

**GSD Holding  
Anonim Şirketi**

Condensed Consolidated Interim Financial Information  
As at and For the Six-Month Period Ended  
30 June 2017  
Together With Auditors' Report on Review of  
Condensed Consolidated Interim Financial Information

*21 August 2017*

*This report includes 2 pages of auditors' review report and 55 pages of condensed consolidated financial information together with explanatory notes.*

## **GSD Holding Anonim Şirketi**

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## Independent Auditors' Report on Review of Interim Financial Information

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

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of GSD Holding A.Ş. ("the Company") as at 30 June 2017, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ('the condensed consolidated interim financial information'). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at and for the six-month period ended 30 June 2017 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
A member of KPMG International Cooperative

  
Orhan Akova  
Partner  
21 August 2017  
Istanbul, Turkey

## GSD Holding Anonim Şirketi

### Condensed Consolidated Interim Statement of Financial Position As at 30 June 2017

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

	Notes	30 June 2017	31 December 2016
<b>Assets</b>			
Cash and balances with the Central Bank	4	4,220	6,308
Deposits with other banks and financial institutions	4	90,633	82,838
Reserve deposits at the Central Bank	4	7,150	12,601
Available-for-sale investment securities	5	483,276	478,174
Unquoted equity instruments	1,5	663	663
Derivative assets held for trading		-	503
Loans and advances to customers, net	8	160,861	169,719
Factoring receivables, net	8	253,920	280,230
Finance lease receivables, net	8	21	168
Trade receivables, net	7	2,786	3,022
Other receivables, net	17	15,415	3,510
Assets held for sale from continuing operations	20	58,100	59,281
Property and equipment	11	342,545	352,112
Intangible assets	12	268	257
Prepaid income tax	15	1,219	-
Deferred tax assets	15	1,486	1,405
Inventories	9	838	926
Prepaid expenses		1,860	978
Other assets	18	1,232	1,008
<b>Total assets</b>		<b>1,426,493</b>	<b>1,453,703</b>
<b>Liabilities</b>			
Funds borrowed	8	416,714	490,575
Other money market deposits	8	48,649	20,011
Borrowers' funds	8	35,438	42,463
Factoring payables	8	1,377	983
Liabilities arising from finance leases	8	89	279
Derivative liabilities held for trading		599	132
Trade payables	7	1,159	565
Other payables	17	15,570	5,122
Current tax liability	15	1,173	6,879
Deferred income		858	989
Provisions	16,22	4,041	4,340
Deferred tax liabilities	15	7,858	7,700
Other liabilities	18	11	11
<b>Total liabilities</b>		<b>533,536</b>	<b>580,049</b>
<b>Equity</b>			
	19		
Share capital		535,986	535,986
Treasury shares		(87,819)	(90,420)
Share premium		4,945	4,945
Put option valuation fund related with non-controlling interests		(771)	-
Remeasurements of the net defined benefit liability (asset)		(31)	(375)
Fair value reserve		17,229	9,769
Translation reserve		57,382	54,988
Prior years' profits		333,029	242,353
Net profit/loss for the period		13,318	91,051
<b>Equity attributable to equity holders of the parent</b>		<b>873,268</b>	<b>848,297</b>
<b>Non-controlling interests</b>		<b>19,689</b>	<b>25,357</b>
<b>Total equity</b>		<b>892,957</b>	<b>873,654</b>
<b>Total liabilities and equity</b>		<b>1,426,493</b>	<b>1,453,703</b>

The accompanying policies and explanatory notes on pages 6 through 55 form an integral part of these consolidated financial statements.

## GSD Holding Anonim Şirketi

### Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Six-Month Period Ended 30 June 2017

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

CONTINUING OPERATIONS	<i>Notes</i>	01.01.2017 30.06.2017	01.01.2016 30.06.2016
Holding activities income		-	3
Holding activities expense (-)		-	-
<b>Gross profit/(loss) from holding activities</b>		-	<b>3</b>
Marine sector income		27,103	12,500
Marine sector expense (-)		(25,575)	(17,736)
<b>Gross profit/(loss) from marine sector operations</b>		<b>1,528</b>	<b>(5,236)</b>
<b>Gross profit/(loss) from commercial sector operations</b>		<b>1,528</b>	<b>(5,233)</b>
Interest income		50,913	40,304
Service income		4,135	3,589
<b>Revenue from financial activities</b>		<b>55,048</b>	<b>43,893</b>
Interest expense (-)		(15,170)	(16,172)
Service expense (-)		(410)	(208)
<b>Cost of financial activities (-)</b>		<b>(15,580)</b>	<b>(16,380)</b>
<b>Provision income/(expense) arising from financial sector operations, net</b>		<b>2,163</b>	<b>(324)</b>
<b>Foreign exchange gain/(loss), net</b>		<b>425</b>	<b>921</b>
<b>Net trading income / (loss) from derivative financial instruments</b>		<b>(2,561)</b>	<b>(5,711)</b>
<b>Other financial sector operations income/(expense), net</b>		<b>31</b>	<b>(150)</b>
<b>Gross profit/(loss) from financial sector operations</b>		<b>39,526</b>	<b>22,249</b>
<b>GROSS PROFIT/(LOSS)</b>		<b>41,054</b>	<b>17,016</b>
Administrative expenses (-)		(15,800)	(20,993)
Other income from operating activities		7,200	11,901
Other expense from operating activities (-)		(6,494)	(10,773)
<b>OPERATING PROFIT/(LOSS)</b>		<b>25,960</b>	<b>(2,849)</b>
Income from investment activities		672	442
Expense from investment activities (-)		(1,601)	(1,802)
<b>OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES</b>		<b>25,031</b>	<b>(4,209)</b>
Financing income		-	296
Financing expenses (-)		(6,949)	(4,947)
<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>18,082</b>	<b>(8,860)</b>
<b>Tax income/(expense) from continuing operations</b>		<b>(5,467)</b>	<b>(2,206)</b>
Current tax income/(expense)	15	(5,617)	(2,603)
Deferred tax income/(expense)	15	150	397
<b>NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>		<b>12,615</b>	<b>(11,066)</b>
<b>Discontinued operations</b>	20		
<b>Profit/(loss) before tax from discontinued operations</b>	20	-	-
<b>Tax income/(expense) from discontinued operations</b>	20	-	-
Current tax income/(expense)	20	-	-
Deferred tax income/(expense)	20	-	-
<b>Gain or loss relating to the discontinuance, net</b>	20	-	<b>(409)</b>
Gain or loss relating to the discontinuance	20	-	-
The cost to sell the discontinued operations	20	-	(430)
Tax expense relating to the discontinuance	20	-	21
<b>NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	20	-	<b>(409)</b>
<b>NET PROFIT/(LOSS)</b>		<b>12,615</b>	<b>(11,475)</b>
<b>Net profit/(loss) (continuing and discontinued operations) attributable to:</b>			
Non-controlling interest	19	(703)	(2,011)
Equity holders of the company		13,318	(9,464)
<b>Net profit/(loss) (continuing operations) attributable to:</b>			
Non-controlling interest		(703)	(2,011)
Equity holders of the company	25	13,318	(9,055)
<b>Net profit/(loss) (discontinued operations) attributable to:</b>			
Non-controlling interest		-	-
Equity holders of the company	25	-	(409)
<b>Earnings per share (in full TL per share with a nominal value of full TL 1)</b>			
Earnings per share from continuing operations	25	<b>0.037</b>	<b>(0.040)</b>
Earnings per share from discontinued operations	25	<b>0.000</b>	<b>(0.002)</b>

The accompanying policies and explanatory notes on pages 6 through 55 form an integral part of these consolidated financial statements.

