

GARANTİ FAKTORİNG A.Ş.
BALANCE SHEET AS OF 31 DECEMBER 2016

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

ASSETS	Notes	Audited 31 December 2016			Audited 31 December 2015		
		TL	FC	TOTAL	TL	FC	TOTAL
I. CASH, CASH EQUIVALENTS AND CENTRAL BANK		-	-	-	-	-	-
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	3	336	58	394	11.783	86	11.869
2.1 Financial Assets Held for Trading		-	-	-	-	-	-
2.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.3 Derivative Financial Assets Held for Trading	3.1	336	58	394	11.783	86	11.869
III. BANKS	4	595	9.008	9.603	31.695	8.724	40.419
IV. AGREEMENTS		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	5	-	2	2	-	2	2
VI. FACTORING RECEIVABLES	6	1.895.694	939.095	2.834.789	1.927.127	923.076	2.850.203
6.1 Discount Factoring Receivables		790.868	93.907	884.775	689.163	48.680	737.843
6.1.1 Domestic		820.405	18.455	838.860	704.478	15.183	719.661
6.1.2 Foreign		-	76.108	76.108	-	34.058	34.058
6.1.3 Unearned Income (-)		(29.537)	(656)	(30.193)	(15.315)	(561)	(15.876)
6.2 Other Factoring Receivables		1.104.826	845.188	1.950.014	1.237.964	874.396	2.112.360
6.2.1 Domestic		1.104.826	377.164	1.481.990	1.237.964	463.550	1.701.514
6.2.2 Foreign		-	468.024	468.024	-	410.846	410.846
VII. FINANCIAL LOANS		-	-	-	-	-	-
7.1 Consumer Loans		-	-	-	-	-	-
7.2 Credit Cards		-	-	-	-	-	-
7.3 Installment Commercial Loans		-	-	-	-	-	-
VIII. LEASE RECEIVABLES		-	-	-	-	-	-
8.1 Lease Receivables		-	-	-	-	-	-
8.1.1 Financial lease receivables		-	-	-	-	-	-
8.1.2 Operational lease receivables		-	-	-	-	-	-
8.1.3 Unearned income (-)		-	-	-	-	-	-
8.2 Leased Construction in Progress		-	-	-	-	-	-
8.3 Advances Given for Leasing Operations		-	-	-	-	-	-
IX. OTHER RECEIVABLES		-	-	-	-	-	-
X. NON-PERFORMING RECEIVABLES	7	16.435	-	16.435	21.659	11.746	33.405
10.1 Non-Performing Factoring Receivables		72.388	-	72.388	84.548	12.883	97.431
10.2 Non-Performing Financial Loans		-	-	-	-	-	-
10.3 Non-Performing Leasing Receivables		-	-	-	-	-	-
10.4 Specific Provisions (-)		(55.953)	-	(55.953)	(62.889)	(1.137)	(64.026)
XI. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES		-	-	-	-	-	-
11.1 Fair Value Hedging		-	-	-	-	-	-
11.2 Cash Flow Hedging		-	-	-	-	-	-
11.3 Net Foreign Investment Hedging		-	-	-	-	-	-
XII. INVESTMENTS HELD TO MATURITY (Net)		-	-	-	-	-	-
XIII. SUBSIDIARIES (Net)		-	-	-	-	-	-
XIV. ASSOCIATES (Net)		-	-	-	-	-	-
XV. JOINT VENTURES (Net)		-	-	-	-	-	-
XVI. TANGIBLE ASSETS (Net)	8	2.309	-	2.309	1.354	-	1.354
XVII. INTANGIBLE ASSETS (Net)	9	5.219	-	5.219	3.751	-	3.751
17.1 Goodwill		-	-	-	-	-	-
17.2 Other		5.219	-	5.219	3.751	-	3.751
XVIII. PREPAID EXPENSES	11	3.242	68	3.310	3.210	-	3.210
IXX. TAX ASSETS	10	-	-	-	9.118	-	9.118
XX. DEFERRED TAX ASSETS	10	22.135	-	22.135	14.365	-	14.365
XXI. OTHER ASSETS	11	4.384	872	5.256	2.807	1	2.808
SUB TOTAL		1.950.349	949.103	2.899.452	2.026.869	943.635	2.970.504
XXII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	17	-	17
22.1 Held For Sale		-	-	-	17	-	17
22.2 Discontinued Operations		-	-	-	-	-	-
TOTAL ASSETS		1.950.349	949.103	2.899.452	2.026.886	943.635	2.970.521

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

GARANTİ FAKTORİNG A.Ş.

