



**DIVERSIFIED, UNIQUE
AND FAST FACTORING
SERVICES**

Achieving growth well above the industry average, Garanti Faktoring provides trade financing with secure, exceptional and unique solutions.

Thanks to our widespread branch network, extensive field team and innovative approach, **we meet financial needs quickly and serve** a bright future for both our customers and the nation's economy.

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(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

Independent Auditor's Report on the Management's Annual Report

**TO THE BOARD OF DIRECTORS OF
GARANTI FAKTORING A.Ş.**

**Report on the Audit of Management's Annual Report in accordance with Independent Auditing Standards
We have audited the annual report of Garanti Faktoring A.Ş. ("the Company") for the period ended 31 December 2014.**

Management's Responsibility for the Annual Report

The Company's Management is responsible for the preparation and fair presentation of the annual report which is consistent with the financial statements prepared in accordance with Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency ("the financial statements") in accordance with the Article 514 of the Turkish Commercial Code No. 6102 ("TCC"), and for such internal control as management determines relevant to the preparation and fair presentation of such annual report.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's annual report based on our audit conducted in accordance with the provisions of Article 397 of the TCC. Our audit involves whether the financial information provided in the annual report are fairly presented and consistent with the financial statements.

We conducted our audit in accordance with the regulation on "The Licensing and Operations of Audit Firms in Banking" published in the Official Gazette No. 26333 on 1 November 2006 and in accordance with Independent Auditing Standards, which is a part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information provided in the annual report are fairly presented and consistent with the financial statements and are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the historical financial information. The procedures selected depend on the auditor's judgment.

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

Opinion

In our opinion, the financial information provided in the Management's annual report, in all material respects, are fairly presented and consistent with the audited financial statements.

Other Legal and Regulatory Requirements

In accordance with the paragraph three of the Article 402 of the TCC, nothing significant has come to our attention that may cause us to believe that the Company may not continue its activities for the foreseeable future in accordance with Independent Auditing Standard 570 "Going Concern".

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

Hasan Kılıç
Partner

Istanbul, March 2, 2015

About Garanti Faktoring

With a customer - focused approach, Garanti Faktoring offers domestic and international factoring services through a total of 21 branches located across Turkey.

Garanti Faktoring was initially established with the name Aktif Finans Faktoring Hizmetleri A.Ş. on September 4, 1990 to provide factoring services to industry and trade companies. The company started to operate within the Garanti Group upon a resolution made at the 2001 Ordinary General Assembly Meeting held on March 27, 2002, where the trade name was changed to Garanti Faktoring Hizmetleri A.Ş. (The Company). The Company's trade name was further amended to Garanti Faktoring A.Ş. (The Company) with the approval of the 2013 Ordinary General Assembly held on April 17, 2014.

Garanti Faktoring issued shares to the public in 1993 with the authorization of the Capital Markets Board (CMB), and since that time it has been listed on Borsa Istanbul (BİAŞ). The Company operates in accordance with the Capital Markets Law, Financial Leasing, Factoring and Financing Companies Law No. 6361 enacted on November 21, 2012, and the Regulation on the Establishment and Operation Principles of Financial Leasing, Factoring and Financing Companies issued by the Banking Regulation and Supervision Agency (BRSA) and published in Official Gazette No: 28627 on April 24, 2013.

Garanti Faktoring provides integrated solutions for both domestic and foreign trade with a range of finance, guarantee and collection instruments and 8.4% of the Company's free-floating shares are traded on BIST National Market under the ticker symbol GARFA.

With a customer - focused approach, Garanti Faktoring offers domestic and international factoring services to a broad customer base consisting mainly of SMEs, import and export companies as well as other organizations with a widespread supplier and dealer network through a total of 21 branches located across Turkey.

Garanti Faktoring A.Ş. is registered with the Istanbul Chamber of Commerce under registry No. 265852 and operates at:

Maslak Mahallesi Eski Büyükdere Caddesi No:23

Sarıyer İstanbul

Telephone: +90 (212) 365 52 00

Fax: +90 (212) 365 31 51

You can access the Company's web site in Turkish and English at www.garantifactoring.com.



Receivables bring success

With the “customized solutions” we provide to our broad customer base, we ensure a steady cash flow and play an active role in trade finance.

Garanti Faktoring at a Glance



TL 2,990 million

Total Asset Size



TL 2,948 million

Factoring Receivables Balance Sheet Size



TL 17,430 million

Transaction Volume



TL 20.5 million

Net Profit



TL 140.4 million

Shareholders' Equity



8,467

Number of Customers in Factoring Transaction



37,564

Total Factoring Transactions



180

Employees



21

Branches



8.90

Corporate Governance Rating



***Solutions that increase
competitive power***

*We enable SMEs to convert their
existing and future accounts
receivables into cash with our
customized solutions.*

Volkan Yılmaz Boyacı
Regional Manager

Strong Shareholding Structure

Garanti Faktoring operates with power it derives from Dođuş Group and Garanti Bank. 9.78% of shares are held by Türk Eximbank while 8.38% of the shares are publicly traded.

TÜRKİYE GARANTI BANKASI A.Ş.

Established in 1946, Garanti Bank is Turkey's second largest private bank with consolidated assets of US\$ **107.2** billion as of December 31, 2014.

Garanti is an integrated financial services group operating in every segment of the banking sector, including corporate, commercial, SME, payment systems, retail, private, and investment banking together with its subsidiaries in pension and life insurance, leasing, factoring, brokerage, and asset management besides international subsidiaries in the Netherlands, Russia and Romania.

As of December 31, 2014, Garanti provides a wide range of financial services to more than **13** million customers with employees exceeding **19** thousand through an extensive distribution network of 994 domestic branches, **6** foreign branches in Cyprus, one in Luxembourg and one in Malta, **3** international representative offices in London, Düsseldorf and Shanghai with **4,152** ATMs, an award winning Call Center, internet, mobile and social banking platforms, all built on cutting - edge technological infrastructure.

Garanti commands a pioneering position in all lines business through the profitable and sustainable growth strategy it pursued since the day of its establishment. Its competent and dynamic human resources, unique technological infrastructure, customer - centric service approach, innovative products and services offered with strict adherence to quality carry Garanti to a leading position in the Turkish banking sector.

Following the best practices in corporate governance, Garanti is jointly controlled by two powerful entities, Dođuş Holding Co. and Banco Bilbao Vizcaya Argentaria S.A. (BBVA), under the principle of equal partnership. Having shares publicly traded in Turkey, depositary receipts in the UK and the USA, Garanti has an actual free float of **49.95%** in Borsa Istanbul as of December 31, 2014.

With its dynamic business model and superior technology integrated to its innovative products and services, Garanti continues to differentiate itself and facilitate the lives of its customers. Its custom - tailored solutions and the wide product variety play a key role in reaching US\$ **78.9** billion cash and non - cash loans. The high asset quality attained through advanced risk management systems and established risk culture place Garanti apart in the sector.

Building on the Bank's core values, Garanti Bank defines Sustainability as a commitment to build a strong and successful business for the future, while minimizing negative environmental and social impacts, and sharing longterm values with its customers, staff, shareholders and the communities it operates in. Garanti further strengthens its sustainable banking approach through community investment programmes in a variety of topics ranging from sports to education, arts to nature and informing the business world.

* Per disclosure on November 19, 2014; Dođuş Group and BBVA have entered into a Share Purchase Agreement dated November 19, 2014 with respect to sale of shares of T. Garanti Bankası A.Ş. ("Garanti") representing 14.89% of the share capital with an aggregate nominal value of TL 625,380,000.00. Following the completion of the share transfers, Dođuş Group's and BBVA's stake in Garanti will be respectively 10% and 39.9% of the share capital. The transfer of title for the shares sold from Dođuş Group to BBVA will be finalized once the transaction is approved by the relevant authorities in and outside of Turkey including the Banking Regulatory and Supervisory Authority, the Capital Markets Board and the Competition Board.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

Recent developments in the Turkish and global financial market environment required that changes be made to the areas of operation of Türkiye İhracat Kredi Bankası A.Ş. (Export Credit Bank of Turkey - Türk Eximbank) in order to improve its effectiveness. In addition, banking legislation was revised under the new Turkish Commercial Code, which came into effect on July 1, 2012. As a result, the “Principles related to the Establishment and Duties of the Export Credit Bank of Turkey” were issued and published in the Official Gazette on February 23, 2013 pursuant to Turkish Council of Ministers Resolution No. 2013/4286.

The main objectives of Türk Eximbank are boosting exports, diversifying goods and services exported, introducing new markets for export goods, helping exporters increase their share in international commerce and providing them with the support they need for their operations. In addition, Türk Eximbank ensures that exporters and contractors operating abroad remain competitive and secure, provides support to and promotes both foreign investment in Turkey, and the production and sale of investment goods for export.

Türk Eximbank, as the sole corporate incentive source of export in Turkey, provides short, medium and long term cash and non - cash loans, insurance and guarantee programs to support exporters having the same objective, and manufacturers that produce for export as well as contractors and entrepreneurs operating abroad. Since Türk Eximbank gathers all guarantee and insurance products under one roof, the integrity of services provided to exporters is greater than those offered by disparate official export credit agencies in developed countries.

In 2014, Türk Eximbank provided US\$ 31.1 billion in total support to exports, **US\$ 20.1 billion in cash loans** and US\$ 8.4 billion in insurance / guarantees, **up 11% compared to the previous year**. As a result, Türk Eximbank provided cash and non - cash finance support to 20% of all exports made in Turkey. **Türk Eximbank’s assets at end - 2014 totaled TL 33.7 billion**, and paid - in capital amounted to TL 2.4 billion.

In 2012, Türk Eximbank moved its headquarters to Istanbul. Currently, Türk Eximbank operates a regional office in Ankara, a branch in Izmir, and liaison offices in Denizli, Kayseri, Gaziantep, Bursa, Adana, Trabzon, Konya and Samsun.

Company Capital and Shareholding Structure

As of December 31, 2014, Garanti Faktoring’s paid - in capital amounted to TL 79,500,000.

Publicly Traded
8.38%

Türkiye İhracat Kredi Bankası
9.78%

Türkiye Garanti Bankası A.Ş.
81.84%



Türkiye Garanti Bankası A.Ş. owns 55.4% of the registered shares of Garanti Faktoring. The Bank has acquired the remaining 26.4% out of the Company’s shares, which trade on BIST. 8.4% of Garanti Faktoring shares are traded on the BIST National Market.

Our Vision, Our Mission, Our Strategies and Our Core Values

Our Vision

WE AIM TO BE THE LEADING COMPANY OF THE SECTOR BY MAKING A DIFFERENCE WITH THE "GARANTI" BRAND NAME.

Our Mission

OUR MISSION IS TO CREATE CONTINUOUS ADDED VALUE FOR OUR CUSTOMERS, EMPLOYEES AND SHAREHOLDERS, LEADING TO IMPROVEMENT OF THE SECTOR IN WHICH WE OPERATE THANKS TO OUR SIGNIFICANT INVESTMENTS IN HUMAN RESOURCES, TECHNOLOGY AND INNOVATION.

Our Strategies

- ✓ *To become a company that makes a difference with high quality human capital, fast and efficient business processes, and exceptional service quality,*
- ✓ *To use technology effectively and increase efficiency by making continuous investments in our technology systems infrastructure,*
- ✓ *To offer services tailored to the needs of customers via innovative products and customized corporate solutions,*
- ✓ *To ensure that our strategies are based on profitable growth, high service quality, employee satisfaction as well as market driven data, and that customer needs are effectively met, monitored, improved while ensuring interactive communication among employees.*

Our Core Values

- ✓ *Our customers...*
- ✓ *We are an ethical factoring company staffed by ethical employees...*
- ✓ *"Our most important asset is human capital"*
- ✓ *Team work*
- ✓ *Continuous improvement*
- ✓ *Our social responsibilities*



*While securing the receivables of our **customers who wish to increase their exports**, we also open for them a **safe** gateway to the world.*

Competitive Advantages of Garanti Faktoring



Strong brand and corporate reputation



Pioneer in advanced technology



Well-qualified and experienced workforce



Customer oriented innovative products and services



A widespread branch network located across the country



Superior data warehouse and management reporting



Fast operational processes



Integrated financial services offering



Best customer relationship management solutions



Corporate governance culture



Maturity imports with advance payment advantage

We offer various payment terms customized for the sales of customers who wish to benefit from the advantages of advance payment.

Financial Indicators and Ratios

In 2014, Garanti Faktoring's;

- Factoring receivables increased by 48.4% when compared to the previous year, to TL 2,948,107 thousand.
- Total assets grew by 45.2%, to TL 2,989,573 thousand.
- Factoring transaction volume rose by 78.1%, to TL 17,430 million.
- Net profit totaled TL 20,516 thousand, up by 34.1%.

Garanti Faktoring Major Balance Sheet Items and Ratios by Year

FAKTORING RECEIVABLES (TL thousand)

2010	1,427,298
2011	1,247,324
2012	1,827,710
2013	1,986,549
2014	2,948,107

TOTAL ASSETS (TL thousand)

2010	1,565,565
2011	1,275,030
2012	1,955,227
2013	2,059,653
2014	2,989,573

NET PROFIT/LOSS (TL thousand)

2010	4,139
2011 ^(*)	34,534
2012	20,460
2013	15,302
2014	20,516

SHAREHOLDERS' EQUITY (TL thousand)

2010	50,017
2011	84,522
2012	105,011
2013	120,066
2014	140,383

FUNDS BORROWED AND MARKETABLE SECURITIES ISSUED (TL thousand)

2010	1,510,951
2011	1,180,105
2012	1,837,458
2013	1,899,091
2014	2,828,309

NON-PERFORMING LOANS (NET) (TL thousand)

2010	6,796
2011	2,158
2012	6,774
2013	8,241
2014	10,840

	2010	2011	2012	2013	2014
Return on Assets (%)	0.31	2.79*	1.37	0.87	0.89
Return on Equity (%)	8.02	58.21*	21.41	13.44	15.73
NPL (%)	0.95	1.22	1.43	1.92	1.88

* Effect of one-time share sale transaction made in 2011 is TL 28,781 thousand.

In 2014, Garanti Faktoring's total transaction volume increased by 78.1%, to TL 17.4 billion, while net profit rose by 34.1%, to TL 20.5 million.

Garanti Faktoring Major Income Statement Items

(TL thousand)	2010	2011	2012	2013	2014
FACTORING INCOME	92,888	103,587	144,598	134,792	188,109
Factoring Interest Income	76,614	84,311	122,769	112,351	170,949
Factoring Commission Income	16,274	19,276	21,829	22,441	17,160
OPERATING EXPENSES	(22,648)	(26,520)	(34,551)	(37,267)	(38,224)
Personnel Expenses	(13,410)	(15,070)	(20,409)	(21,908)	(22,132)
General Administrative Expenses	(9,238)	(11,228)	(13,859)	(15,149)	(16,012)
Other	-	(222)	(283)	(210)	(80)
OTHER OPERATION INCOME/ EXPENSES	8,705	39,862	7,715	18,539	43,902
Interest Income from Deposits	23,934	9,215	4,460	4,293	634
Derivative Financial Transactions Gains / Losses (Net)	(15,309)	(2,780)	1,886	(15,921)	32,263
Foreign Exchange Gains / Losses (Net)	(1,693)	2,862	694	30,133	10,218
Other *	1,773	30,565	675	34	787
FINANCIAL EXPENSES	(73,174)	(70,837)	(85,467)	(85,839)	(152,313)
Interest Expense on Funds Borrowed	(72,543)	(70,486)	(84,378)	(84,047)	(106,182)
Other Fees and Commissions	(631)	(345)	(1,088)	(447)	(1,973)
Interest Expense on Securities Issued	-	-	-	(1,341)	(44,158)
Other	-	(6)	(1)	(4)	-
SPECIFIC PROVISION FOR NON - PERFORMING RECEIVABLES	(565)	(6,631)	(6,713)	(11,062)	(15,860)
TAX PROVISION FOR CONTINUING OPERATIONS	(1,067)	(4,927)	(5,122)	(3,861)	(5,098)
NET PERIOD PROFIT / LOSS *	4,139	34,534	20,460	15,302	20,516

* Effect of one - time share sale transaction made in 2011 is TL 28,781 thousand.

Financial Situation and Performance Assessment in 2014

According to Association of Financial Institutions 2014 year-end data, Garanti Faktoring leads the sector in factoring receivables and asset size.

FACTORING RECEIVABLES

In 2014, Garanti Faktoring's factoring receivables increased by 48%, to TL 2,948 million, resulting in a 12% market share.

ASSET SIZE

In 2014, Garanti Faktoring's asset size expanded by 45%, to TL 2,990 million, resulting in an 11% market share.

TRANSACTION VOLUME

In 2014, Garanti Faktoring's total transaction volume increased to TL 17,430 million (US\$ 7,808 million), increasing by 78.1% when compared to 2013.

The Company's domestic transaction volume rose by 36.8%, to TL 10,710 million (US\$ 4,808 million), export volume jumped by 372.7%, to TL 5,531 million (US\$ 2,469 million), and import volume increased by 51%, to TL 1,189 million (US\$ 531 million). As a result, Garanti Faktoring holds a 15% market share of the sector's total transaction volume.

GARANTI FAKTORING'S SECTOR DISTRIBUTION OF TRANSACTION VOLUME AND FACTORING RECEIVABLES OF YEAR-END 2014
SECTOR DISTRIBUTION OF TRANSACTION VOLUME

AGRICULTURAL SECTOR	0.49%
Agriculture, Livestock, Forestry	0.43%
Fishing	0.06%
MANUFACTURING SECTOR	56.15%
Extraction of Metals Used for Energy Production	0.02%
Extraction of Metals Not Used for Energy Production	0.19%
Food, Beverage and Tobacco	1.10%
Textile and Textile Products	3.56%
Leather and Leather Products	0.07%
Wood and Wood Products	0.42%
Paper Raw Materials and Paper Products Printing	0.80%
Nuclear Fuels, Petroleum and Coal Products	25.85%
Chemical and Chemical Products and Artificial Fiber	2.45%
Rubber and Plastic Products	0.47%
Metal Key and Processed Material Manufacturing	2.45%
Machinery and Equipment	3.17%
Electrical and Optical Devices	2.95%
Transportation Vehicles	10.52%
Manufacturing Not Classified Elsewhere	2.12%
Electrical Gas and Water Resources	0.01%
SERVICES SECTOR	36.11%
Construction	2.69%
Wholesale and Retail Trade Motorized Vehicle Services	6.33%
Hotels and Restaurants (Tourism)	0.20%
Transportation, Warehousing, and Communication	3.37%
Financial Institutions	21.40%
Real Estate Brokerage, Leasing and Management	0.04%
Health and Social Services	0.29%
Other Public, Social and Private Services	1.78%
OTHER	7.25%
GRAND TOTAL	100.00%

SECTOR DISTRIBUTION OF FACTORING RECEIVABLES

AGRICULTURAL SECTOR	0.60%
Agriculture, Livestock, Forestry	0.33%
Fishing	0.27%
MANUFACTURING INDUSTRY	53.80%
Transportation Vehicles	18.09%
Extraction of Metals Used For Energy Production	0.02%
Manufacturing Not Classified Elsewhere	3.48%
Chemical and Chemical Products and Artificial Fiber	4.63%
Metal Key and Processed Material Manufacturing	2.57%
Electrical and Optical Devices	0.25%
Textile and Textile Products	3.33%
Food, Beverage and Tobacco	1.53%
Paper Raw Materials and Paper Products Printing	1.13%
Machinery and Equipment	3.16%
Wood and Wood Products	0.85%
Rubber and Plastic Products	0.75%
Extraction of Metals Not Used for Energy Production	0.22%
Leather and Leather Products	0.08%
Nuclear Fuels, Petroleum and Coal Products Industry	13.70%
SERVICES SECTOR	30.82%
Wholesale and Retail Trade Motorized Vehicle Services	17.28%
Transportation, Warehousing, and Communication	6.03%
Construction	2.92%
Other Public, Social and Private Services	3.07%
Health and Social Services	0.78%
Hotels and Restaurants (Tourism)	0.66%
Real Estate Brokerage, Leasing and Management	0.07%
Education	0.01%
OTHER	14.78%
GRAND TOTAL	100.00%

Financial Situation and Performance Assessment in 2014

Garanti Faktoring shares have traded on Borsa Istanbul (BIST)'s National Market since 1993 under the ticker symbol "GARFA".

INFORMATION ON GARFA SHARES

Garanti Faktoring shares have been traded on Borsa Istanbul (BIST)'s National Market since 1993 under the ticker symbol "GARFA". The Company has been included in the BIST Corporate Governance Index since August 24, 2012.

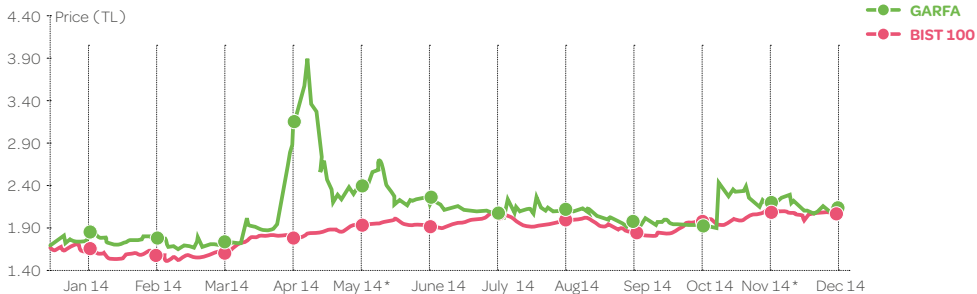
The BIST 100 index rose by 28% during the period January - December 2014 while GARFA stock increased by 26% in the same period.

Funding Sources

The Company's main funding sources include loans borrowed from domestic and foreign banks, and corporate bond issuance. In 2014, Garanti Faktoring issued discount bonds with a maturity period of six months and total nominal value of TL 1,063,550 thousand TL 104,334 thousand on March 31, 2014; TL 55,200 thousand on May 2, 2014; TL 276,806 thousand on June 9, 2014; TL 157,700 thousand on July 22, 2014; TL 153,010 thousand on September 19, 2014; TL 197,850 thousand on December 5, 2014; and TL 118,650 thousand on December 19, 2014. The discount bonds were offered exclusively to qualified investors without undertaking a public offering.

Additionally, the Company also amortized bonds with a total nominal value of TL 436,340 thousand: TL 236,486,221 on June 6, 2014; TL 60,000 thousand on June 23, 2014; TL 104,334 thousand on September 26, 2014; TL 55,200 thousand on October 27, 2014; and 276,806 thousand on December 5, 2014.

SHARE PERFORMANCE



* Company shares were subject to gross settlement from May 6 to November 6, 2014.

Credit Ratings

As of May 15, 2013, the global rating agency Fitch Ratings assigned Garanti Faktoring A.Ş. a 'BBB' rating with a 'stable outlook.' The credit ratings announced by Fitch Ratings are as follows:

Foreign Currency	
Long Term:	BBB
Short Term:	F3
Turkish Lira	
Long Term	BBB
Short Term:	F3
National	
Long Term:	AAA (tur)
Outlook:	Stable

As of August 15, 2014, the global rating agency Fitch Ratings assigned Garanti Faktoring A.Ş. a 'BBB -' rating with a 'stable outlook.' The credit ratings announced by Fitch Ratings are as follows:

Foreign Currency	
Long Term:	BBB -
Short Term:	F3
Turkish Lira	
Long Term	BBB -
Short Term:	F3
National	
Long Term:	AA+ (tur)
Outlook:	Stable

The credit ratings report can be accessed on the Company's website (www.garantifactoring.com), in the section "Rating Reports" under "Investor Relations".

Corporate Governance Principles Compliance Rating

Garanti Faktoring's Corporate Governance Score rose from 8.70 to 8.90 for the period August 21, 2014 - August 21, 2015.

The third period of the "Corporate Governance Principles Compliance Rating" study, which initially launched in 2012 to assess the Company's compliance with Corporate Governance Principles, was completed on August 21, 2014.

The report was prepared by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. (Kobirate) and shows that Garanti Faktoring's Corporate Governance Score rose from 8.70 to 8.90 for the period August 21, 2014 - August 21, 2015.

Companies rated in the range of 7 to 8.9 are defined thusly: "Corporate enterprises that comply with Corporate Governance Principles to a great extent; have established well-functioning internal control systems in need of only slight improvements; are capable of detecting and controlling potential risks; protect shareholder rights in a fair manner;

take a transparent approach to public disclosures; look out for the rights of stakeholders in a fair manner; have a Board of Directors structure and operation methods that are in line with corporate governance principles, of which areas of noncompliance do not pose significant risks; and companies that deserve to be included in the BIST Corporate Governance Index in the event of a public offering."

The detailed report prepared by Kobirate is disclosed to the public on the Company's website (www.garantifactoring.com), in the section Corporate Governance Compliance Rating Reports, under Investor Relations.

Our Achievements

Garanti Faktoring was named the world's fifth "Best Export Factoring Company" at the annual meeting of Factors Chain International (FCI).

GARANTI FAKTORING RANKS FIFTH AMONG THE WORLD'S TOP EXPORT FACTORING COMPANIES.

Garanti Faktoring ranks fifth among the world's top export factoring companies.

Garanti Faktoring earned a top - tier ranking in the category of "Best Export Factoring Company" from among 268 members of FCI (Factors Chain International), the world's largest factoring network, based in 75 countries. The award was presented at FCI's 46th annual meeting held in July 2014 in Vancouver, Canada.

By moving up to the fifth place, Garanti Faktoring has once again confirmed the Company's world - class service quality since beginning this journey of excellence from 20th place.



Board of Directors

Ergun Özen

Chairman of the Board of Directors

Ergun Özen earned a BA in Economics from New York State University and is a graduate of the Advanced Management Program at Harvard Business School. He joined Garanti in 1992, where he has been serving as President, CEO and Board Member since April 1, 2000. He is also a Board Member of Garanti Securities, Garanti Pension and Life, Garanti Leasing, Garanti Payment Systems, Garanti Technology, Garanti Bank SA (Romania) and GarantiBank Moscow. In addition, Mr. Özen also serves as Board Member in The Banks Association of Turkey, The Turkish Industrialists' and Businessmen's Association (TUSIAD), The Istanbul Foundation for Culture and Arts (IKSV) and Turkish Education Association. He has been serving as Board Member of Garanti Bank since May 14, 2003.

Turgay Gönensin

Deputy Chairman of the Board of Directors

Turgay Gönensin graduated from Boğazici University Department of Business Administration. In 1987, he joined Garanti Bank, where he worked at various departments. He served as the CEO of Garanti Bank International between 1997 and 2000 and CEO of Ottoman Bank between 2000 and 2001. Mr. Gönensin was appointed as Executive Vice President on December 15, 2001. He is also the Chairman of Garanti Fleet Management, Vice Chairman of the Board of Garanti Leasing, a Board Member of Garanti Technology and Garanti Bank SA (Romania) and a Member of Credit Committee of Garanti Bank International N.V. With 29 years of experience in banking and business administration, Mr. Gönensin's area of responsibility is Domestic and Overseas Subsidiaries Coordination.

Hulki Kara

General Manager / Member of the Board of Directors

Hulki Kara¹ graduated from Dokuz Eylül University, Department of Economics. He joined Garanti Bank in 1989. Mr. Kara served as 1st Degree Auditor on the Audit Board, Branch Manager and Region Manager within Garanti Bank. He has served as General Manager at Garanti Faktoring since October 18, 2011.

Aydın Şenel

Member of the Board of Directors / Corporate Governance Committee Member

Aydın Şenel is a graduate of Marmara University Faculty of Commercial Sciences. Between the years 1981 and 1984, he worked as Auditor, Human Resources Group Manager, Credit Cards Manager, Financial Analysis Coordination Manager and Financial Monitoring Manager at Garanti Bank. In 1999, Şenel was appointed as Head of General Accounting and then on March 2, 2006, Mr. Şenel was appointed to his current position. He is the Chairman of the Board of Directors at Garanti Bank Pension Fund Foundation, Member of the Board of Trustees at Teachers Academy Foundation, Member of Garanti Leasing Audit Committee. With 33 years of experience in banking and business administration, Mr. Şenel's areas of responsibility are Purchasing and Premises and Tax Operations Management.

Osman Bahri Turgut

Member of the Board of Directors / Corporate Governance Committee Member

Osman Bahri Turgut graduated from Marmara University, Faculty of Economics and Administrative Sciences in 1990. Starting his professional career in 1990 at Garanti Bank on the Audit Board, he currently works as Head of Internal Audit and Control at Garanti Bank. Mr. Turgut also serves as Auditor at Garanti Bilişim Teknolojisi ve Tic. A.Ş., Garanti Finansal Kiralama A.Ş., Garanti Yatırım Menkul Kıymetler A.Ş., Garanti Portföy Yönetimi A.Ş., Garanti Ödeme Sistemleri A.Ş., Garanti Emeklilik ve Hayat A.Ş., Garanti Hizmet Yönetimi A.Ş. and Garanti Konut Finansmanı Danışmanlık Hizmetleri A.Ş. In addition, he is a Member of the Board of Directors at Garanti Bank's Pension Fund Foundation and at Garanti Kültür A.Ş.

Manuel Pedro Galatas Sanchez Harguindey*Member of the Board of Directors*

Manuel Galatas Sanchez - Harguindey has a degree in Business Administration and International Finance from Georgetown University. After working as an executive at various private financial entities, he joined Argentaria (today BBVA) in 1994. Before joining Garanti, he was based in Hong Kong as the General Manager in charge of all BBVA Branches and Representative Offices in Asia / Pacific. He is now both Board Member and Audit Committee Member of Garanti Bank Turkey and General Manager of BBVA Turkey based in Garanti Bank Headquarters in Istanbul. He is also a Board Member at Garanti Bank SA (Romania), GarantiBank Moscow, Garanti Bank International N.V., Garanti Securities, Garanti Pension and Life, Garanti Leasing, Garanti Payment Systems and Garanti Fleet Management. He has been serving as Board Member of Garanti Bank since May 5, 2011, and since April 30, 2013, as Independent Board Member of Garanti Bank, his new title in accordance with the requirements of the relevant new regulation of Capital Markets Board of Turkey.