## GSD Holding Anonim Şirketi

### Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Six-Month Period Ended 30 June 2017

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

	<b>01.01.2017</b>	<b>01.01.2016</b>
	<b>30.06.2017</b>	<b>30.06.2016</b>
<i>Notes</i>		
<b>NET PERIOD PROFIT / (LOSS)</b>	<b>12,615</b>	<b>(11,475)</b>
<b><u>Other comprehensive income which will be not reclassified in profit or loss</u></b>	<b>(39)</b>	<b>(274)</b>
Remeasurements of the net defined benefit liability (asset)	(39)	(274)
<b><u>Other comprehensive income which will be reclassified in profit or loss</u></b>	<b>6,727</b>	<b>5,251</b>
Change in currency translation differences	(733)	(741)
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	7,460	5,992
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>	<b>6,688</b>	<b>4,977</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>19,303</b>	<b>(6,498)</b>
<b>Total comprehensive income attributable to:</b>		
Non-controlling interest	<b>(816)</b>	<b>(2,198)</b>
Equity holders of the company	<b>20,119</b>	<b>(4,300)</b>

The accompanying policies and explanatory notes on pages 6 through 55 form an integral part of these consolidated financial statements.

**GSD Holding Anonim Şirketi**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Six-Month Period Ended 30 June 2017**  
*(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)*

	Notes	Share capital	Inflation adjustment to share capital	Treasury shares	Share premium	Put Option Valuation Fund Related with Noncontrolling Interests	Other accumulated comprehensive income and expense which will be not reclassified in profit or loss	Other accumulated comprehensive income and expense which will be reclassified in profit or loss		Accumulated profits	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
							Revaluation and remeasurement gain/loss	Translation reserve	Fair value reserve				
<b>At 1 January 2016</b>	28	250,000	85,986	(27,868)	8,318	(34)	2	30,852	4,114	455,480	806,850	24,558	831,408
<b>Transfers</b>		-	-	-	-	34	(2)	-	-	(32)	-	-	-
Transfer to retained earnings		-	-	-	-	34	(2)	-	-	(32)	-	-	-
<b>Total comprehensive income</b>		-	-	-	-	-	(250)	(578)	5,992	(9,464)	(4,300)	(2,198)	(6,498)
Net profit		-	-	-	-	-	-	-	-	(9,464)	(9,464)	(2,011)	(11,475)
Other comprehensive income		-	-	-	-	-	(250)	(578)	5,992	-	5,164	(187)	4,977
<b>Transactions with owners in their capacity as owners recognized in equity</b>		-	-	(3,444)	(3,374)	-	-	-	-	(47,696)	(54,514)	387	(54,127)
<b>Dividends</b>		-	-	-	-	-	-	-	-	(54,000)	(54,000)	-	(54,000)
Cash dividend distributed		-	-	-	-	-	-	-	-	(54,000)	(54,000)	-	(54,000)
<b>Increase/decrease arising from other changes</b>		-	-	(3,444)	(3,374)	-	-	-	-	6,304	(514)	387	(127)
<b>At 30 June 2016</b>	28	250,000	85,986	(31,312)	4,944	-	(250)	30,274	10,106	398,288	748,036	22,747	770,783
<b>At 1 January 2017</b>	28	450,000	85,986	(90,420)	4,945	-	(375)	54,988	9,769	333,404	848,297	25,357	873,654
<b>Transfers</b>		-	-	-	-	-	375	-	-	(375)	-	-	-
Transfer to retained earnings		-	-	-	-	-	375	-	-	(375)	-	-	-
<b>Total comprehensive income</b>		-	-	-	-	-	(31)	(628)	7,460	13,318	20,119	(816)	19,303
Net profit		-	-	-	-	-	-	-	-	13,318	13,318	(703)	12,615
Other comprehensive income		-	-	-	-	-	(31)	(628)	7,460	-	6,801	(113)	6,688
<b>Transactions with owners in their capacity as owners recognized in equity</b>		-	-	2,601	-	(771)	-	3,022	-	-	4,852	(4,852)	-
<b>Dividends</b>		-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend distributed		-	-	-	-	-	-	-	-	-	-	-	-
<b>Increase/decrease arising from treasury share transactions</b>		-	-	2,601	-	-	-	-	-	-	2,601	-	2,601
<b>Increase/decrease arising from changes without resulting loss of control in share ratios of subsidiaries</b>		-	-	-	-	(771)	-	3,022	-	-	2,251	(4,852)	(2,601)
Increase/decrease arising from repurchased shares in share ratios of subsidiaries		-	-	-	-	(771)	-	3,022	-	-	2,251	(4,852)	(2,601)
<b>At 30 June 2017</b>	28	450,000	85,986	(87,819)	4,945	(771)	(31)	57,382	17,229	346,347	873,268	19,689	892,957

The accompanying policies and explanatory notes on pages 6 through 55 form an integral part of these consolidated financial statements.