BALANCE SHEET AS OF 31 DECEMBER 2016

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

LIABILITIES	Notes	Audited 31 December 2016			Audited 31 December 2015		
		TL	FC	Total	TL	FC	Total
I. DERIVATIVE FINANCIAL LIABILITIES	3.2	31.051	-	31.051	1.292	12	1.304
HELD FOR TRADING							
II. FUNDS BORROWED	12	1.639.361	510.086	2.149.447	1.395.798	691.304	2.087.102
III. FACTORING PAYABLES	6	860	7.905	8.765	767	2.532	3.299
IV. LEASING PAYABLES		-	-	-	-	-	-
4.1 Financial lease payables		-	-	-	-	-	-
4.2 Operational lease payables		-	-	-	-	-	-
4.3 Other		-	-	-	-	-	-
4.4 Deferred Financial Leasing Expenses		-	-	-	-	-	-
V. MARKETABLE SECURITIES ISSUED (Net)	13	503.619	-	503.619	702.552	-	702.552
5.1 Bills		503.619	-	503.619	702.552	-	702.552
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. OTHER LIABILITIES	14	4.852	1.436	6.288	3.411	765	4.176
VII. OTHER FOREIGN LIABILITIES	14	-	130	130	-	34	34
VIII. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES		-	-	-	-	-	-
8.1 Fair Value Hedging		-	-	-	-	-	-
8.2 Cash Flow Hedging		-	-	-	-	-	-
8.3 Net Foreign Investment Hedging		-	-	-	-	-	-
IX. TAXES PAYABLE	15	2.576	-	2.576	2.384	-	2.384
X. PROVISIONS	16	4.764	412	5.176	3.573	335	3.908
10.1 Reserves for Restructuring		-	-	-	-	-	-
10.2 Reserves For Employee Benefits		4.188	-	4.188	3.154	-	3.154
10.3 Other Provisions		576	412	988	419	335	754
XI. DEFERRED RECEIVABLES		-	-	-	-	-	-
XII. TAX LIABILITY		6.947	-	6.947	-	-	-
XIII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIV. SUBORDINATED LOANS		-	-	-	-	-	-
SUB TOTAL		2.194.030	519.969	2.713.999	2.109.777	694.982	2.804.759
XV. PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
15.1 Held for Sale		-	-	-	-	-	-
15.2 Discontinued Operations		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	17	185.453	-	185.453	165.762	-	165.762
16.1 Paid-in Capital		79.500	-	79.500	79.500	-	79.500
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Other comprehensive income or expense that will not be reclassified subsequently to profit or loss:		(522)	-	(522)	(497)	-	(497)
16.4 Other comprehensive income or expense that will be reclassified subsequently to profit or loss:		-	-	-	-	-	-
16.5 Profit Reserves		86.759	-	86.759	61.329	-	61.329
16.5.1 Legal Reserves		6.896	-	6.896	5.639	-	5.639
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		79.863	-	79.863	55.690	-	55.690
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 TO OWNERS OF ORDINARY SHARES		19.716	-	19.716	25.430	-	25.430
16.6.1 Retained Earnings / (Accumulated Losses)		-	-	-	-	-	-
16.6.2 Current Year Profit/Loss		19.716	-	19.716	25.430	-	25.430
TOTAL LIABILITIES AND EQUITY		2.379.483	519.969	2.899.452	2.275.539	694.982	2.970.521

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

GARANTİ FAKTORİNG A.Ş.

