personnel subsistence	367	176	285	139
Personnel transportation expenses	250	125	235	123
Personnel health expenses	64	23	40	17
Insurance expenses	183	90	139	71
Training expenses	142	103	-	-
Unused vacation accruals	120	52	29	-
Overtime expenses	44	22	117	63
Unemployment insurance employer's share	77	31	72	36
Other	37	11	83	75
	8.782	**4.316**	**7.036**	**3.634**

20 OTHER OPERATING INCOME

The details of other operating income for the periods ended as at 30 June 2012 and 30 June 2011 are as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Foreign exchange gains	19.825	7.687	138.759	48.546
Interest income on bank deposits	121	63	7.267	3.901
Income on derivative financial transactions	23.840	8.884	9.600	5.322
Interest income on marketable securities	201	104	95	42
Other	476	143	429	274
	44.463	**16.881**	**156.150**	**58.085**

(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 2012 and 30 June 2011 are as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Interest expenses on funds borrowed	39.939	19.254	33.109	18.407
Fees and commissions paid	488	273	304	137
Other interest expenses	1	-	-	-
	40.428	**19.527**	**33.413**	**18.544**

22 SPECIFIC PROVISIONS FOR NON-PERFORMING RECEIVABLES

The details of provision for non-performing receivables for the periods ended as at 30 June 2012 and 30 June 2011 are as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Specific provision expenses	1.507	219	670	497
	1.507	**219**	**670**	**497**

23 OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended as at 30 June 2012 and 30 June 2011 are as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Foreign exchange losses	19.459	7.822	132.104	42.359
Losses on derivative financial transactions	23.923	8.071	15.907	8.921
Other	94	94	90	24
	43.476	**15.987**	**148.101**	**51.304**

24 EARNINGS PER SHARE

Calculation of earnings per share for the periods ended as at 30 June 2012 and 30 June 2011 are as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Net profit/(loss) for the period	11.015	4.021	2.928	2.150
Weighted average number of shares with 1 KR of nominal value (thousand)	2.100.000	2.100.000	2.100.000	2.100.000
Earnings per thousand shares (KR)	**524,52**	**191,48**	**139,43**	**102,38**

25 EXPLANATIONS REGARDING RELATED PARTY TRANSACTIONS

The details of receivables and payables due from related parties as of 30 June 2012 and 30 June 2011 are as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Bank balances				
Türkiye Garanti Bankası A.Ş.	109	918	491	3.049
Demand deposits	*109*	*918*	*491*	*3.049*
Garantibank International NV	2	9	12	71
Demand deposits	*2*	*9*	*12*	*71*
	111	**927**	**663**	**80.394**

The amount of cheques and notes at custody of Türkiye Garanti Bankası A.Ş. related with factoring receivables as at 30 June 2012 is TL 518.672 thousand (31 December 2011: TL 366.778 thousand).

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Factoring receivables				
Doğuş Yayın Grubu AŞ	67.406	-	14.857	-
	67.406	**-**	**14.857**	**-**

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Loans received				
Türkiye Garanti Bankası AŞ	137.192	-	118.106	-
Garantibank International NV	76.659	38.479	58.335	-
	213.851	**-**	**176.441**	**0**

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

25 EXPLANATIONS REGARDING RELATED PARTY TRANSACTIONS (Cont'd)

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Sundry creditors				
Garanti Bilişim Teknolojisi ve Ticaret AŞ	16	-	35	-
Garanti Finansal Kiralama AŞ	29	-	50	-
Türkiye Garanti Bankası AŞ	37	-	48	-
Garanti Emeklilik AŞ	-	4	-	20
Garanti Filo Yönetimi AŞ	33	-	11	-
Antur Turizm AŞ	15	-	-	-
Eureko Sigorta AŞ	-	-	6	-
	130	**4**	**150**	**20**

The Company has made purchases amounting to TL 359 thousand from Garanti Bilişim Teknolojisi ve Ticaret A.Ş for the period ended 30 June 2012 (30 June 2011: TL 317 thousand).