**GSD Holding Anonim Şirketi**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**For the Six-Month Period Ended 30 June 2017**  
(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	01.01.2017 30.06.2017	01.01.2016 30.06.2016
<b>Cash flows from operating activities of continuing operations</b>			
Income from holding activities		-	3
Expenses from holding activities		-	-
Marine sector income		27,103	12,500
Marine sector expenses		(16,810)	(10,505)
Interest received from financial sector activities		48,851	38,818
Interest paid for financial sector activities		(16,902)	(17,121)
Service income from financial sector activities		4,135	3,589
Cost of service for financial sector activities		(410)	(208)
Cash receipts from contracts held for dealing or trading purposes		-	306
Cash payments for contracts held for dealing or trading purposes		-	(1)
Cash receipts from derivative contracts held for dealing or trading purposes		8,447	11,727
Cash payments for derivative contracts held for dealing or trading purposes		(10,038)	(17,911)
Cash payments to employees and other parties		(15,033)	(20,380)
Cash received from other operating activities		275	561
Cash paid for other operating activities		(321)	(427)
Interest received from operating activities apart from financial sector activities		993	1,641
Income taxes paid	15	(4,476)	(2,704)
<b>Net cash provided by operating activities before changes in operating assets and liabilities from continuing operations</b>		<b>25,814</b>	<b>(112)</b>
<b>Net cash provided by operating activities before changes in operating assets and liabilities from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Changes in operating assets and liabilities of continuing operations</b>			
Change in reserve deposits at Central Bank		5,454	(14,949)
Change in loans and advances to customers		12,838	38,941
Change in factoring receivables		26,654	(12,455)
Change in finance lease receivables		64	13
Change in other assets		(12,687)	17,852
Change in payables due to money market transactions		28,638	6,755
Change in borrowers' funds		(6,812)	26,901
Change in factoring payables		394	350
Change in liabilities arising from finance leases		(190)	(151)
Change in other liabilities		2,813	13,114
<b>Net cash (used in) / provided by operating activities from continuing operations</b>		<b>82,980</b>	<b>76,259</b>
<b>Net cash (used in) / provided by operating activities from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Cash flows from investing activities of continuing operations</b>			
Proceeds from disposal of shares of subsidiaries with loss of control		973	-
Purchases of available for sale securities	5	-	(5,735)
Proceeds from sale of property held for sale	20	1,211	205
Proceeds from sale of property and equipment	11	-	23
Purchases of property and equipment	11	(598)	(492)
Purchases of intangible assets	12	(44)	(1)
Interest received from investing activities		642	435
Other cash receipts from/cash payments for investing activities		(79)	(430)
<b>Net cash (used in) / provided by investing activities from continuing operations</b>		<b>2,105</b>	<b>(5,995)</b>
<b>Net cash (used in) / provided by investing activities from discontinued operations</b>	<b>20</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities of continuing operations</b>			
Cash paid for purchases of treasury shares	28	2,601	(10,459)
Cash received from disposal of treasury shares held by subsidiaries		-	10,332
Cash paid for change in non-controlling interest reserve		(2,601)	-
Cash received from funds borrowed		183,521	280,474
Repayments of funds borrowed		(255,272)	(251,211)
Dividends paid to equity holders		-	(54,000)
Dividends paid to non-controlling interest by subsidiaries		-	-
Interest paid for financing activities apart from financial sector activities		(7,305)	(3,271)
Other cash receipts from/cash payments for financing activities		(49)	(91)
<b>Net cash (used in) / provided by financing activities from continuing operations</b>		<b>(79,105)</b>	<b>(28,226)</b>
<b>Net cash (used in) / provided by financing activities from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Continuing Operations</b>			
Effect of net foreign exchange difference on cash and cash equivalents		(264)	(159)
Effect of consolidation eliminations between continuing and discontinued operations on cash flows		-	-
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>5,716</b>	<b>41,879</b>
<b>Cash and cash equivalents at 1 January</b>		<b>89,038</b>	<b>91,093</b>
<b>Cash and cash equivalents at 30 June</b>	<b>26</b>	<b>94,754</b>	<b>132,972</b>
<b>Discontinued Operations</b>			
Effect of net foreign exchange difference on cash and cash equivalents		-	-
Effect of consolidation eliminations between continuing and discontinued operations on cash flows		-	-
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at 1 January</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at 30 June</b>	<b>26</b>	<b>-</b>	<b>-</b>

The accompanying policies and explanatory notes on pages 6 through 55 form an integral part of these consolidated financial statements.

**GSD Holding Anonim Şirketi**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**For the Six-Month Period Ended 30 June 2017**  
(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

**1. REPORTING ENTITY**

**General**

GSD Holding Anonim Şirketi (the “Company”) was established in Istanbul in 1986. The Company is a holding entity; investing in companies in different sectors, realizing the establishment and participating in the management of these companies.

The registered office address of the Company is Aydınevler Mahallesi, Kaptan Rıfat Sokak, No: 3, 34854, Maltepe, Istanbul, Turkey.

The Company’s shares are quoted on the Borsa Istanbul (Istanbul Stock Exchange) since 11 November 1999.

The consolidated financial statements of the Company were approved by the Board of Directors on 21 August 2017. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issue.

As at 30 June 2017, the shares of a consolidated subsidiary, namely GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret AŞ. are quoted on the Borsa Istanbul (Stock Exchange) with public ownership of 16.65% (As at 31 December 2016, the shares of consolidated subsidiary, namely GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret AŞ. are quoted on the Borsa Istanbul (Stock Exchange) with public ownership of 15.20%.)

As at 30 June 2017 and 31 December 2016, the composition of shareholders and their respective percentages of ownership can be summarized as follows:

<b>30 June 2017</b>						
<b>(Full TL)</b>	<b>Class (A)</b>	<b>Class (B)</b>	<b>Class (C)</b>	<b>Class (D)</b>	<b>Total</b>	<b>Share (%)</b>
Publicly owned	-	-	-	229,075,129	229,075,129	50.906
M. Turgut Yılmaz(*)	707	441	707	114,748,150	114,750,005	25.500
GSD Holding A.Ş.	-	-	-	85,300,000	85,300,000	18.955
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş.	-	-	-	20,250,000	20,250,000	4.500
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.	-	-	-	-	-	-
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	624,600	624,600	0.139
Other privileged shareholders	-	266	-	-	266	0.000
<b>Share capital</b>	<b>707</b>	<b>707</b>	<b>707</b>	<b>449,997,879</b>	<b>450,000,000</b>	<b>100.000</b>
Inflation adjustment on share capital					85,985,890	
<b>Inflation adjusted share capital</b>					<b>535,985,890</b>	

<b>31 December 2016</b>						
<b>(Full TL)</b>	<b>Class (A)</b>	<b>Class (B)</b>	<b>Class (C)</b>	<b>Class (D)</b>	<b>Total</b>	<b>Share (%)</b>
Publicly owned	-	-	-	229,075,129	229,075,129	50.906
M.Turgut Yılmaz(*)	707	441	707	114,748,150	114,750,005	25.500
GSD Holding A.Ş.	-	-	-	85,300,000	85,300,000	18.955
MTY Delta Denizcilik İç ve Dış Ticaret A,Ş,	-	-	-	20,250,000	20,250,000	4.500
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.	-	-	-	-	-	-
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	624,600	624,600	0.139
Other privileged shareholders	-	266	-	-	266	0.000
<b>Share capital</b>	<b>707</b>	<b>707</b>	<b>707</b>	<b>449,997,879</b>	<b>450,000,000</b>	<b>100.000</b>
Inflation adjustment on share capital					85,985,890	
<b>Inflation adjusted share capital</b>					<b>535,985,890</b>	

**GSD Holding Anonim Şirketi**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**For the Six-Month Period Ended 30 June 2017**  
(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

**1. REPORTING ENTITY (continued)**

**General (continued)**

(\*) Mehmet Turgut Yılmaz, chairman of the General Assembly of GSD Holding A.Ş, purchased GSD Holding A.Ş Class B share with full TL 1.07 nominal value outside the stock exchange for full TL 1.81 as of 18 March 2015 and GSD Holding A.Ş Class D share with full TL 16,250,000 nominal value at BIST for full TL 20,549,979.35 between 25 May 2015 and 28 August 2015. GSD Holding A.Ş., re-purchased the Class D share of GSD Holding A.Ş which have 18.956% share in capital with full TL 85,300,000 nominal value at BIST National Market for full TL 85,300,000 between 30 September 2015 and 31 December 2016 within the scope of the Share Repurchase Program approved by the Ordinary General Assembly dated 25 June 2015. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. sold out the all of the Class D share of GSD Holding A.Ş. owned which have 4.662% share in capital with full TL 11,654,221.74 nominal value at BIST National Market for full TL 15,411,114.92 between 30 June 2015 and 31 December 2016. After all of these transactions, direct share of Mehmet Turgut Yılmaz in GSD Holding A.Ş. capital increased from full TL 63,750,003 to full TL 114,750,005 and direct share ratio of him increased to 25.50%, direct and indirect share ratio to 28.14% and reclaimed shares increased from 33.75% to 34.73% with calculation deducted from the capital. The total share of Mehmet Turgut Yılmaz and people acting together increased from 46.74% to 49.09% after these transactions and reclaimed shares with calculation deducted from capital increased from 36.14% to 37.19%. As of 30 June 2017, GSD Holding A.Ş. shares of Mehmet Turgut Yılmaz, MTY Delta Denizcilik İç ve Dış Ticaret A.Ş., GSD Holding A.Ş. and Adeo Turizm Otelcilik Ticaret Limited Şirketi act together with the rates 25.50%, 4.50%, 18.95%, 0.14% respectively.