Luis Vicente Gasco Tamarit*Member of the Board of Directors*

Luis Vicente Gasco Tamarit graduated from University of Valencia and holds a bachelor's degree in Business Administration and Law from ICADE University as well as a master's degree in Wholesale Banking from BBVA Finance School. Mr. Tamarit started his BBVA career in 1998 and assumed managerial duties in the area of Commercial Banking. Currently, he serves as the Head of BBVA Commercial Banking Global Business Development and is a Member of the Board of Directors at Garanti Finansal Kiralama A.Ş.

Serhat Yanik*Independent Member / Audit Committee Member / Early Risk Detection Committee Member / President of Corporate Governance Committee*

Serhat Yanik graduated from Istanbul University and holds a bachelor's degree in Public Administration as well as a master's degree and a PHD in Business Administration from Istanbul University. He is currently acting as the President of Direct Procurement and Tender Commission of Istanbul University, President of Accounting and Finance Department in Faculty of Political Sciences School of Business Administration of Istanbul University, Finance Director of Istanbul University Hospitals General Directorate, Vice Manager of Istanbul University Circulating Capital Management. He is also Board Member of Expert Accountants Association of Turkey and Editorial Board Member of Internal Audit Bulletin of the Institute of Internal Audits and Member of Association of University Hospitals Union.

Ali Coşkun*Independent Member / Audit Committee Member / Early Risk Detection Committee Member*

Ali Coşkun graduated from Istanbul Technical University, Department of Industrial Engineering. In addition, he holds a master's degree in Finance from Bosphorus University and PhD degree in Accounting and Information Management from University of Texas. He continues to pursue his career as the academican of Bosphorus University Economics and Administrative Sciences Faculty. He is currently acting as Head of Bosphorus University Finance Reserach Center, Board Member of Bosphorus University Corporate Governance and Financial Regulation Research Center, Board Member of Bosphorus University Social Facility Administration, Vice - President of Bosphorus University Sustainable Development and Fair Production Research Center, Vice - President of Bosphorus University Innovation and Competition Focused Development Studies Research Center.

Committees and Attendance to Committee Meetings

AUDIT COMMITTEE

The Audit Committee was established with the aim of helping the Board of Directors to fulfill its overseeing duties regarding the functioning and effectiveness of the internal control system. Committee; in order to achieve compliance with the accounting system, financial reporting, public disclosure, internal control and internal audit system, independent external audit, laws, regulations and code of ethics, monitors and evaluates the Company's systems, processes and activities, and advises the Board of Directors if necessary.

Audit Committee is composed of the Independent Members of the Board of Directors, Mr. Serhat Yanik and Mr. Ali Çoşkun.

Tasks of the Committee are as follows;

Internal Control System:

- Committee evaluates that; whether the Company management shares the importance of the internal control with the Company employees or not, and whether the Company adopts a "suitable culture" or not.
- Committee gets information about the periodical and process oriented audit results performed by the Internal Audit Unit regarding implementation faults and deficiencies.
- Committee monitors deficiencies detected in the audit activities performed by the Internal Audit Unit, T. Garanti Bankası A.Ş. Audit Board and the other corporations, and informs the Company Board of Directors about non-recovered findings.

Internal Audit

- Committee oversees whether or not the Internal Audit Unit fulfills its obligations stipulated in the Internal Audit Regulation.
- Committee reviews the annual audit plan that is prepared by the Internal Audit Unit and the revisions made in the annual audit plan before the Board of Directors' approval.
- Committee approves the appointments of the Internal Audit Unit personnel and reviews the Internal Audit Unit Regulation before it is approved by the Board of Directors.

- Committee makes the performance assessment of the Internal Audit Manager. When necessary, the Committee may get the opinions of the Company General Manager on this issue.
 - Committee monitors the decisions of the Top Management and the units reporting to them regarding the issues detected in the internal audit reports.
 - Within the framework of the Article 13 / 4 provisions of the Regulation on "Establishment and Operating Principles of Financial Leasing, Factoring and Financing Companies" the Committee evaluates the Internal Audit Unit activity report prepared regarding auditing activities and the reports -that are submitted to the Committee by the Internal Audit Unit - including the results of the Internal Audit Unit's monitoring activities and its assessments.
 - Committee monitors the adequacy of the Internal Audit Unit's staff structure and the existing training, competency and expertise levels of the audit personnel and takes necessary measures in order for audit unit personnel to be cultivated in the best manner theoretically and practically.
- ### Financial Reporting and Independent External Audit
- The Committee oversees; whether or not the Company's financial reports include all the information that is correct and that must be reflected, whether or not they are prepared in compliance with the Law and other relevant legislation, and moreover ensures that the detected faults and frauds are corrected.
 - The selection of the independent audit firm, the preparation of the audit agreements and the start of the independent audit process as well as the independent audit firm's auditing activities at all stages, are executed under the oversight of the Committee.

Compliance with the Law, Regulation and Code of Ethics

- Committee oversees; i) the functioning of the internal systems, accounting and reporting systems within the framework of the law and relevant regulations, and ii) the integrity of the information produced.
- Committee reviews the consistency of the Company activities with the laws and regulations through the units reporting to itself.
- Committee oversees whether the Company's internal policies and implementation procedures approved by the Board of Directors are complied with or not and makes suggestions to the Board of Directors about the necessary measures to be taken.

Audit Committee convened 7 times in 2014. In these meetings, important findings and the results of the periodical control activities that were detected in the Unit audits made by the Internal Audit Unit were discussed. Moreover, Deloitte provided information to the members of the Audit Committee about the results of the audit activities –performed by the independent audit firm (Deloitte) – regarding the Company's financial data dated 31.12.2013, 31.03.2014, 30.06.2014, 30.09.2014, and about the prepared management recommendation letter. In addition, the Audit Board provided information to the Committee regarding the results of the subsidiary audits performed in 2014 by the T. Garanti Bankası A.Ş. Audit Board.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was established with the aim of determining; i) whether the Corporate Governance Principles are implemented or not within the framework of the Corporate Governance Principles of the Articles of Association, Legislation and the Capital Markets Board, and ii) the existence of possible conflict of interests in the Company.

The Chairman of the Corporate Governance Committee is Mr. Serhat Yanık, and the Members are Mr. Osman Bahri Turgut and Mr. Aydın Şenel. As per the 11th Article of the Corporate Governance Communiqué (n.II - 17.1 and dated, 03.01.2014) Ms. Şebnem Dede was appointed as a Committee Member on the 30th of June 2014.

In accordance with the structuring of the Board of Directors, the Corporate Governance Committee was established with the aim of performing also the duties of the Nomination

Committee and the Compensation Committee and assumed the tasks of these committees.

The tasks of the Committee are as follows;

- Monitoring the Company's consistency with the Corporate Governance Principles,
- Carrying out improvement activities on this issue and giving suggestions to the Board of Directors,
- Detecting conflict of interests arising from non - compliance with the Corporate Governance Principles,
- Overseeing the activities of the Investor Relations Department.

Acting as the Nomination Committee:

- Creating a transparent system for the determination, assessment and training of the nominees of the Board of Directors and determining a policy on this issue,
- Evaluating the efficiency of the Board of Directors' structure,
- Determining and overseeing the approaches, principles and practices on the issue of performance evaluation and career planning of the Members of the Board of Directors and the Executive Directors,
- Submitting suggestions to the Board of Directors regarding changes that can be made on the issue of the Board of Directors' structure and efficiency.

Acting as the Compensation Committee:

- Preparing proposals regarding the compensation principles of the Members of the Board of Directors and the Executive Directors,
- Determining criteria that can be used regarding the performance of the Company and the members,
- Submitting proposals to the Board of Directors regarding the compensations of the Members of the Board of Directors and the Executive Directors.

In 2014, Corporate Governance Committee convened 4 (four) times.

Compensation Committee submitted its proposal to the Board of Directors on the 25th of February 2014, regarding the honorarium amount that will be paid to the independent members of the Board of Directors. The proposal was discussed and approved in the Board of Directors Meeting held on the 26th of February 2014.

Committees and Attendance to Committee Meetings

Compensation Committee submitted its report to the Board of Directors, on the 17th of March 2014 regarding the issue of appointing Mr. Osman Bahri Turgut to the position of Mr. Muammer Cüneyt Sezgin who resigned from his board membership position. With the decision taken in the Board of Directors Meeting held on the same date, Mr. Osman Bahri Turgut was appointed to continue his duties for the remaining term of office of the Board of Directors and to be submitted to the approval of the General Assembly in the first General Assembly meeting to be held.

As per the 11th Article (titled; Investor Relations Department) of the Corporate Governance Communiqué (II- 17.1) that was entered into force after being published in the Official Gazette dated 03.01.2014; in the meeting held on the 30th of June 2014 on the issue of complying with the Company's corporate governance principles; The Corporate Governance Committee decided to appoint Ms. Şebnem Dede who is the Supervisor of the Investor Relations Department under the structure of General Accounting Unit as the member of the Corporate Governance Committee. In the meeting held on the 15th of August 2014, the Committee decided to approve the updated versions of the Information Policy that was entered into effect with the Garanti Faktoring A.Ş. Board of Directors' decision (date; 20.08.2013 and n. 2013/071) and the Share Repurchase Policy that was entered into effect with the Board of Directors' decision (date; 16.12.2013 and n. 2013/078) , in a manner ensuring compliance with the regulations in the "Communiqué (II- 22.1) on Repurchased Shares" that was published in the Official Gazette n. 28871, dated 03.01.2014 and in the "Communiqué (II- 15.1) on Material Matters" that was published in the Official Gazette n. 28891, dated 23.01.2014.

EARLY RISK DETECTION COMMITTEE

As per the "Corporate Governance Communiqué II- 17.1" published by the Turkish Code of Commerce n. 6102 and the Capital Markets Board, the aim of the Committee carrying out its activities within the structure of the Board of Directors is to early diagnose the risks that may endanger the existence, progress and continuity of the Company, to take necessary measures regarding the detected risks and to carry out activities with the purpose of risk management.

Committee is composed of the Independent Members of the Board of Directors, Mr. Serhat Yanık and Mr. Ali Çoşkun.

The tasks of the Committee are as follows;

- Based on the risk management strategies, determining risk management policies, implementation methods and risk management systems in line with the opinions of the Board of Directors, and designing effective internal control systems in order to comply with these policies and to ensure their implementation,
- Implementing necessary measures regarding the detected risks, carrying out activities for the risk management and monitoring the risk management practices,
- With the aim of performing the risk monitoring function effectively, requesting information, opinion and report from the relevant units if deemed necessary,
- Reviewing and evaluating the risk management system at least once a year,
- Informing the Board of Directors periodically about the risk management practices,
- Fulfilling other duties that are assigned or that will be assigned to the Committee through relevant legal legislations.

Since its establishment date in 2014, the Committee submits its report to the Board of Directors every two months. Early Risk Detection Committee convened 4 times in 2014. In these meetings, the Committee shared the reports –with the Members of the Board of Directors – that it prepared regarding the issues such as; compliance with standard ratio and the 376th Article of TTK (Turkish Code of Commerce) , status of the Company's foreign exchange position, status of the problem factoring receivables, cost - yield and maturity composition of the balance sheet, assets & liabilities composition and status of operational expenses (OPEX) .

The field of tasks of the Committees and their working principles were determined and publicly announced on the Company website in the "Yatırımcı İlişkileri> Kurumsal Yönetim" section.



ASSETS LIABILITIES COMMISSION

The members of the Assets Liabilities Committee are; Hulki Kara (Member of the Board of Directors and General Manager), İlky Şahin Hamurcu (Executive Vice President), Erkan Coplugil (Executive Vice President); Mert Ercan (Executive Vice President), Volkan Şenünver (Senior Vice President), Fatma İpek Bilmiş (Senior Vice President), Nilgün Yılmaz (Senior Vice President), Eda Kayhan (Senior Vice President), Serap Çakır (Senior Vice President), Hasan Okay Tuncay (Senior Vice President), Hande Yağcı (Senior Vice President), Özcan Destancı (Senior Vice President), Tahsin Maden (Senior Vice President), Emre Özmen (Senior Vice President), Işın Ülker (Senior Vice President), Nazan Aktaş (Senior Vice President), Ahmet Marangoz (Senior Vice President).

Sales and Marketing Regional Directors attend the Committee meetings every month alternately.

Assets Liabilities Committee is responsible for the improvement of the Company's balance sheet and monitors the achievement level of the budget targets by evaluating the Company's interest rates, currency risks, liquidity risks and operational risks. Regularly monitoring the achievement of budget targets, ensures that the decisions that will be executed by the related units are taken. In 2014, the Committee convened 50 times by the General Manager in order to discuss and assess the specified issues weekly.

CREDIT COMMITTEE

Credit Committee is composed of; Turgay Gönensin (Deputy Chairman of the Board of Directors), Erhan Adalı (Credit Committee Member) and Hulki Kara (Member of the Board of Directors and the General Manager). Although İlky Şahin Hamurcu (Executive Vice President) and Erkan Coplugil (Executive Vice President) are not the members of the Credit Committee, may attend the meetings in order to present their opinion regarding loan proposals.

Garanti Faktoring Board of Directors, transferred the certain part of its loan allocation authorization to the Credit Committee. Loan proposals that are submitted to the Headquarters by the Regions but that exceed the authorization of the Headquarters are presented to the Credit Committee that convenes once a week.

The Credit Committee examines the loan proposals and concludes the ones that are within the scope of its authorization. The Committee presents the loan proposals that exceed its authorization to the Board of Directors so that they are concluded.

CREDIT PROCESSES COMMITTEE

Credit Processes Committee members are; Hulki Kara (General Manager), İlky Şahin Hamurcu (Executive Vice President), Mert Ercan (Executive Vice President), Erkan Coplugil (Executive Vice President), Nazan Aktaş (Organization and Process Development Senior Vice President), Tahsin Maden (Sales Marketing and Coordination - Senior Vice President), Emre Özmen (Product Management and Business Development Senior Vice President), Nilgün Yılmaz (Operation and Legislation Senior Vice President), Eda Kayhan (Legal Affairs and Credit Monitoring Senior Vice President), Özcan Destancı (Intelligence Senior Vice President), Hasan Okay Tuncay (Credits Allocation Senior Vice President). If deemed necessary, a Regional Sales Manager may attend the meeting although he / she is not the Committee Member.

The general aim of the Committee is to create and develop loan process and effective management that will enable correct and efficient analysis of the factoring requests to answer the need in a reasonable amount of time within the framework of the alienation legislation.

Credit Processes Committee convened 2 (two) times in 2014.

IT COMMITTEE

IT Committee Members are; Hulki Kara (Member of the Board of Directors and General Manager), İlky Şahin Hamurcu (Executive Vice President), Erkan Coplugil (Executive Vice President); Mert Ercan (Executive Vice President), Işın Ülker (Senior Vice President), Nazan Aktaş (Senior Vice President), Tahsin Maden (Senior Vice President), Emre Özmen (Senior Vice President).

If deemed necessary, company managers and employees may attend the meeting although they are not the Committee Member.

IT Committee was established in order to; determine the budget for the Company's IT projects, prioritize and approving IT needs, approve periodical master plans that will be mutually concluded with the IT service provider (s), and monitor compliance with the approved master plans and evaluating deviations.

The Committee convened two times in 2014.

In the Committee meetings held in 2014, the projects concluded in 2013 were evaluated, requests made by the units in 2014 were evaluated, priorities were determined and recent statuses of the ongoing projects were discussed.

Senior Management



Hulki Kara

General Manager and Member of the Board of Directors

See Page 22.



Mert Ercan

Executive Vice President

Mert Ercan

graduated from Dokuz Eylül University, Department of Business Administration. He joined Garanti Bank in 1999 and assumed duties as Vice Chairman on the Audit Board. Since March 15, 2011, he has served as Executive Vice President at Garanti Faktoring.



İlkay Şahin Hamurcu

Executive Vice President

İlkay Şahin Hamurcu

graduated from Istanbul University, Department of Business Administration. She started her career in 1992 at Pamukbank and subsequently went on to work at Koçbank and İktisat Bank, respectively. From 1998 to 2001, she assumed duties at Körfez Bank and afterwards at Osmanlı Bank, Garanti Bank, Garanti Leasing, respectively. Her career at Garanti Faktoring started in 2005 as Credit Manager and continued as Executive Vice President since April 1, 2011.



Erkan Coplugil

Executive Vice President

Erkan Coplugil

graduated from Istanbul Technical University, Department of Management Engineering. He joined Garanti Bank in 1998 and assumed duties in the Organization and Planning, Commercial Banking Units and also served as a Branch Manager. He has served as Executive Vice President at Garanti Faktoring since December 12, 2011.

Name / Surname	Title	Professional Experience
Hulki Kara	Member of the Board of Directors and General Manager	25 years
Mert Ercan	Executive Vice President	15 years
İlkay Şahin Hamurcu	Executive Vice President	22 years
Erkan Coplugil	Executive Vice President	16 years

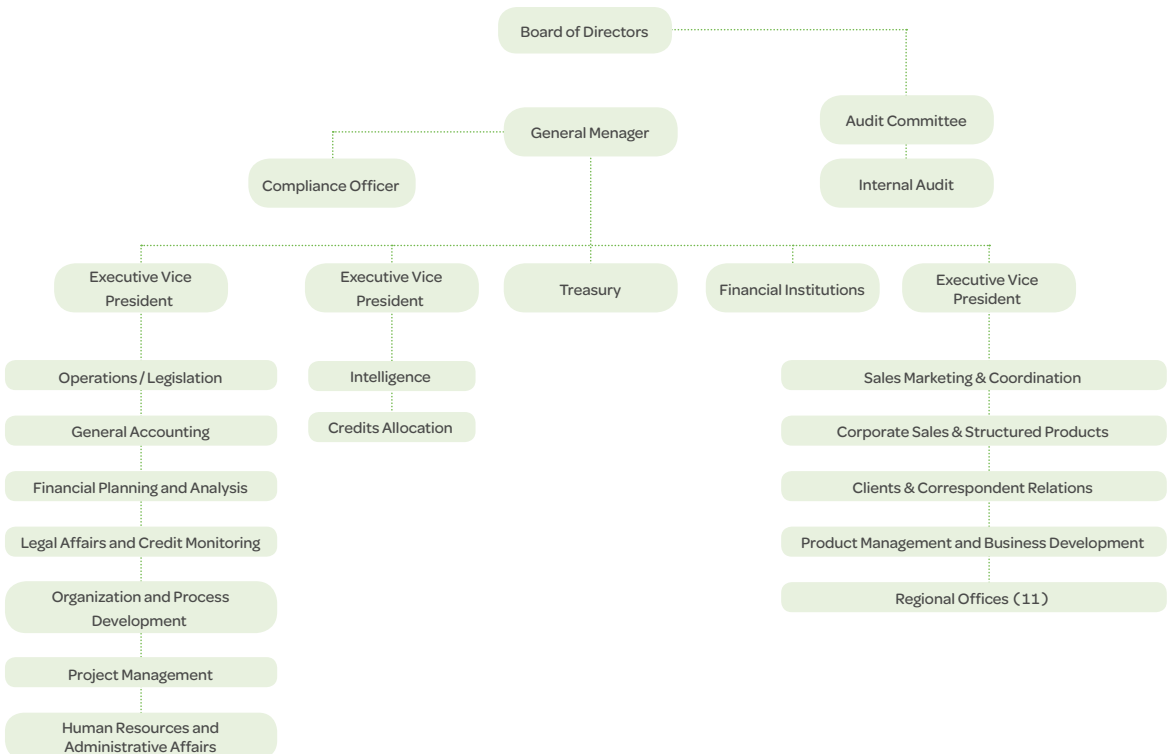
Organizational Structure and Organizational Structure Changes

CHANGES TO THE ORGANIZATIONAL STRUCTURE

Between January 1 and December 31, 2014, the following developments related to changes to the organizational structure took place:

- As of May 16, 2014, the Information Systems Advisor specified in the previous organizational chart was removed.
- As of July 8, 2014, the functions of the Treasury Marketing Unit operating under the General Manager were assigned to the Sales, Marketing and Coordination Unit and to the Treasury Unit. The name of the Treasury Marketing Unit was changed to the Financial Institutions Unit.
- As of July 21, 2014, Ankara - 2 - Central Anatolian Region operating under the Sales and Marketing Executive Vice President within the Company's organizational structure will continue to operate under the management of Ankara - 1 - Western Black Sea Region Manager.
- As of September 24, 2014, the name of the Corporate Sales and Marketing Unit operating under the Sales and Marketing Executive Vice President within the Company's organizational structure was changed to Corporate Sales and Structured Products. In addition, marketing coordination for the "My Receivable Guaranteed" product was added to the existing responsibilities of the Unit.

ORGANIZATIONAL CHART



Chairman's Assessment

Having achieved a high rate of growth, well above the industry average, and having excelled in all areas of the business in 2014, Garanti Faktoring plans to continue forging ahead on its journey to become the largest, most profitable and most innovative company in the factoring sector.

Esteemed Shareholders,

2014 was a tough year for the world's economies, including Turkey. As the global economy expanded 2.6%, only the US economy among the most developed countries showed signs of real recovery from the crisis. Meanwhile, recession continued in Japan, the world's third largest economy, and Europe began to feel a similar threat after failing to shake off the ongoing financial crisis.

The Federal Reserve (Fed)'s plan to raise interest rates this year had a negative impact on emerging markets, which drive the global economy. China's growth rate slipped to 7.25% in 2014, the lowest figure in 24 years; meanwhile Russia, facing economic sanctions after the Ukraine crisis, entered recession, exacerbated by the sharp decline in oil prices.

Affected by internal and external factors, the Turkish economy also experienced a difficult year. The country's annual growth rate dropped to 3% while inflation stood at 8.38%.

However, having properly assessed and successfully navigated this tough, uncertain environment, Garanti Faktoring achieved high growth, well above the industry average, and excelled in all areas of the business in 2014.



Profitable and sustainable **growth** will continue...



48.4%
INCREASE

FACTORING RECEIVABLES

In 2014, Garanti Faktoring's factoring receivables increased by 48.4% over the previous year to TL 2,948,107 thousand. Garanti Faktoring is sector leader in terms of factoring receivables.



34.1%
INCREASE

NET PROFIT

Garanti Faktoring's net profit climbed to TL 20.5 billion, while return on equity amounted to 15.73%.



45.1%
INCREASE

TOTAL ASSETS

In 2014, Garanti Faktoring's total assets grew 45.1%, to TL 2,989,573 thousand. Garanti Faktoring is the sector leader in terms of asset size.

Chairman's Assessment

Garanti Faktoring became the sector leader in terms of factoring receivables after raising its market share to 12% in 2014, up from 8.8% three years ago.

34.1% INCREASE IN NET PROFIT

In 2014, Garanti Faktoring's increased factoring receivables by 48% over the previous year, to TL 2,948,107 thousand. Meanwhile, factoring turnover rose 78.1%, to TL 17,430 million, and net profit climbed to TL 20,516 thousand, up 34.1%.

These significant achievements are the result of the transformation process that Garanti Faktoring initiated three years ago. Our Company became the sector leader after improving its market share in factoring receivables to 12% in 2014, up from 8.8% three years ago.

Thanks to a widespread network of branches, highly qualified employees, and an advanced technology infrastructure, Garanti Faktoring has realized tremendous success to become one of the top two bank factoring companies in Turkey in terms of balance sheet size and transaction volume.

Garanti Faktoring owes its current status to the investment it has made in technology and human capital. With a solutions-focused, innovative approach, Garanti Faktoring has gained a significant competitive advantage in the market.

FAST FINANCING IN A SHORT TIME

One of the products of this innovative approach is our "Hız (Speed)" product, which provides up to TL 50,000 in financing to SME customers in a matter of minutes. Meanwhile, "Alacağım Garanti'de (My Receivables are Guaranteed)" a first - of - its - kind product launched in 2013, became widely sought after in 2014, making life easier for Garanti Faktoring customers.

Garanti Faktoring is the only factoring company in Turkey that is a member in two giant international factoring networks at the same time, namely FCI (Factors Chain International) and IFG (International Factors Group). Our Company has also differentiated itself with an extensive correspondent network and has become a major business partner for Turkish companies seeking to expand their operations internationally.



Garanti Faktoring has a solid reputation in the sector thanks to its good corporate governance practices as well.

CORPORATE GOVERNANCE, INTERNATIONAL RESPECTABILITY

Our Company's great achievements in 2014 were also recognized with international awards. Garanti Faktoring came in fifth place in the category "Best Export Factoring Companies" out of 268 FCI members based in 75 countries, confirming the tremendous progress the Company has made in recent years.

Garanti Faktoring, one of the two publicly held factoring companies in Turkey, has a solid reputation in the sector with its good corporate governance practices as well. Garanti Faktoring considers the principles of transparency, openness, and providing accurate and timely information to investors an integral part of its business culture. As a result of the advances we have made in this area, our Company's Corporate Governance Score was upgraded from 8.70 to 8.90 in 2014.

Garanti Faktoring plans to continue forging ahead on its journey to become the largest, most profitable and most innovative company in the factoring sector.

Having the most qualified workforce in the sector, Garanti Faktoring will achieve this goal easily thanks to the competitive power it derives from Garanti Bank, BBVA and Doğuş Group as well as the support of the Company's customers and business partners.

Respectfully yours,

Ergun Özen
Chairman of the Board of Directors

General Manager's Assessment

Garanti Faktoring, the pioneer of the sector, achieved growth above the industry average, and became the sector's leader thanks to systems infrastructure investments, efficient operational processes and new products.

Dear Shareholders,

2014 was a successful year for the Turkish factoring sector: it continued to provide steady financing to the real economy with an expanding transaction volume. The factoring sector capped the year with 23% growth, after the sector's asset size climbed to TL 26.4 billion and transaction volume rose to TL 116 billion.

Meanwhile, Garanti Faktoring, the sector leader, outperformed the Company's targets for the year and achieved high growth, well above the industry average.

In 2014, Garanti Faktoring's total factoring transactions amounted to TL 17.4 billion with 8,467 customers. Compared to the previous year, our Company's domestic transaction volume rose by 36.8% while export and import factoring transactions increased by 372.67% and by 50.98%, respectively.

Garanti Faktoring's net profit also increased by 34.1%, to TL 20.5 million, during the same period, while return on equity amounted at 15.73%.

SECTOR LEADER IN FACTORING RECEIVABLES AND ASSET SIZE

In 2014, Garanti Faktoring was the sector leader with TL 2,989,573 thousand in assets and TL 2,948,107 thousand in factoring receivables.

In addition to domestic financing transactions, Garanti Faktoring conducted export - factoring transactions with more customers in 2014, in comparison to previous years. Further, we increased our market share above the sector average by venturing into new markets and customer segments.

More importantly, Garanti Faktoring went beyond financial success and maintained a market leading position by investing in infrastructure, introducing new work processes, and launching new products.

As a result of the investments realized as part of the transformation process initiated three years ago, our Company improved work processes in terms of speed and quality, and further increased customer satisfaction. It also continued to contribute to the Turkish economy's growth with new products.

INNOVATIVE PRODUCTS

One of the breakthrough offerings we launched in 2014 is our "Hız (Speed)" product, which enables companies to convert their receivables into cash within a very short period of time under certain conditions. The innovative product was received with great interest and generated turnover of more than TL 100 million very quickly.

Additionally, Garanti Faktoring presented supplier companies with the opportunity to collect their receivables prior to the date of settlement by amortizing credit insurance policies of all insurance providers as well as DCS (Direct Compensation System) receivables from banks. In 2013, we rolled out "Alacağım Garanti'de (My Receivables are Guaranteed)" a



Sector Leader in Factoring Receivables and Asset Size



FACTURING RECEIVABLES

Leader of the sector with 12% market share in factoring receivables



TOTAL ASSETS

Leader of the sector with 11% market share in total assets



TRANSACTION VOLUME

Number two companies in total transactions with a 15% market share

General Manager's Assessment

Garanti Faktoring, the sector's innovator, bested its targets for the year and achieved high growth, well above the industry average.

first-of-its-kind product in the sector, which guarantees timely collection of domestic receivables, providing protection against the risks of insolvency, bankruptcy and delinquency. The transaction volume with this product increased in 2014, showing us how important it is to analyze customer needs and inquire about their demands directly, in the field.

Garanti Faktoring is able to guarantee faster, easier and more reliable forward cash against goods sales for customers by benefiting from a wide correspondent network, which consists of more than 275 factoring companies based in 76 countries across the world. In all its international transactions, Garanti Faktoring efficiently uses these correspondent factoring companies, which are members of FCI (Factors Chain International) and IFG (International Factors Group).

In 2014, Garanti Faktoring began to obtain funding from correspondent companies for receivables it has acquired. Following the collaboration with Wells Fargo Trade Capital, our Company signed another agreement to provide 90% guarantee to customers for their operations in numerous countries, where a correspondent network does not exist.

NEW, TECHNOLOGY-SUPPORTED WORK PROCESSES

In 2014, Garanti Faktoring reviewed all existing credit processes and developed new processes using advanced technology, and in line with the demands from customers and sales teams.

To that end, the design of the rating-based process was completed in 2014 and launched in January 2015. As a result, Garanti Faktoring became able to provide faster service tailored to the needs of micro and small-size enterprises.

INVESTMENTS IN HUMAN CAPITAL

Boasting the sector's most extensive branch network and the largest sales team, Garanti Faktoring continued to invest not only in technology, but also in human capital. During the year, the Company provided sales teams with training on changing market conditions, current legislation, and new products.

Garanti Faktoring considers employees to be the Company's most valuable asset, and constantly invests in them. In 2014, Garanti Faktoring provided 2,678 hours of in-class and on-the-job training to staff members. Total training time per employee averaged 14 hours.