Income and expenses from related parties for the periods ended as at 30 June 2012 and 30 June 2011 are as follows:

	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Interest income from factoring receivables				
Doğuş Yayın Grubu AŞ	2.764	1.860	1.742	1.068
	2.764	**1.860**	**1.742**	**1.068**
Interest income on bank deposits				
Türkiye Garanti Bankası AŞ	4	2	1.539	860
	4	**2**	**1.539**	**860**
Commission income from factoring receivables				
Doğuş Yayın Grubu AŞ	981	535	191	73
Doğuş Grubu İletişim Yayın AŞ	21	12	-	-
Işıl Televizyon Yayıncılık AŞ	21	-	-	-
	1.023	**535**	**191**	**73**
Interest expenses on funds borrowed				
Türkiye Garanti Bankası AŞ	254	149	3.355	1.818
Garanti Bank International NV	7.979	3.524	2.630	1.544
	8.233	**3.673**	**5.985**	**3.362**
Fees and commissions given				
Türkiye Garanti Bankası AŞ	132	80	598	510
	132	**80**	**598**	**510**

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

25 EXPLANATIONS REGARDING RELATED PARTY TRANSACTIONS (Cont'd)

General Administrative Expenses	1 January - 30 June 2012	1 April - 30 June 2012	1 January - 30 June 2011	1 April - 30 June 2011
Türkiye Garanti Bankası AŞ *(Customer referral commission expenses and rent expenses)*	1.825	985	193	77
Garanti Filo Yönetim Hizmetler AŞ *(Car rental expenses)*	536	268	477	241
Garanti Bilişim Teknolojisi ve Ticaret AŞ *(Data processing expenses)*	385	385	262	64
Antur Turizm AŞ *(Traveling expenses)*	31	31	-	-
Doğuş Oto Pazarlama ve Ticaret AŞ *(Car expences)*	1	1	-	-
Garanti Finansal Kiralama AŞ *(Office rent expenses)*	219	117	212	103
	2.997	**1.787**	**1.144**	**485**

Salary and other benefits provided to top management:

The amount of salary and other benefits provided to the key management by the Company for the period ended as at 30 June 2012 is TL 1.014 thousand (30 June 2011: TL 289 thousand).

26 CONTINGENT ASSETS AND LIABILITIES

26.1 Guarantees Received

Guarantees received for the Company's factoring receivables as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Customer notes	64.521	1.745.290	71.266	1.497.814
Mortgage	36.636	-	41.636	-
Letters of guarantee	3.002	43.817	3.002	24.255
	104.159	**1.789.107**	**115.904**	**1.522.069**

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

26 CONTINGENT ASSETS AND LIABILITIES (Cont'd)

26.2 Guarantees Given

Guarantees given as at 30 June 2012 and 31 December 2011 consist of letters of guarantee given to the institutions below:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Tax authority	1.008	-	1.008	-
Law courts	884	-	279	-
Other	7	-	7	-
	1.899	-	**1.294**	-

26.3 Investments in Debt Securities

TL equivalent of nominal values of commitments given related to credit linked notes (Please refer to Note 4) as at 30 June 2012 is as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Commitments given related to the Credit Linked Notes	-	4.014	-	6.296
Foreign exchange buy-sell commitments	861	859	206	203
	861	**4.873**	**206**	**6.499**

26.4 Currency Swap Buy-Sell Agreements

The details of currency swap buy and sell agreements as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012		31 December 2011	
	TL	FC	TL	FC
Currency swap buy transactions	94.395	8.781	-	59.030
Currency swap sell transactions	6.291	96.530	59.315	583
Interest swap buy transactions	-	30.702	-	-
Interest swap sell transactions	-	30.702	-	-
Forward buy transactions	16.456	16.388	3.537	-
Forward sell transactions	16.452	16.389	-	3.506
	133.594	**199.492**	**62.852**	**63.119**

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 can 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.

27.1.1 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.

As at the balance sheet date, there were no significant industry or geographical 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. 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 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.