**Nature of Activities of the Company and the Consolidated Group Companies**

For the purposes of the consolidated financial statements, the Company and its consolidated subsidiaries are referred to as "the Group". The subsidiaries included in consolidation and the effective ownership percentages of the Group as at 30 June 2017 and 31 December 2016 are as follows:

Subsidiaries <sup>(1) (3)</sup>	Country of Incorporation	Bist Code	Principal Activities	Effective Shareholding(%)	
				30 June 2017	31 December 2016
GSD Yatırım Bankası A.Ş.	Turkey		Investment Banking	100.00	100.00
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.	Turkey	GSDDE	Maritime	82.40	77.96
GSD Faktoring A.Ş.	Turkey		Factoring	89.64	89.55
Dodo Maritime Ltd. <sup>(1)</sup>	Malta		Maritime	82.40	77.96
Cano Maritime Ltd. <sup>(1)</sup>	Malta		Maritime	82.40	77.96
Hako Maritime Ltd. <sup>(1)</sup>	Malta		Maritime	82.40	77.96
Zeyno Maritime Ltd. <sup>(1)</sup>	Malta		Maritime	82.40	77.96
Neco Maritime Ltd. <sup>(1)</sup>	Malta		Maritime	82.40	77.96
GSD Shipping B.V. <sup>(2) (3)</sup>	Netherlands		Maritime	100.00	100.00
Mila Maritime Ltd. <sup>(3)</sup>	Malta		Maritime	100.00	100.00

<sup>(1)</sup> The financial statements of Dodo, Cano, Hako, Zeyno ve Neco Maritime Ltd have been consolidated to GSD Denizcilik Gayrimenkul İnşaat ve Sanayi ve Ticaret A.Ş.

<sup>(2)</sup> GSD Shipping B.V. was established in Nederland on 19 October 2016 to operate in maritime sector. The financial statements of GSD Shipping B.V. have been consolidated to GSD Holding A.Ş.

<sup>(3)</sup> Mila Maritime Ltd. was established in Malta on 21 November 2016 to operate in maritime sector. The financial statements of Mila Maritime Ltd. have been consolidated to GSD Shipping B.V.

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**1. REPORTING ENTITY (continued)**

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

**Unconsolidated Subsidiaries**

The subsidiaries which are not included in consolidation and the ownership percentages of the Group in those subsidiaries as at 30 June 2017 and 31 December 2016 are as follows:

Subsidiaries	Country of Incorporation	Principal Activities	Effective Shareholding and Voting Rights (%)	
			30 June 2017	31 December 2016
GSD Eğitim Vakfı In liquidation GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş. <sup>(1)</sup>	Turkey	Education Foundation Advertising and Public Relations	100.00	100.00
In liquidation GSD Plan Proje Etüd A.Ş. <sup>(1)</sup>	Turkey	Plan. Project. Survey	100.00	100.00
In liquidation GSD Gayrimenkul Yatırım ve Geliştirme A.Ş. <sup>(1)</sup>	Turkey	Real Property Investment and Development	100.00	100.00

<sup>(1)</sup> In the General Assembly meeting decisions on 03 March 2017 of the subsidiaries of GSD Holding A.Ş., In liquidation GSD Gayrimenkul Yatırım ve Geliştirme A.Ş., which is owned 100% share with a share capital of TL 90 , In liquidation GSD Plan Proje Etüd A.Ş., which is owned 100% share with a share capital of TL 90 and In liquidation GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., which is owned 100% share with a share capital of TL 50 were decided to be liquidated. In liquidation GSD Gayrimenkul Yatırım ve Geliştirme A.Ş. was registered in the Trade Registry on 8 March 2017, In liquidation GSD Plan Proje Etüd A.Ş. and In liquidation GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş. was registered in the Trade Registry on 17 March 2017.

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

**2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS**

**Statement of Compliance**

These condensed consolidated interim financial statements as of 30 June 2017 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all the information required for a complete set of IFRS financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 31 December 2016.

The accompanying condensed consolidated interim financial statements are authorised for issue by the management on 21 August 2017.

The Company and its subsidiaries which were incorporated in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the provisions of Turkish Banking Law, Finance Leasing, Factoring and Financing Companies Law, Turkish Commercial Code, the regulations of the Public Oversight, Accounting and Auditing Standards Authority of Turkey and the Capital Markets Board of Turkey (CMB) and Tax Legislation. The foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their functional currencies and in accordance with the regulations of the countries in which they operate.

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**2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)**

***Functional currency of the Company and its subsidiaries incorporated in Turkey:***

The Group's functional and presentation currency is TL and the consolidated financial statements including comparative figures for the prior periods are presented in thousands of TL.

***Functional currencies of foreign subsidiaries***

	<b>Local Currency</b>	<b>Functional Currency</b>
GSD Shipping B.V.	EUR	US Dollar
Mila Maritime Ltd.	EUR	US Dollar
Dodo Maritime Ltd.	EUR	US Dollar
Cano Maritime Ltd.	EUR	US Dollar
Hako Maritime Ltd.	EUR	US Dollar
Zeyno Maritime Ltd.	EUR	US Dollar
Neco Maritime Ltd.	EUR	US Dollar

**Basis of Consolidation**

***(i) Subsidiaries***

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed as necessary to align them with the policies adopted by the Group.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

***(ii) Transactions eliminated on consolidation***

Intragroup balances and transactions and any unrealised income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The equity and net income attributable to non-controlling interest are shown separately in the consolidated statement of financial position and consolidated statement of profit or loss, respectively.

**Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on translation of foreign currency transactions are recognised in the income statement. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

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**2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Foreign currency transactions (continued)**

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of the available-for-sale equity instruments, which are recognised directly in equity.

Foreign currency translation rates used by the Group as of respective period-ends are as follows:

<b>Date</b>	<b>TL/EURO (full)</b>	<b>TL/US DOLLAR (full)</b>
30 June 2017	4.0030	3.5071
31 December 2016	3.7099	3.5192
31 December 2015	3.1776	2.9076

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

The asset and liability items in the statements of financial position of Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited, Neco Maritime Limited, Mila Maritime Limited and GSD Shipping B.V. the foreign consolidated subsidiaries of the Group, are translated at the relevant end of period exchange rates and the comprehensive income statement items translated at the average exchange rates to be included in the consolidated financial statements of the Group. The differences arising from the translation of the opening net assets of these foreign subsidiaries at a closing exchange rate different from the previous closing exchange rate, the translation of their comprehensive income statement items at the average exchange rates and the translation of the long term receivables of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited, and, Neco Maritime Limited, for which settlement is neither planned nor likely to occur in the foreseeable future and as such forming a part of its net investment in these foreign subsidiaries, with a closing exchange rate different from the previous closing exchange rate, are accounted for as "foreign currency translation differences" in other comprehensive income of the Group and accumulated in "the translation reserve" under the shareholders' equity in the consolidated statement of financial position of the Group. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.