With a highly competent workforce, a widespread branch network, and the confidence of operating under the roof of Garanti, Garanti Faktoring plans to continue focusing on customer satisfaction in 2015, while introducing new, innovative products to meet to the needs of customers by expanding the company operations into new markets.

I would like to thank all our stakeholders for their unwavering support on this journey to excellence and market leadership.

Best regards,

Hulki Kara
General Manager

Overview of the Turkish and Global Economy

New tensions in Russia - Ukraine relations and the Fed's interest rate hikes will pose significant risks to emerging markets.

In 2014, the US economy stood out as the strongest player among other developed countries, especially compared to the European Union and Japan. After the Fed ended its bond purchase program and signaled gradual interest rate rises in 2015, the US Dollar began to surge in value against other major currencies.

The political crisis that erupted in Ukraine ended after President Viktor Yanukovich left the country on February 22, and a new parliament was formed. Shortly thereafter, Russia annexed Crimea from Ukraine and sent troops to Eastern Ukraine. Upon Russia's refusal to withdraw its forces, EU countries and the US imposed economic sanctions on Russia. In addition to the impact of intensified sanctions, Brent crude oil prices fell sharply, from US\$ 115 / bbl in June to US\$ 60 / bbl at end - December. As a result, the Russian economy plunged into recession.

After the US\$ - RUB exchange rate soared to RUB 79, up from RUB 35 in June, due to the steep decline in oil prices, the Central Bank of Russia raised its policy interest rate from 10.5% to 17%, and pumped large amounts of dollars into the country's foreign exchange market in order to prevent further depreciation of the Ruble. Even though these measures seem to suffice for now, the Central Bank expects the Russian economy to contract 4.5% in 2015 because of increased borrowing costs, low oil prices, and deep depreciation of the national currency.

Inflation rates in Europe, a major problem for the EU, did not reach the 2% target in 2014 and remained at almost zero (-0.1%), heightening the risk of deflation, and similar to the situation in Japan. If the European Central Bank (ECB) fails to spark monetary expansion by through government bond purchases, this potential risk might turn into reality.

Since European countries such as Spain, Italy, France and Greece have failed to implement sufficient structural reforms, the recovery of the EU economy largely hinges on the ECB's implementation of a monetary expansion program. Meanwhile, it is still uncertain whether or to what extent the Central Bank of Germany will change its unyielding stance on the matter. The depreciation of the Euro against other currencies, and mainly the US Dollar, is expected to continue in 2015. (At end - December, the EUR - US\$ exchange rate had fallen to 1.20, down from 1.39 in May.)

Overview of the Turkish and Global Economy

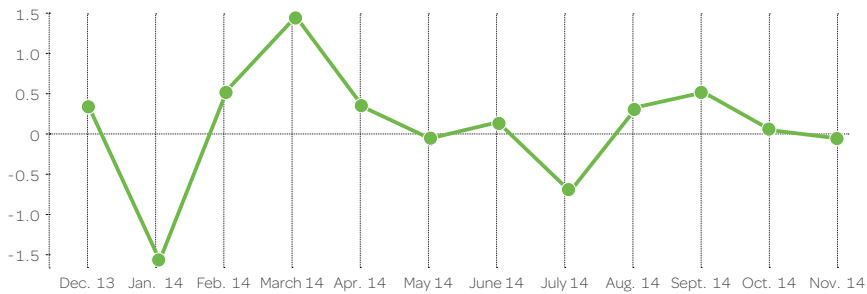
Recent developments in the global economy and the political environment had a negative impact on Turkey's economic growth in 2014.

With elections nearing and the Fed moving toward tightening its monetary policy, the Turkish Lira began to lose value against major currencies in 2014, with US\$ - TRY and EUR - TRY exchange rates hitting respective levels of 2.39 and 3.27. In order to curb the steep depreciation of the Turkish Lira in January and restrain inflation, the Central Bank of Turkey cut its policy interest rate by 550 basis points.

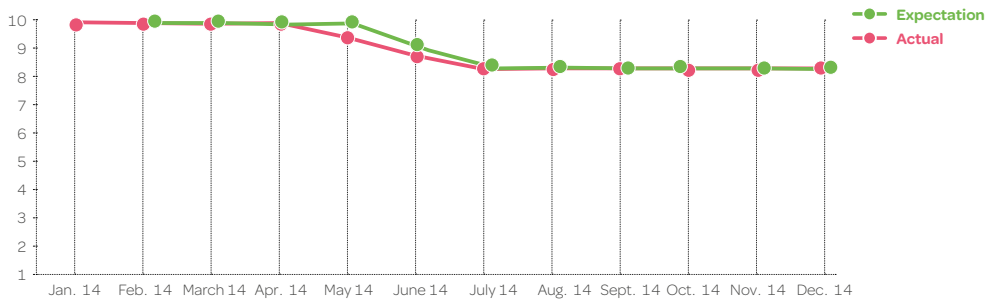
As the Turkish Lira began to gain value in May, to 2.06 per US Dollar and 2.83 per Euro, the benchmark interest rate dropped to 8.5%, down from 11% at the beginning of the year, the BIST 100 Index rose to 75,000 from a record - low of 60,000, and with the rebound in emerging markets, the Central Bank of Turkey gradually lowered its policy interest rate. Hence, during the period May - July, the policy interest rate dropped from 10% to 8.25%.

While Turkey's current account deficit and inflation began to decline as a result of plummeting oil prices, the European Central Bank and other industrialized countries, such as Japan, continued to pursue expansionary monetary policies. Therefore, these factors are expected to have a positive impact on the Turkish Lira and interest rates. On the other hand, if Greece's Syriza Party, which opposes austerity measures, wins the elections on January 25, or if new tensions erupt in Russia - Ukraine relations, or if the Fed raises interest rates more sharply or earlier than expected, all emerging market countries, and especially Turkey, will be negatively affected.

CHART-1: CHANGES IN EUROZONE INFLATION RATES IN 2014 (EXCLUDING ENERGY, ALCOHOL AND TOBACCO PRICES) (SOURCE: REUTERS)



GRAPHIC 2: CHANGE IN TCMB POLICY INTEREST RATE IN 2014



(Source: Reuters)

Factoring Sector Overview

FACTORING IN TURKEY

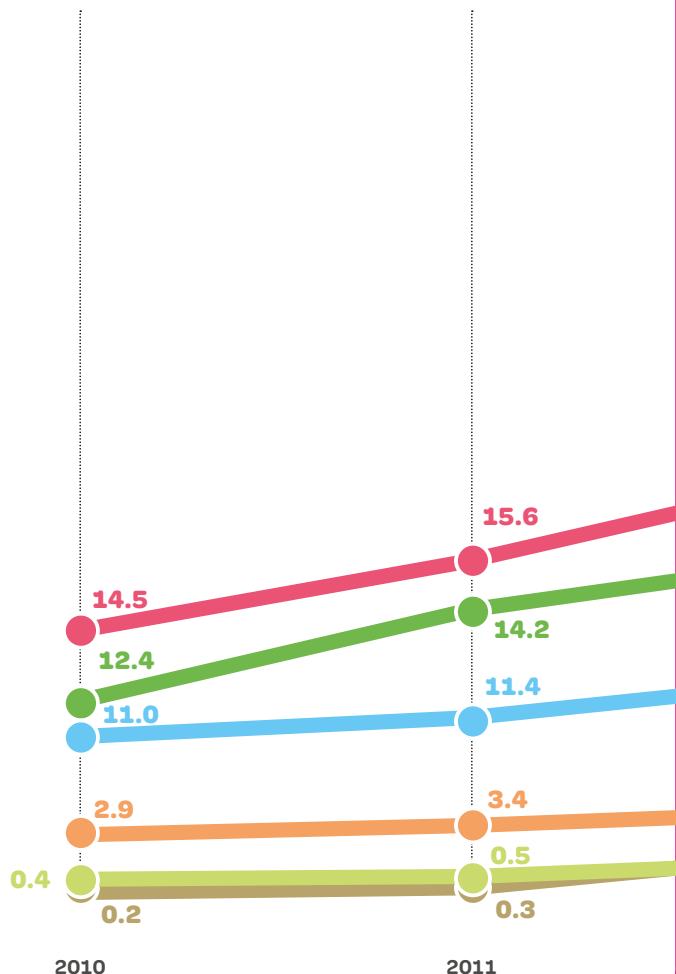
Factoring companies are regulated by "Financial Leasing, Factoring and Financing Companies Law No. 6361" published in Official Gazette No: 28496 on December 13, 2012, and the "Regulation on the Establishment and Operating Principles of Financial Leasing, Factoring and Financing Companies No: 28627" issued by the Banking Regulation and Supervision Agency (BRSA) on April 24, 2013.

Factoring is a financial transaction in which companies that sell products and services through forward contracts transfer their accounts receivable to a third party financial company to ensure cash flow and secure their receivables.

In Turkey, a significant portion of domestic trade is forward transactions. Therefore, factoring is needed mainly because the country's relatively high inflation rate leads to working capital problems in companies, the Turkish economy largely depends on exports, international trade is generally conducted on forward (open) accounts, and payments with letter of credit have become a less preferred option.

The concept of "factoring" entered Turkish banking vernacular for the first time in 1983 with the "Decree - Law on Money Lending Transactions." Article 3 of this Decree defines factoring thusly: "The acquisition of existing or future accounts receivable, which arise from the sale of products or services, and providing finance through payments made on these receivables." Enterprises established to perform this transaction are called "factoring companies."

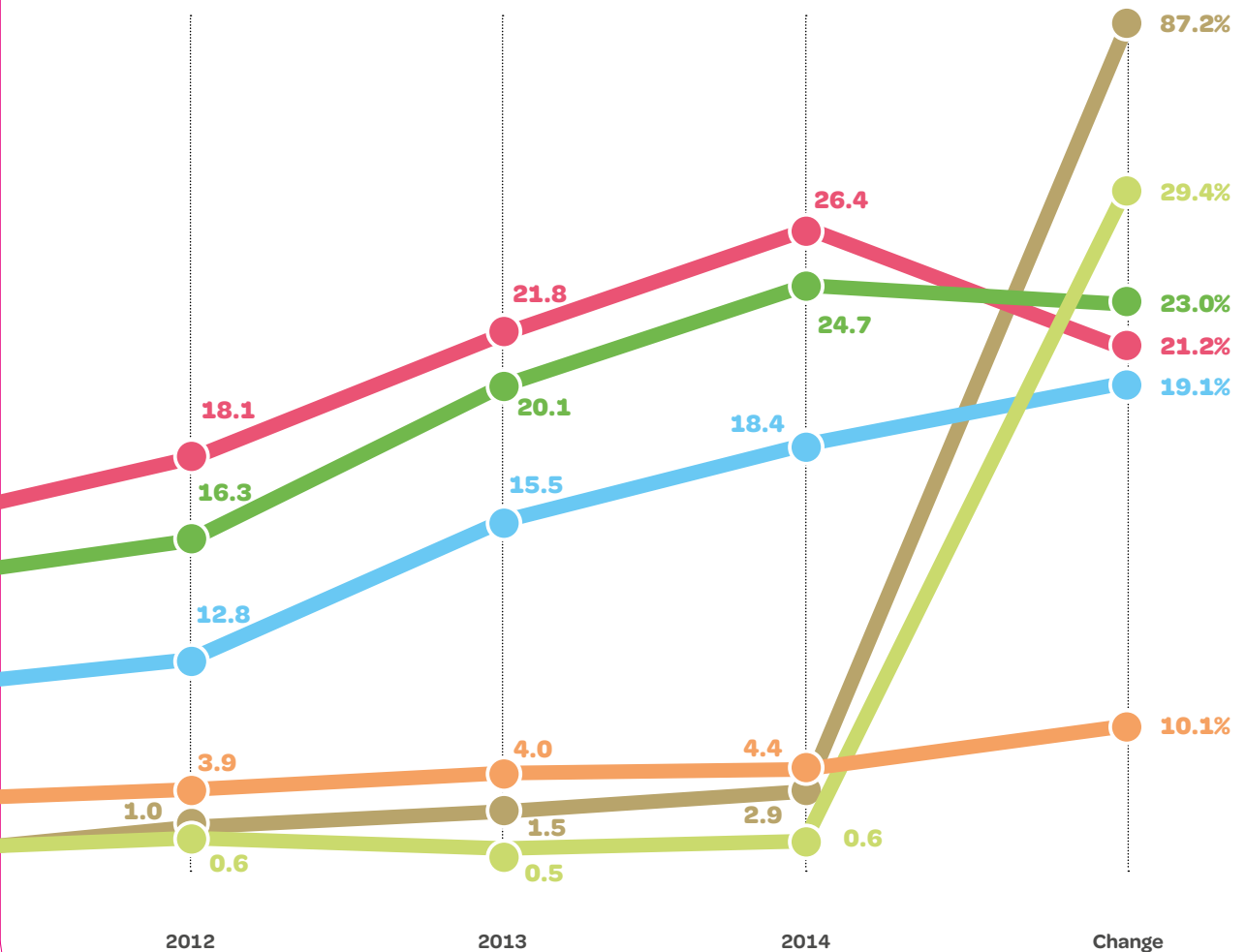
Factoring transactions began to be conducted in Turkey in 1988; in 1990, an authorized factoring company commenced operations for the first time. The factoring sector developed quickly in the country, especially during the second half of the 2000s in terms of transaction volume and customer numbers. In recent years, factoring has become an essential instrument in financial markets due to the increased popularity of factoring products as well as more access channels to customers.



Source: Association of Financial Institutions and BRSA.
Turk Rating (The Turkish Factoring Industry, September 2014.)

ITEMS OF FACTORING SECTOR MAJOR BALANCE SHEET
GROWTH FIGURES

- RECEIVABLES (TL Billion)
- TOTAL ASSETS (TL Billion)
- FUNDS BORROWED (TL Billion)
- SHAREHOLDERS' EQUITY (TL Billion)
- MARKETABLE SECURITIES ISSUED (TL Billion)
- NET PROFIT/LOSS FOR THE PERIOD (TL Billion)



Factoring Sector Overview

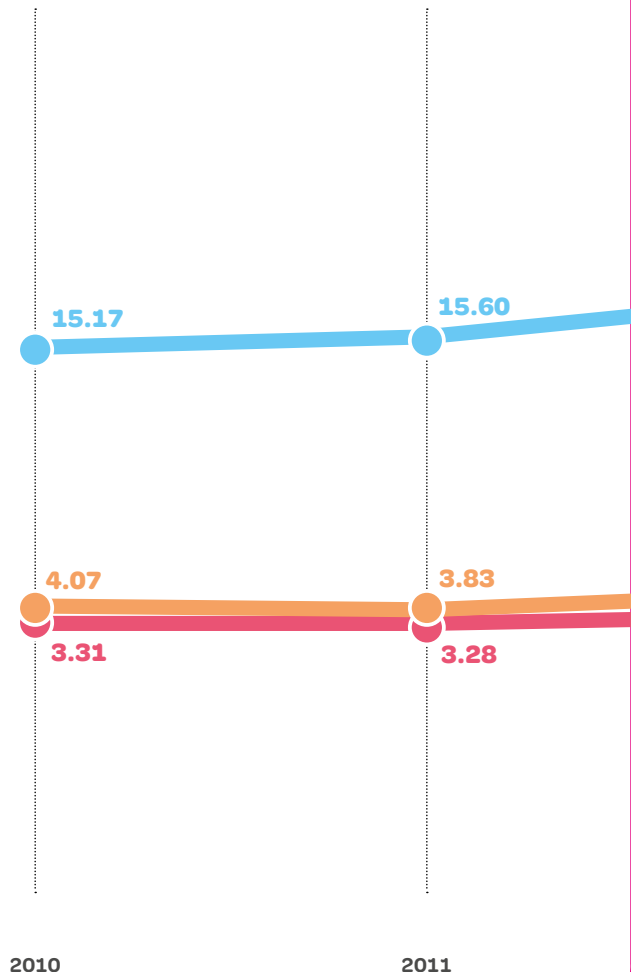
As of year -end 2014, 76 factoring companies are operating in Turkey. According to data provided by the Association of Financial Institutions, the number of factoring customers amounts to 93,327, 366 branches are in operation, and the sector contributes to employment with a total of 4,980 jobs.

The number of factoring companies in Turkey may seem high, however, these enterprises are organized into subgroups, which are distinctly different from each other. They implement different business strategies in terms of organizational structure, customer base and range of services. Over the last few years, factoring companies have been undertaking efforts to diversify their respective customer bases.

The factoring sector closed the year 2013 with TL 116 billion in turnover. As of year's end, sector - wide total assets increased by 21.2%, rising to TL 26.4 billion. In 2014, factoring receivables also went up 23% over the previous year, to TL 24.7 billion, accounting for 93.6% of total assets.

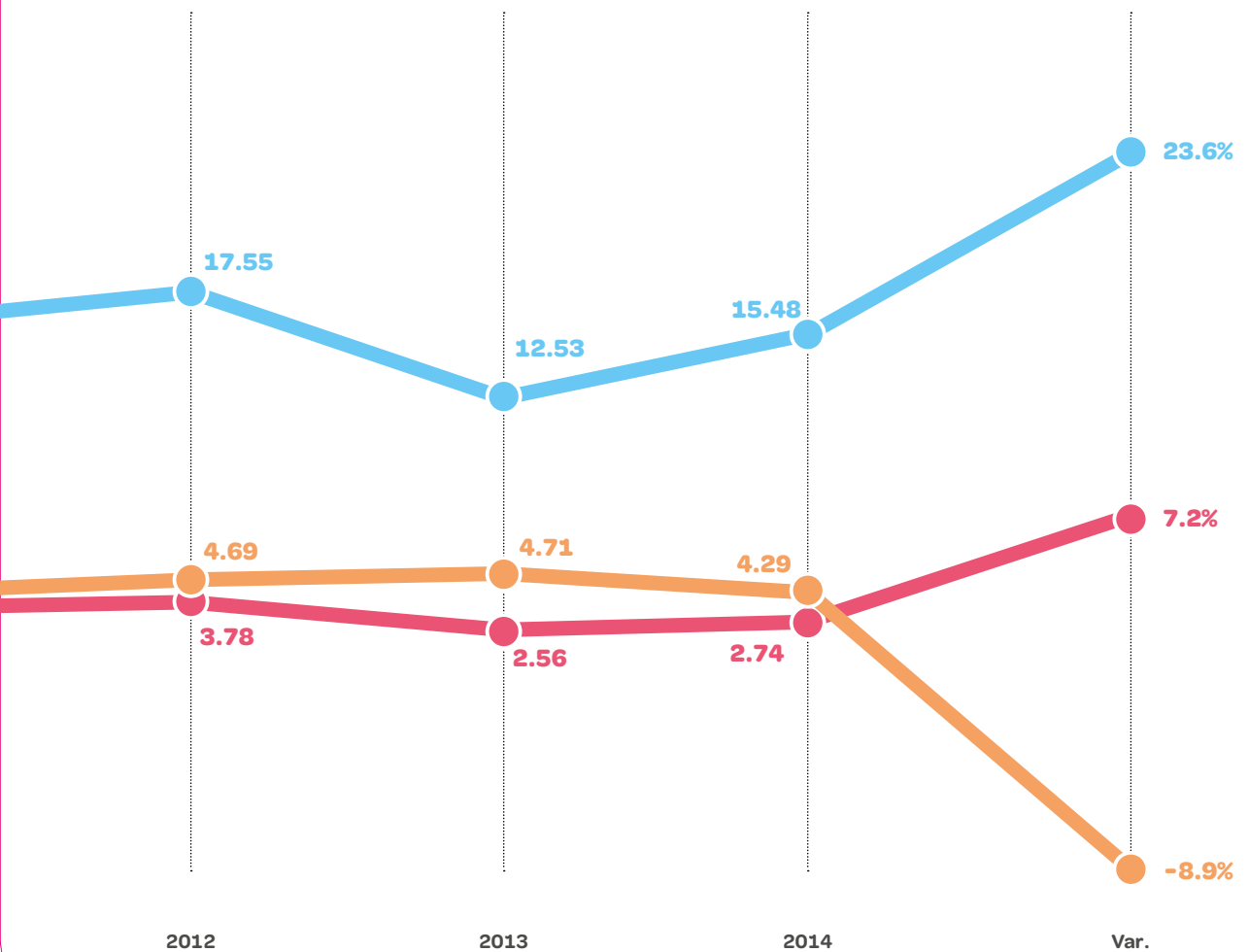
The factoring sector obtained a total of TL 18.4 billion in loans from banks in 2014. During the year, the amount of funds secured from banks rose by 19.1%, funds generated from security issues increased by 87.2%, while funding from equity issues went up 10.1%, over the prior year. The sector's profitability grew by 29.4% over the previous year, to TL 645 million.

As of year's end, the factoring sector's ROA and ROE rose while NPL ratio dropped, when compared to the same period a year earlier. In 2014, the sector's transaction volume amounted to US\$ 50.2 billion, up by 16.6% over 2013. In 2014, the Non - Performing Loans Receivable (NPL) ratio, a key indicator of asset quality, declined by 8.9%, falling to 4.29%.



SECTOR RATIOS

- RETURN ON ASSETS (%)
- RETURN ON EQUITY (%)
- NPL RATIO (%)



Factoring Sector Overview

Looking at the distribution of transactions by sector, the wholesale and retail trade, energy and construction industries account for the largest share. On the other hand, the NPL ratio is quite high in the construction and trade sectors. The textile and metals industries, coming in fourth and fifth, respectively, constitute the typical customer segments for the factoring sector.

While the automotive industry still maintains a significant share, the factoring sector has expanded into logistics and telecommunications, and entered new niche markets, such as debt collection management for sports clubs.

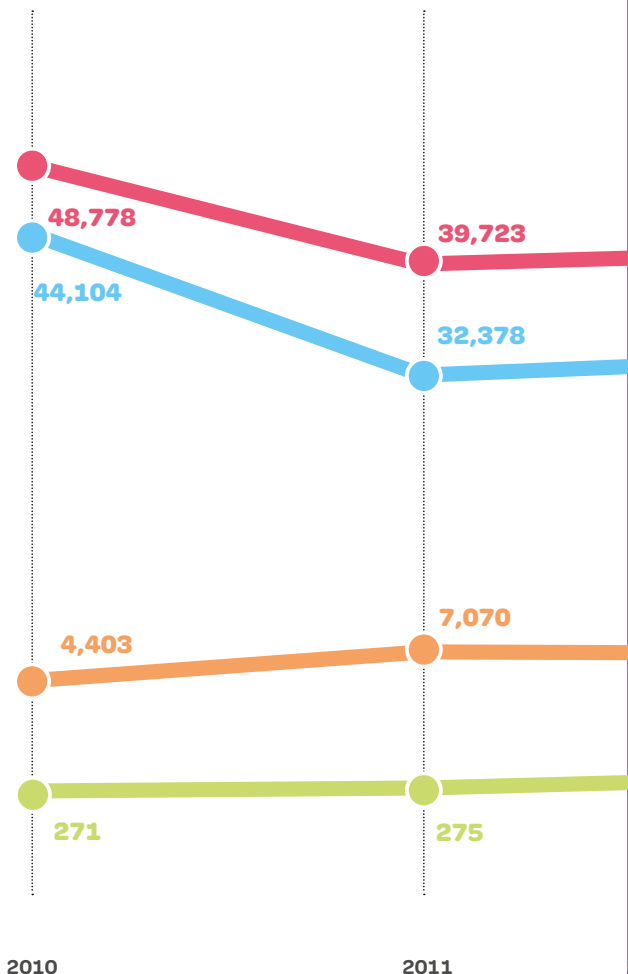
FACTORING WORLDWIDE

Since the 1950s, several factoring companies providing advanced services have been established in many countries. Unable to develop more fully until the 1970s, factoring became a reliable financing method after the 1973 oil crisis for many enterprises seeking to expand their operations internationally under more challenging global trade conditions.

Today, factoring is considered a modern financing method for all companies around the world, and a well - established factoring sector is present in more than 50 countries.

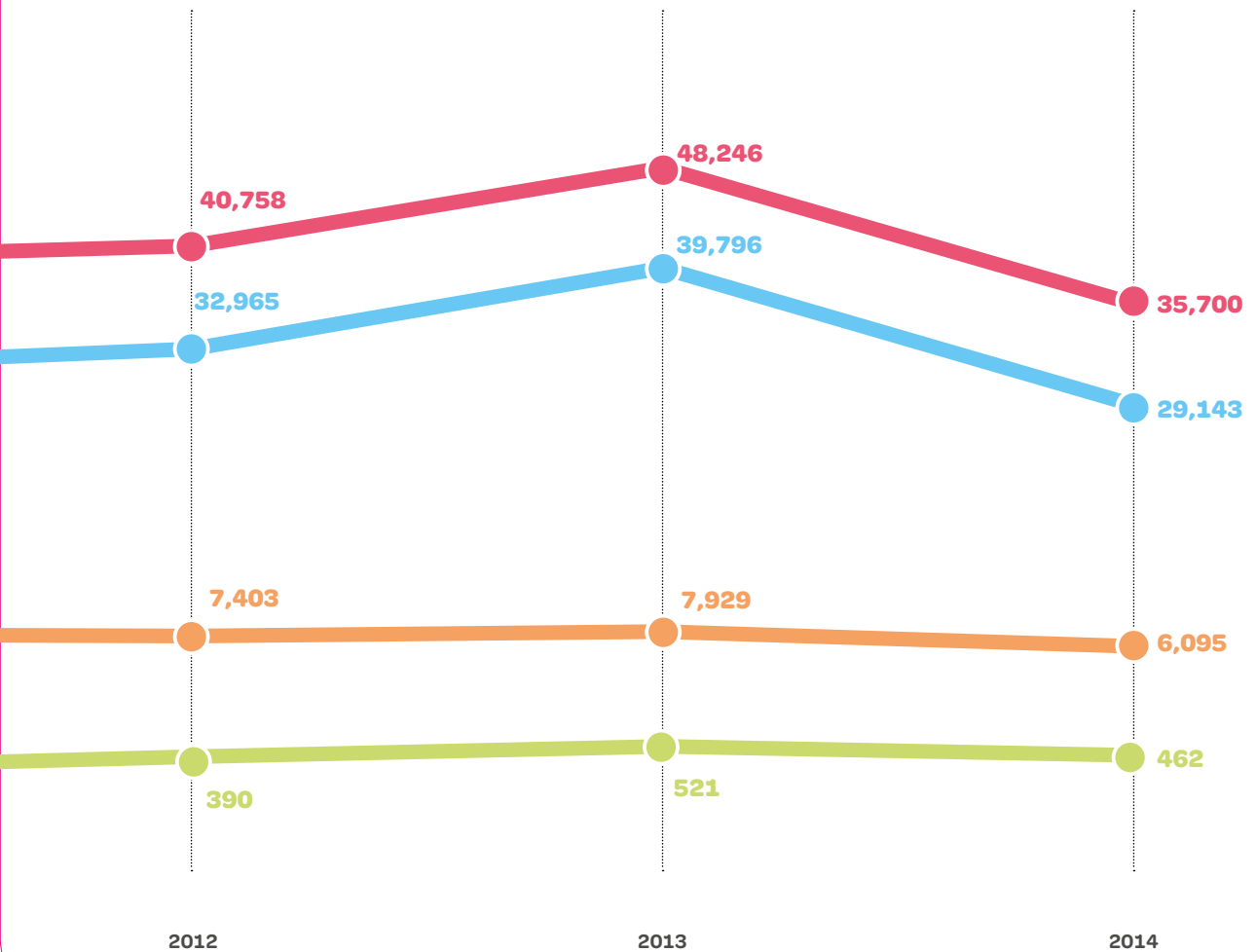
In parallel with the expansion of factoring into new industries and regions, the rapid rise in computer usage and technology advancements, the merger of independent organizations with large commercial banks, and the increased competition within the sector, the global factoring volume is increasing rapidly.

The global factoring industry has grown at an average annual rate of 13% over the last 25 years. After the global financial crisis in 2009, the sector recorded more than 20% annual growth, when the entire world began to realize the importance of risk management. The factoring industry is expected to maintain this pace of growth in the coming years.



FAKTORING SECTOR TRANSACTION VOLUME IN TURKEY

- TOTAL TRANSACTION VOLUME (US\$ million)
- DOMESTIC TRANSACTION VOLUME (US\$ million)
- EXPORT TRANSACTION VOLUME (US\$ million)
- IMPORT TRANSACTION VOLUME (US\$ million)



Sales, Marketing and Coordination

In 2014, Garanti Faktoring conducted factoring transactions amounting to TL 17.4 billion with a total of 8,467 customers.



8,467

Number of Customers in Factoring Transactions

The Sales, Marketing and Coordination Unit at Garanti Faktoring aims to deliver the right products to the right customers through the right channels at the right time, in line with customer segmentation and profitability models.

The Sales, Marketing and Coordination Unit is charged with formulating and implementing marketing strategies and tactical marketing plans geared toward target customer segments. The Unit revises these plans whenever necessary, shares them with regional offices, monitors implementation, and resolves and issues that may arise.

8,467 CUSTOMERS

In 2014, Garanti Faktoring conducted factoring transactions amounting to TL 17.4 billion with a total of 8,467 customers. Compared to the previous year, the Company's domestic transaction volume rose by 36.8% while export and import factoring transactions increased by 372.67% and 50.98%, respectively.

In addition to domestic financing transactions, Garanti Faktoring conducted export - factoring transactions with more customers in 2014, in comparison with previous years. Further, the Company's market share increased above sector average growth by venturing into new markets and customer segments.

THE "SPEED" ERA

In order to provide faster service to SMEs in accordance with their needs, Garanti Faktoring launched the "Speed Process" in 2014. Delivering quick and easy financing to SME customers, this product generated about TL 100 million in turnover during the year.

Focusing on providing utmost customer satisfaction, Garanti Faktoring will continue to introduce new, innovative products tailored to the needs of customers through the Company's 21 branches.