STATEMENT OF OFF - BALANCE SHEET ITEMS AS OF 31 DECEMBER 2016

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

OFF-BALANCE SHEET ITEMS	Notes	Audited 31 December 2016			Audited 31 December 2015		
		TL	FC	Total	TL	FC	Total
I. IRREVOCABLE FACTORING OPERATIONS		266.280	372.459	638.739	211.153	433.619	644.772
II. REVOCABLE FACTORING OPERATIONS		505.760	56.493	562.253	436.056	431.728	867.784
III. GUARANTEES TAKEN	<i>26.1</i>	129.335	20.376.262	20.505.597	49.289	18.148.957	18.198.246
IV. GUARANTEES GIVEN	<i>26.2</i>	1.097.330	401	1.097.731	447.468	235	447.703
V. COMMITMENTS	<i>26.3</i>	294	294	588	3.688	3.676	7.364
5.1 Irrevocable Commitments		294	294	588	3.688	3.676	7.364
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	<i>26.4</i>	728.519	747.089	1.475.608	765.034	866.407	1.631.441
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		728.519	747.089	1.475.608	765.034	866.407	1.631.441
6.2.1 Forward Buy/Sell Transactions		69	69	138	-	-	-
6.2.2 Swap Buy/Sell Transactions		728.450	747.020	1.475.470	765.034	866.407	1.631.441
6.2.3 Options Buy/Sell Transactions		-	-	-	-	-	-
6.2.4 Futures Buy/Sell Transactions		-	-	-	-	-	-
6.2.5 Other		-	-	-	-	-	-
VII. ITEMS HELD IN CUSTODY	<i>26.5</i>	657.167	127.908	785.075	556.017	126.852	682.869
TOTAL OFF BALANCE SHEET ITEMS		3.384.685	21.680.906	25.065.591	2.468.705	20.011.474	22.480.179