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

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

27.1.3 Market Risk (Cont'd)

(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 derivative instruments 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2012
(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 2012	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)	**67.406**	**1.481.783**	**-**	**4.385**	**-**	**1.500**	**2.117**	**4.021**	**669**	**3.567**
A. Carrying value of financial assets that are not past due nor impaired	67.406	1.479.325	-	-	-	1.500	2.117	4.021	669	3.567
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 but not impaired	-	2.458	-	-	-	-	-	-	-	-
-carrying value	-	2.458	-	-	-	-	-	-	-	-
- the part under guarantee with collateral etc	-	-	-	-	-	-	-	-	-	-
D.Net book value of impaired assets	-	-	-	4.385	-	-	-	-	-	-
- Past due (gross carrying value)	-	-	-	19.000	-	-	-	-	-	-
- Impairment (-)	-	-	-	(14.615)	-	-	-	-	-	-
-The part of net value under guarantee with collateral etc.	-	-	-	2.158	-	-	-	-	-	-
- 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 (Cont'd)

31 December 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)	**14.857**	**1.232.467**	**-**	**2.158**	**-**	**1.245**	**7.092**	**6.334**	**31**	**3.592**
A. Carrying value of financial assets that are not past due nor impaired	14.857	1.230.571	-	-	-	1.245	7.092	6.334	31	3.592
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 but not impaired	-	1.896	-	-	-	-	-	-	-	-
-carrying value	-	1.896	-	-	-	-	-	-	-	-
- the part under guarantee with collateral etc	-	-	-	-	-	-	-	-	-	-
D.Net book value of impaired assets	-	-	-	2.158	-	-	-	-	-	-
- Past due (gross carrying value)	-	-	-	15.445	-	-	-	-	-	-
- Impairment (-)	-	-	-	(13.287)	-	-	-	-	-	-
-The part of net value under guarantee with collateral etc.	-	-	-	2.158	-	-	-	-	-	-
- 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 2012

Contractual Maturities	Carrying Amount	Total Expected Cash Outflows	Less than 3 Months	3-12 month	1-5 year	More than 5 years
Non-derivative financial liabilities	**1.473.658**	**1.481.081**	**1.295.913**	**167.249**	**17.919**	**-**
Funds borrowed	1.467.444	1.474.867	1.289.699	167.249	17.919	-
Factoring payables	2.383	2.383	2.383	-	-	
Sundry creditors	3.831	3.831	3.831	-	-	

Contractual Maturities	Carrying Amount	Total Expected Cash Outflows	Less than 3 Months	3-12 month	1-5 year	More than 5 years
Derivative financial liabilities	**359**	**359**	**359**	**-**	**-**	**-**
Derivative cash inflows	167.582	167.582	167.582	-	-	
Derivative cash outflows	(167.223)	(167.223)	(167.223)	-	-	

31 December 2011

Contractual Maturities	Carrying Amount	Total Expected Cash Outflows	Less than 3 Months	3-12 month	1-5 year	More than 5 years
Non-derivative financial liabilities	**1.184.041**	**1.189.574**	**987.488**	**202.086**	**-**	**-**
Funds borrowed	1.180.105	1.185.638	983.552	202.086	-	-
Factoring payables	3.036	3.036	3.036	-	-	
Sundry creditors	900	900	900	-	-	

Contractual Maturities	Carrying Amount	Total Expected Cash Outflows	Less than 3 Months	3-12 month	1-5 year	More than 5 years
Derivative financial liabilities	**(834)**	**(834)**	**(834)**	**-**	**-**	**-**
Derivative cash inflows	62.773	62.773	62.773	-	-	
Derivative cash outflows	(63.607)	(63.607)	(63.607)	-	-	

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

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 2012 and 31 December 2011.

Foreign currency assets and liabilities as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012 (TL equivalent in thousands)	31 December 2011 (TL equivalent in thousands)
A. Foreign currency monetary assets	358.917	252.652
B. Foreign currency monetary liabilities	(269.868)	(307.606)
C. Derivative financial instruments	(87.768)	54.738
Net foreign currency position (A+B+C)	**1.281**	**(216)**

(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 2012 and 31 December 2011. Carrying amounts of the Company's foreign currency monetary assets and liabilities are presented with their original currencies:

30 June 2012	USD	EURO	GBP	Other	Total
Assets					
Financial assets held for trading	4.021	-	-	1	4.022
Banks	181	1.384	320	-	1.885
Financial assets available for sale	-	2	-	-	2
Factoring receivables (*)	254.151	97.261	1.435	-	352.847
Other assets	48	96	17	-	161
Total Assets	**258.401**	**98.743**	**1.772**	**1**	**358.917**
Liabilities					
Funds borrowed	197.635	70.168	-	-	267.803
Factoring payables	370	647	287	-	1.304
Sundry creditors and other liabilities	32	703	14	-	749
Financial liabilities available for sale	2	10	-	-	12
Total liabilities	**198.039**	**71.528**	**301**	**-**	**269.868**
Net foreign currency position	**60.362**	**27.215**	**1.471**	**1**	**89.049**
Derivative financial instruments	(60.615)	(26.307)	(846)	-	(87.768)
Net position	**(253)**	**908**	**625**	**1**	**1.281**