**Comparative information and restatement of prior periods' financial statements**

The Company's consolidated financial statements as at 30 June 2017 are prepared comparatively with the prior period financial statements, in order to maintain consistency for the year ended as at 31 December 2016 and prior interim period 1 January – 30 June 2016.

**Offsetting**

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

**Going Concern**

The Group prepares its financial statements in accordance with going concern basis of accounting.

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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)**

**Summary of significant accounting policies**

**Standards and interpretations issued but not yet effective**

*Standards issued but not yet effective and not early adopted*

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

**IFRS 9 Financial Instruments**

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

**IFRS 15 Revenue from Contracts with Customers**

The new standard replaces existing IFRS and US GAAP guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Company expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognising revenue over time. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

**IFRS 16 Leases**

On 13 January 2016, IASB published the new leasing standard which will replace IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently changes to IAS 40 Investment Properties. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts IFRS 15 Revenue from Contracts with Customers. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16.

**IFRS 17 –Insurance Contracts**

On 18 May 2017, IASB issued IFRS 17 Insurance Contracts. This first truly international standard for insurance contracts will help investors and others better understand insurers’ risk exposure, profitability and financial position. IFRS 17 replaces IFRS 4, which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. IFRS 17 has an effective date of 1 January 2021 but companies can apply it earlier. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 17.

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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)**

**Summary of significant accounting policies**

**Standards and interpretations issued but not yet effective**

**IFRIC 22 – Foreign Currency Transactions and Advance Consideration**

IASB issued IFRIC 22 Foreign Currency Transactions and Advance Consideration to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. This IFRIC is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRIC 22.

**IFRIC 23 – Uncertainty Over Income Tax Treatments**

On 17 June 2017, IASB issued IFRIC 23 Uncertainty over Income Tax Treatments to specify how to reflect uncertainty in accounting for income taxes. It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. IAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation is effective from 1 January 2019 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRIC 23.

**Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions**

IFRS 2 Share-Based Payment has been amended by IASB to improving consistency and resolve some long-standing ambiguities in share-based payment accounting. The amendments cover three accounting areas: i) measurement of cash-settled share-based payments, ii) classification of share-based payments settled net of tax withholdings; and iii) accounting for modification of a share-based payment from cash-settled to equity-settled. Also, same approach has been adopted for the measurement of cash-settled share-based payments as equity-settled share-based payments. If certain conditions are met, share-based payments settled net of tax withholdings are accounted for as equity-settled share-based payments. The amendments are effective for periods beginning on or after 1 January 2018, with earlier application permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IFRS 2.

**IAS 40 – Transfers of Investment Property**

Amendments to IAS 40 - Transfers of Investment Property issued by IASB have been made to clarify uncertainty about that provide evidence of transfer of /from investment property to other asset groups. A change in management's intentions for the use of property does not provide evidence of a change in intended use. Therefore, when an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the statement of consolidated financial position) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment. The amendment is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 40.



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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)**

**Summary of significant accounting policies**

**Standards and interpretations issued but not yet effective**

**Improvements to IFRSs**

The IASB issued Annual Improvements to IFRSs - 2014–2016 Cycle. The amendments are effective as at 1 January 2018. Earlier application is permitted. The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.

**Annual Improvements to IFRSs 2014-2016 Cycle**

*IFRS 1 “First Time Adoption of International Financial Reporting Standards”*

IFRS 1 is amended to clarify that the deletion of short-term exemptions for first-time adopters within the context of ‘Annual Improvements to IFRSs 2012-2014 Cycle’ related to disclosures for financial instruments, employee benefits and consolidation of investment entities.

*IFRS 12 “Disclosure of Interests in Other Entities”*

The amendments clarify that the entity is not required to disclose summarized financial information for that subsidiary, joint venture or associate under the requirements of IFRS 12, when an entity’s interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with IFRS 12.

*IAS 28 “Investments in Associates and Joint Ventures”*

The amendment enables when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9.

**Changes in Accounting Policies, Estimates and Errors**

If changes in accounting estimates are related to only one period, they are recognised in the period when the changes are applied; if changes in estimates are related to future periods, they are recognised both in the period where the change is applied and in future periods prospectively. The Group does not have any significant changes in accounting policy and accounting estimates in the current period.

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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)**

**Use of Estimates and Judgements**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 6 – Equity accounted investees
- Note 7 – Trade receivables&payables
- Note 11 – Property and equipment
- Note 12 – Intangible asset
- Note 13 – Goodwill
- Note 22 – Provisions and commitments
- Note 23 – Financial risk management
- Note 24 – Financial investments (Fair value explanations and hedge accounting explanations)

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**3. SEGMENT INFORMATION**

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

Consolidated Statement of Comprehensive Income (01.01.2017-30.06.2017)										
Country of Operation	Turkey	Turkey&Malta International&Netherland	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1) (2) Marine	(1) Factoring	Holding	Inter-segment Eliminations	Group	Turkey	Malta&Netherland International	Inter-country Eliminations	Group
<b>CONTINUING OPERATIONS</b>										
Revenue	-	27,103	-	273	(273)	27,103	953	27,103	(953)	27,103
Cost of sales (-)	-	(25,575)	-	(265)	265	(25,575)	(537)	(25,575)	537	(25,575)
<b>Gross profit/(loss) from commercial sector</b>	-	<b>1,528</b>	-	<b>8</b>	<b>(8)</b>	<b>1,528</b>	<b>416</b>	<b>1,528</b>	<b>(416)</b>	<b>1,528</b>
<b>Revenue from financial activities</b>	<b>47,095</b>	<b>202</b>	<b>33,191</b>	-	<b>(9,707)</b>	<b>70,781</b>	<b>80,295</b>	<b>193</b>	<b>(9,707)</b>	<b>70,781</b>
Fee,commission and other service income	4,137	-	-	-	(2)	4,135	4,137	-	(2)	4,135
Foreign exchange income	5,983	2	7,424	-	(8,316)	5,093	13,409	-	(8,316)	5,093
Interest income	26,853	200	25,051	-	(1,191)	50,913	51,911	193	(1,191)	50,913
Income from derivative financial instruments	7,944	-	-	-	-	7,944	7,944	-	-	7,944
Other financial sector operations income, net	2,178	-	716	-	(198)	2,696	2,894	-	(198)	2,696
<b>Cost of financial activities (-)</b>	<b>(20,597)</b>	<b>(84)</b>	<b>(22,396)</b>	-	<b>11,822</b>	<b>(31,255)</b>	<b>(43,075)</b>	<b>(2)</b>	<b>11,822</b>	<b>(31,255)</b>
Fee,commission and other service expense	(231)	(2)	(179)	-	2	(410)	(410)	(2)	2	(410)
Foreign exchange expense	(6,889)	-	(7,414)	-	9,635	(4,668)	(14,303)	-	9,635	(4,668)
Interest expense	(2,706)	-	(14,649)	-	2,185	(15,170)	(17,355)	-	2,185	(15,170)
Loss from derivative financial instruments	(10,505)	-	-	-	-	(10,505)	(10,505)	-	-	(10,505)
Other financial sector operations expense net	(266)	(82)	(154)	-	-	(502)	(502)	-	-	(502)
<b>Gross profit/(loss) from financial sector operations</b>	<b>26,498</b>	<b>118</b>	<b>10,795</b>	-	<b>2,115</b>	<b>39,526</b>	<b>37,220</b>	<b>191</b>	<b>2,115</b>	<b>39,526</b>
<b>GROSS PROFIT/(LOSS)</b>	<b>26,498</b>	<b>1,646</b>	<b>10,795</b>	<b>8</b>	<b>2,107</b>	<b>41,054</b>	<b>37,636</b>	<b>1,719</b>	<b>1,699</b>	<b>41,054</b>
Administrative expenses (-)	(4,555)	(2,310)	(4,613)	(4,528)	206	(15,800)	(15,878)	(808)	886	(15,800)
Other income from operating activities	126	1,160	404	16,375	(10,865)	7,200	18,065	-	(10,865)	7,200
Other expense from operating activities (-)	(134)	(628)	-	(14,048)	8,316	(6,494)	(14,810)	-	8,316	(6,494)
<b>OPERATING PROFIT/(LOSS)</b>	<b>21,935</b>	<b>(132)</b>	<b>6,586</b>	<b>(2,193)</b>	<b>(236)</b>	<b>25,960</b>	<b>25,013</b>	<b>911</b>	<b>36</b>	<b>25,960</b>
Income from investment activities	30	-	-	642	-	672	2,810	-	(2,138)	672
Expense from investment activities (-)	-	-	-	(1,601)	-	(1,601)	(1,601)	-	-	(1,601)
<b>OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES</b>	<b>21,965</b>	<b>(132)</b>	<b>6,586</b>	<b>(3,152)</b>	<b>(236)</b>	<b>25,031</b>	<b>26,222</b>	<b>911</b>	<b>(2,102)</b>	<b>25,031</b>
Financing income	-	145	-	-	(145)	-	145	-	(145)	-
Financing expenses (-)	-	(7,263)	(19)	(48)	381	(6,949)	(2,798)	(6,670)	2,519	(6,949)
<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>21,965</b>	<b>(7,250)</b>	<b>6,567</b>	<b>(3,200)</b>	<b>-</b>	<b>18,082</b>	<b>23,569</b>	<b>(5,759)</b>	<b>272</b>	<b>18,082</b>