In 2015, Garanti Faktoring plans to develop new systems designs to increase the number and volume of transactions, particularly in the SME segment. Additionally, the Company aims to play a more active role and capture more market share in correspondent guaranteed import - factoring transactions related to the overseas operations of its customers.

Garanti Faktoring also plans to continue making capital investments in systems infrastructure and human resources in the coming year. The Company targets improving operational efficiency while striving to realize its set performance objectives.



High Brand Awareness, Strong Trust

As one of the most well-known and trusted companies in the factoring sector, we reached more customers through our advertising efforts in 2014, serving a total of 8,467 clients with our popular products.

Erkan Coplugil
Executive Vice President

Product Management and Business Development

Garanti Faktoring provided sales teams with intensive training on changing market conditions, current legislation, and new products.

The Product Management and Business Development Unit is primarily responsible for developing new products and business partnerships while abiding by factoring regulations, improving the effectiveness of existing products, and promoting new products.

In 2014, the Unit launched new products and improved the existing product portfolio.

The most outstanding product developed within the year is "Speed," which provides a fast and effective solution to meet the cash requirements of SMEs. With Speed, Garanti Faktoring customers can obtain up to TL 50 thousand in only 30 minutes to finance their accounts receivable (invoiced or by check).

The system infrastructure for a new product, which is currently in development and is expected to result in a sustained increase in transaction volume, was completed in 2014. The Company plans to launch this new product in first quarter 2015.

Additionally, Garanti Faktoring offered supplier companies the opportunity to collect their receivables prior to the date of settlement by amortizing credit insurance policies of all insurance companies as well as DCS (Direct Compensation System) receivables from banks.

In 2014, the Product Management and Business Development Unit further improved "Alacađım Garanti'de (My Receivables are Guaranteed)" a unique product launched in 2013; and successfully marketed and widely promoted this product in the market.

INVESTING IN TECHNOLOGY AND HUMAN CAPITAL

As part of product and business partnership development efforts, Garanti Faktoring continued to make infrastructure related investments. To that end, the Company is currently in the process of redesigning the corporate website so that it can be used as an alternative channel for customer applications, besides serving as a communications channel.

As a matter of course, Garanti Faktoring invests not only in technology, but also in human capital. Accordingly, the Company provided its sales teams with intensive training on changing market conditions, current legislation, and new products.

Garanti Faktoring modified its organizational structure as well, and created a new system through which calls from central sales and customers are directed to sales teams to generate business out of these calls.

BUSINESS EXPANSION IN SME SEGMENT

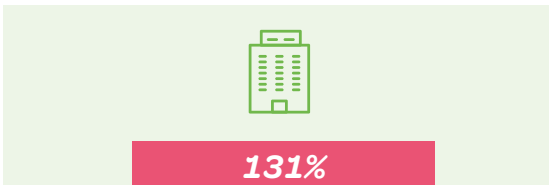
One of Garanti Faktoring's primary goals for 2015 is to introduce SME customers to guaranteed transactions, an important service in the factoring sector. The Company is currently working on the development of new products and processes together with its business partners. To that end, Garanti Faktoring will soon offer financing services to customers, who receive insurance services, in collaboration with Eximbank.

In 2015, the Company plans to start developing the system infrastructure for supply chain financing, a practice frequently used in Europe.

The Company's Commercial Collection Management services, which offer the advantages of shorter collection periods and lower operating costs, will be further enhanced with financing and guarantee options in 2015.

Client and Correspondent Relations

In 2014, Garanti Faktoring increased correspondent guaranteed export - factoring turnover by 131%, exceeding the target for the year.



Increase in correspondent guaranteed export - factoring turnover

The Client and Correspondent Relations Unit continued to make a difference with an expert team that expanded the correspondent network into new markets. The Unit delivers tailored solutions to clients by cooperating with correspondent factoring companies based on a wide product range thanks to strong relationship management, providing top quality services to clients in their foreign operations with an innovative and customer oriented approach.

131% INCREASE IN CORRESPONDENT GUARANTEED EXPORT FACTORING TRANSACTIONS

Boasting the most extensive branch network among bank subsidiary companies, Garanti Faktoring visited various regions across the country to remain in close contact with existing and potential customers. As a result of these efforts, the Company significantly expanded the customer base in 2014, in comparison to previous years, particularly in the area of export factoring. It also increased correspondent guaranteed export - factoring turnover by 131%, exceeding the target for the year.

WIDE CORRESPONDENT NETWORK

Garanti Faktoring is the only factoring company in Turkey with memberships in two giant international factoring chains at the same time, namely FCI (Factors Chain International) and IFG (International Factors Group).

This advantage puts Garanti Faktoring well ahead of the competition. Garanti Faktoring is able to guarantee faster, easier and more reliable forward cash against goods sales to our clients by benefiting from a wide correspondent network of more than 275 factoring companies in 76 countries that are members of these two chains, and efficiently using these correspondent factoring companies throughout the world.

In 2014, Garanti Faktoring began to obtain funding from correspondent companies for the receivables it has acquired. Following the collaboration with Wells Fargo Trade Capital, the Company signed another agreement to provide 90% guarantee to customers for their operations in numerous countries, where a correspondent network does not exist.

As a result of these achievements in 2014, Garanti Faktoring placed 5th in the category of "Best Export Factoring Companies" out of 268 FCI (Factors Chain International) members based in 75 countries.

Garanti Faktoring accelerated efforts to ensure continued success, and made capital investments in systems infrastructure throughout 2014. Knowing the important role that a highly qualified staff plays in export and import factoring transactions, the Company sent employees to overseas training programs and encouraged them to participate in international certification exams.

In 2015, Garanti Faktoring plans to maintain the growth momentum it has achieved in correspondent guaranteed export and import factoring, increase the number of customers across the country, particularly in the export segment, conduct more customer and branch visits to stay in close contact with customers, and to visit correspondent companies to further improve correspondent relations.

Corporate Sales and Structured Products

Placing great importance on innovation, Garanti Faktoring plays a key role and leads the sector with a host of breakthrough products.

The Corporate Sales and Structured Products Unit aims to develop innovative products, in addition to current factoring practices, and to properly adapt these products to meet market and financial requirements.

As part of "Corporate Sales" efforts, Garanti Faktoring aims to position factoring products as a financial solution by developing new and unique products, besides basic factoring products, for corporate customers, in accordance with their financial needs as well as applicable regulations.

Placing great importance on innovation, Garanti Faktoring plays a key role and leads the sector with an array of breakthrough products.

The import factoring practices introduced to the Turkish factoring sector by Garanti Faktoring are becoming more and more widespread in the market.

With its supplier financing practices, the Company supports and provides financing to small - scale enterprises.

The "Alacak Garantisi (Collection Guarantee)" product, launched by Garanti Faktoring in 2013 to secure customers' domestic receivables, was restructured in accordance with customer needs and demands. The product was received with great interest and became very popular in 2014.

In addition to the Company's existing structured products, Garanti Faktoring plans to continue developing and structuring innovative products to meet the needs of the market, and deliver the right products through a widespread branch network with expert and experienced staff.



Star Products and Services

We continue to rise and distinguish ourselves in the sector with our customer-oriented, innovative products and services. Thanks to our innovative products and strong capital structure, our star continues to shine brightly.

Credits Allocation and Intelligence

In 2014, Garanti Faktoring reviewed all of the Company's existing credit processes and developed new processes in accordance with customer demands.

The Credits Allocation and Intelligence Unit is responsible for performing credit analysis on sellers and buyers in keeping with the Company's credit policy. While conducting these analyses, the Unit assesses economic trends, the general state of the industries in which customers operate, and market conditions, in addition to individual customer information. All necessary credit and intelligence analyses are performed within the credit process in order to determine the credibility of sellers and buyers, and to make decisions based on the findings. Following the allocation of credit, the Unit also provides credit management services.

Empowered by the strong Garanti brand, Garanti Faktoring continues to develop new products, services and processes tailored to the needs of customers, based on the deep, rich and reliable information it has.

In 2014, Garanti Faktoring reviewed all of the Company's existing credit processes and subsequently developed new processes in line with the demands from customers and sales teams.

RATING-BASED CREDIT PROCESS

The Company plans to launch the rating - based credit process in first quarter 2015. This new process will enable Garanti Faktoring to provide faster service tailored to the needs of micro and small - scale enterprises.

Throughout 2014, Garanti Faktoring closely monitored sector risks and the effects of changes in the market on receivables. Additionally, the Company continued to improve the "Speed" product, which launched in 2014 and provides fast and easy financing up to TL 50,000.

PROCESS DEVELOPMENT EFFORTS WILL CONTINUE

In 2015, Garanti Faktoring will continue to develop unique processes for buyers, further strengthen the Company's market intelligence capabilities, and increase transaction volume in micro and small - scale enterprise segments by introducing new products.

To that end, the Company is currently in the process of designing new products and developing a new business plan, which will enable buyers to access sellers through the Company's Head Office, and then to be directed to regional offices. In addition to the ongoing process improvements, the Company will increase support to regional offices for determining credit requirements and timing.



“Speed”: Turning Time into Earnings

Through our widespread branch network, we provide full service in the fastest possible way. We turn time into earnings for all of our customers, in every segment.

Financial Institutions

Garanti Faktoring has deepened its relationships with partner banks and obtained financing for customers under favorable terms.

The Financial Institutions Unit is primarily responsible for managing Garanti Faktoring's relationships with domestic and international banks. It continues to successfully manage the Company's relationships with banks based in Turkey as well as in Europe, North America, and Central Asia, thanks to Garanti Faktoring's powerful relationship management capabilities.

In 2014, Garanti Faktoring further diversified the Company's sustainable funding resources. Focusing on export factoring facilities to meet the needs of customers, the Company has deepened its relationships with partner banks and obtained financing for customers under favorable terms.

INTERNATIONAL RECOGNITION IS INCREASING

The Financial Institutions Unit also manages the relationship with the global credit rating agency Fitch Ratings, and carries out activities to improve Garanti Faktoring's recognition and raise the Company's profile abroad.

In the coming period, Garanti Faktoring plans to focus on securing overseas borrowing facilities with the most reasonable costs and terms. Steadily improving its relationships with domestic and international banks based in Turkey, the Company plans to increase its funding facilities to the highest level possible.

Treasury

The bond issue significantly contributed to Garanti Faktoring's asset - liability management practices in 2014.

The Treasury Unit meets the funding needs and manages the cash flow of Garanti Faktoring. In addition, the Unit manages the liquidity risk and maturity risk by setting the Company's interest rates in order to maximize balance sheet net margins and minimize fluctuations. It makes necessary transactions in the spot or derivative markets by closely monitoring market conditions and making required analyses. The Treasury Unit also manages the Company's relations with banks. The Unit's main objective is to increase Garanti Faktoring's profitability by closely monitoring capital and financial markets.

The Treasury Unit's main objective is to increase the Company's profitability by closely monitoring capital and financial markets.

The Turkish Lira - denominated bond issuance, which started in 2013, has significantly contributed to Garanti Faktoring's asset - liability management practices in 2014.

BOND ISSUE TOTALING TL 1,063,550 THOUSAND

In 2014, Garanti Faktoring issued discount bonds with a six - month maturity and total nominal value of TL 1,063,550,000, offered exclusively to qualified investors via private placement. The Company also amortized bonds with a total nominal value of TL 436,340 thousand.

Despite a volatile interest and foreign currency exchange rate environment, the Company plans to pursue its current business strategy and prioritize bond issues in 2015 as well.

Operations and Legislation

In 2014, the Unit reviewed current processes, and restructured both systems and organizational processes.

The Operations and Legislation Unit ensures that all transactions are performed properly and timely in accordance with applicable laws, regulations, and international factoring rules and pursuant to Garanti Faktoring's policies and procedures. In addition, the Unit provides effective solutions to problems caused by the nature of transactions, and offers legislative and regulatory consultancy services to sales teams and other units in line with their responsibilities.

The Operations and Legislation Unit structured some project based transactions, continued to ensure conformity of factoring practices with legislative and regulatory requirements, and clarified the standards by receiving the opinion of authorities while taking a primary role in the sector for uncertainties during the year.

INCREASE IN INTERNAL AND EXTERNAL CUSTOMER SATISFACTION

Following the launch of the domestic operations project in 2014, the Company began to perform transaction controls over the system, thereby minimizing operational errors and ensuring the completion of transactions within standard periods and quality levels.

The restructuring process across the Company continued throughout 2014. The Unit reviewed processes to ensure that transactions are performed with zero legislative and regulatory risk, and restructured systems and organizational processes in light of increased transaction volume.

In 2014, the Operations and Legislation Unit fulfilled all legal and regulatory responsibilities and duties related to systems improvement efforts undertaken under the domestic operations project. The Unit also contributed to efforts to ensure that the transactions performed by Garanti Faktoring are completed within standard periods and quality levels.

VOLUNTEER TRAINER ROLE

Meticulous efforts to increase operational efficiency and improve legislative and regulatory compliance will continue in 2015 with ongoing system improvements.

The Operations and Legislation Unit voluntarily contributed to internal training and industry - based training programs. In addition to systematic adjustments, training efforts will also continue in 2015 to increase knowledge levels across the Company.

Human Resources and Training

Garanti Faktoring continued to invest in the Company's human capital in 2014, and provided 2,678 hours of in-class and on-the-job training to employees.

Garanti Faktoring considers employees to be the Company's most valuable asset. In line with this vision, the Company aims to become an organization with a happy workforce that is success, efficiency and innovation oriented. It strives to be a company where every employee assumes responsibility for their own jobs, where success is rewarded in accordance with measurable performance criteria, and where employee loyalty increases day by day.

Always aiming high for leadership, Garanti Faktoring maintains a stable structure by continuously investing in employees and improving corporate human resource practices.

As of December 31, 2014, Garanti Faktoring employed 180 personnel. In addition to providing employees with training programs to help them improve their technical and professional knowledge as well as personal skills, Garanti Faktoring supports steady, sustainable growth by investing in efficiency-oriented human resource systems and processes to cultivate a highly qualified, dynamic workforce that can make a difference.

2,678 HOURS OF IN-CLASS AND ON-THE-JOB TRAINING

Garanti Faktoring continued to invest in the Company's human capital in 2014, and provided 2,678 hours of in-class and on-the-job training to employees in accordance with their capabilities and preferences. The average training period per employee for the year was 14 hours.

In 2014, the Company administered more than 250 in-class and on-the-job training courses on 41 different topics. These included technical and professional courses such as Advanced Excel, Basic Access, Commercial Loans, Excel for Financial Management, Macro Excel, SQL, among others. The personal development courses included topics such as Stress Management, Coaching, Creative Thinking and Innovation Techniques, Speed Reading Techniques, Persuasion and Conflict Management, Results Orientation, among others.

As in previous years, the training programs of IFG and FCI, the two large international factoring chains, were included in Garanti Faktoring's training catalogue in 2014. In order to meet the training needs of employees in a fast and convenient way, the Company provided 18 different e-learning courses. Additionally, staff members participated in 13 different conferences and seminars related to their professional expertise.

OCCUPATIONAL HEALTH AND SAFETY TRAINING

Under the Company's occupational health and safety training programs, 10 employees attended the in-class training course on Basic Occupational Health and Safety & Emergency and Ergonomics while 71 employees participated in the e-learning course on Basic Occupational Health and Safety in 2014. Additionally, 84 employees received Sales and Marketing training, and 21 employees were assigned to complete the e-learning course on "Anti-Money Laundering and Combating the Financing of Terrorism."

In addition to current technical and personal training programs, the Company plans to provide Sales and Leadership courses geared toward the sales teams in 2015 in order to maintain steady growth.

Human Resources and Training

“Garanti Faktoring: The World of Receivable Finance” classes continued under Bahçeşehir University’s CO-OP project, which was organized for the fifth time in 2014.

HIGHLY EFFICIENT CAREER MAPPING PROGRAM

In line with the human resources policy, Garanti Faktoring aims to cultivate future managers by giving priority to promoting within the Company. To this end, in 2013, the Company created Career Roadmaps based on objective and transparent criteria to determine the appropriate career paths for employees that match their skills, experience, expectations, and goals. Since that time, these roadmaps have guided employees on their individual career paths.

As in the prior year, 95% of the promotions that took place at Garanti Faktoring in 2014 used internal candidates from among the Company’s own staff. The Company selected the remaining 5% from Garanti Bank, within Doğuş Group, acting in accordance with the synergy within Doğuş Group as well as the Group’s main principle of cultivating leaders according to its corporate values.

The Company conducts performance assessments online, twice a year for Head Office employees and once a year for sales teams, via the e - performance appraisal system launched in 2013.

REWARDING EMPLOYEES WHO MAKE A DIFFERENCE

The purpose of the recognition program launched in 2013 is to reward employees who “make a difference,” in line with the Company’s goals and strategies, in selected categories, and to create awareness of excellence across the organization. In 2014, eight employees received awards in various categories.

GREAT INTEREST IN THE CO-OP PROJECT

“Garanti Faktoring: The World of Receivable Finance” classes continued under Bahçeşehir University’s CO-OP project, which was organized for the fifth time in 2014. Company managers delivered 24 hours of classroom training on the sector to Bahçeşehir University students for eight weeks total during the spring term. Further, students also actively participated in customer visits over the course of one week. As in previous years, students once again showed great interest in the program in 2014.



INTERNAL CUSTOMER SATISFACTION SURVEY

With the “Internal Customer Satisfaction Survey” administered in 2014, employees had the opportunity to evaluate the various units within the Company from which they receive service. Subsequently, improvement areas were determined according to the results of the survey, which provides valuable insights into the required action plan to create \stronger synergy within the Company.

EMPLOYEE FRINGE BENEFITS

Senior executives are entitled to a company car and mobile phone within certain prescribed limits. In 2014, personnel files were transferred to system modules to create a more reliable database for both employees and the Company.

Distribution of Employees by Gender (%)

Male	42
Female	58

Average Age of Employees

Male	34
Female	33

Education Level (%)

High School	6
Associate Degree	9
Bachelor’s Degree	71
Master’s Degree	13
Doctoral Degree	1

In-class and on-the-job training provided to employees (hours)

Per person	14
Total	2,678

Research and Development

In 2014, Garanti Faktoring successfully completed the systems improvements required to comply with regulatory changes and process modifications.

Garanti Faktoring aims to improve the Company's internal organizational structures and work processes in a way to increase customer satisfaction and improve overall efficiency. In 2014, the Company realized necessary systems upgrades pursuant to legal requirements to ensure compliance with the changes in regulations and processes.

- **Speed:** In 2014, Garanti Faktoring launched a new loan product, "Speed," through which the Company aims to increase the use of checks with positive reliability, and provide faster service to customers, depending on buyer credibility.
- **SME:** In 2014, Garanti Faktoring reached the final stage in the systems integration of the Company's new credit process, "SME." This process will enable the allocation of credit limits on the basis of customers' rating scores, calculated according to the results of systematic inquiries as well as criteria predetermined in line with the Company's strategies. Garanti Faktoring plans to launch this system in first quarter 2015.

- **E-Ledger System Integration:** In 2014, the Company finalized the systems integration of the e-ledger application, which was developed to keep mandatory ledgers as per legal requirements.
- **Domestic Operations Process:** In 2014, the Company completed the systems infrastructure and launched the Domestic Operations Process, which is designed to accelerate the credit allocation process and to ensure compliance with legal requirements.

In 2015, the IT Committee will continue to carry out systems improvement efforts to increase productivity and service quality as well as ensure legal compliance.

Investments

During the 2014 accounting period, Garanti Faktoring:

- Performed time deposit transactions totaling TL 243,000 thousand and US\$ 485,450 thousand with banks and earned TL 634 thousand in interest income; and,
- Purchased tangible assets amounting to TL 313 thousand and intangible assets (software) amounting to TL 2,606 thousand.

Risk Management Policies

The purpose of Garanti Faktoring’s risk management strategy is to ensure optimal capital allocation and to guarantee growth according to the risk - benefit balance.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The purpose of the Garanti Faktoring’s risk management strategy is to ensure the optimal allocation of the Company’s capital by respecting a risk - benefit balance and guarantee growth according to this balance while measuring the risks that endanger the Company’s business activities.

Garanti Faktoring’s fundamental approach to risk management includes defining and analyzing risks according to the volume, type and complexity of the Company’s business activities; ensuring compliance with local and international laws, rules and regulations; maintaining the enterprise’s financial strength by monitoring and controlling the risks in order to limit possible negative market conditions on the capital and gains; and creating a risk culture all across the Company by establishing risk transparency and awareness.

CREDIT RISK

Garanti Faktoring is subject to credit risk because of factoring transactions. The Company has a defined credit policy whereas credit risk management is mostly based on pre - allocation and pre - monitoring processes and credit risks are constantly monitored.

Companies that lack credit allocation criteria cannot start a credit relationship with Garanti Faktoring. The Credit Committee regularly meets and all credit requests are considered on their own individual merit. Early warning systems are also introduced for the supervision of allocated credits and necessary studies and customer credibility measurements are performed for certain customers. The Company has subcommittees in charge of credit processes and NPL management to ensure effective monitoring of credit risk.

MARKET RISK

Garanti Faktoring uses hedging instruments in accordance with changing market conditions; meanwhile, market risks are managed via derivative transactions and risk avoiding positions in line with treasury transaction limits approved by the Board of Directors. Factoring receivables as well as cash flow and liquidity risks are managed by monitoring maturities of bank credits and deposit accounts.

LIQUIDITY RISK

Liquidity Risk is managed in conformity with the established risk management policies in order to ensure that measures are taken, as needed, on a timely and appropriate basis against possible liquidity squeezes that might result from market conditions and the balance sheet structure.

The Company’s liquidity management policy anticipates a certain liquidity gap that is sufficient to ensure the ability to sustain actual funding; utilize investment opportunities; meet credit obligations; and deal with possible liquidity squeezes. The Company’s funding base relies on credit utilization transactions with banks and bond issuance. The required diversification of assets and liabilities is maintained to fulfill payment obligations without interruption considering relevant currencies. For Turkish Lira and foreign currency liquidity management, Garanti Faktoring monitors its cash flow in relation to assets and liabilities and estimates the Company’s future liquidity needs.

Risk Management Policies

OPERATIONAL RISK

The Internal Audit Unit regularly supervises proper functioning of the Company's internal control system and the efficiency of controls used for operational risks.

Systems controls, controls performed by the employees in ordinary work processes, organizational structure, allocation of authorizations and responsibilities, which all together make up the Company's internal control system, as well as the control environment related to the general risk management approach, are evaluated.

Systematic or procedural limits are applied to enhance the control environment on activity fields. These limits are set by the Board of Directors and / or senior management to limit operational risks taking into account the importance of the work for the Company, the risk involved and the size of the possible loss, and the qualifications of the employee in charge of the transaction. These limits are evaluated periodically and updated in accordance with needs.

REPUTATION RISK

The Human Resources and Internal Audit Unit define the ethical principles that regulate the conduct of Company employees and work relations, and monitors the compliance thereof. The Company avoids any transaction and activity that may pose a reputation risk in the eye of the authorities, customers and other market players, and acts with the utmost care for the benefit of society, environment and humanity. The Company carries out all transactions and activities in full compliance with applicable laws and regulations, Corporate Governance Principles as well as social, ethical and environmental values and principles.

Compliance with the Company's social media policy, which was developed by taking into consideration the rising importance of social media and its effects on enterprises, is overseen by the relevant unit.

Assessment of the Internal Control, Internal Audit and Risk Management Systems by the Audit Committee

The Company's fundamental and essential principles include risk - focused audit; active supervision by the Board of Directors and Senior Management; establishing and monitoring appropriate Company policies; measuring, assessing and reporting risks in a timely, accurate and impartial manner, and the establishment of a sufficient and effective internal control system.

In this regard, the Internal Audit Unit performed audits and controls on the performance and efficiency of the Company's internal control and risk management systems within the scope of the 2014 audit plan. The Unit also provided consulting, and carried out inquiries and investigations whenever necessary. The Internal Audit Unit aims to assess the risks that threaten the Company's corporate governance processes, operations and information systems, considering at the same time the realization of corporate strategic targets, reliability and accuracy of financial and operational information, effectiveness and efficiency of activities and programs, protection of assets as well as compliance with laws and internal regulations.

In 2014, the Audit Committee and the Board of Directors supervised the sufficiency and efficiency of internal control, risk management and internal audit systems as well as the operation of these systems with accounting and reporting systems within the framework of applicable regulations. In 2015, the Audit Committee and the Board of Directors will continue to supervise the sufficiency and efficiency of risk management and internal audit systems in line with Company strategies and activities.

Ali Coşkun

*Member of Board of Directors
Member of Audit Committee*

Serhat Yanık

*Member of Board of Directors
Member of Audit Committee*

Information on Direct and Indirect Subsidiaries and Respective Share Ratios

Garanti Faktoring A.Ş. has neither direct or indirect subsidiaries nor any respective share ratios as of December 31, 2014.

Information on Acquired Shares

As of December 31, 2014, Garanti Faktoring A.Ş. has not acquired any of its own shares.

Information on Private Audit and Public Audit

The annual ordinary audit, which began in 2013 and is performed by the auditors of the Banking Regulation and Supervision Agency (BRSA), was completed in January 2014. As a result of the audit, BRSA imposed an administrative penalty of TL 11,602 on the Company due to

practices contrary to the "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies".

The Company did not undergo any private audits in 2014.

Lawsuits Filed Against Garanti Faktoring A.Ş.

During 2014, no lawsuits have been filed against Garanti Faktoring A.Ş. that could significantly affect its financial situation and activities.

Information on Administrative or Legal Penalties Imposed on Garanti Faktoring A.Ş. and / or Board Members

In 2014, there have been no significant administrative or legal penalties imposed on the Company or its Board Members.

Previous Period Budget and Performance Assessment

Garanti Faktoring increased its factoring receivables by 48.4% according to previous year and realized TL 2,948 million in 2014.

Its total assets increased by 45% and show an increase of TL 930 million, realized TL 2,990 million.

Garanti Faktoring also increased its factoring receivables by 78% according to previous year and realized as TL 17,430 million.

Assets (TL million)	2013	2014
Liquid Assets and Banks	45	5
Factoring Receivables	1,987	2,948
Other	28	37
Total Assets	2,060	2,990

Liabilities	2013	2014
Funds Borrowed	1,614	2,216
Other	325	634
Shareholder's Equity	120	140
Total Liabilities	2,060	2,990

Net Profit (Thousand TL)	2013	2014
Net Interest Income	31,252	21,243
Other Income	21,317	37,497
Operating Expenses	-37,267	-38,224
Net Profit	15,302	20,516

Growth Rate	Garanti Faktoring	Sector
Average Assets	29.3	22.4
Average Factoring Receivables	31.0	24.0
Number of Customers	20.3	15.6
Transaction Volume	78.1	26.7

Profitability Ratios (%)	2013	2014
Average Return on Assets	0.9	0.9
Average Return on Equity	13.4	15.7
Operating Income / Average Assets	7.7	8.2
Operating Expense / Average Assets	2.1	1.7

Donation and Aid Granted in 2014 - Social Responsibility Projects

In 2014, the Company provided scholarships to 12 students through the “Garanti Faktoring Scholarship Fund” created under the roof of Community Volunteers Foundation.

The Company’s donation and aid policy was approved at the Ordinary General Assembly Meeting held on January 14, 2013 and announced on the Company’s website www.garantifactoring.com, under the section “Yatırımcı İlişkileri, Kurumsal Yönetim”.

DONATIONS TOTALING TL 33,850

In 2014, Garanti Faktoring donated TL 30,000 to Community Volunteers Foundation, TL 2,250 to TED Alumni Business Association, TL 850 to Turkish Educational Foundation, TL 500 to Knitwear Industrialists Association of Turkey, and TL 250 to the Mother Child Education Foundation (AÇEV), totaling TL 33,850.

CO-OP PROJECT

“Garanti Faktoring: The World of Receivable Finance” classes continued within the framework of the Bahçeşehir University’s CO-OP project, which was organized for the fifth time in 2014. The Company’s managers delivered 24 hours of classroom training on the sector to the students of Bahçeşehir University for a total of 8 weeks during the spring term. Further, students also actively participated in the customer visits over the course of one week. As in previous years, students showed great interest in the program in 2014 as well.

SCHOLARSHIP SUPPORT TO 12 STUDENTS

In 2014, the Company provided scholarships to 12 students through the “Garanti Faktoring Scholarship Fund” created under the roof of Community Volunteers Foundation.

ENVIRONMENTAL PRACTICES

As in previous years, Garanti Faktoring preferred to print its agendas and calendars on 100% recycled paper to support sustainable development. Additionally, used paper, batteries, plastic bottle caps and plastic courier packages are collected within the Company for recycling purposes.

INDIVIDUAL DONATIONS

- At a charity event organized with contributions from Company employees, money was raised to provide financial support to the families of 13 cancer - stricken children, and gifts were collected for many other children.
- Within the scope of the aid campaign initiated for underprivileged students of Kuzuculu Cumhuriyet Elementary School in the Dörtöyl district of Hatay, stationeries were provided to 50 students.

Scholarship support to 12 students



DONATION AND AID POLICY

Garanti Faktoring A.Ş. can make donations and aids to foundations, associations, schools, universities and similar organizations with social purposes, provided that it complies with Capital Markets Board regulations.

The Company draws up its donation and aid policy and submits it for the approval of the General Assembly. Shareholders are then briefed at the General Assembly

Meeting under a separate agenda on the total amount and respective beneficiaries of all donations and aids made during the period pursuant to the policy approved by the General Assembly as well as any changes to the policy.

The Company keeps the size of donations and aid at a minimum level since its fundamental purpose is to ensure high income received by its investors and shareholders.

Information on Group Companies

Transactions realized with the parent company and its subsidiaries are ordinary commercial activities; there is no transaction, or any measure taken or avoided in favor of the holding company or its subsidiaries, with or without the direction of the parent company.

No counter action or measures became necessary or avoided since there is no legal proceeding started thereof, and thus no damage occurred regarding this issue.