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

GARANTİ FAKTORİNG A.Ş.
INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

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

INCOME STATEMENT	Notes	Audited	
		1 January - 31 December 2016	1 January - 31 December 2015
I. OPERATING INCOME	18	244.268	237.682
FACTORING INCOME		244.268	237.682
1.1 Factoring Interest Income		222.624	217.548
1.1.1 Discount		77.864	71.583
1.1.2 Other		144.760	145.965
1.2 Factoring Commission Income		21.644	20.134
1.2.1 Discount		16.845	12.880
1.2.2 Other		4.799	7.254
RECEIVABLES FROM FINANCIAL LOANS		-	-
1.3 Financial Loans Interest Income		-	-
1.4 Financial Loans Fees and Commissions Receivables		-	-
OPERATING RECEIVABLES		-	-
1.5 Financial Leasing Receivables		-	-
1.6 Operational Leasing Receivables		-	-
1.7 Leasing Operations Fees and Commissions Receivables		-	-
II. FINANCIAL EXPENSES (-)	19	(211.021)	(221.361)
2.1 Interest Expense on Funds Borrowed		(143.286)	(153.471)
2.2 Interest Expense on Factoring Payables		-	-
2.3 Finance Lease Expense		-	-
2.4 Interest Expense on Securities Issued		(56.478)	(63.805)
2.5 Other Interest Expenses		(17)	(12)
2.6 Other Fees and Commissions		(11.240)	(4.073)
III. GROSS PROFIT/LOSS (I+II)		33.247	16.321
IV. OPERATING EXPENSES (-)	20	(78.945)	(40.035)
4.1 Personnel Expenses		(23.752)	(22.459)
4.2 Retirement Pay Provision Expenses		(540)	(408)
4.3 Research and Development Expenses		-	-
4.4 General Administrative Expenses		(17.923)	(17.129)
4.5 Other		(36.730)	(39)
V. OPERATING GROSS PROFIT/LOSS		(45.698)	(23.714)
VI. OTHER OPERATION INCOME	21	387.949	589.667
6.1 Interest income from Deposits		2.331	2.057
6.2 Interest income from Reverse Repurchase Agreements		-	-
6.3 Interest income from Marketable Securities		-	-
6.3.1 Interest Income from Financial Assets Held for Trading		-	-
6.3.2 Interest Income from Financial Assets at Fair Value Through Profit and Loss		-	-
6.3.3 Interest Income from Financial Assets Available For Sale		-	-
6.3.4 Interest Income from Financial Assets Held to Maturity		-	-
6.4 Dividend Income		-	-
6.5 Interest Received from Money Market Placements		52.564	82.963
6.5.1 Derivative Financial Transactions		52.564	82.963
6.5.2 Other		-	-
6.6 Foreign Exchange Gains		294.795	501.892
6.7 Other		38.259	2.755
VII. SPECIFIC PROVISION FOR NON-PERFORMING RECEIVABLES (-)	22	(30.106)	(20.288)
VIII. OTHER OPERATION EXPENSES	23	(288.337)	(513.841)
8.1 TO OWNERS OF ORDINARY SHARES		-	-
8.1.1 Financial Assets at Fair Value Through Profit and Loss		-	-
8.1.2 Financial Assets Available For Sale		-	-
8.1.3 Financial Assets Held to Maturity		-	-
8.2 Expense from Impairment on Tangible and Intangible Assets		-	-
8.2.1 Impairment on Tangible Assets		-	-
8.2.2 Impairment on Assets Held for Sale and Discontinued Operations		-	-
8.2.3 Impairment on Goodwill		-	-
8.2.4 Impairment on Intangible Assets		-	-
8.2.5 Impairment on Subsidiaries, Associates and Joint Ventures		-	-
8.3 Losses from Derivative Financial Transactions		(32.509)	(1.579)
8.4 Foreign Exchange Losses		(255.565)	(512.162)
8.5 Other		(263)	(100)
IX. NET OPERATING INCOME (I+...+VI)		23.808	31.824
X. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XI. NET MONETARY GAIN/LOSS		-	-
XII. PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (VII+VIII+IX)		23.808	31.824
XIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)	10	(4.092)	(6.394)
13.1 Current Tax Charge		(11.856)	(7.110)
13.2 Deferred Tax Charge (-)		-	-
13.3 Deferred Tax Benefit (+)		7.764	716
XIV. NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS		19.716	25.430
XV. INCOME ON DISCONTINUED OPERATIONS		-	-
15.1 Income on Assets Held for Sale		-	-
15.2 Gain on Sale of Associates, Subsidiaries and Joint Ventures		-	-
15.3 Other Income on Discontinued Operations		-	-
XVI. EXPENSE ON DISCONTINUED OPERATIONS (-)		-	-
16.1 Expenses on Assets Held for Sale		-	-
16.2 Losses on Sale of Associates, Subsidiaries and Joint Ventures		-	-
16.3 Other Expenses on Discontinued Operations		-	-
XVII. PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX		-	-
XVIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
18.1 Current Tax Charge		-	-
18.2 Deferred Tax Charge (+)		-	-
18.3 Deferred Tax Benefit (-)		-	-
XIX. NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS		-	-
XX. NET PERIOD PROFIT/LOSS		19.716	25.430
Earnings/Loss Per Share (Kurus (0.01 TL) per thousand shares)	24	248,00	319,87