**GSD Holding Anonim Şirketi**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**For the Six-Month Period Ended 30 June 2017**

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

**3. SEGMENT INFORMATION (continued)**

Consolidated Statement of Comprehensive Income (continued) (01.01.2017-30.06.2017)										
Country of Operation	Turkey	Turkey&Malta International&Netherland	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1)(2) Marine	(1) Factoring	(1) Holding	Inter-segment Eliminations	Group	Turkey	(3) Malta&Netherland International	Inter-country Eliminations	Group
<b>Tax income/(expense) from continuing operations</b>	(4,424)	270	(1,388)	75	-	(5,467)	(5,467)	-	-	(5,467)
Current tax income/(expense)	(4,269)	32	(1,380)	-	-	(5,617)	(5,617)	-	-	(5,617)
Deferred tax income/(expense)	(155)	238	(8)	75	-	150	150	-	-	150
<b>NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>	<b>17,541</b>	<b>(6,980)</b>	<b>5,179</b>	<b>(3,125)</b>	<b>-</b>	<b>12,615</b>	<b>18,102</b>	<b>(5,759)</b>	<b>272</b>	<b>12,615</b>
<b>NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET PROFIT/(LOSS)</b>	<b>17,541</b>	<b>(6,980)</b>	<b>5,179</b>	<b>(3,125)</b>	<b>-</b>	<b>12,615</b>	<b>18,102</b>	<b>(5,759)</b>	<b>272</b>	<b>12,615</b>
Net profit/(loss) (continuing and discontinuing operations) attributable to:										
Non-controlling interest	-	(1,239)	536	-	-	(703)	(703)	-	-	(703)
Equity holders of the company	17,541	(5,741)	4,643	(3,125)	-	13,318	18,805	(5,759)	272	13,318
<b>OTHER COMPREHENSIVE INCOME</b>										
<b>Which will be not classified in profit or loss</b>	<b>-</b>	<b>(34)</b>	<b>2</b>	<b>(7)</b>	<b>-</b>	<b>(39)</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>(39)</b>
Defined benefit plans re-measurement gains / losses	-	(34)	2	(7)	-	(39)	(39)	-	-	(39)
<b>Which will be classified in profit or loss</b>	<b>-</b>	<b>(614)</b>	<b>-</b>	<b>7,460</b>	<b>(119)</b>	<b>6,727</b>	<b>6,979</b>	<b>(133)</b>	<b>(119)</b>	<b>6,727</b>
Change in currency translation differences	-	(614)	-	-	(119)	(733)	(481)	(133)	(119)	(733)
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	-	-	-	7,460	-	7,460	7,460	-	-	7,460
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>	<b>-</b>	<b>(648)</b>	<b>2</b>	<b>7,453</b>	<b>(119)</b>	<b>6,688</b>	<b>6,940</b>	<b>(133)</b>	<b>(119)</b>	<b>6,688</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>17,541</b>	<b>(7,628)</b>	<b>5,181</b>	<b>4,328</b>	<b>(119)</b>	<b>19,303</b>	<b>25,042</b>	<b>(5,892)</b>	<b>153</b>	<b>19,303</b>
<b>Total comprehensive income attributable to:</b>										
Non-controlling interest	-	(1,352)	536	-	-	(816)	(816)	-	-	(816)
Equity holders of the company	17,541	(6,276)	4,645	4,328	(119)	20,119	25,858	(5,892)	153	20,119
<b>CONSOLIDATED BALANCE SHEET (30.06.2016)</b>										
<b>TOTAL ASSETS</b>	<b>268,401</b>	<b>390,564</b>	<b>254,961</b>	<b>609,247</b>	<b>(96,680)</b>	<b>1,426,493</b>	<b>1,221,163</b>	<b>381,257</b>	<b>(175,927)</b>	<b>1,426,493</b>
<b>TOTAL LIABILITIES</b>	<b>138,855</b>	<b>267,827</b>	<b>214,052</b>	<b>9,482</b>	<b>(96,680)</b>	<b>533,536</b>	<b>363,249</b>	<b>346,214</b>	<b>(175,927)</b>	<b>533,536</b>
<b>Other segment information (continued and discontinued operations)</b>										
(Advances given)/Transfer of advances given for capital expenditure	-	11,626	-	-	(11,626)	-	-	11,626	(11,626)	-
Capital expenditures	54	-	-	588	-	642	642	-	-	642
Depreciation expense	(23)	(8,776)	(20)	(320)	-	(9,139)	(374)	(8,765)	-	(9,139)
Amortization expense	(17)	-	(1)	(15)	-	(33)	(33)	-	-	(33)
Impairment (losses)/reversal income recognized in income statement	1,735	(83)	509	-	(426)	1,735	2,161	-	(462)	1,735

<sup>(1)</sup> The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the banking segment consists of the relevant amounts of GSD Bank.

<sup>(2)</sup> The main line of business of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is shipping starting from 2013 and its income and expenses and its finance lease assets in the financial statements arising from the diminishing finance lease activities are disclosed in the marine segment under Gross Profit/(Loss) From Financial Sector Operations and Total Assets, respectively, without being allocated to a separate segment in the above table due to its decreasing materiality.