Amendments of the Articles of Association

The following amendment to the Company's Articles of Association was approved and became effective at the Ordinary General Assembly Meeting held on April 17, 2014:

Garanti Faktoring A.Ş. Articles of Association

Previous Text

Trade Name:

Article 2

The Company's trade name is "Garanti Faktoring Hizmetleri Anonim Şirketi".

New Text

Trade Name:

Article 2

The Company's trade name is "Garanti Faktoring Anonim Şirketi".

Regulations on Factoring Legislation

According to the official announcement made by the Revenue Administration of the Ministry of Finance on March 27, 2014, payments made by a factoring company to an export company abroad within the scope of import factoring transactions will be considered cash in advance, and will be exempt from the RUSF cut (Resource Utilization Support Fund), provided that the payment is made prior to the starting date of customs liability, and is documented and submitted to the relevant Customs Office.

According to the announcement made in October 2014, export companies will be extended CBRT (Central Bank of Turkey) rediscount export credits on bonds used for financing export receivables, and transferred to factoring companies, and then endorsed to Türk Eximbank, through rediscounting, following the transfer to factoring companies.

Important Events that Occurred After the end of the Operating Year

Following the subscription period on January 22 - 23, 2015, the Company issued bonds with a nominal value of TL 120,000 thousand, and with maturity period starting on January 26, 2015 and ending on April 24, 2015. The bonds were offered exclusively to qualified investors.

Compensation and Benefits Granted to Board Members and Executives with Management Responsibility

BENEFITS GRANTED TO BOARD MEMBERS AND EXECUTIVES WITH MANAGEMENT RESPONSIBILITY

During the period January 1 - April 30, 2014, the Company paid each Independent Board Member a monthly gross compensation of TL 9,167 as attendance fee.

As per the resolution adopted at the 2013 Ordinary General Assembly Meeting held on April 17, 2014, the monthly compensation of Independent Board Members was determined as TL 10,083 for each member. In 2014, the Company paid a total gross compensation of TL 117,335.

Garanti Faktoring does not provide any guarantee, surety or collaterals, including lending money, or extending credit or personal loans to its Board Members or managers.

REAL AND CASH ALLOWANCES GRANTED TO SENIOR MANAGERS, AND REPRESENTATION EXPENSES

In 2014, Garanti Faktoring paid TL 235 thousand to its Board Members, TL 3,362 thousand to Senior Managers, and TL 6,412 thousand to executives with management responsibility, with a total of TL 10,009 thousand in compensation and benefits.

Findings About Capital Reserves and Evaluation of the Management Body

The equity of Garanti Faktoring amounts TL 140,383 million and it has sufficient capital reserves.

Garanti Faktoring A.Ş. Profit Distribution Policy and Information Regarding Profit Distribution

Garanti Faktoring A.Ş. (Company) Profit distribution Policy was determined; within the framework of the Turkish Code of Commerce, Capital Markets Law and Capital Markets Board' legislations, regulations and decisions and the relevant provisions of the Tax Procedure Law; and in line with the Corporate Governance practices, our Company's strategies and financial plans; and by considering the economic situation of the country and the sector and by maintaining the delicate balance between our shareholders' expectations and our Company's requirements.

Our Company determines the dividend amount, dividend distribution ratio and dividend payment method (cash and / or scrip issue), within the frame work of the relevant legislation and Articles of Association provisions and in line with the General Assembly decisions.

There are no privileges in our Company's profit distribution, and without per diem deduction profit is distributed to all shares equally as of the date of distribution.

Dividends can be paid in equal or varying installment amounts provided that a decision is taken at the General Assembly Meeting that decided to make a profit distribution. There are no regulations in our Company's Articles of Association stipulating advanced dividend payments.

In case the Board of Directors makes a proposal to the General Assembly not to distribute any profit, information regarding the reasons of this situation and the method to use the

non - distributed profit is included in the agenda item on profit distribution and is submitted to the shareholders' approval at the General Assembly Meeting. This information is also publicly announced in the annual report and on our Company' website.

In case an amendment is made to the profit distribution policy, the policy will be presented to the approval of the shareholders at the General Assembly Meeting, and the Board of Directors decision and reasons regarding this amendment are publicly announced within the framework of the regulations of the Capital Markets Board Communiqué on "Disclosure of Material Matters" on the Corporation's website.

At the 2013 Ordinary General Assembly Meeting of our Company; in compliance with the Capital Markets Board's dividend distribution procedures and principles and with the principles of "Determining and Distributing the Profit" regulated in the Company's Articles of Association, The following issues were approved after being submitted to the approval of the shareholders in the General Assembly: setting aside the tax provisions from the 2013 profit of TL 19,162,676.69 calculated in the income statement that was prepared as per the Capital Markets Board Communiqué (II - 14.1) on "Principles Regarding Financial Reporting in the Capital Markets" and transferring the remaining net period profit of TL 15,302,260.99 to the legal and extraordinary profit reserves account, taking into consideration the net income impact of the deferred tax of TL 7,293,283.63 that was calculated from the 2013 period profit in order to keep it within the Company.

Transactions With Related Parties

Garanti Faktoring's related party transactions are specified in the footnote n.26 of the financial statements of Garanti Faktoring A.Ş. as of 31st of December 2014.

Corporate Governance Compliance Report

SECTION I- CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Garanti Faktoring A.Ş. (Company) pursues and practices the Corporate Governance Principles published by the Capital Markets Board (CMB) Our Company has adopted full compliance with the Corporate Governance Principles stipulated in the Law and has got a corporate governance approach based on transparency, equality, responsibility and accountability.

Our Company complies with the compulsory Corporate Governance Principles stipulated in the Corporate Governance Communiqué II - 17.1 and adopts the principle of implementing the non - compulsory Corporate Governance Principles that would not have impact on our Company's competitive power, trade secrets and on the information that will create opportunity inequalities between the shareholders and stakeholders.

Our Company pays special attention to implement the Corporate Governance Principles by internalizing them. Our Company's compliance with the Corporate Governance Principles was evaluated by the Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. (Kobirate) and our Company's Corporate Governance Principles Compliance Rating was 8.9 (89.0) for the period between 21.08.2014 and 21.08.2015. This score was publicly announced on the 21st of August 2014 via the Public Disclosure Platform. This result indicates that; Garanti Faktoring mainly complies with the Corporate Governance Principles published by the Capital Markets Board, There is a need to make some improvements on the Corporate Governance practices and, The Company deserves to be in the BIST Corporate Governance Index.

In the table below the distribution of our Corporate Governance Principles rating for the main topics is given in comparison to the previous period;

Topic	Weight Ratio %	August,13 – August, 14 (2 nd Period Revised)	August, 14 – August, 15 (3 rd Period)
Shareholders	25	86.54	87.70
Public Disclosure & Transparency	25	89.19	93.51
Stakeholders	15	88.42	88.90
Board of Directors	35	85.12	86.86
Total	100	87.00	89.00

SECTION II – SHAREHOLDERS

2.1 Investor Relations Department

As per the 11th Article of the Corporate Governance Communiqué (II - 17.1.) published by the Capital Markets Board in the Official Gazette n.28871 (Date: 3rd of January 2014); the following issues are obligatory: An Investor Relations Department that will carry out the communication between the corporations and investors must be established. Investor Relations Department must be structured under the General Manager or the Executive Vice President of the corporation or another director who

has equivalent administrative responsibilities. Investor Relations Department must prepare and present a report to the Board of Directors at least once a year about the activities it carries out. Investor Relations Department director must have "Capital Markets Activities Advanced Level License" and "Corporate Governance Rating Specialist License", Investor Relations Department director must be working full time in the corporation and Investor Relations Department director must be appointed as a Corporate Governance Committee member. Within our Company Investor Relations Department's activities are carried out by the General Accounting Unit.

Authorized persons are listed in the table below:

Name	Title	License Number / Type	Phone	E-mail
Mert Ercan	Executive Vice President	-	(212) 365 52 13	Mercan@garantifactoring.com
Serap Çakır	Senior Vice President	701222 / corporate governance Rating License Capital Markets Activities Level 3 License (*)	(212) 365 52 18	SCakir@garantifactoring.com
Şebnem Dede	Supervisor	206779 / Capital Markets Activities Level 3 License	(212) 365 52 22	SDede@garantifactoring.com
Ümit Yıldız	Supervisor	-	(212) 365 52 15	UYildiz@garantifactoring.com

(*) Passed the exam made in 20 - 21 December 2014 to get license. License application pending.

Investor Relations Department Supervisor Şebnem Dede who has "Capital Markets Activities Advanced Level License" was appointed as a Corporate Governance Committee member with the Board of Directors decision dated 30.06.2014.

Main responsibilities of the department;

- Answering shareholders' and investors' written and verbal information requests,
- Carrying out relations with shareholders and investors, keeping safe, secure and up - to - date records of the written and verbal information requests and documents,
- As per the Capital Markets Board Communiqué on Material Matters, fulfilling the obligation making public disclosure by announcing the information (that must be publicly disclosed) via Public Disclosure Platform (www.kap.gov.tr) and on www.garantifactoring.com in the "Yatırımcı İlişkileri" section,
- Preparing and issuing financial reports in conformity with the Capital Markets Board Communiqué on Capital Markets'

Financial Reporting Principles (II - 14.1) published in the Official Gazette n.28676 (Date: 13th of June 2013), and announcing them via Public Disclosure Platform (www.kap.gov.tr) and on Company website www.garantifactoring.com,

- Preparing and issuing Annual Reports and interim activity reports in conformity with the principles stipulated in the communiqués and regulations of the Capital Markets Board and Ministry of Customs and Trade, and announcing them via Public Disclosure Platform (www.kap.gov.tr) and on Company website www.garantifactoring.com,
- Via "Investor Relations" webpage structured within the scope of the Capital Markets Board's Corporate Governance Communiqué on the website www.garantifactoring.com, giving and updating information to provide "Bilgi Toplumu Hizmeti" within the scope of the Ministry of Customs and Trade Regulation on Capital Companies' Websites,

Corporate Governance Compliance Report

- Making Company's General Assembly Meetings, in compliance with the Articles of Association and Garanti Faktoring A.Ş. Internal Directive on General Assembly's Working Principles and Procedures,
- Coordinating rating procedures and relations with relevant corporations,
- Performing Company's capital increase transactions and enabling shareholders & investors to use rights offering and scrip issue arising from capital increase,
- Making changes to the Company Articles of Association in conformity with the relevant legislation,
- Performing profit distribution transactions in accordance with the 26th Article of the Articles of Association in case the General Assembly decides to distribute profit,
- Preparing and revising policies and procedures within the scope of Capital Markets Board Communiqués and other regulations in order to increase the Company's compliance with the corporate governance principles.
- Keeping track of and reporting stock price and volume movements,
- Presenting reports to Corporate Governance Committee and Board of Directors.

Investor Relations Department's report regarding the 2014 activities will be presented to the Board of Directors in March 2015.

Investor Relations Department's activities in 2014 are given below:

- 47 phone calls were made with 32 shareholders, and questions and information requests were answered. 7 information requests emailed from 5 shareholders and 1 analyst were answered.
- At the Ordinary General Assembly Meeting of the Company held on 17.04.2014, an investor participating via electronic platform asked a question during the discussions on the 7th Article of the agenda: "Will there be a target for female members in the Board of Directors as per the CMB Corporate Governance principles? What will your minimum member target be? I would like to have some information about why there are no female members appointed in the Board of Directors." Meeting Chairman Mert Ercan's answer was; "The term of office of our current Members of the Board of Directors will continue until the Ordinary General Assembly Meeting that will be held in 2016. For the vacant Board of Directors position of the resigning member Mr. Muammer Cüneyt Sezgin, Mr. Osman Bahri Turgut was appointed as a Member of the Board of Directors. Thus, the issue can be evaluated within the current term of office of Members of the Board of Directors and if necessary there is no problem in making any appointing."
- Within the scope of the 5th Article of the Capital Markets Board Communiqué on Material Matters (II - 15.1) Official Gazette n.28891 (Date: 23.01.2014); 55 (fifty five) material matter disclosures were made. Within the scope of the 7th Article of the Communiqué, the list of persons who have access to internal information was regularly updated. Material matter disclosures were also published on the Company's website www.garantifactoring.com in the "Yatırımcı İlişkileri" section.

Within the scope of the Capital Markets Board Communiqués that entered into force in 2014;

- Garanti Faktoring A.Ş.'s "Garanti Faktoring Hizmetleri A.Ş. Share Repurchase Policy" that entered into effect on 16.12.2013 with the Board of Directors Decision n.2013 /078 and "Garanti Faktoring Hizmetleri A.Ş. Information Policy" that entered into effect on 20.08.2013 with the Board of Directors Decision n.2013 /071 were updated and presented to the Corporate Governance Committee on 15.08.2014. The policies entered into force upon the approval given in the Board of Directors Meeting held on 19.08.2014.
- Garanti Faktoring Hizmetleri A.Ş.'s Profit Distribution Policy was revised and approved at the Board of Directors Meeting held on 17.03.2014 and 07.04.2014. The policy entered into force upon the approval of the shareholders at the 2013 Ordinary General Assembly Meeting held on 17.04.2014.
- The revised Share Repurchase Policy, Information Policy and Profit Distribution Policy were published on the Company's website www.garantifactoring.com in the "Yatırımcı İlişkileri" section.

- Quarterly, six - month, nine - month, and annual financial statements and footnotes were publicly announced in compliance with the relevant communiqué within the relevant timeframes on the Public Disclosure Platform (www.kap.gov.tr) and were published on the Company's website www.garantifactoring.com.
- Garanti Faktoring's interim report and 2013 Annual Report were: (i) prepared and issued in accordance with the principles stipulated by the Ministry of Customs and Trade and the Capital Markets Board, and (ii) announced within the relevant timeframes on the Public Disclosure Platform, (iii) presented to the shareholders at the 2013 Ordinary General Assembly Meeting (iv) publicly announced on www.garantifactoring.com.
- Our major shareholder Garanti Bank's 2013 Annual Report does not share any Garanti Faktoring data to be included in 2014's quarterly issued finance bulletins.
- Garanti Faktoring A.Ş. 2013 Ordinary General Assembly Meeting was held, in conformity with the relevant regulations and communiqués, on 17.04.2014 at the Headquarters and via Electronic General Assembly System.
- In June 2014, Corporate Governance Principles rating process for the 3rd period started with Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. (Kobirate). Our Company's rating for Compliance with Corporate Governance Principles was 8.90 for the period between 21.08.2014 - 21.08.2015. This rating was announced on 21.08.2014 on the Public Disclosure Platform.
- "GARFA" daily stock price and volume movements were monitored, daily and weekly reports were submitted to the Executive Vice President in charge.

2.2 Shareholders' Right to Information

Shareholders' information requests are evaluated without making any discrimination among the shareholders provided that they do not interfere with trade secrets and / or company interests that require protection. Various information about the Company is available for shareholders and investors on the Company's website (prepared in Turkish and English) www.garantifactoring.com in the "Yatırımcı İlişkileri" section and in the "Bilgi Toplumu Hizmetleri" section. In these sections, news and announcements regarding the Company's Corporate Governance Reports, Financial Reports and Independent Audit Reports, Annual Reports, Material Matter Disclosures, Rating Report, Rating Reports for Compliance with Governance Principles and developments and changes about the Company are available for all shareholders' and investors' information and use. In order to enable

shareholders to make written and verbal information requests GFYatirimcilliskileri@garantifactoring.com e - mail address and phone numbers were made available on the Public Disclosure Platform, and on the website www.garantifactoring.com in "Yatırımcı İlişkileri > Kurumsal Yönetim" page.

Shareholders' right to appoint private auditors is specified in the 16th Article of the Articles of Association as; "Shareholders' right to appoint private auditors as stipulated in the provisions of the legislation, is reserved." In 2014, shareholders' made no requests to appoint a private auditor.

2.3 General Assembly Meetings

General Assembly Meetings are held in conformity with the regulations specified in the Company's Articles of Association and "Garanti Faktoring A.Ş. Internal Directive on General Assembly's Working Principles and Procedures" that entered into effect upon the approval of the Ordinary General Assembly Meeting held on 29.03.2013.

Garanti Faktoring made its 2013 Ordinary General Assembly Meeting on 17.04.2014 at the Company Headquarters. Ordinary General Assembly Meeting was held with the participation of T. Garanti Bankası A.Ş. and Türk İhracat Kredi Bankası A.Ş. (Turkish Export Credit Bank Inc.) by proxy and with the attendance of two shareholders via Electronic General Assembly System (EGKS). The meeting quorum was 91.62%. Other shareholders and media did not attend the meeting.

2013 Ordinary General Assembly Meeting was held with the Board of Directors decision n.012 taken on 17.03.2014. Within the framework of the legal timeframe and general provisions shareholders were informed about the call for the meeting, meeting date, meeting location and agenda items in conformity with the relevant procedures.

Shareholders and stakeholders were simultaneously informed with the disclosure of material matters made; via Electronic General Assembly System (EGKS) and Public Disclosure Platform (www.kap.gov.tr) and on our website www.garantifactoring.com.

Before the General Assembly Meeting, agenda items, power of attorney sample, informative document, balance sheet, profit - loss statements, independent audit reports and their footnotes, auditor report, Board of Directors decision regarding profit distribution, Annual Report and decision regarding the election of the Independent Audit Board, were

Corporate Governance Compliance Report

prepared and made available for the review of shareholders in prior to the meeting date on our website www.garantifactoring.com in the "Yatırımcı İlişkileri" section and via Electronic General Assembly System (EGKS).

Agenda items are discussed at the General Assembly Meetings, and simultaneously submitted to the voting of the shareholders via EGKS. Shareholders can present their relevant opinions on the agenda items or can ask questions and make suggestions. Shareholders' questions are evaluated and answered within the framework of the procedure and principles stipulated in the Corporate Governance Principles and Turkish Code of Commerce, their suggestions are submitted to the approval of the General Assembly, and turned into a resolution if approved with sufficient quorum decision.

At the Ordinary General Assembly Meeting held on 17.04.2014 our major shareholder T. Garanti Bankası A.Ş.'s proposals regarding the agenda were voted and accepted. Other shareholders did not make any agenda proposals. At the Ordinary General Assembly Meeting of the Company held on 17.04.2014, an investor participating via electronic platform asked a question during the discussions on the 7th Article of the agenda: "Will there be a target for female members in the Board of Directors as per the CMB Corporate Governance principles? What will your minimum member target be? I would like to have some information about why there are no female members appointed in the Board of Directors." Meeting Chairman Mert Ercan's answer was; "The term of office of our current Members of the Board of Directors will continue until the Ordinary General Assembly Meeting that will be held in 2016. For the vacant Board of Directors position of the resigning member Mr. Muammer Cüneyt Sezgin, Mr. Osman Bahri Turgut was appointed as a Member of the Board of Directors. Thus, the issue can be evaluated within the current term of office of Members of the Board of Directors and if necessary there is no problem in making any appointing." There were no other questions at the meeting and shareholders did not make any agenda proposals.

In the 2013 Ordinary General Assembly Meeting, shareholders were informed with a separate item about the amount of donations and aids made in 2013 period. Moreover, it was stated that; in 2013, our Company's shareholders (who control the management of the Company), Board of Directors' members, executive managers, and their spouses and blood relatives and relatives by marriage up to second - degree did not make any important transaction with the Company or its associate companies which may lead to conflicts of interest.

As per the compulsory Corporate Governance Principle n.1.3.7 of the Capital Markets Board, and in line with the regulation stipulated as; "In order for the Company's shareholders (who control the management of the Company), Board of Directors' members, executive managers, and their spouses and blood relatives and relatives by marriage up to second - degree to compete with and / or to make any important transaction with the Company or its associate companies which may lead to conflicts of interest, approval must be given by the General Assembly in prior and information must be given about such transactions to the General Assembly", the issue of permitting the Company's shareholders (who control the management of the Company), Board of Directors' members, executive managers, and their spouses and blood relatives and relatives by marriage up to second - degree within the scope of the 395th and 396th Articles of the Turkish Code of Commerce, was presented to the approval of the General Assembly, and permission was granted with a unanimous decision as a result of the voting.

General Assembly Meeting minutes and attendance list were registered and announced and submitted to the Trade Registry Office and the meeting minutes were announced in the Turkish Trade Registry Gazette n.8560 on 30.04.2014.

Simultaneously, it was publicly announced via Public Disclosure Platform (www.kap.gov.tr). Furthermore, General Assembly Meeting minutes and attendance lists were made available for shareholders' and stakeholders' review on our website www.garantifactoring.com in the "Yatırımcı İlişkileri > Genel Kurul Toplantıları" section.

2.4 Right to Vote and Minority Rights

T. Garanti Bankası A.Ş. and Türk İhracat Kredi Bankası A.Ş. shares do not have any privileges to make nomination to the Board of Directors. Garanti Faktoring does not have any subsidiaries or is not a subsidiary in a structure that brings a parent company relationship. Minority shares are not represented in the management.

The below amendment to the Articles of Association about determining minority rights in the Articles of Association equivalent to less than one twentieth of the capital, was approved with the Board of Directors Decision n.5 taken on 10.02.2015, and application was made to legal authorities for necessary permits. The amendment to the Articles of Association will be presented as an agenda item to the vote of the 2014 Ordinary General Assembly Meeting that will be held in 2015.

2.5 Right to Dividend

There are no privileges in profit sharing. Profit distribution methods and processes are stipulated in the Turkish Code of Commerce, Capital Markets Board regulations and Company's Articles of Association.

At the end of the activity period, upon the Board of Directors' decision on profit distribution, the issue is publicly announced via disclosure of material matters (www.kap.gov.tr). Board of Directors' decision on profit distribution is presented to the approval of the General Assembly and the dividend amount determined by the General Assembly is distributed to the shareholders, within the timeframe stipulated and within the framework of the Capital Markets Board Communiqué on Dividends (II - 19.1).

Garanti Faktoring A.Ş. Profit Distribution Policy was voted at the 2013 Ordinary General Assembly Meeting held on 17.04.2014, and was publicly announced to the shareholders via disclosure of material matters (www.kap.gov.tr) and on our website www.garantifactoring.com in the "Yatırımcı İlişkileri" section "Kurumsal Yönetim" page and was also included in the annual and interim reports.

Garanti Faktoring A.Ş. Profit distribution Policy;

Garanti Faktoring A.Ş. (Company) Profit Distribution Policy was determined; within the framework of the Turkish Code of Commerce, Capital Markets Law and Capital Markets Board' legislations, regulations and decisions and the relevant provisions of the Tax Procedure Law; and in line with the Corporate Governance practices, our Company's strategies

and financial plans; and by considering the economic situation of the country and the sector and by maintaining the delicate balance between our shareholders' expectations and our Company's requirements.

Our Company determines the dividend amount, dividend distribution ratio and dividend payment method (cash and / or scrip issue), within the frame work of the relevant legislation and Articles of Association provisions and in line with the General Assembly decisions.

There are no privileges in our Company's profit distribution, and without per diem deduction profit is distributed to all shares equally as of the date of distribution.

Dividends can be paid in equal or varying installment amounts provided that a decision is taken at the General Assembly Meeting that decided to make a profit distribution. There are no regulations in our Company's Articles of Association stipulating advanced dividend payments.

In case the Board of Directors makes a proposal to the General Assembly not to distribute any profit, information regarding the reasons of this situation and the method to use the non - distributed profit is included in the agenda item on profit distribution and is submitted to the shareholders' approval at the General Assembly Meeting. This information is also publicly announced in the annual report and on our Company' website.

In case an amendment is made to the profit distribution policy, the policy will be presented to the approval of the shareholders at the General Assembly Meeting, and the Board of Directors decision and reasons regarding this amendment are publicly announced within the frame work of the regulations of the Capital Markets Board Communiqué on Material Matters (II - 15.1) on the Company website www.garantifactoring.com.

At the 2013 Ordinary General Assembly Meeting held on 17.04.2014, the Board of Directors proposal regarding the issue of "Setting aside the tax reserves from the 2013 profit, then transferring the remaining profit to legal and extra - ordinary reserve funds in order to keep them within the Company" was presented to the approval of the shareholders and was unanimously accepted at the General Assembly.

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2.6. Transfer of Shares

As per the provisions of the Company's Articles of Association, group A and B shares registered shares. Apart from the Group B registered shares, due to the fact the shares of other groups are not publicly traded, if shareholders wish to transfer their Group A registered shares, other shareholders who have registered shares in those groups will have the privileged right to purchase the shares (that will be transferred) in proportion to their own shares and at their current price. For this purpose, the shareholders who wish to transfer their shares, must notify the other shareholders who have registered shares via notary public. Within one month after this notification, if no one among the current shareholders wishes to purchase these shares, the shares can be transferred to third parties upon the Board of Directors' decision. Publicly traded registered shares are outside the scope of this regulation. Company's capital cannot be less than the amount specified in the "Financial Leasing, Factoring and Financing Companies" Law Act n.6361 (date: 21 / 11 / 2012). Acquisition and transfer of shares are subject to Banking Regulation and Audit Board's approval.

SECTION III – PUBLIC DISCLOSURE AND TRANSPARENCY

Our Company's information policy entered into effect with the Board of Directors decision taken on 16.12.2013 in order to promptly, completely, accurately, and comprehensibly inform its shareholders, investors and all stakeholders including the public about all information and developments regarding the Company's activities and relevant period performance and future expectations. Within the frame work of the Capital Markets Board Communiqué on Material Matters (II - 15.1)", our Company's information policy was revised with the Board of Directors approval (19.08.2014) and was announced via Public Disclosure Platform (KAP), and on the website www.garantifactoring.com.

3.1. Corporate Website and Its Content

Our Company's website – structured within the scope of the Corporate Governance Principles in Turkish and English – is at the web - address www.garantifactoring.com.

Company's website (prepared in Turkish and English) www.garantifactoring.com in the "Investor Relations" section

On our Turkish website www.garantifactoring.com in the "Investor Relations" section within the scope of the Corporate Governance Principles; below topics are regularly updated and made available for the information of the shareholders and public.

Corporate Governance

- Shareholders' Structure
- Board of Directors
- Committees
- Articles of Association
- Trade Registry – MERSIS
- Prospectus and Circular
- Corporate Governance Principles Compliance Report
- Information Policy
- Compensation Policy
- Profit Distribution Policy
- Donations and Aids Policy
- Severance and Notice Payment Policy
- Share Repurchase Policy
- Environmental and Social Credit Policies
- Information Regarding Related Party Transactions
- Code of Ethics
- Factoring Sectors' Code of Ethics
- Independent Auditor
- Investor Relations

Financial Information

Annual Reports

Disclosure of Material Matters

Rating Reports

General Assembly Meetings

Corporate Governance Principles Compliance Rating Reports

Information on Issuance of Bonds and Bills

Within the scope of the Ministry of Customs and Trade Regulation on "Websites to be Opened by Equity Companies" published in the Official Gazette n.28663 (date:

31.05.2013) "Bilgi Toplumu Özgülenmiş Alanı Garanti Faktoring A.Ş." section was created. In this section issues that need to be published are regularly updated.

3.2. Annual report

Company's annual reports are prepared and issued in "Turkish" and "English" in conformity with the provisions of the Capital Markets Board Communiqué on "Corporate Governance Principles" and Ministry of Customs and Trade Regulation on "Determining the Minimum Content of Annual Reports of the Companies" published in the Official Gazette n.28395 (date: 28.08.2012). Annual reports are presented to the approval of the Board of Directors and are publicly announced via Public Disclosure Platform (www.kap.gov.tr) and on the website www.garantifactoring.com in the "Investor Relations" section under the topic of "Annual Reports".

SECTION IV – STAKEHOLDERS

4.1. Informing the Stakeholders

Our Company accepts the principle of protecting all stakeholders' rights with regards to the activities of the Company and informing them about the company policies and procedures.

Garanti Faktoring, continuously informs the stakeholders via disclosure of material matters and website www.garantifactoring.com. Stakeholders' information requests are answered by the Executive Vice President in charge of the Investor Relations Department and Investor Relations Department. Stakeholders written information requests sent via company's website by using GFYatirimcilliskileri@garantifactoring.com and information@garantifactoring.com e - mail addresses, are answered within the timeframes stipulated in the Corporate Governance Communiqué. Employee are informed by the Human Resources Unit via various meetings and organizations, and with emails announcements made on the Company's intranet.

In case of stakeholders' actions non - conforming with the Company's legislation and code of ethics, there are no procedures that complicate communicating with the Corporate Governance Committee or the Audit Committee. All stakeholders can reach these committees by means of any communication method they wish to use.

4.2. Stakeholders' Participation in the Management

Company affairs and management is carried out by the Board of Directors elected by the General Assembly. There are no procedures about the stakeholders' participation in the management.

Garanti Faktoring, every year organizes a General Manager presentation and vision meetings with the participation of all company employees. With periodical region budget and performance meetings and weekly assets / liabilities meetings, information on Company's progress is provided, suggestions are communicated and developments are tracked.

4.3. Human Resources Policy

The aim of the Garanti Faktoring human resources policy is to be a corporation; (i) that is managed with the Company's code of ethics adopting international human rights without making any language, religion, race, and gender discrimination, and (ii) where success is rewarded over transparent and measurable performance criteria, in a success and efficiency oriented environment that is open to continuous progress, and (iii) where employees are happy and everyone is the leader of his / her job.

There are career paths determined with objective and transparent criteria in Garanti Faktoring where all our employees get trainings to improve their technical, professional and individual skills. Within the limits of the Company Garanti Faktoring adopts the principle of providing its employees with all kinds of social means on the road to success besides the importance it gives to training.

Garanti Faktoring believes that the most important factor behind the success that creates difference in the sector is the qualified human resources, and thus uninterruptedly continues to invest in increasing employees' potentials and performances.

There is no human resources representative appointed to carry out relations with the employees. Because of being a medium scale subsidiary and having 180 staff members in Turkey, Human Resources personnel carry out all tasks and responsibilities of the human resources management, within the frame work of the general functions of human resources.