(*)Includes the foreign currency indexed factoring receivables amounting to TL 148.471 thousand that are presented in TL column on 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 2011	USD	EURO	GBP	Other	Total
Assets					
Financial assets held for trading	6.334	-	-	-	6.334
Banks	2.336	2.466	1.412	-	6.214
Financial assets available for sale	-	2	-	-	2
Factoring receivables (*)	166.763	73.057	120	-	239.940
Other assets	50	96	16	-	162
Total Assets	**175.483**	**75.621**	**1.548**	**-**	**252.652**
Liabilities					
Funds borrowed	212.162	92.290	-	-	304.452
Factoring payables	1.358	1.012	348	-	2.718
Sundry creditors and other liabilities	106	320	10	-	436
Total liabilities	**213.626**	**93.622**	**358**	**-**	**307.606**
Net foreign currency position	**(38.143)**	**(18.001)**	**1.190**	**-**	**(54.954)**
Derivative financial instruments	37.982	17.339	(583)	-	54.738
Net position	**(161)**	**(662)**	**607**	**-**	**(216)**

(*)Includes the foreign currency indexed factoring receivables amounting to TL 70.800 thousand that are presented in TL column on 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 risk

10% decrease in the TL against the relevant foreign currencies as of 30 June 2012 results with a decrease in profit before tax for the period amounting to TL 129 thousand (30 June 2011: TL 166 thousand decrease). This analysis is made with the assumption that the other variables were held constant as of 30 June 2012 and 30 June 2011.

TL 30 June 2012	Profit/(Loss
USD	(25)
EURO	91
GBP	63
Total	**129**

TL 30 June 2011	Profit/(Loss
USD	118
EURO	5
GBP	39
Other	4
Total	**166**

Interest Rate Risk

Weighted average effective interest rates applied to financial instruments as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012				31 December 2011			
	USD (%)	EURO (%)	GBP (%)	TL (%)	USD (%)	EURO (%)	GBP (%)	TL (%)
Assets								
Banks								
Time Deposit	-	-	-	-	-	-	-	-
Financial instruments held for trading	2,34	-	-	-	2,47	-	-	-
Financial instruments available for sale	-	-	-	9,54	-	-	-	8,30
Factoring receivables	6,41	6,64	7,72	14,03	7,09	7,56	-	16,42
Liabilities								
Funds borrowed	5,10	4,97	-	12,61	3,65	3,83	-	14,18

(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 2012 and 31 December 2011 are as follows:

	Carrying Value	
Fixed Rate	**30 June 2012**	**31 December 2011**
Factoring receivables	1.281.994	1.011.447
Available for sale assets	3.565	3.590
Funds borrowed	1.379.938	1.028.764
Floating Rate		
Factoring receivables	267.195	235.877
Financial investments	4.021	6.334
Funds borrowed	87.506	151.341

If interest rates of the floating rate instruments denominated in USD and EURO were 100 basis points higher/lower at the date of reissue and all other variables were constant as of 30 June 2012, net income for the period would decrease/increase by TL 1.837 thousand TL (31 December 2011: TL 909 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 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 did 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 are not based on observable market data (unobservable inputs).

30 June 2012	Level 1	Level 2	Level 3	Total
Financial assets available for sale	3.565	2	-	3.567
Financial assets held for trading	-	4.021	-	4.021
Derivative financial assets held for trading	-	669	-	669
	3.565	**4.692**	**-**	**8.257**
Derivative financial liabilities held for trading	-	209	-	209
	-	**209**	**-**	**209**

31 December 2011	Level 1	Level 2	Level 3	Total
Financial assets available for sale	3.590	-	-	3.590
Financial assets held for trading	-	6.334	-	6.334
Derivative financial assets held for trading	-	31	-	31
	3.590	**6.365**	**-**	**9.955**
Derivative financial liabilities held for trading	-	816	-	816
	-	**816**	**-**	**816**

29 SUBSEQUENT EVENTS

None.