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

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**For the Six-Month Period Ended 30 June 2017**

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

**3. SEGMENT INFORMATION (continued)**

Consolidated Statement of Comprehensive Income (01.01.2016-30.06.2016)										
Country of Operation	Turkey	Turkey&Malta International	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1) (2) Mari ne	(1) Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3) Malta International	Inter-country Eliminations	Group
<b>CONTINUING OPERATIONS</b>										
Revenue	-	12,500	-	301	(298)	12,503	1,493	12,500	(1,490)	12,503
Cost of sales (-)	-	(17,736)	-	(292)	292	(17,736)	(1,449)	(17,736)	1,449	(17,736)
<b>Gross profit/(loss) from commercial sector</b>	-	<b>(5,236)</b>	-	<b>9</b>	<b>(6)</b>	<b>(5,233)</b>	<b>44</b>	<b>(5,236)</b>	<b>(41)</b>	<b>(5,233)</b>
<b>Revenue from financial activities</b>	<b>44,320</b>	<b>114</b>	<b>27,026</b>	-	<b>(9,717)</b>	<b>61,743</b>	<b>71,460</b>	-	<b>(9,717)</b>	<b>61,743</b>
Fee,commission and other service income	3,592	-	-	-	(3)	3,589	3,592	-	(3)	3,589
Foreign exchange income	9,565	1	3,246	-	(7,871)	4,941	12,812	-	(7,871)	4,941
Interest income	17,180	81	23,642	-	(599)	40,304	40,903	-	(599)	40,304
Income from derivative financial instruments	12,866	-	-	-	(1,139)	11,727	12,866	-	(1,139)	11,727
Other financial sector operations income, net	1,117	32	138	-	(105)	1,182	1,287	-	(105)	1,182
<b>Cost of financial activities (-)</b>	<b>(32,443)</b>	<b>(226)</b>	<b>(18,716)</b>	-	<b>11,891</b>	<b>(39,494)</b>	<b>(51,385)</b>	-	<b>11,891</b>	<b>(39,494)</b>
Fee,commission and other service expense	(78)	-	(131)	-	1	(208)	(209)	-	1	(208)
Foreign exchange expense	(10,457)	-	(3,234)	-	9,671	(4,020)	(13,691)	-	9,671	(4,020)
Interest expense	(3,145)	-	(15,013)	-	1,986	(16,172)	(18,158)	-	1,986	(16,172)
Loss from derivative financial instruments	(17,671)	-	-	-	233	(17,438)	(17,671)	-	233	(17,438)
Other financial sector operations expense net	(1,092)	(226)	(338)	-	-	(1,656)	(1,656)	-	-	(1,656)
<b>Gross profit/(loss) from financial sector operations</b>	<b>11,877</b>	<b>(112)</b>	<b>8,310</b>	-	<b>2,174</b>	<b>22,249</b>	<b>20,075</b>	-	<b>2,174</b>	<b>22,249</b>
<b>GROSS PROFIT/(LOSS)</b>	<b>11,877</b>	<b>(5,348)</b>	<b>8,310</b>	<b>9</b>	<b>2,168</b>	<b>17,016</b>	<b>20,119</b>	<b>(5,236)</b>	<b>2,133</b>	<b>17,016</b>
Administrative expenses (-)	(4,578)	(1,765)	(4,343)	(10,418)	111	(20,993)	(21,104)	(1,192)	1,303	(20,993)
Other income from operating activities	377	1,219	481	21,247	(11,423)	11,901	23,310	14	(11,423)	11,901
Other expense from operating activities (-)	-	(527)	-	(19,256)	9,010	(10,773)	(19,783)	-	9,010	(10,773)
<b>OPERATING PROFIT/(LOSS)</b>	<b>7,676</b>	<b>(6,421)</b>	<b>4,448</b>	<b>(8,418)</b>	<b>(134)</b>	<b>(2,849)</b>	<b>2,542</b>	<b>(6,414)</b>	<b>1,023</b>	<b>(2,849)</b>
Income from investment activities	-	7	-	435	-	442	2,334	-	(1,892)	442
Expense from investment activities (-)	-	-	-	(1,802)	-	(1,802)	(1,802)	-	-	(1,802)
<b>OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES</b>	<b>7,676</b>	<b>(6,414)</b>	<b>4,448</b>	<b>(9,785)</b>	<b>(134)</b>	<b>(4,209)</b>	<b>3,074</b>	<b>(6,414)</b>	<b>(869)</b>	<b>(4,209)</b>
Financing income	-	296	-	-	-	296	296	-	-	296
Financing expenses (-)	(18)	(4,367)	(19)	(677)	134	(4,947)	(1,912)	(5,061)	2,026	(4,947)
<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>7,658</b>	<b>(10,485)</b>	<b>4,429</b>	<b>(10,462)</b>	<b>-</b>	<b>(8,860)</b>	<b>1,458</b>	<b>(11,475)</b>	<b>1,157</b>	<b>(8,860)</b>