Regarding the issue of recruiting personnel, relevant criteria are specified in the Article 20 of the Human Resources Regulation under the topic of Recruitment Terms and Conditions.

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There hasn't been any complaints about discrimination. All processes of human resources management are evaluated by the Human Resources Unit and shared, if necessary, with the top management to find a solution as soon as possible.

In line with the needs and demands, some of the unit functions and regions are restructured within the Company. Activities such as establishing relevant new units in the organization structure that will support Company's progress, changing the unit names, structuring new region offices, creating employees' job descriptions, are carried out by Organization and Process Development Unit and Human Resources Unit, and regularly announced on the Company web portal (intranet) where Company employees can easily access.

Performance and awarding process carried out by the Human Resources Unit, is clearly explained to company employees on the company web portal while employees are informed about their performances. Policies and regulations about promotion, job rotation and EVA premium systems that will be associated to performance results, are announced on the company web portal (intranet).

4.4. Code of ethics and Social Responsibility

"Garanti Faktoring A.Ş. Code of Ethics" policy is publicly announced on www.garantifactoring.com under the "Kurumsal Yönetim" section.

In line with its vision, mission, and strategic targets in the field of business where it carries out activities Garanti Faktoring A.Ş. adopts the principles of:

- Having a corporate approach that aims to achieve reliability and efficiency;
- Having a respectful, accountable, straightforward, honest, equal and transparent attitude towards all entities it interacts with;
- Having a fair, reliable and guiding attitude towards all employees;
- Having respect for human, environment and work;
- Abiding by all laws and regulations in all of its activities.

It is the responsibility of all directors and employees of the Company to practice the code of ethics and maintain their sustainability and durability by improving them in parallel to the developing conditions.

The core element of this responsibility is to protect the respectability of the Company and to meticulously fulfill all requirements of the field of business.

In all its transactions, Garanti Faktoring pays utmost attention to environmental and social awareness, and makes sure that its business relations' environmental impacts and customer requests are clearly evaluated. All transactions and customer activities within this scope are monitored to see if they meet the social and environmental standards necessitated by the Company policies and legislations. In order to manage our Company's environmental and social impacts, Environmental and Social Credit Policies were put into effect with the Board of Directors Decision n.2014 / 53 taken on 19.08.2014.

Within the scope of social responsibility activities; lectures (27 hrs in total throughout the 9 weeks of the 2nd Semester) and relevant information were given by our Company's managers to Bahçeşehir students under the "Garanti Faktoring; The World of Receivable Finance" brand within the scope of Bahçeşehir University CO - OP project, organized by Garanti Faktoring A.Ş. for the 5th time in 2014.

Just like in 2013, Garanti Faktoring worked together with Ayhan Şahenk Foundation to have agendas and calendars printed using recycled paper and supported sustainable development also in 2014.

With the "Garanti Faktoring Scholarship Fund" constituted within the structure of Community Volunteers Foundation, 12 students were supported with scholarships.

Furthermore, we continue to collect papers, batteries, plastic bottle caps, and plastic courier envelopes within the Company to support recycling.

Supports made by the Company Employees: With the relief campaign launched for Kuzuculu Cumhuriyet Primary School students in Hatay, Dörtyol district, school supplies for 50 students were provided.

Furthermore; our employees with their own awareness gave support and aid to the need list of children with leukemia in Çapa and Medical Park Hospitals, some of whom having serious financial problems.

SECTION V- 5.1. BOARD OF DIRECTORS

5.1. Board of Directors' Structure and Formation

Board of Directors are elected from among the candidates nominated by the Group (A) shareholders. The number and qualifications of the independent members of the Board of Directors, are determined in accordance with the regulations regarding Capital Markets Board's compulsory Corporate Governance Principles. The independent members of the Board of Directors are elected in conformity with these regulations.

In the 7th Article of Garanti Faktoring Articles of Association; Board of Directors' duties and term, Board of Directors Meetings and remuneration of the members are specified.

In case a member position in the Board of Directors becomes vacant, the Board of Directors elects a legally qualified temporary member – to be submitted to the approval of the first General Assembly that will be held – from among the same group shareholders. Members elected in this manner will serve until the General Assembly Meeting and complete the term of office of their predecessors in case the General Assembly approves the election. In case an independent member position becomes vacant in the Board of Directors regulations regarding Capital Markets Board's compulsory Corporate Governance Principles are applicable.

Company's Board of Directors is composed of nine members. Chairman of the Board of Directors of the Company is Sait Ergun Özen, and our Company's General Manager is Hulki Kara.

Board of Directors' executive members are; Sait Ergun Özen, Turgay Gönensin, Hulki Kara,

Non -executive members are; Osman Bahri Turgut, Aydın Şenel, Manuel Pedro Galatas Sanchez Harguindey, Luis Vicente Gasco Tamarit, Independent Members of the Board of Directors are; Serhat Yanık and Ali Çoşkun.

Tasks and Duties and Term of Office of the Members of the Board of Directors; At the 2012 Ordinary General Assembly Meeting held on the 29th of March 2013, Members of the Board of Directors were elected for a 3 year term (29.03.2013 - 29.03.2016).

Regarding issue of Mr. Osman Bahri Turgut who was appointed as a Member of the Board of Directors For the vacant Board of Directors position of the resigning (17.03.2014) member Mr. Muammer Cüneyt Sezgin, the Corporate Governance Committee, acting as the Nomination Committee, presented a report to the Board of Directors on 17.03.2014. The nominated candidate was discussed at the Board of Directors Meeting held on 17.03.2014, and a decision was taken to present him to the General Assembly. At the 2013 Ordinary General Assembly Meeting of the Company held on 17.04.2014, Mr. Osman Bahri Turgut's election as the Board of Directors member was unanimously accepted.

After the 2012 Shareholders Ordinary General Assembly Meeting held on 29.03.2013, the Board of Directors' structure is as follows.

- Chairman of the Board of Directors is Mr. Sait Ergun Özen, and Vice Chairman is Mr. Turgay Gönensin. Our Independent Members of the Board of Directors Associate Prof. Dr. Serhat Yanık and Assistant Prof. Dr. Ali Çoşkun are Audit Committee members. Mr. Serhat Yanık is the Committee Chairman.
- Within the scope of Capital Markets Board Communiqué on Corporate Governance Principles; a Corporate Governance Committee was established within the structure of the Board of Directors.

Due to the fact that a separate Nomination Committee and Compensation Committee was not established within the structure of the Board of Directors, the tasks of these committees are carried out by the Corporate Governance Committee.

- Corporate Governance Committee Chairman is Mr. Serhat Yanık, and members are Mr. Osman Bahri Turgut, Mr. Aydın Şenel and Ms. Şebnem Dede.

Members of the Board of Directors' Résumés and Tasks and Duties they assume outside the Company; are listed in the "BOARD OF DIRECTORS" Section of this report.

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12/02/2013

BAĞIMSIZLIK BEYANI

Garanti Faktoring Hizmetleri A.Ş (Şirket) Yönetim Kurulu'nda, mevzuat, esas sözleşme ve T.C. Başbakanlık Sermaye Piyasası Kurulu tarafından ilan edilen Kurumsal Yönetim İlkelerinin Belirlenmesine ve Uygulanmasına İlişkin Tebliğ hükümlerinde belirlenen kriterler kapsamında, "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

a) Şirket, şirketin ilişkili taraflarından biri veya şirket sermayesinde doğrudan veya dolaylı olarak % 10 veya daha fazla paya sahip hissedarların yönetim veya sermaye bakımından ilişkili olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrı hısımlarım arasında, son beş yıl içinde, doğrudan veya dolaylı önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam, sermaye veya önemli nitelikte ticari ilişki kurulmadığını,

b) Son beş yıl içerisinde, başta şirketin denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde şirketin faaliyet ve organizasyonunun tamamını veya belli bir bölümünü yürüten şirketlerde çalışmadığımı ve yönetim kurulu üyesi olarak görev almadığımı,

c) Son beş yıl içerisinde, şirkete önemli ölçüde hizmet ve ürün sağlayan firmaların herhangi birisinde ortak, çalışan veya yönetim kurulu üyesi olmadığımı,

d) Şirket sermayesinde sahip olduğum payın oranının %1'den fazla olmadığını ve bu payların imtiyazlı olmadığını,

e) Ekte yer alan özgeçmişimde görüleceği üzere bağımsız yönetim kurulu üyeliği sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

f) Üniversite öğretim üyeliği görevim dışında, kamu kurum ve kuruluşlarında, mevcut durum itibarıyla tam zamanlı olarak çalışmadığımı,

g) Gelir Vergisi Kanunu'na göre Türkiye'de yerleşik sayıldığımı,

h) Şirket faaliyetlerine olumlu katkılarda bulunabileceğimi, şirket ortakları arasındaki çıkar çatışmalarında tarafsızlığımı koruyacağımı, menfaat sahiplerinin haklarını dikkate alarak özgürce karar vereceğimi,

i) Şirket faaliyetlerinin işleyişini takip edeceğimi ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayıracağımı,

beyan ederim.

Doç Dr. Serhat YANIK

Independence Statements of the Independent Members of the Board of Directors;

12/02/2013

BAĞIMSIZLIK BEYANI

Garanti Faktoring Hizmetleri A.Ş (Şirket) Yönetim Kurulu'nda, mevzuat, esas sözleşme ve T.C. Başbakanlık Sermaye Piyasası Kurulu tarafından ilan edilen Kurumsal Yönetim İlkelerinin Belirlenmesine ve Uygulanmasına İlişkin Tebliğ hükümlerinde belirlenen kriterler kapsamında, "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

a) Şirket, şirketin ilişkili taraflarından biri veya şirket sermayesinde doğrudan veya dolaylı olarak % 10 veya daha fazla paya sahip hissedarların yönetim veya sermaye bakımından ilişkili olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrı hısımlarım arasında, son beş yıl içinde, doğrudan veya dolaylı önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam, sermaye veya önemli nitelikte ticari ilişki kurulmadığını,

b) Son beş yıl içerisinde, başta şirketin denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde şirketin faaliyet ve organizasyonunun tamamını veya belli bir bölümünü yürüten şirketlerde çalışmadığımı ve yönetim kurulu üyesi olarak görev almadığımı,

c) Son beş yıl içerisinde, şirkete önemli ölçüde hizmet ve ürün sağlayan firmaların herhangi birisinde ortak, çalışan veya yönetim kurulu üyesi olmadığımı,

d) Şirket sermayesinde sahip olduğum payın oranının %1'den fazla olmadığını ve bu payların imtiyazlı olmadığını,

e) Ekte yer alan özgeçmişimde görüleceği üzere bağımsız yönetim kurulu üyeliği sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

f) Üniversite öğretim üyeliği görevim dışında, kamu kurum ve kuruluşlarında, mevcut durum itibarıyla tam zamanlı olarak çalışmadığımı,

g) Gelir Vergisi Kanunu'na göre Türkiye'de yerleşik sayıldığımı,

h) Şirket faaliyetlerine olumlu katkılarda bulunabileceğimi, şirket ortakları arasındaki çıkar çatışmalarında tarafsızlığımı koruyacağımı, menfaat sahiplerinin haklarını dikkate alarak özgürce karar vereceğimi,

i) Şirket faaliyetlerinin işleyişini takip edeceğimi ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayıracağımı,

beyan ederim.

Yrd. Doç Dr. Ali COŞKUN

Corporate Governance Compliance Report

Independence Statements of the Independent Members of the Board of Directors are publicly announced on the website www.garantifactoring.com in the "Yatırımcı İlişkileri" section under the topic of "Genel Kurul Toplantıları".

With a General Assembly decision, Members of our Board of Directors are allowed to assume duties outside the Company as per the 395th and 396th Articles of the Turkish Code of Commerce and, Capital Markets Board's Corporate Governance Principles.

There are no specific rules binding the Members of the Board of Directors to assume duties outside the Company.

5.2. Board of Directors' Activity Principles

Board of Directors Meetings are held in accordance with the procedures of the "Internal Regulation Regarding the Procedures and Principles of the Board of Directors Meetings" prepared within the frame work of the Articles of Association, Turkish Code of Commerce and Capital Markets Board's Corporate Governance Principles.

Board of Directors convene with the majority of the total number of members and takes decisions with the majority of the members attending the meeting. Members of the Board of Directors do not have weighted right to vote and / or negative veto right. Members may vote "accept" or "decline" in the Board of Directors. They cannot vote "abstain". Members who vote "decline" shall write their reason under the ballot.

Board of Directors decisions taken as a result of the discussions made at the Board of Directors Meetings, are recorded in the Board of Directors decision book. As per the relevant Article of the New Turkish Code of Commerce, Board of Directors decision books openings and closings shall be notarized and completed within the specified timeframes.

In 2014, 18 (eighteen) Board of Directors Meetings were held with the attendance of the majority of the total number of members. In 2014, as a result of the Board of Directors Meetings 213 (two hundred and thirteen) pages of meeting minutes were recorded. Board of Directors took 64 (sixty four) decisions by either making meetings or by reviewing files. At the meetings held throughout the period, there were no issues that included opposition of any of the Board of Directors members that would need to be recorded in the

decision minutes. Members of the Board of Directors do not have weighted right to vote and / or negative veto right.

Within the scope of the insurance policy made by our main partner T. Garanti Bankası A.Ş.; there is an "Employer's Liability Insurance" that covers our Company's top management and that is valid between 03.04.2014 - 03.04.2015. Insurance Policy provides coverage up to US\$ 100.000.000 - (hundred million).

5.3. Number, Structure, and Independency of the Committees Established Under the Board of Directors

In accordance with the Capital Markets Corporate Governance Principles, the Board of Directors established an Audit Committee and a Corporate Governance Committee under the Board of Directors. Our Board of Directors did not establish a Nomination Committee or a Compensation Committee, and thus the tasks of these committees are carried out by the Corporate Governance Committee. Within the frame work of relevant legislation provisions, Board of Directors may establish other necessary or required committees. Committees' working principles are determined by the Board of Directors, and committee members are elected by the Board of Directors. Tasks and duties, working principles and names of the members of the committees are publicly announced via Public Disclosure Platform (www.kap.gov.tr) and Company website.

The CEO and the General Manager did not assume any tasks or duties in the committees. Due to our Company's Board of Directors structure the number Independent Members of the Board of Directors is 2 (two). Due to the fact that at least the chairmen of the established committees and all members of the Audit Committee must be independent members, we were not able to comply with the principle stipulating that the members of the Board of Directors cannot assume tasks in more than one committee. One of our independent members of the Board of Directors has to assume tasks in two separate committees.

Relevant detailed information about the formation and performance of the Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee are given in the "Committees and Attending Committee Meetings" section of this report.

5.4. Risk Management and Internal Control Mechanism

For the Company, building an effective risk management system and creating a strong internal control environment is the most important factor behind sustainable growth and development. Our Company continuously monitors its risks via its technological infrastructure and business processes; and makes reporting to management staff to give clues about strategic and daily decisions. Our Company analyzes value at risk and maturity in order to measure market and liquidity risks. Our Company's foreign currency position is daily monitored and reported to the relevant units and the top management in order to manage it within the allocated limits.

Garanti Faktoring A.Ş. Risk Management Strategy, Policy and Procedures entered into effect upon the approval given with the Board of Directors decision n. 2014 / 15 (Date: 07.04.2014). With this policy Garanti Faktoring aims to measure the risks within the frame work of risk management strategy and Company activities and to distribute the capital optimally by maintain the risk - yield balance and to achieve growth within the frame work of this balance. Within this scope, main principles are; (i) Detecting and analyzing the risks in line with the volume, characteristic, and complexity of the Company activities; (ii) Complying with international and local legal regulations; (iii) Protecting the financial strength by monitoring and controlling risks in order to limit the impacts of potential negative market conditions on the capital and revenue; (iv) Creating a risk culture within the Company by creating transparency and risk awareness.

Internal control mechanisms were built for all Company personnel to comply with and to practice in order to; (i) carry out Company activities in conformity with the legislation in force and within the framework stipulated by the Board of Directors, and (ii) to maintain the integrity and reliability of the accounting and reporting systems.

Via Audit Committee, the Internal Audit Unit functions under the Board of Directors. Within the scope of the annual audit plan prepared according to risk assessments, Internal Audit Unit audits the effectiveness and efficiency of the internal control and risk management systems in a manner covering the entire Company.

5.5. Company's Strategic Targets

Garanti Faktoring's vision is to create difference with Garanti identity and to be the leading company of the sector. Its mission is to pioneer the progress of the sector with the investments it makes in human resources, technology and innovation and to continuously create value added for its customers, employees and shareholders.

Our Strategies;

- To be a company that creates difference with its high quality human resources, fast and efficient processes and service quality,
- To use technology effectively and increase efficiency by making continuous investment in technological infrastructure,
- With its innovative products and customer - specific corporate solutions, to provide its customers with services in line with their needs,
- To effectively implement, monitor, and develop our strategies that are constructed on profitable growth, service quality and employee satisfaction, that are structured in line with the market data and customer needs.
- To make sure a structure based on interactive communication is embraced among the employees.

Within the frame work of these strategies, annual budgets are structured and submitted to the approval of the Board of Directors. Target achievement and development is continuously monitored at the Assets / Liabilities Committee meetings organized by the company management in weekly periods and at the region budget meetings chaired by the General Manager. In addition; the Board of Directors discusses and evaluates the Company's strategic target achievement at the quarterly held Board of Directors Meetings. Developments are instantaneously monitored through management reporting infrastructure and systems.

5.6. Financial Rights

The Compensation Policy formulated regarding all rights, benefits, and wages provided to the Members of the Board of Directors and executives and the criteria and remuneration principles used in determining these rights, benefits, and wages is publicly announced on the website www.garantifactoring.com in the "Yatırımcı İlişkileri > Kurumsal Yönetim" section, and under the "Remuneration and Benefits Provided to the Members of the Board of Directors and Executive Managers Who Have Administrative Responsibilities" section in this report and in the Board of Directors' annual reports. Financial rights provided to the Members of the Board of Directors and executive managers were presented on the agenda item n.10 for shareholders' information at the Ordinary General Assembly Meeting of the Company held on 17.04.2014.

Our Company, does not lend money, extend credit, or does not extend credit such as "personal loans" by means of third persons or does not give surety to any of the members of the Board of Directors' or executive managers.

Statement of Responsibility

AS PER THE 9TH ARTICLE OF THE SECOND SECTION OF THE CAPITAL MARKETS BOARD COMMUNIQUE n. 14. 1 SERIES:II

- a) We have reviewed Garanti Faktoring A.Ş.'s (Company) annual report prepared and issued for the 01.01.2014 - 31.12.2014 period.
- b) Within the framework of the information we obtained in the scope of our tasks and responsibilities at the Company, the annual report does not include any misleading disclosure on material matters or deficiencies that might cause misconception about the disclosure as of the date its was made.
- c) Within the framework of the information we obtained in the scope of our tasks and responsibilities at the Company, we do declare that the financial statements and the annual report prepared and issued as per the Communiqué on Financial Reporting Principles in Capital Markets (II - 14. 1) and Ministry of Customs and Trade Regulation on "Determining the Minimum Content on the Companies' Annual Report" n28395 (Date: 28.08.2012) , honestly reflect the facts, the progress and the performance of the business and the financial status of the Company, together with the important risks and uncertainties.

Best Regards,

Mert ERCAN

Executive Vice President

Hulki KARA

General Manager

Ali ÇOŞKUN

Member of
Audit Committee

Serhat YANIK

Member of
Audit Committee

Garanti Faktoring A.Ş.

**FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2014
AND INDEPENDENT AUDITOR'S REPORT**
(Translated into English from the Original Turkish Report)

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

(Convenience Translation of the Independent Auditor's
Report Originally Prepared and Issued in Turkish)

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

1. We have audited the accompanying balance sheet of Garanti Faktoring A.Ş. ("the Company") as at 31 December 2014 and the related statements of income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with the communique on "The Application of Uniform Chart of Accounts and its Guide Book in Connection to the Establishment and Main Activities of Financial Leasing, Factoring and Financing Companies" and the regulation on "The Accounting Practices of Financial Leasing, Factoring and Financing Companies and their Financial Statements" published in the Official Gazette no. 28861 dated 24 December 2013 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and selecting and applying appropriate accounting policies.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "The Licensing and Activities of Audit Firms in Banking" published in the Official Gazette no. 26333 dated 1 November 2006 and in accordance with Independent Auditing Standards which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independent Auditor's Opinion

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Garanti Faktoring A.Ş. as at 31 December 2014 and the results of its operations and its cash flows for the year then ended 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors provided us all the required information and documentation in terms of audit; and nothing has come to our attention that may cause us to believe that the Company's set of accounts prepared for the period 1 January - 31 December 2014 does not comply with the TCC and the provisions of the Company's articles of association in relation to financial reporting.

The auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 27 January 2015.

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

Hasan Kılıç
Partner

İstanbul, 29 January 2015

GARANTI FAKTORING A.Ş.**BALANCE SHEET AS OF 31 DECEMBER 2014**

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

ASSETS	Notes	Audited 31 December 2014			Audited 31 December 2013		
		TL	FC	TOTAL	TL	FC	TOTAL
I. CASH, CASH EQUIVALENTS AND CENTRAL BANK	3	-	-	-	1	1	2
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	4	4,766	48	4,814	359	7	366
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	4.1	4,766	48	4,814	359	7	366
III. BANKS	5	541	4,274	4,815	1,166	44,003	45,169
IV. RECEIVABLES FROM REVERSE REPURCHASE AGREEMENTS		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	6	-	2	2	-	2	2
VI. FACTORING RECEIVABLES	7	2,259,383	688,724	2,948,107	1,560,180	426,369	1,986,549
6.1 Discount Factoring Receivables		585,363	21,853	607,216	523,164	18,320	541,484
6.1.1 Domestic		600,498	18,403	618,901	535,782	9,370	545,152
6.1.2 Foreign		-	3,595	3,595	-	9,089	9,089
6.1.3 Unearned Income (-)		(15,135)	(145)	(15,280)	(12,618)	(139)	(12,757)
6.2 Other Factoring Receivables		1,674,020	666,871	2,340,891	1,037,016	408,049	1,445,065
6.2.1 Domestic		1,674,020	459,486	2,133,506	1,037,016	295,392	1,332,408
6.2.2 Foreign		-	207,385	207,385	-	112,657	112,657
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	8	10,840	-	10,840	8,241	-	8,241
10.1 Non-Performing Factoring Receivables		56,475	-	56,475	38,870	-	38,870
10.2 Non-Performing Financial Loans		-	-	-	-	-	-
10.3 Non-Performing Leasing Receivables		-	-	-	-	-	-
10.4 Specific Provisions (-)		(45,635)	-	(45,635)	(30,629)	-	(30,629)
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)	9	680	-	680	688	-	688
XVI. TANGIBLE ASSETS (Net)	10	3,351	-	3,351	2,414	-	2,414
XVII. INTANGIBLE ASSETS (Net)		-	-	-	-	-	-
17.1 Goodwill		3,351	-	3,351	2,414	-	2,414
17.2 Other		1,218	-	1,218	939	-	939
XVIII. PREPAID EXPENSES	11	58	-	58	-	-	-
IXX. TAX ASSETS	11	13,637	-	13,637	13,899	-	13,899
XX. DEFERRED TAX ASSETS	12	2,051	-	2,051	1,384	-	1,384
XXI. OTHER ASSETS SUB TOTAL		2,296,525	693,048	2,989,573	1,589,271	470,382	2,059,653
XXII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
22.1 Held For Sale		-	-	-	-	-	-
22.2 Discontinued Operations		-	-	-	-	-	-
TOTAL ASSETS		2,296,525	693,048	2,989,573	1,589,271	470,382	2,059,653

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

GARANTI FAKTORING A.Ş.

BALANCE SHEET AS OF 31 DECEMBER 2014

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

LIABILITIES	Notes	Audited 31 December 2014			Audited 31 December 2013		
		TL	FC	TOTAL	TL	FC	TOTAL
I. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	4.2	10,249	-	10,249	24,592	1	24,593
II. FUNDS BORROWED	13	2,019,809	196,657	2,216,466	1,404,882	209,355	1,614,237
III. FACTORING PAYABLES	7	623	1,527	2,150	835	2,107	2,942
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)	14	611,843	-	611,843	284,854	-	284,854
5.1 Bills		611,843	-	611,843	284,854	-	284,854
5.2 Asset - backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. OTHER LIABILITIES	15	2,135	830	2,965	3,283	862	4,145
VII. OTHER FOREIGN LIABILITIES	15	-	-	-	-	88	88
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	16	1,785	-	1,785	1,533	-	1,533
X. PROVISIONS	17	3,732	-	3,732	2,860	-	2,860
10.1 Reserves for Restructuring		387	-	387	-	-	-
10.2 Reserves For Employee Benefits		2,964	-	2,964	2,174	-	2,174
10.3 Other Provisions		381	-	381	686	-	686
XI. DEFERRED RECEIVABLES		-	-	-	-	-	-
XII. TAX LIABILITY	11	-	-	-	4,335	-	4,335
XIII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIV. SUBORDINATED LOANS SUB TOTAL		2,650,176	199,014	2,849,190	1,727,174	212,413	1,939,587
XV. PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
15.1 Held for Sale		-	-	-	-	-	-
15.2 Discontinued Operations		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	18	140,383	-	140,383	120,066	-	120,066
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:		(446)	-	(446)	(247)	-	(247)
16.4 Other comprehensive income or expense that will be reclassified subsequently to profit or loss:		-	-	-	-	-	-
16.5 Profit Reserves		40,813	-	40,813	25,511	-	25,511
16.5.1 Legal Reserves		4,598	-	4,598	4,198	-	4,198
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		36,215	-	36,215	21,313	-	21,313
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or Loss		20,516	-	20,516	15,302	-	15,302
16.6.1 Retained Earnings / (Accumulated Losses)		-	-	-	-	-	-
16.6.2 Current Year Profit / Loss		20,516	-	20,516	15,302	-	15,302
TOTAL LIABILITIES AND EQUITY		2,790,559	199,014	2,989,573	1,847,240	212,413	2,059,653

GARANTI FAKTORING A.Ş.**STATEMENT OF OFF - BALANCE SHEET ITEMS AS OF 31 DECEMBER 2014**

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

OFF - BALANCE SHEET ITEMS	Notes	Audited			Audited		
		31 December 2014			31 December 2013		
		TL	FC	TOTAL	TL	FC	TOTAL
I. IRREVOCABLE FACTORING OPERATIONS		371,628	145,757	517,385	124,444	167,489	291,933
II. REVOCABLE FACTORING OPERATIONS		524,901	378,611	903,512	372,312	21,008	393,320
III. GUARANTEES TAKEN	27.1	35,990	1,773,409	1,809,399	37,075	1,533,460	1,570,535
IV. GUARANTEES GIVEN	27.2	4,612	132	4,744	2,758	-	2,758
V. COMMITMENTS	27.3	3,413	3,402	6,815	2,826	2,830	5,656
5.1 Irrevocable Commitments		3,413	3,402	6,815	2,826	2,830	5,656
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	27.4	812,856	819,734	1,632,590	552,902	573,155	1,126,057
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		812,856	819,734	1,632,590	552,902	573,155	1,126,057
6.2.1 Forward Buy / Sell Transactions		-	-	-	-	-	-
6.2.2 Swap Buy / Sell Transactions		812,856	819,734	1,632,590	552,902	573,155	1,126,057
6.2.3 Options Buy / Sell Transactions		-	-	-	-	-	-
6.2.4 Futures Buy / Sell Transactions		-	-	-	-	-	-
6.2.5 Other		-	-	-	-	-	-
VII. ITEMS HELD IN CUSTODY	27.5	495,040	94,240	589,280	505,323	110,371	615,694
TOTAL OFF BALANCE SHEET ITEMS		2,248,440	3,215,285	5,463,725	1,597,640	2,408,313	4,005,953

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

**GARANTI FAKTORING A.Ş.****INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2014**

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

INCOME STATEMENT	Notes	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
I. OPERATING INCOME	19	188,109	134,792
FACTORING INCOME		188,109	134,792
1.1 Factoring Interest Income		170,949	112,351
1.1.1 Discount		71,785	55,882
1.1.2 Other		99,164	56,469
1.2 Factoring Commission Income		17,160	22,441
1.2.1 Discount		10,116	14,034
1.2.2 Other		7,045	8,407
RECEIVABLES FROM FINANCIAL INSTITUTIONS		-	-
1.3 Financial Institutions Interest Income		-	-
1.4 Financial Institutions Fees and Commissions Receivables		-	-
OPERATING RECEIVABLES		-	-
1.5 Financial Institutions Receivables		-	-
1.6 Other Non-Financial Receivables		-	-
1.7 Leasehold Improvements and Commissions Receivables		-	-
II. FINANCIAL EXPENSES (-) and Commissions Receivables	20	(152,313)	(85,839)
2.1 Interest Expense on Funds Borrowed		(106,187)	(84,047)
2.2 Interest Expense on Factoring Payables		-	-
2.3 Finance Lease Expense		-	-
2.4 Interest Expense on Securities Issued		(44,158)	(1,341)
2.5 Other Interest Expenses		(4)	(4)
2.6 Other Fees and Commissions		(1,973)	(447)
III. GROSS PROFIT / LOSS (+/-)		35,796	48,953
IV. OPERATING EXPENSES (-)	21	(38,224)	(37,267)
4.1 Personnel Expenses		(21,809)	(21,466)
4.2 Retirement Provisions Expenses		(323)	(442)
4.3 Research and Development Expenses		-	-
4.4 General Administrative Expenses		(16,012)	(15,142)
4.5 Other		(80)	(210)
V. OPERATING GROSS PROFIT / LOSS		(2,428)	11,686
VI. OTHER OPERATING INCOME	22	249,807	150,899
6.1 Interest Income from Deposits		634	4,293
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 Held Through Profit and Loss		-	-
6.3.3 Interest Income from Financial Assets Held for Sale		-	-
6.3.4 Interest Income from Financial Assets Held to Maturity		-	-
6.4 Dividend Income		-	-
6.5 Interest Received from Money Market Instruments		44,562	9,848
6.5.1 Derivative Financial Instruments		44,562	9,848
6.5.2 Other		-	-
6.6 Foreign Exchange Gains		203,278	136,271
6.7 Other		1,333	487
VII. SPECIFIC PROVISION FOR NON-PERFORMING RECEIVABLES (-)	23	(15,860)	(11,062)
VIII. OTHER OPERATING EXPENSES (-)	24	(205,905)	(132,360)
8.1 Impairment on Intangible Assets		-	-
8.1.1 Impairment on Intangible Assets		-	-
8.1.2 Impairment on Intangible Assets Held for Sale		-	-
8.1.3 Impairment on Intangible 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 Instruments		(12,759)	(25,769)
8.4 Foreign Exchange Losses		(193,060)	(102,436)
8.5 Other		(546)	(463)
IX. NET OPERATING INCOME (+/-)		25,614	19,163
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)		-	-
XIII. TAX PROVISION FOR CONTINUING OPERATIONS (+)	11	(5,098)	(3,861)
13.1 Current Tax Charge		(4,786)	(11,154)
13.2 Deferred Tax Charge (-)		(312)	-
13.3 Deferred Tax Benefits (+)		-	7,293
XIV. NET PERIOD PROFIT / LOSS FROM CONTINUING OPERATIONS		20,516	15,302
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 Benefits (+)		-	-
XIX. NET PERIOD PROFIT / LOSS FROM DISCONTINUED OPERATIONS		-	-
XX. NET PERIOD PROFIT / LOSS		20,516	15,302
Earnings/Loss Per Share (Kuruş/0.01 TL) per thousand shares	25	258.06	192.48