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

GARANTİ FAKTORİNG A.Ş.
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016

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

		<i>Notes</i>	Audited 1 January - 31 December 2016	Audited 1 January - 31 December 2015
I.	PERIOD INCOME/LOSS		19.716	25.430
II.	OTHER COMPREHENSIVE INCOME		(25)	(51)
2.1	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		(25)	(51)
2.1.1	Gains/(losses) on revaluation of tangible assets		-	-
2.1.2	Gains/(losses) on revaluation of intangible assets		-	-
2.1.3	Gains/(losses) on remeasurement of defined benefit pension plans		(31)	(63)
2.1.4	Other items that will not be reclassified to profit or loss		-	-
2.1.5	Taxation on comprehensive income that will not be reclassified to profit or loss		6	12
2.1.5.1	Tax income/charge		-	-
2.1.5.2	Deferred tax income/charge		6	12
2.2	ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS		-	-
2.2.1	Translation differences for transactions in foreign currencies		-	-
2.2.2	Income/expenses on revaluation or reclassification of available for sale financial assets		-	-
2.2.3	Gains/(losses) from cash flow hedges		-	-
2.2.4	Gains/(losses) from net investment hedges		-	-
2.2.5	Other items that will be reclassified to profit or loss		-	-
2.2.6	Taxation on comprehensive income that will be reclassified to profit or loss		-	-
2.2.6.1	Tax income/charge		-	-
2.2.6.2	Deferred tax income/charge		-	-
III.	TOTAL COMPREHENSIVE INCOME (I+II)		19.691	25.379

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

GARANTI FAKTORING A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016
(Amounts expressed in thousands of Turkish Lira ("Thousands of TL.") unless otherwise indicated.)

Notes	Paid-in Capital	Capital Reserves	Share Premium	Share Cancellation Profits	Other Capital Reserves	To Owners Of Ordinary Shares	Accumulated revaluation profits from defined benefit plans	Other (Other comprehensive income and expenses from equity method investments not to be reclassified on profit/loss, and other accumulated comprehensive income and expenses not to be reclassified on profit/loss)	Other comprehensive income or expenses that will be reclassified to profit/loss	Foreign exchange conversion differences	Revaluation and/or reclassification differences of available-for-sale financial assets	Other (Profits/loss from cash flow hedges, other comprehensive income and expenses from equity method investments to be reclassified on profit/loss, and other accumulated comprehensive income and expenses to be reclassified on profit/loss)	Other comprehensive income or expenses that will be reclassified to profit/loss	Profit Reserves	Legal Reserves	Statutory reserves	Extraordinary Reserves	Other Profit Reserves	Current Year Profit/(Loss)	Retained Earnings / (Accumulated Losses)	Current Year Net Profit/(Loss)	Non Controlling Interest	Total Shareholders' Equity
PRIOR PERIOD																							
1 January - 31 December 2015																							
Audited																							
L. Balances at the beginning of the period (Previously reported)	79.500	-	-	-	-	-	(446)	(446)	-	-	-	-	-	40.813	4.598	-	36.215	-	20.516	-	20.516	-	140.383
II. Corrections made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances	79.500	-	-	-	-	-	(446)	(446)	-	-	-	-	-	40.813	4.598	-	36.215	-	20.516	-	20.516	-	140.383
IV. Total Comprehensive Income	-	-	-	-	-	-	(51)	(51)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(51)
V. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/decrease due to other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Current period net profit/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.430	-	25.430	-	25.430
XII. Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	20.516	1.041	-	19.475	-	(20.516)	-	(20.516)	-	(20.516)
12.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	20.516	1.041	-	19.475	-	(20.516)	-	(20.516)	-	(20.516)
12.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.516	-	20.516	-
Balance at the end of the period (30 September 2015) (III+IV+.....+XI+XII)	79.500	-	-	-	-	-	(497)	(497)	-	-	-	-	-	61.329	5.639	-	55.690	-	25.430	-	25.430	-	165.762
CURRENT PERIOD																							
1 January - 31 December 2016																							
Audited																							
L. Balances at the beginning of the prior period (31 December 2015)	79.500	-	-	-	-	-	(497)	(497)	-	-	-	-	-	61.329	5.639	-	55.690	-	25.430	-	25.430	-	165.762
II. Corrections made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances	79.500	-	-	-	-	-	(497)	(497)	-	-	-	-	-	61.329	5.639	-	55.690	-	25.430	-	25.430	-	165.762
IV. Total Comprehensive Income	-	-	-	-	-	-	(25)	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25)
V. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/decrease due to other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Current period net profit/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19.716	-	19.716	-	19.716
XII. Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	25.430	1.257	-	24.173	-	(25.430)	-	(25.430)	-	(25.430)
12.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	25.430	1.257	-	24.173	-	(25.430)	-	(25.430)	-	(25.430)
12.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.430	-	25.430	-
Balance at the end of the period (09 September 2016) (III+IV+.....+XI+XII)	79.500	-	-	-	-	-	(522)	(522)	-	-	-	-	-	86.759	6.896	-	79.863	-	19.716	-	19.716	-	185.453