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

GARANTI FAKTORING A.Ş.**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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

	Notes	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
I.	PERIOD INCOME / LOSS	20,516	15,302
II.	OTHER COMPREHENSIVE INCOME	(199)	(247)
2.1	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	(199)	(247)
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	17.1 (249)	(309)
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	50	62
2.1.5.1	Tax income / charge	-	-
2.1.5.2	Deferred tax income / charge	11 50	62
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)	20,317	15,055

**GARANTİ FAKTORİNG A.Ş.****STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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

	Paid-in Capital		Share Cancellation Premium	Share Profits	Capital Reserve	Other Capital Reserve	1	2	3	4	5	6	Profit Reserves	Statutory Reserves	Extraordinary Reserves	Other Profit Reserves	Current Year Profit / (Loss)	Retained Earnings / (Accumulated Losses)	Current Year Net Profit / (Loss)	Total Shareholders' Equity
	Notes	Capital Reserve																		
PERIOD																				
1 January - 31 December 2013																				
Audited																				
I. Balances at the beginning of the period (Previously reported)	18	21,000			24,844								3,286		35,421				20,160	105,011
II. Corrections made as per TAS B																				
2.1 Effect of corrections																				
2.2 Effect of changes in accounting policies																				
III. Adjusted balances		21,000			24,844								3,286		35,421				20,160	105,011
IV. Total Comprehensive Income								(247)												(247)
V. Capital increase																				
VI. Capital increase through internal resources		58,500			(24,844)									(33,655)						
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													912		19,548				15,302	15,302
XII. Profit distribution																			(20,460)	(20,460)
12.1 Dividends																				
12.2 Transfers to reserves													912		19,548					20,460
12.3 Other																				
Balance at the end of the period (31 December 2013)		79,500						(247)					4,198		21,313				15,302	120,066
(I+II+...+XII)																				
CURRENT PERIOD																				
1 January - 31 December 2014																				
Audited																				
I. Balances at the beginning of the prior period (31 December 2013)	18	79,500						(247)					4,198		21,313				15,302	120,066
II. Corrections made as per TAS B																				
2.1 Effect of corrections																				
2.2 Effect of changes in accounting policies																				
III. Adjusted balances		79,500						(247)					4,198		21,313				15,302	120,066
IV. Total Comprehensive Income								(199)												(199)
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													400		14,902				29,516	29,516
XII. Profit distribution																				(15,302)
12.1 Dividends																				
12.2 Transfers to reserves													400		14,902					15,302
12.3 Other																				
Balance at the end of the period (30 September 2014)		79,500						(446)					4,598		36,215				29,516	140,383
(I+II+...+XII)																				

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

GARANTI FAKTORING A.Ş.**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2014**

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

STATEMENT OF CASH FLOWS		Notes	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
A.	CASH FLOWS FROM OPERATING ACTIVITIES			
1.1	Operating profit before changes in operating assets and liabilities		54,176	41,208
1.1.1	Interest /leasing income received	19	162,794	113,999
1.1.2	Leasing expenses		(149,088)	(91,661)
1.1.3	Dividends received		-	-
1.1.4	Fees and commissions received	19	17,345	21,864
1.1.5	Other income		-	-
1.1.6	Collections from previously written off receivables	8	854	242
1.1.7	Payments to personnel and service suppliers		(38,027)	(36,017)
1.1.8	Taxes paid	11	(4,917)	(6,859)
1.1.9	Other		65,215	39,640
1.2	Changes in operating assets and liabilities		(376,286)	(391,823)
1.2.1	Net (increase) decrease in factoring receivables		(972,047)	(172,439)
1.2.2	Net (increase) decrease in other assets		(1,054)	(1,189)
1.2.3	Net increase (decrease) in factoring payables		(792)	45
1.2.4	Net increase (decrease) in funds borrowed		602,471	(215,505)
1.2.5	Net increase (decrease) in due payables		-	-
1.2.6	Net increase (decrease) in other liabilities		(4,864)	(2,735)
I.	Net cash provided from operating activities		(322,110)	(350,615)
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	(313)	(149)
2.4	Fixed assets sales		-	-
2.5	Cash paid for purchase of financial assets available for sale		-	-
2.6	Cash obtained from sale of financial assets available for sale		-	-
2.7	Cash paid for purchase of financial assets held to maturity		-	-
2.8	Cash obtained from sale of financial assets held to maturity		-	-
2.9	Other		(2,603)	289
II.	Net cash provided from investing activities		(2,916)	140
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
3.1	Cash obtained from funds borrowed and securities issued		1,015,657	283,513
3.2	Cash used for repayment of funds borrowed and securities issued		(732,826)	-
3.3	Capital increase		-	-
3.4	Dividends paid		-	-
3.5	Payments for finance leases		-	-
3.6	Other		-	-
III.	Net cash provided from financing activities		282,831	283,513
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		1,842	4,275
V.	Net increase /decrease in cash and cash equivalents		(40,353)	(62,687)
VI.	Cash and cash equivalents at the beginning of the period	2.5	45,168	107,855
VII.	Cash and cash equivalents at the end of the period		4,815	45,168

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

GARANTI FAKTORING A.Ş.

STATEMENT OF PROFIT DISTRIBUTION

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

		THOUSANDS OF TURKISH LIRA		
		Audited	Audited	Audited
		1 January -	1 January -	1 January -
Notes		31 December 2014	31 December 2014	31 December 2013
I.	DISTRIBUTION OF CURRENT YEAR PROFIT			
1.1	CURRENT PERIOD PROFIT	25,614		19,163
1.2	TAXES AND LEGAL DUTIES PAYABLE (-)	5,098		3,861
1.2.1	Corporate tax (income tax)	4,786		11,154
1.2.2	Withholding tax	-		-
1.2.3	Other taxes and duties	312		(7,293)
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	20,516		15,302
1.3	ACCUMULATED LOSSES (-)	-		-
1.4	FIRST LEGAL RESERVES (-)	-		(400)
1.5	OTHER STATUTORY RESERVES (-)	-		-
B.	NET PROFIT AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	20,516		14,902
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	-		(14,902)
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 (per YTL'000 face value each)	-		-
3.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	-		-
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 (per YTL'000 face value each)	-		-
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 2014 profit distribution will be held at General Assembly meeting.

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

GARANTİ FAKTORİNG A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

(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. At the 2013 General Assembly Meeting of the company held on 17 April 2014 the commercial title of the Company was changed to Garanti Faktoring A.Ş. (The Company). The Company offered its shares to public in 1993 with the authorization of the Capital Markets Board ("CMB") and is quoted in Borsa İstanbul A.Ş. (BİAŞ). The Company operates in accordance with the Capital Markets Law, "The Code of Leasing, Factoring and Finance Companies" published in the Trade Registry Gazette dated 13 December 2012 No: 28496 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") dated 24 April 2013 No: 28627 published in the Trade Registry Gazette.

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

	31 December 2014	Shareholding (%)	31 December 2013	Shareholding (%)
Türkiye Garanti Bankası AŞ	65,066	81.84	65,066	81.84
Türkiye İhracat Kredi Bankası AŞ	7,773	9.78	7,773	9.78
Publicly Trading	6,661	8.38	6,661	8.38
Capital	79,500	100.00	79,500	100.00

The company applied to Capital Markets Board on 21 May 2013 to increase issued capital of the Company from TL 21,000 to TL 79,500 by adding positive differences of capital inflation adjustment, special funds arising from the sales gain of participation and extraordinary reserves, by the decision of the Board of Directors dated May 3, 2013 no 2013 / 035, with the consent of the Company's articles of association 6 Article. Permission was granted on 15 August 2013 with the decision of Capital Markets Board, no 28 / 949. Non - cash capital increase by 278.57142% started on 22 August 2013 and ended on 26 August 2013.

The shareholding of Türkiye Garanti Bankası A.Ş. as of 31 December 2014 is 55.40% and Türkiye Garanti Bankası A.Ş. has obtained the remaining 26.44% shares from public shares via Borsa İstanbul.

The Company has 180 employees as of 31 December 2014 (31 December 2013: 195)

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

Maslak Mahallesi Eski Büyükdere Caddesi No:23 Kat:2 34450 Sarıyer / İstanbul

The Company provides factoring operations with twenty one branches Turkey.

Dividends Payable:

At the General Assembly Meeting of the company held on 17 April 2014, it has been decided unanimously to appropriate the profit after tax in the financial statements prepared based on the International Financial Reporting Standards in accordance with the Capital Markets Board Communiqué of the "General Principals of The Financial Reporting" No:II - 14.1 to legal and extraordinary reserves, in line with the profit distribution principles stated in the Company's articles of association.

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 29 January 2015. The General Assembly has the authority to change the financial statements.

GARANTİ FAKTORİNG A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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

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: 28861 on 24 December 2013.

The Company applies the requirements of the Communiqué on the “The Application of Uniform Chart 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: 28861 on 24 December 2013, as per the “Law on Financial Leasing, Factoring and Financing Companies” published in the Official Gazette No: 28496 on 13 December 2012.

The financial statements are prepared based on the TAS/ TFRS and the related statements and guidances announced by the Public Oversight, Accounting and Auditing Standards Authority.

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 Functional Currency

Financial statements of the Company are presented in TL, which is the Company’s functional currency.

2.1.3 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.

2.1.4 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.

GARANTI FAKTORING A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)**2.3 Changes in Accounting Estimates and Errors (Cont'd)**

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:

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 17 – Provisions

2.4 Adoption of New and Revised International Financial Reporting Standards**(a) New and Revised IFRSs affecting the reported financial performance and / or financial position**

None.

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

Amendments to IFRS 10, 11, IAS 27	<i>Investment Entities¹</i>
Amendments to IAS 32	<i>Offsetting Financial Assets and Financial Liabilities¹</i>
Amendments to IAS 36	<i>Recoverable Amount Disclosures for Non - Financial Assets¹</i>
Amendments to IAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting¹</i>
IFRIC 21	<i>Levies¹</i>
Amendments to IAS 21	<i>Effects of Changes in Foreign Exchange Rates²</i>

¹ Effective for annual periods beginning on or after 1 January 2014.² Changes are valid after on 12 November 2014**Amendments to IFRS 10, 11, IAS 27 *Investment Entities***

This amendment with the additional provisions of IFRS 10 provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set - off' and 'simultaneous realization and settlement'.

Amendments to IAS 36 *Recoverable Amount Disclosures for Non - Financial Assets*

As a consequence of IFRS 13 Fair Value Measurements, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non - financial assets and paragraphs 130 and 134 of IAS 36 has been changed.

Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

This amendment to IAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

GARANTI FAKTORING A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

(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)

IFRIC 21 Levies

IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

Amendments to TAS 21 Effect Of Changes In Foreign Exchange Rates

Article (b) , paragraph 39 of TAS 21 - Effect of Changes in Foreign Exchange Rates has been revised as below.

"(b) Income and expenses, are recorded at the rates of exchange prevailing on the dates of the transactions in all statements that profit or loss and other comprehensive income are presented.

(c) 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:

IFRS 9	<i>Financial Instruments</i> ⁵
Amendments to IFRS 9 and IFRS 7	<i>IFRS 9 ve Mandatory Effective Date and Transition Disclosures</i> ¹
Amendments to IAS 19	<i>Defined Benefit Plans: Employee Contributions</i> ¹
Annual Improvements to 2010 - 2012 Cycle	<i>IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 38, IAS 24</i> ¹
Annual Improvements to 2011 - 2013 Cycle	<i>IFRS 1, IFRS 3, IFRS 13, IAS 40</i> ¹
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ²
Amendments to IAS 16 and IAS 41 with IAS 1, IAS 17, IAS 23, IAS 36 and IAS 40	<i>Agriculture: Bearer Plants</i> ²
Amendments to IFRS 11 and IFRS 1	<i>Accounting for Acquisition of Interests in Joint operations</i> ²

¹ Effective for annual periods beginning on or after 30 July 2014.

² Effective for annual periods beginning on or after 31 December 2015.

IFRS 9 Financial Instruments

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

Amendments to IFRS 9 and IFRS 7 Mandatory Effective Date of IFRS 9 and Transition Disclosures

On November 2013, it is tentatively decided that the mandatory effective date of IFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

GARANTI FAKTORING A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

(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)****(c) New and revised IFRSs in issue but not yet effective****Annual Improvements to 2010 - 2012 Cycle**

IFRS 2: Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'

IFRS 3: Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

IFRS 8: Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

IFRS 13: Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short - term receivables and payables on an undiscounted basis (amends basis for conclusions only).

IAS 16 and IAS 38: Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

IAS 24: Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements to 2011 - 2013 Cycle

IFRS 3: Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13: Clarify the scope of the portfolio exception in paragraph 52.

IAS 40: Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner - occupied property.

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

This amendment clarifies that that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

This amendment include "bearer plants" within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16. The amendment also introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of IAS 41.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

(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 11 Accounting for Acquisition of Interests in Joint operations

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRSs for business combinations.

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.

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.

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(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)

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.

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.

Specific and general provisions are allocated on factoring receivables in accordance with the regulation on "The Application of Uniform Chart 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 dated 24 December 2013 with no 28861.

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

2.5 Summary of Significant Accounting Policies (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.

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

Derivative financial instruments and hedge accounting

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

Financial Liabilities

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

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

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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

(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)

Other financial liabilities

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

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

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

(c) Tangible Assets and Amortization

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

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

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

(d) Intangible Assets

Intangible Fixed Assets Acquired

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

Computer Software

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

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.

GARANTİ FAKTORİNG A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

(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)

(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” (“TAS 19”).

Retirement pay provision of the employees is calculated by discounting the future retirement liability of the employees and presented in the financial statements. All actuarial gains and losses are accounted under the other comprehensive income.

(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 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
USD	2.3189	2.1343
EURO	2.8207	2.9365
GBP	3.5961	3.5114

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

(k) Earnings per Share:

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

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

(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)

(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) Segmental Information:

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

(n) 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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

2.5 Summary of Significant Accounting Policies (Cont'd)

(o) 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.

	31 December 2014	31 December 2013
Cash and Cash equivalents	-	2
Banks	4,815	45,166
	4,815	45,168

3 CASH AND CASH EQUIVALENTS

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Cash and Cash equivalents	-	-	1	1
	-	-	1	1

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)

4.1 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 forward and currency swap buy - sell agreements as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Derivative Financial Assets Held for Trading	4,766	48	359	7
	4,766	48	359	7

4.2 Derivative Financial Liabilities Held for Trading

Details of derivative financial liabilities held for trading that arise from currency swap buy - sell agreements and forward contracts as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Derivative financial liabilities held for trading	10,249	-	24,592	1
	10,249	-	24,592	1

GARANTİ FAKTORİNG A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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

5 BANKS

Details of banks as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Demand deposits	541	4,274	1,166	1,314
Time deposits	-	-	-	42,689
	541	4,274	1,166	44,003

There is no restriction on bank deposits as at 31 December 2014 and 31 December 2013.

The bank balances, excluding income accruals, with original maturities shorter than 3 months which form the basis of cash flows statement is TL 4,815 as of 31 December 2014 (31 December 2013: TL 45,166).

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 of 31 December 2014 and 31 December 2013. These investments are stated at their acquisition cost in the accompanying financial statements as the fair values of these investments cannot be reliably measured.

	31 December 2014			31 December 2013		
	Carrying Value		Share Percentage% (*)	Carrying Value		Share Percentage% (*)
	TL	FC		TL	FC	
Investments in shares						
International Factors Group SC	-	2	1.52	-	2	1.50
	-	2		-	2	

(*) Percentage of the shares change, according to the number of IFG shareholders.

7 FACTORING RECEIVABLES AND PAYABLES*Factoring Receivables*

Details of factoring receivables as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Domestic and import factoring receivables	2,274,518	477,889	1,572,798	304,762
Export factoring receivables	-	210,980	-	121,746
Unearned interest income	(15,135)	(145)	(12,618)	(139)
Factoring receivables, net	2,259,383	688,724	1,560,180	426,369

GARANTI FAKTORING A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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7 FACTORING RECEIVABLES AND PAYABLES (Cont'd)

Factoring Receivables (Cont'd)

The amount of past due not impaired receivables of the Company is TL 10,111 Thousand (31 December 2013: 9,304 Thousand):

	31 December 2014	31 December 2013
Overdue for 1 month	9,673	9,060
Overdue for 1 - 3 months	438	244
	10,111	9,304

Factoring Payables

Details of short term factoring payables as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Factoring payables	623	1,527	835	2,107
	623	1,527	835	2,107

Factoring payables represent the amounts of collections on behalf of factoring customers but are 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 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Non - performing factoring receivables	56,475	-	38,870	-
Specific provisions	(45,635)	-	(30,629)	-
Non - performing receivables, net	10,840	-	8,241	-

Aging of non - performing factoring receivables and specific provision allocated for them as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	Total non - performing factoring receivables	Provision	Total non - performing factoring receivables	Provision
Overdue up to 90 days	3,448	690	2,390	567
Overdue for 91 - 180 days	4,392	1,209	2,957	591
Overdue for 181 - 365 days	9,882	4,997	5,753	2,876
Overdue for 1 year and over	38,753	38,739	27,770	26,595
Total	56,475	45,635	38,870	30,629

GARANTI FAKTORING A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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8 NON-PERFORMING RECEIVABLES (Cont'd)

Amount of collaterals received for non - performing factoring receivables capped with the exposure is TL 14 thousand (31 December 2013: TL 1,175 thousand) .

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

	31 December 2014	31 December 2013
Balance as at 1 January	30,629	19,809
Provision provided for the period ^(*)	15,860	11,062
Collections during the period ^(**)	(854)	(242)
Balance at the end of the year	45,635	30,629

^(*) 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 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 31 December 2014 is as follows:

	1 January 2014	Additions	Disposals	31 December 2014
Acquisition Cost				
Furniture and fixtures	2,777	289	(20)	3,046
Vehicles	19	-	-	19
Leasehold improvements	1,147	24	-	1,171
	3,943	313	(20)	4,236
Accumulated Depreciation				
Furniture and fixture	2,227	285	(20)	2,492
Vehicles	17	2	-	19
Leasehold improvements	1,011	34	-	1,045
	3,255	321	(20)	3,556
Net book value	688			680

GARANTI FAKTORING A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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9 TANGIBLE ASSETS (Cont'd)

The movement of tangible assets for the period ended as at 31 December 2013 is as follows:

	1 January 2013	Additions	Disposals	31 December 2013
Acquisition Cost				
Furniture and fixtures	2,656	121	-	2,777
Vehicles	19	-	-	19
Leasehold improvements	1,119	28	-	1,147
	3,794	149	-	3,943
Accumulated Depreciation		Charge for the period	Disposals	31 December 2013
Furniture and fixture	1,926	301	-	2,227
Vehicles	13	4	-	17
Leasehold improvements	983	28	-	1,011
	2,922	333	-	3,255
Net book value	872			688

As of 31 December 2014 the insurance on tangible assets amounts to TL 1,439 thousand (31 December 2013: TL 1,437 thousand) and the insurance premium amounts to TL 4 thousand (31 December 2013: 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 31 December 2014 is as follows:

	1 January 2014	Additions	Disposals	31 December 2014
Acquisition Cost				
Rights	3,076	-	-	3,076
Other (Software)	4,458	2,606	-	7,064
	7,534	2,606	-	10,140
Accumulated Amortization		Charge for the period	Disposals	31 December 2014
Rights	3,012	64	-	3,076
Other (Software)	2,108	1,605	-	3,713
	5,120	1,669	-	6,789
Net book value	2,414			3,351

GARANTI FAKTORING A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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10 INTANGIBLE ASSETS (Cont'd)

The movement of intangible assets for the period ended as of 31 December 2013 is as follows:

	1 January 2013	Additions	Disposals	31 December 2013
Acquisition Cost				
Rights	3,076	-	-	3,076
Other (Software)	2,471	1,987	-	4,458
	5,547	1,987	-	7,534
Accumulated Amortization		Charge for the period	Disposals	31 December 2013
Rights	2,793	219	-	3,012
Other (Software)	1,212	896	-	2,108
	4,005	1,115	-	5,120
Net book value	1,542			2,414

As of 31 December 2014 and 2013, the company has not any intangible assets that is generated within the company.

	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 2014 is 20% (2013: 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 2014 (2013: 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 responsible who have special tax years). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

GARANTİ FAKTORİNG A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

(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.

Reconciliation of tax charge

	1 January – 31 December 2014	1 January – 31 December 2013
Reported profit before taxation	25,614	19,163
Calculated taxation on reported profit	(5,123)	(3,833)
Permanent differences:		
Non - deductible expenses	(99)	(70)
Other non - taxable income	6	2
Reversal of prior year provision for corporate income tax	73	40
Other	45	-
Tax Charge	(5,098)	(3,861)

The corporate tax payable as at 31 December 2014 and 31 December 2013 is as follows:

	31 December 2014	31 December 2013
Corporate tax provision	4,859	11,194
Advance taxes	4,884	(6,767)
Withholding income taxes	(33)	(92)
Corporate Tax Payable / Tax Assets	(58)	4,335

The tax charge in the income statement for the period ended as at 31 December 2014 and 31 December 2013 is as summarized below:

	1 January - 31 December 2014	1 January - 31 December 2013
Current tax charge	(4,859)	(11,194)
Reversal of overaccrual of prior year tax provision	73	40
Deferred tax (charge) / benefit	(312)	7,293
	(5,098)	(3,861)

GARANTI FAKTORING A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

(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 31 December 2014 (31 December 2013: 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 31 December 2014, 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Temporary Differences		
Unearned factoring interest income	15,280	12,757
Factoring receivable provisions and adjustments	43,135	28,188
Deferred commissions	1,552	2,543
Retirement pay provision	1,153	823
Unused vacation accrual	761	750
Valuation differences of derivative financial assets	10,249	24,593
Premium pay provision	1,050	601
Valuation differences of factoring receivables	258	99
Other provisions	768	411
Temporary differences related to deferred tax assets	74,206	70,765
Temporary differences of derivative financial assets	4,814	366
Temporary differences on tangible and intangible assets	1,121	852
Valuation differences of funds borrowed	9	29
Valuation differences of bonds	80	27
Temporary differences related to deferred tax liabilities	6,024	1,274
Deferred tax assets / (liabilities)		
Unearned factoring interest income	3,056	2,551
Factoring receivable provisions and adjustments	8,627	5,637
Deferred commissions	310	509
Retirement pay provision	231	165
Unused vacation accrual	152	150
Valuation differences of derivative financial assets	2,050	4,919
Premium pay provision	210	120
Valuation differences of factoring receivables	52	20
Other provisions	154	82
Deferred tax assets	14,842	14,153
Temporary differences of derivative financial assets	(963)	(73)
Temporary differences on tangible and intangible assets	(224)	(170)
Valuation differences of funds borrowed	(2)	(6)
Valuation differences of bonds	(16)	(5)
Deferred tax liabilities	(1,205)	(254)
Deferred tax assets (net)	13,637	13,899

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

(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 - 31 December 2014	1 January - 31 December 2013
1 January	13,899	6,544
Deferred tax income / (expense)	(312)	7,293
Deferred tax recognized in other comprehensive income	50	62
Balance at the end of the period	13,637	13,899

12 OTHER ASSETS

Details of other assets as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Receivables related with court expenses	1,795	-	1,228	-
Other	256	-	156	-
	2,051	-	1,384	-

13 FUNDS BORROWED

Details of funds borrowed as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Funds Borrowed	2,019,809	196,657	1,404,882	209,355
	2,019,809	196,657	1,404,882	209,355

	31 December 2014				31 December 2013			
	Interest		TL Equivalent		Interest		TL Equivalent	
	Original Amount	Rate (%)	Up to 1 Year	1 Year and over	Original Amount	Rate (%)	Up to 1 Year	1 Year and over
TL	2,019,809	9.05-14.70	2,019,809	-	1,404,882	8.65-13.12	1,404,882	-
USD	20,766	0.80-1.87	48,153	-	75,488	2.94-3.94	161,115	-
EURO	48,381	1.58-2.78	136,468	9,875	16,428	1.73-3.15	48,240	-
GBP	601	2.11-2.20	2,161	-	-	-	-	-
Total			2,206,591	9,875			1,614,237	-

These rates represent the interest rate range of outstanding funds borrowed with fixed and floating rates as at 31 December 2014 and 31 December 2013.

There is no guarantee given for the funds borrowed as at 31 December 2014 and 31 December 2013.

GARANTI FAKTORING A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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

14 MARKETABLE SECURITIES ISSUED

Details of marketable securities issued as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Bills				
Nominal	627,210	-	296,486	-
Cost	600,083	-	283,514	-
Carrying Value	611,843	-	284,854	-

The Company issued discounted bills only for qualified investors. on 10 December 2013. 27 December 2013. 31 March 2014, 2 May 2014, 9 June 2014, 22 July 2014, 19 September 2014, 5 December 2014 and 19 December 2014 with nominal values of TL 236,486 thousand, TL 60,000 thousand, 104,334 TL thousand, 55,200 TL thousand, 276,806 TL thousand, 157,700 TL thousand, 153,010 TL thousand, 197,850 TL thousand and 118,650 TL thousand bearing interest rates 9.348%, 9.518%, 12.327%, 10.383%, 9.368%, 9,146%, 9.701%, 8.774% and 10.054% with the maturities of, 6 June 2014, 23 June 2014, 26 September 2014, 27 October 2014, 5 December 2014, 16 January 2015, 17 March 2015, 29 May 2015 ve 12 June 2015, respectively.

15 SUNDRY CREDITORS AND OTHER LIABILITIES

Details of sundry creditors as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Deferred commissions	1,552	-	2,543	-
Sundry creditors	564	16	383	24
Transitory liability accounts	19	814	357	838
	2,135	830	3,283	862
Guarantee payments to customers	-	-	-	88
Other Liabilities	-	-	-	88

16 TAXES PAYABLE

Details of taxes payable and liabilities as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Income tax payable	558	-	517	-
Social security premiums payable	313	-	311	-
Stamp tax payable	16	-	16	-
V.A.T payable	20	-	13	-
Banking and Insurance Transactions Tax (BITT) payable	878	-	676	-
	1,785	-	1,533	-

GARANTI FAKTORING A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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

17 PROVISIONS

Details of provisions as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Provision for employee benefits	2,964	-	2,174	-
Provision provided for postdated cheques	-	-	59	-
Restructuring Provisions	387	-	-	-
Other provisions	381	-	627	-
	3,732	-	2,860	-

17.1 Provision for Employee Benefits

Provision for employee benefits as of 31 December 2014, include retirement pay provision amounting to TL 1,153 thousand (31 December 2013: TL 823 thousand), unused vacation accrual amounting to TL 761 thousand (31 December 2013: TL 750 thousand) and personnel bonus accrual amounting to TL 1,050 thousand (31 December 2013: TL 601 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 principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2014, 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 6.10% and a discount rate of 8.60%, resulting in a real discount rate of approximately 2.36%. (31 December 2013: inflation rate of between 6.20%, discount rate of between 9.56% -, real discount rate of approximately 3.16%).

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

	1 January - 31 December 2014	1 January - 31 December 2013
Net liability / asset at the beginning of the period	823	210
Severance indemnity paid in the period	(242)	(138)
Retirement provision recognized under income statement	323	442
Retirement provision recognized under other comprehensive income	249	309
Net liability / asset at the end of period	1,153	823

GARANTI FAKTORING A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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

17 PROVISIONS (Cont'd)**17.1 Provision for Employee Benefits (Cont'd)***Personnel Bonus Accrual*

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

	1 January - 31 December 2014	1 January - 31 December 2013
Balance at 1 January	601	890
Paid in the period	(1,967)	(1,883)
Reversal	(5)	(101)
Accrual for the period	2,421	1,695
Balance at the end of the period	1,050	601

Unused Vacation Accrual

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

	1 January - 31 December 2014	1 January - 31 December 2013
Balance at 1 January	750	615
Paid in the period	(88)	(79)
Reversal	(130)	-
Accrual for the period	229	214
Balance at the end of the period	761	750

17.2 Other Provisions*Provisions provided for postdated cheques*

As of 31 December 2014 provision provided for post dated cheques is transferred to specific provisions.