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

GARANTİ FAKTORİNG A.Ş.
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2016

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

STATEMENT OF CASH FLOWS	Notes	Audited	Audited
		1 January - 31 December 2016	1 January - 31 December 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES			
1.1 Operating profit before changes in operating assets and liabilities		27.862	44.718
1.1.1 Interest/Leasing income received		236.762	211.986
1.1.2 Interest/Leasing expenses		(203.281)	(205.576)
1.1.3 Dividends received		-	-
1.1.4 Fees and commissions received		22.207	20.990
1.1.5 Other income		-	-
1.1.6 Collections from previously written off receivables	7	1.453	1.897
1.1.7 Payments to personnel and service suppliers		(39.973)	(39.619)
1.1.8 Taxes paid		(5.349)	(15.975)
1.1.9 Other		16.043	71.015
1.2 Changes in operating assets and liabilities		151.242	(89.135)
1.2.1 Net (increase) decrease in factoring receivables		61.878	60.864
1.2.2 Net (increase) decrease in other assets		15.699	(20.921)
1.2.3 Net increase (decrease) in factoring payables		5.466	1.149
1.2.4 Net increase (decrease) in funds borrowed		67.398	(139.548)
1.2.5 Net increase (decrease) in due payables		-	-
1.2.6 Net increase (decrease) in other liabilities		801	9.321
I. Net cash provided from operating activities		179.104	(44.417)
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	8	(1.530)	(1.075)
2.4 Fixed assets sales	8	9	32
2.5 Cash paid for purchase of financial assets available for sale		-	-
2.6 Cash obtained from sale of financial assets available for sale		-	-
2.7 Cash paid for purchase of financial assets held to maturity		-	-
2.8 Cash obtained from sale of financial assets held to maturity		-	-
2.9 Other		(4.272)	(2.617)
II. Net cash provided from investing activities		(5.793)	(3.660)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
3.1 Cash obtained from funds borrowed and securities issued		959.829	382.788
3.2 Cash used for repayment of funds borrowed and securities issued		(1.165.277)	(300.400)
3.3 Capital increase		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 TO OWNERS OF ORDINARY SHARES		-	-
III. Net cash provided from financing activities		(205.448)	82.388
IV. Effect of change in foreign exchange rate on cash and cash equivalents		1.322	1.128
V. Net increase/decrease in cash and cash equivalents		(30.815)	35.439
VI. Cash and cash equivalents at the beginning of the period		40.418	4.815
VII. Cash and cash equivalents at the end of the period	2.5	9.603	40.254

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

GARANTİ FAKTORİNG A.Ş.
STATEMENT OF PROFIT DISTRIBUTION

THOUSANDS OF TURKISH LIRA		
	Audited	Audited
	1 January - 31 December 2016	1 January - 31 December 2015
I. DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1 CURRENT PERIOD PROFIT	23.808	31.824
1.2 TAXES AND LEGAL DUTIES PAYABLE (-)	4.092	6.394
1.2.1 Corporate tax (income tax)	11.856	7.110
1.2.2 Withholding tax	-	-
1.2.3 Other taxes and duties	(7.764)	(716)
A. NET PROFIT FOR THE PERIOD (1.1-1.2)	19.716	25.430
1.3 ACCUMULATED LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	(1.257)
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	19.716	24.173
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of privileged shares	-	-
1.6.3 To owners of redeemed shares	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of privileged shares	-	-
1.9.3 To owners of participating shares	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUS RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	(24.173)
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of privileged shares	-	-
2.3.3 To owners of participating shares	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Decision regarding to the 2016 profit distribution will be held at General Assembly meeting.

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