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

	1 January - 31 December 2014	1 January - 31 December 2013
Balance at 1 January	59	149
Reversal	(59)	(134)
Provision provided for the period ^(*)	-	44
Balance at the end of the period	-	59

(*) 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.

Other Provisions

As of 31 December 2014, other provisions amounting to TL 381 thousand is provided for ongoing lawsuits TL 376 and fines, TL 5 thousand for other risk. (31 December 2013: TL 627 thousand is provided for ongoing lawsuits and fines).

The movement of other provisions during the period is as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Balance at 1 January	627	216
Paid in the period	(406)	-
Provision provided for the period	160	411
Balance at the end of the period	381	627

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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18 SHAREHOLDERS' EQUITY

18.1 Paid-in Capital

As of 31 December 2014, the Company's share capital amounts to TL 79,500 thousand (31 December 2013: TL 79,500 thousand) . As at 31 December 2014 the Company has 7,950,000,000 (31 December 2013: 7,950,000,000) total registered shares consisting of 4,004,242,970 preferred shares and 3,945,757,030 ordinary shares with a par value of Kuruş (KR=0.01 TL) 1 each (31 December 2013: Kr 1).

18.2 Capital Reserves

As of 31 December 2014, the firm does not have any capital reserves. (31 December 2013:None)

18.3 Other Comprehensive Income or Expense

As of 31 December 2014, TL (446) thousand includes actuarial gain/losses of employee termination benefits and its deferred tax effect that will not be reclassified subsequently to profit or loss. (31 December 2013: TL (247) thousand includes actuarial gain/losses of employee termination benefits and its deferred tax effect that will not be reclassified subsequently to profit or loss.)

18.4 Profit Reserves

The Company's profit reserves comprise of the legal reserves amounting to TL 4,598 thousand (31 December 2013: TL 4,198 thousand) and extraordinary reserves amounting to TL 36,215 thousand (31 December 2013: TL 21,313) as of 31 December 2014.

18.5 Profit Distribution

2013 PROFIT DISTRIBUTION TABLE

Net Profit for the year	15,302
Legal Reserves (-)	400
DISTRIBUTABLE NET PROFIT OF THE PERIOD	14,902
Donations (+)	4
Distributable net profit of the period (with Donations)	14,906
EXTRAORDINARY RESERVES	14,902

(*) Deferred tax benefit of TL 7,293 in year 2013, has not been included in the profit distribution.

19 OPERATING INCOME

The details of operating income for the periods ended as of 31 December 2014 and 31 December 2013 are as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Factoring interest income	170,949	112,351
Factoring commission income (net)	17,160	22,441
	188,109	134,792

GARANTI FAKTORING A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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

20 FINANCE EXPENSES

The details of finance expenses for the periods ended as of 31 December 2014 and 31 December 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Interest expenses on funds borrowed	106,182	84,047
Interest expenses on marketable securities issued	44,158	1,341
Fees and commissions paid	1,973	447
Other interest expenses	-	4
	152,313	85,839

21 OPERATING EXPENSES

The details of operating expenses for the periods ended as of 31 December 2014 and 31 December 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Personnel expenses	21,809	21,466
Intermediary services fee	3,128	3,853
Vehicle expenses	2,065	2,087
Taxes and duties	1,965	1,788
Rent expenses	1,773	1,540
Depreciation and amortization charges	1,990	1,448
Data processing maintenance and contract expenses	1,009	908
Communication expenses	736	796
Consultancy expenses	526	603
Subscription expenses	515	442
Maintenance and repair expenses	93	107
Retirement pay provision	323	442
Travel expenses	171	172
Representation expenses	693	360
Case expenses	86	192
Non - deductible expenses	22	15
Other	1,320	1,048
	38,224	37,267

GARANTI FAKTORING A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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

21 OPERATING EXPENSES (Cont'd)

The details of personnel expenses classified under operating expenses for the periods ended as at 31 December 2014 and 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Salaries and wages	14,853	15,127
Bonuses	2,421	1,695
Social security premium employer's share	1,858	1,728
Personnel food expenses	629	663
Personnel transportation expenses	642	561
Insurance expenses	364	436
Unemployment insurance employer's share	205	222
Other	837	1,034
	21,809	21,466

22 OTHER OPERATING INCOME

The details of other operating income for the periods ended as at 31 December 2014 and 31 December 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Foreign exchange gains	203,278	136,271
Interest income on bank deposits	634	4,293
Income on derivative financial transactions	44,562	9,848
Other	1,333	487
	249,807	150,899

Foreign exchange gains in 31 December 2014 includes TL 22,153 thousand foreign exchange differences on foreign currency indexed factoring receivables. (31 December 2013 2013:TL 34,252 Thousand)

23 SPECIFIC PROVISIONS FOR NON-PERFORMING RECEIVABLES

The details of provision for non - performing receivables for the periods ended as of 31 December 2014 and 31 December 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Specific provision expenses	15,860	11,062
	15,860	11,062

24 OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended as at 31 December 2014 and 31 December 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Foreign exchange losses	193,060	106,138
Losses on derivative financial transactions	12,299	25,769
Other	546	453
	205,905	132,360

GARANTİ FAKTORİNG A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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

25 EARNINGS PER SHARE

Calculation of earnings per share for the periods ended as of 31 December 2014 and 31 December 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Net profit / (loss) for the period	20,516	15,302
Weighted average number of shares with 1 KR of nominal value (thousand)	7,950,000	7,950,000
Earnings per thousand shares (KR)	258.06	192.48

26 EXPLANATIONS REGARDING RELATED PARTY TRANSACTIONS

The details of receivables and payables due from and due to related parties as of 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Bank balances				
Türkiye Garanti Bankası A.Ş.	349	1,549	745	458
Demand deposits	349	1,549	745	458
Garantibank International NV	33	2,615	3	11
Demand deposits	33	2,615	3	11
	382	4,164	748	469

The amount of cheques and notes at custody of Türkiye Garanti Bankası A.Ş. related with factoring receivables as of 31 December 2014 is TL 514,118 thousand (31 December 2013: TL 574,194 thousand).

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Factoring receivables				
Doğuş Yayın Grubu AŞ	14,120	-	-	-
Doğuş Perakende Satış Giyim ve Aksesuar Ticaret A.Ş.	1,296	-	-	-
Bmk Turizm ve Otelcilik Hiz. A.Ş.	1,022	-	-	-
	16,438	-	-	-

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Loans borrowed				
Türkiye Garanti Bankası AŞ	469,616	49,611	300,299	-
Garantibank International NV	-	-	-	85,997
	469,616	49,611	300,299	85,997

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26 EXPLANATIONS REGARDING RELATED PARTY TRANSACTIONS (Cont'd)

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Sundry creditors				
Garanti Finansal Kiralama AŞ	-	-	50	-
Türkiye Garanti Bankası AŞ	23	-	15	-
Garanti Emeklilik AŞ	-	16	-	11
Garanti Filo Yönetimi AŞ	-	-	5	-
Antur Turizm AŞ	-	-	14	-
	23	16	84	11

The Company has made purchases amounting to TL 2,256 thousand from Garanti Bilişim Teknolojisi ve Ticaret A.Ş and 33 thousand from Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. for the period ended 31 December 2014 (31 December 2013: TL 1,992 thousand from Garanti Bilişim Teknolojisi, Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. : None).

Income and expenses from related parties for the periods ended as of 31 December 2014 and 31 December 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Interest income from factoring receivables		
Doğuş Yayın Grubu AŞ	1,834	-
Doğuş Perakende Satış Giyim ve Aksesuar Tic. A.Ş	100	-
Arena Giyim Sanayi ve Ticaret A.Ş.	-	26
Bmk Turizm ve Otelcilik Hiz. A.Ş.	13	-
	1,947	26
Interest income on bank deposits		
Türkiye Garanti Bankası AŞ	16	2,091
	16	2,091
Commission income from factoring receivables		
Garanti Bank International NV	354	183
Doğuş Perakende Satış Giyim ve Aksesuar Tic. A.Ş	8	-
Doğuş Yayın Grubu A.Ş.	-	52
Arena Giyim Sanayi ve Ticaret A.Ş.	-	1
	499	236
Interest expenses on funds borrowed		
Türkiye Garanti Bankası AŞ	6,683	1,270
Garanti Bank International NV	732	6,649
	7,415	7,919
Fees and commissions given		
Garanti Yatırım Menkul Kıymetler AŞ	1,900	61
Türkiye Garanti Bankası A.Ş.	497	330
Garanti Bank International NV	11	-
	2,408	391

GARANTİ FAKTORİNG A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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

26 EXPLANATIONS REGARDING RELATED PARTY TRANSACTIONS (Cont'd)

General Administrative Expenses	1 January - 31 December 2014	1 January - 31 December 2013
Türkiye Garanti Bankası AŞ (Intermediary services fee, rent expenses, IT maintenance and contract expenses)	4,513	5,005
Garanti Filo Yönetim Hizmetler AŞ (Car rental expenses)	1,267	1,223
Garanti Bilişim Teknolojisi ve Ticaret A.Ş. (Software service costs)	-	2
Antur Turizm AŞ (Traveling expenses)	127	172
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. (Information technologies maintenance and contract costs)	5	-
Garanti Finansal Kiralama AŞ (Office rent expenses, contribution to building costs)	566	545
Garanti Emeklilik ve Hayat AŞ (Insurance expenses)	48	41
	6,526	6,988

Salary and other benefits provided to board members and executives:

The amount of salary and other benefits provided to board members and executives by the Company for the period ended as of 31 December 2014 is TL 10,009 thousand (31 December 2013: TL 9,497 thousand).

27 CONTINGENT ASSETS AND LIABILITIES**27.1 Guarantees Received**

Guarantees received for the Company's factoring receivables as at 31 December 2014 and 31 December 2013 is as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Finance notes	754	1,679,068	-	1,478,299
Mortgage	33,500	-	33,500	-
Chattel mortgage	1,697	15,514	3,515	-
Customer Cheques	39	3,164	-	-
Letters of guarantee	-	75,663	60	55,161
	35,990	1,773,409	37,075	1,533,460

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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

27 CONTINGENT ASSETS AND LIABILITIES (Cont'd)

27.2 Guarantees Given

Guarantees given as at 31 December 2014 and 31 December 2013 consist of letters of guarantee given to the institutions below:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Law courts	4,605	132	2,751	-
Other	7	-	7	-
	4,612	132	2,758	-

27.3 Commitments

TL equivalent of nominal values of commitments given related to credit linked notes as at 31 December 2014 and 31 December 2013 is as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Foreign exchange buy - sell commitments	3,413	3,402	2,826	2,830
	3,413	3,402	2,826	2,830

27.4 Derivative Agreements

The details of derivative agreements as at 31 December 2014 and 31 December 2013 is as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Currency swap buy transactions	812,856	5,441	552,902	1,851
Currency swap sell transactions	-	814,293	-	571,304
	812,856	819,734	552,902	573,155

27.5 Safety Securities

The details of cheques and notes in collection as at 31 December 2014 and 31 December 2013 is as follows:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Cheque receivable in collection	489,104	89,779	496,371	100,489
Notes receivable in collection	5,936	4,461	8,952	9,882
	495,040	94,240	505,323	110,371

GARANTİ FAKTORİNG A.Ş.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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

28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

28.1 Financial Risk Management Purposes and Policies

The Company's risk management strategy aims to measure the risks in the framework of the Company's activities by considering the risk - return balance for the optimum allocation of the capital and growth.

In this context, for the purposes of establishing a company wide risk culture, the basic principles of risk management implementation are defined by analyzing risks according to the volume, nature and complexity of the Company's activities; ensuring compliance with international and local regulations; controlling risks for protection of financial strength for limiting any potential adverse effects of market conditions on capital and income; creating risk transparency and risk awareness.

28.1.1 Credit Risk

The Company is exposed to credit risk through its factoring transactions. The allocation and monitoring of credit risk management activities can be summarized as follows.

Under the credit allocation;

Credit committee assesses loan applications from customers on a weekly basis. Apart from this, authorized sub - committees can also grant loans by using their defined limits. Within the scope of the assessment, quality of receivables, borrower's credibility and the content of the trade are given particular importance. With the credit limit allocation, "limit validity time" application is applied, maximum limit is granted only for one year, but with the decision of the management the time limit can be reduced to shorter periods for control purposes.

During the assesment of credit allocations, determination of the credit risk and its management is carried out basically in two ways:

1. Criteria based limit allocation; A limit allocation is made to the appropriate buyer / seller side borrower company that complies with the criteria which are determined by the Credit Committee. These criteria would be revised if necessary, depending on the market conditions, sectoral developments and the results obtained from the current allocation process. If these criteria are no longer valid for a customer after the laon allocation, any other loan disbursements are stopped, and the risk liquidation process starts.
2. Standard analysis process; Credit allocations are made through the analysis made by the Credit Department within the scope of their limits.

Credit monitoring phase;

In order to monitor the allocated credits an early warning system has been developed. Periodically, customer credibility assessments are performed. In this context, overdraft checks, overdue factoring receivables and invoices are monitored on a daily basis and, if deemed necessary, additional intelligence investigations about customers are made.

For the due dated checks, investigation department performs monthly risk controls and also assess concentration level by selecting certain customers from the total risk exposure. Then loan department reviews the work performed and re - assesses the loan limits for those selected customers.

In order to follow the customers with significant exposures, the top 20 borrowers with the highest risks, or the exposure to the related parties are reported to the Asset - Liability Committee on a weekly basis.

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

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

28.1.2 Market Risk

The Company, takes necessary precautions to safeguard itself according to the changing market conditions. The market risk is managed by taking the hedging positions and undertaking derivative transactions within the limits approved by the Board of Directors.

The major cost element of the Company is the interest expenses from borrowings and it may be affected by the fluctuations in the market. In this context, under the monitoring of the senior management, debt maturities are managed with respect to the interest expectations in the market. In addition, to manage the cash flow and liquidity risk, the maturity of factoring receivables, bank loans and deposit accounts is monitored. Daily status reports are prepared and end of day open treasury operations are reported to senior management.

Foreign exchange risk is monitored by the end of day open position limits under the Treasury Transaction Limits and end of day open positions are reported to the Company's management.

28.1.3 Liquidity Risk

Liquidity Risk, is managed by the Treasury and Asset Liability Committee within the framework fo the risk management policies, in order to take the necessary measures timely and accurately to avoid the liquidity shortage due to the market conditions and the balance sheet structure.

Daily liquidity management is carried out by the Treasury Department. Treasury, while performing this task, considers early warning signals for possible liquidity shortages. Medium and long - term liquidity management is carried out by the Treasury in accordance with the Asset Liability Committee decisions.

The company policy for the liquidity management is designed to have the sufficient liquidity in order to, maintain funding, utilizing any investment opportunities, fulfillment of any credit demand and any possible liquidity shortage. The Company's funding is based on bank loans and bond issues. While constituting the asset structure to ensure efficient management of liquidity, following points are taken into consideration:

- Ease of liquidity,
- Ease of liquidity of collaterals received

The necessary diversification of assets and liabilities is provided in order to fulfill the payment obligations considering the related currencies. The Company, monitors cash flows from assets and liabilities and predicts future liquidity needs in TL and FX liquidity management.

Early warning systems are established and monitored by taking into consideration of both Company's own financial indicators as well as the Turkish capital market, macroeconomic data and global market indicators. The weight of the funding sources like borrowings and bonds in the liabilities, the counterparty transaction volume concentration and the maturity structure is monitored.

28.1.4 Operational Risk

All operational risks are managed under the supervision of the Board of Directors and the Audit Committee in accordance with the framework that covers; risk identification, risk assessment, risk monitoring and risk control / mitigation. Each unit of the Company is responsible from their own operational risk monitoring, controlling and mitigating their operational risk by taking the necessary actions. The ultimate responsibility is on the relevant senior management. In order to create an effective "internal control system", the Company makes necessary organizational arrangements, establishes the appropriate communication and information systems and constitutes monitoring function.

Internal Audit Department is responsible from the audit of departments at headquarters and branches and investigation of any fraudulent activities performed by the staff or third parties. It is also responsible from creating a sound internal control environment and its coordination, and also carrying out of the Company's operations within the legislation and regulations and in accordance with the Company management strategy and policy. In order to ensure compliance with national and international regulations, studies are carried out by the compliance officer in the scope of the strategy for the combat against the crime revenue and financing of terrorism.

The performance of the internal control system of the Company and the effectiveness of controlling operational risks is monitored regularly by the Internal Audit Department. In this context, system controls that constitute the internal control system, business cycle controls performed by the staff, organizational structure, segregation of duties, and basically general control environment are assessed.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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

28.1.4 Operational Risk (Cont'd)

This assessment can be performed centrally at the headquarters by utilizing computer - aided infrastructure or can be carried out traditionally by the "on site review". In addition, those responsible from the emergency and contingency plans and their backups are designated.

For the purposes of legal risk management, available controls that are designed for monitoring of the compliance of the Company's transactions with laws, internal policies and rules are monitored.

To strengthen the control environment in the operational areas, systemic or procedural limitations are applied. These limits that are set to limit the operational risks, are designed in accordance with the significance of the transactions for the Company, risk involved and probable amount of the loss and the qualifications of the staff. Limits are assessed and updated periodically depending on the needs. Operational risk limits are managed by determination of inconsistencies and approvals surrounding authorized signatures, authority over payments and transfers, accounting, purchase and sale and expense processes and loan disbursement process.

Operational risks are reported to the Audit Committee by the Internal Audit Department. In addition, the related business lines and units report their own operational risks to their respective senior management.

28.1.5 Reputation Risk

The Board of Directors and the whole staff of the Company is responsible from the protection of the reputation of the Company. Human Resources and Internal Audit Department determines the principles of the ethical rules and code of conduct of the Company and monitor the compliance of the employees to those rules.

The Company tries to avoid any kind of operation that would create a reputational risk in the eyes of regulators, its customers and other market participants and perform its maximum effort to be beneficial to the society, nature and humanity. The Company performs its all transactions and operations within the framework of compliance with the legislation, corporate governance principles, social, ethical and environmental principles.

In order to regulate the behavioral affairs of its employees and their business relationships, "Ethical Principles Procedure" and "Fraud and Unethical Behavior Prevention Policy" documents are available as prepared by the Human Resources Department and Internal Audit Department. The Company is committed to the principles of corporate governance and shows maximum effort in the implementation of these principles. Annual report and website is regularly updated, within the framework of corporate governance principles.

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

28.2 Explanations on Risk Management (cont'd)

28.2.2 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:

31 December 2014						
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	2,833,424	2,853,568	2,417,087	397,307	39,174	-
Funds borrowed	2,216,466	2,221,243	2,101,262	80,807	39,174	-
Bonds issued	611,843	627,210	310,710	316,500	-	-
Factoring payables	2,150	2,150	2,150	-	-	-
Sundry creditors	2,965	2,965	2,965	-	-	-
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 and foreign exchange buy-sell commitments	4,001	4,001	4,190	(189)	-	-
Derivative cash inflows	821,703	821,703	617,829	203,874	-	-
Derivative cash outflows	(817,702)	(817,702)	(613,639)	(204,063)	-	-
31 December 2013						
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	1,906,178	1,926,669	1,383,425	543,244	-	-
Funds borrowed	1,614,237	1,622,916	1,376,338	246,578	-	-
Bond issued	284,854	296,666	-	296,666	-	-
Factoring payables	2,942	2,942	2,942	-	-	-
Sundry creditors	4,145	4,145	4,145	-	-	-
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 and foreign exchange buy-sell commitments	(16,542)	(16,542)	(13,180)	(3,362)	-	-
Derivative cash inflows	557,586	557,586	347,518	210,068	-	-
Derivative cash outflows	(574,128)	(574,128)	(360,698)	(213,430)	-	-

GARANTİ FAKTORİNG A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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

28 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)**28.2 Explanations on Risk Management (cont'd)***28.2.3 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/ (long) position arises from the assets, liabilities and derivative financial instruments in foreign currencies as at 31 December 2014 and 31 December 2013.

Foreign currency assets and liabilities as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014 (TL equivalent in thousands)	31 December 2013 (TL equivalent in thousands)
A. Foreign currency monetary assets	1,008,345	780,083
B. Foreign currency monetary liabilities	(199,014)	(212,412)
C. Derivative financial instruments ^(*)	(808,770)	(569,149)
Net foreign currency position (A+B+C)	561	(1,478)

^(*) Derivative financial instruments include forward asset purchase and sale which are recorded under irrevocable commitments.

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

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

28.2 Explanations on Risk Management (cont'd)

28.2.3 Market Risk (Cont'd)

Foreign Currency Risk (Cont'd)

The table below summarizes the Company's foreign currency position in detail as of 31 December 2014 and 31 December 2013. Carrying amounts of the Company's foreign currency monetary assets and liabilities are presented with their original currencies:

31 December 2014	USD	EURO	GBP	Other	Total
Assets					
Banks	864	3,017	393	-	4,274
Financial assets available for sale	-	2	-	-	2
Factoring receivables ^(*)	715,815	281,009	7,245	-	1,004,069
Total Assets	716,679	284,028	7,638	-	1,008,345
Liabilities					
Funds borrowed	48,153	146,343	2,161	-	196,657
Factoring payables	295	1,018	214	-	1,527
Sundry creditors and other liabilities	15	720	95	-	830
Total liabilities	48,463	148,081	2,470	-	199,014
Net foreign currency position	668,216	135,947	5,168	-	809,331
Derivative financial instruments ^(**)	(668,931)	(134,445)	(5,394)	-	(808,770)
Net position	(715)	1,502	(226)	-	561

^(*) Includes the foreign currency indexed factoring receivables amounting to TL 315,345 thousand that are presented in TL column on the balance sheet.

^(**) Derivative financial instruments include forward asset purchase and sale which are recorded under irrevocable commitments.

GARANTİ FAKTORİNG A.Ş.**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**

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

28 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)**28.2 Explanations on Risk Management (cont'd)***28.2.3 Market Risk (Cont'd)**Foreign Currency Risk (Cont'd)*

31 December 2013	USD	EURO	GBP	Other	Total
Assets					
Cash and cash equivalent	-	1	-	-	1
Banks	43,364	568	71	-	44,003
Financial assets available for sale	-	2	-	-	2
Factoring receivables (*)	443,607	289,561	2,909	-	736,077
Total Assets	486,971	290,132	2,980	-	780,083
Liabilities					
Funds borrowed	161,115	48,240	-	-	209,355
Factoring payables	200	1,874	33	-	2,107
Sundry creditors and other liabilities	29	921	-	-	950
Total liabilities	161,344	51,035	33	-	212,412
Net foreign currency position	325,627	239,097	2,947	-	567,671
Derivative financial instruments (**)	(334,563)	(233,181)	(1,405)	-	(569,149)
Net position	(8,936)	5,916	1,542	-	(1,478)

(*)Includes the foreign currency indexed factoring receivables amounting to TL 309,708 thousand that are presented in TL column on the balance sheet.

(**)Derivative financial instruments include forward asset purchase and sale which are recorded under irrevocable commitments.

Foreign currency sensitivity risk

10% decrease in the TL against the relevant foreign currencies as of 31 December 2014 results with a increase in profit before tax for the period amounting to TL 56 thousand (31 December 2013: TL 148 thousand decrease). This analysis is made with the assumption that the other variables were held constant as of 31 December 2014 and 31 December 2013.

TL		Profit/ (Loss)
31 December 2014		
USD		(71)
EURO		150
GBP		(23)
Total		56

TL		Profit/ (Loss)
31 December 2013		
USD		(894)
EURO		592
GBP		154
Total		(148)

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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

28.2 Explanations on Risk Management (cont'd)

28.2.3 Market Risk (Cont'd)

Interest Rate Risk

Weighted average effective interest rates applied to financial instruments as at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014				31 December 2013			
	USD (%)	EURO (%)	GBP (%)	TL (%)	USD (%)	EURO (%)	GBP (%)	TL (%)
Assets								
Banks								
Time Deposit available for sale	-	-	-	-	2.70	-	-	-
Factoring receivables	4.10	4.28	4.80	12.07	4.70	4.70	6.00	12.10
Liabilities								
Marketable securities issued	-	-	-	9.33	-	-	-	9.38
Funds borrowed	0.96	2.47	2.18	12.08	3.69	3.04	-	10.45

Interest Rate Sensitivity Analysis

The Company's financial instruments that have interest rate sensitivity as at 31 December 2014 and 31 December 2013 are as follows:

	Carrying Value	
	31 December 2014	31 December 2013
Fixed Rate		
Factoring receivables	2,264,317	1,595,617
Time deposits	-	42,689
Funds borrowed	2,153,264	1,610,559
Floating Rate		
Factoring receivables	683,790	390,932
Funds borrowed	63,202	3,678

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 31 December 2014, net income for the period would decrease / increase by TL 6.206 thousand TL (31 December 2013: TL 3.873 thousand) as a result of higher / lower interest expense from floating interest rate financial instruments.

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

28.2 Explanations on Risk Management (cont'd)

28.2.3 Market Risk (Cont'd)

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 18.

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.

29 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.

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29 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 assets or liabilities that are not based on observable market data (unobservable inputs).

31 December 2014	Level 1	Level 2	Level 3	Total
Derivative financial assets held for trading	-	4,814	-	4,814
	-	4,814	-	4,814
Derivative financial liabilities held for trading	-	10,249	-	10,249
	-	10,249	-	10,249
31 December 2013	Level 1	Level 2	Level 3	Total
Derivative financial assets held for trading	-	366	-	366
	-	366	-	366
Derivative financial liabilities held for trading	-	24,593	-	24,593
	-	24,593	-	24,593

30 SUBSEQUENT EVENTS

The Company issued bills, only to qualified investors, that the book - building process was performed on 22 - 23 January 2015, with an opening of 26 January 2015 and a maturity of 24 April 2015 with a nominal value of TL 120,000,000.

GARANTİ FAKTORİNG A.Ş. CONTACT INFORMATION

www.garantifactoring.com

Branch Name	Address	Telephone
Head Office	Maslak Mahallesi Eski Büyükdere Caddesi No:23 Sarıyer / İSTANBUL	(0212) 365 52 00
Head Office (Outbuilding)	Maslak Mahallesi Eski Büyükdere Caddesi Oycan Plaza No:15 K:6 Sarıyer / İSTANBUL	(0212) 365 52 00
ADANA BRANCH	Reşatbey Mah. Atatürk Cad. Mimar Semih Rüstem İş Merkezi No: 18 K: 4 A Blok 01020 Seyhan / ADANA	(0322) 355 10 71
ANKARA BRANCH	Kızılırmak Mah. 1437. Sok. Meva İş Merkezi No: 9/5-9/6 Çukurambar Çankaya / ANKARA	(0312) 284 79 42
ANTALYA BRANCH	Ulus Mah. Gazi Bulv. 2115 Sok. No:2 / 1 Kepez / ANTALYA	(0242) 310 31 46-47
BURSA BRANCH	Niipark AVM Karaman Mah. İzmirlyolu Cad. No: 90 K: 6 Nilüfer / BURSA	(0224) 249 53 22-66
İZMİR BRANCH	Cumhuriyet Bulv. No:20 K: 7 Konak / İZMİR	(0232) 488 70 16
İSTANBUL ANADOLU BRANCH	Koşuyolu Mah. Koşuyolu Cad. No: 59 / 61 Koşuyolu Kadıköy / İSTANBUL	(0216) 428 97 71
İSTANBUL AVRUPA BRANCH	Evren Mah. Bahar Cad. No: 71 / A K: 5 Güneşli Bağcılar / İSTANBUL	(0212) 630 53 87
DENİZLİ BRANCH	Saraylar Mah. Gazi Mustafa Kemal Bulv. No: 2 Saraylar / DENİZLİ	(0258) 295 46 43-44
GAZİANTEP BRANCH	Mücahitler Mah. Gazimuhtarpaşa Bulvarı No: 48 K: 4 Şehitkamil / GAZİANTEP	(0342) 211 68 55-56-58
KAYSERİ BRANCH	Cumhuriyet Mahallesi Nazmi Tokar Cad. No: 15 / A 38040 Melikgazi / KAYSERİ	(0352) 207 23 47-48
SAMSUN BRANCH	Gülsan Sanayi Sitesi Ali Rıza Bey Bulvarı No: 19 / A SAMSUN	(0362) 311 10 47-48
İSTANBUL BEYLİKDÜZÜ BRANCH	Cumhuriyet Mah. Gürpınar Yolu No: 7 Beylikdüzü 34500 İSTANBUL	(0212) 630 53 89
ANKARA OSTİM BRANCH	Ostim Mah. Yüzcüncü Yıl Bulvarı No: 2 Yenimahalle / ANKARA	(0312) 592 71 29
ANKARA SİTELER BRANCH	Siteler Mah. Demir Hendek Cad. No: 89 Altındağ / ANKARA	(0312) 596 50 37-38
KONYA BRANCH	Büsan Özel Organize Sanayi Bölgesi Fevzi Çakmak Mah. Kosgeb Cad. No:1 / G 42010 Karatay / KONYA	(0332) 221 10 78
İZMİR KARABAĞLAR BRANCH	Aşık Veysel Mah. Yeşillik Cad. No:443 35380 İZMİR	(0232) 455 06 79
ESKİŞEHİR BRANCH	75. Yıl Mah. Teksan Sanayi Sitesi 1. Cadde No: 64 / D 26070 ESKİŞEHİR	(0222) 211 31 88-89
İSTANBUL KARAKÖY BRANCH	Müeyyetzade Mah. Kemeraltı Cad. No:24 / A Karaköy 34425 İSTANBUL	(0212) 377 12 31-34
İSTANBUL İMES BRANCH	Esenşehir Mah. İmes C301 Sok. No:5 34776 Ümraniye İSTANBUL	(0216) 528 32 38-39
TRABZON BRANCH	Sanayi Mahallesi Devlet Karayolu Cad. No: 89 Değirmendere / TRABZON	(0462) 377 06 49
KOCAELİ İSMETPAŞA BRANCH	İsmetpaşa Cad. No:20 Gebze / KOCAELİ	(0262) 678 69 48-49



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