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

**3. SEGMENT INFORMATION (continued)**

Consolidated Statement of Comprehensive Income (continued) (01.01.2016-30.06.2016)										
Country of Operation	Turkey	Turkey&Malta International	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1) (2) Marine	(1) Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3) Malta International	Inter-country Eliminations	Group
<b>Tax income/(expense) from continuing operations</b>	<b>(1,563)</b>	<b>(263)</b>	<b>(1,001)</b>	<b>621</b>	-	<b>(2,206)</b>	<b>(2,206)</b>	-	-	<b>(2,206)</b>
Current tax income/(expense)	(1,348)	(260)	(909)	(86)	-	(2,603)	(2,603)	-	-	(2,603)
Deferred tax income/(expense)	(215)	(3)	(92)	707	-	397	397	-	-	397
<b>NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>	<b>6,095</b>	<b>(10,748)</b>	<b>3,428</b>	<b>(9,841)</b>	-	<b>(11,066)</b>	<b>(748)</b>	<b>(11,475)</b>	<b>1,157</b>	<b>(11,066)</b>
<b>NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	-	-	-	<b>(409)</b>	-	<b>(409)</b>	<b>(409)</b>	-	-	<b>(409)</b>
<b>NET PROFIT/(LOSS)</b>	<b>6,095</b>	<b>(10,748)</b>	<b>3,428</b>	<b>(10,250)</b>	-	<b>(11,475)</b>	<b>(1,157)</b>	<b>(11,475)</b>	<b>1,157</b>	<b>(11,475)</b>
<b>Net profit/(loss) (continuing and discontinuing operations) attributable to:</b>										
<b>Non-controlling interest</b>	-	<b>(2,369)</b>	<b>358</b>	-	-	<b>(2,011)</b>	<b>(2,011)</b>	-	-	<b>(2,011)</b>
<b>Equity holders of the company</b>	<b>6,095</b>	<b>(8,379)</b>	<b>3,070</b>	<b>(10,250)</b>	-	<b>(9,464)</b>	<b>854</b>	<b>(11,475)</b>	<b>1,157</b>	<b>(9,464)</b>
<b>OTHER COMPREHENSIVE INCOME</b>										
<b>Which will be not classified in profit or loss</b>	<b>(52)</b>	<b>(31)</b>	<b>(164)</b>	<b>(27)</b>	-	<b>(274)</b>	<b>(274)</b>	-	-	<b>(274)</b>
Defined benefit plans re-measurement gains / losses	(52)	(31)	(164)	(27)	-	(274)	(274)	-	-	(274)
<b>Which will be classified in profit or loss</b>	-	<b>(741)</b>	-	<b>5,992</b>	-	<b>5,251</b>	<b>6,169</b>	<b>(918)</b>	-	<b>5,251</b>
Change in currency translation differences	-	(741)	-	-	-	(741)	177	(918)	-	(741)
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	-	-	-	5,992	-	5,992	5,992	-	-	5,992
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>	<b>(52)</b>	<b>(772)</b>	<b>(164)</b>	<b>5,965</b>	-	<b>4,977</b>	<b>5,895</b>	<b>(918)</b>	-	<b>4,977</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>6,043</b>	<b>(11,520)</b>	<b>3,264</b>	<b>(4,285)</b>	-	<b>(6,498)</b>	<b>4,738</b>	<b>(12,393)</b>	<b>1,157</b>	<b>(6,498)</b>
<b>Total comprehensive income attributable to:</b>										
<b>Non-controlling interest</b>	-	<b>(2,539)</b>	<b>341</b>	-	-	<b>(2,198)</b>	<b>(2,198)</b>	-	-	<b>(2,198)</b>
<b>Equity holders of the company</b>	<b>6,043</b>	<b>(8,981)</b>	<b>2,923</b>	<b>(4,285)</b>	-	<b>(4,300)</b>	<b>6,936</b>	<b>(12,393)</b>	<b>1,157</b>	<b>(4,300)</b>
<b>CONSOLIDATED BALANCE SHEET (30.06.2016)</b>										
<b>TOTAL ASSETS</b>	<b>280,519</b>	<b>283,726</b>	<b>269,379</b>	<b>621,853</b>	<b>(107,870)</b>	<b>1,347,607</b>	<b>1,253,553</b>	<b>269,739</b>	<b>(175,685)</b>	<b>1,347,607</b>
<b>TOTAL LIABILITIES</b>	<b>177,547</b>	<b>195,511</b>	<b>238,039</b>	<b>73,597</b>	<b>(107,870)</b>	<b>576,824</b>	<b>548,584</b>	<b>203,925</b>	<b>(175,685)</b>	<b>576,824</b>
<b>Other segment information (continued and discontinued operations)</b>										
Capital expenditures	1	3	36	453	-	493	493	-	-	493
Depreciation expense	(16)	(7,241)	(15)	(262)	-	(7,534)	(303)	(7,231)	-	(7,534)
Amortization expense	(14)	(1)	(9)	(17)	-	(41)	(41)	-	-	(41)
Impairment (losses)/reversal income recognized in income statement	(83)	26	(267)	-	-	(324)	(324)	-	-	(324)

<sup>(1)</sup> The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the factoring segment consists of the relevant amounts of GSD Faktoring A.Ş. and the banking segment consists of the relevant amounts of GSD Bank.

<sup>(2)</sup> The main line of business of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is shipping starting from 2013 and its income and expenses and its finance lease assets in the financial statements arising from the diminishing finance lease activities are disclosed in the marine segment under Gross Profit/(Loss) From Financial Sector Operations and Total Assets, respectively, without being allocated to a separate segment in the above table due to its decreasing materiality.

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

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

**4. CASH AND CASH EQUIVALENTS**

**Cash and cash equivalents in the statement of financial position:**

<b>Continuing Operations</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
Cash on hand	4	4
Balances with the Central Bank	4,216	6,304
<b>Cash and balances with the Central Bank</b>	<b>4,220</b>	<b>6,308</b>
Deposits with other banks and financial institutions	90,633	82,838
Required Reserves	7,150	12,601
<b>Cash and cash equivalents in the statement of financial position</b>	<b>102,003</b>	<b>101,747</b>

**5. MARKETABLE SECURITIES**

**a) Trading Securities**

As at 30 June 2017 and 31 December 2016, the Group has no trading security.

The movement in trading securities (including loaned securities) is summarized as follows:

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>At 1 January</b>	-	<b>311</b>
Additions	-	-
Disposals (sales and redemptions)	-	(306)
Interest received due to redemptions	-	(10)
Profit / (loss)	-	5
<b>Closing balance at the end of period</b>	<b>-</b>	<b>-</b>

**b) Available For Sale Securities**

	<b>30 June 2017</b>		<b>31 December 2016</b>	
	<b>Amount</b>	<b>Effective interest rate (%)</b>	<b>Amount</b>	<b>Effective interest rate (%)</b>
<b>Debt instruments</b>				
Eurobonds issued by Republic of Turkey	25,019	4.34-5.30	23,888	5.50-6.64
Bonds	-	-	992	11.25
<b>Other</b>				
Common stocks	458,257	-	453,294	
<b>Total</b>	<b>483,276</b>		<b>478,174</b>	

<b>30 June 2017</b>	<b>Carrying Value</b>	<b>Paid Capital</b>	<b>GSD Holding A.Ş.'s Shareholding</b>		
			<b>Direct (%)</b>	<b>Indirect (%)</b>	<b>Total (%)</b>
<b>Shareholdings in available for sale securities</b>					
Silopi Elektrik Üretim A.Ş.	458,097	202,050	15.00	0.00	15.00
Borsa İstanbul A.Ş.	160	423,234	-	0.04	0.04
<b>Total</b>	<b>458,257</b>				

<b>31 December 2016</b>	<b>Carrying Value</b>	<b>Paid Capital</b>	<b>GSD Holding A.Ş.'s Shareholding</b>		
			<b>Direct (%)</b>	<b>Indirect (%)</b>	<b>Total (%)</b>
<b>Shareholdings in available for sale securities</b>					
Silopi Elektrik Üretim A.Ş.	453,134	202,050	15.00	0.00	15.00
Borsa İstanbul A.Ş.	160	423,234	-	0.04	0.04
<b>Total</b>	<b>453,294</b>				

**GSD Holding Anonim Şirketi**  
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**5. MARKETABLE SECURITIES (continued)**

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

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>At 1 January</b>	<b>478,174</b>	<b>383,486</b>
Additions	-	6,709
Disposals (sales and redemptions)	(973)	-
Interest received due to redemptions	(665)	(922)
Foreign exchange difference	(1,597)	80,780
Change in fair value and other gains/losses, net (*)	8,337	8,121
<b>Closing balance at the end of period</b>	<b>483,276</b>	<b>478,174</b>

(\*) Consist of interest rediscount changes

**c) Held to maturity securities**

As at 30 June 2017 and 31 December 2016, the Group has no held to maturity investment security.

**d) Marketable securities given as a guarantee**

As at 30 June 2017 and 31 December 2016, there is no marketable securities given as a guarantee.

**e) Unquoted equity instruments**

The unconsolidated subsidiaries and other unquoted equity instruments which are classified in the “unquoted equity instruments” caption in the consolidated financial statements as at 30 June 2017 and 31 December 2016 are as follows:

	<b>30 June 2017</b>	<b>31 December 2016</b>
GSD Eğitim Vakfı	377	377
In liquidation GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş.	106	106
In liquidation GSD Gayrimenkul Yatırım ve Geliştirme A.Ş.	90	90
In liquidation GSD Plan Proje Etüd A.Ş.	90	90
<b>Total</b>	<b>663</b>	<b>663</b>

**6. EQUITY ACCOUNTED INVESTEEES**

None.



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**7. TRADE RECEIVABLES AND PAYABLES**

**a) Short Term Trade Receivables**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Trade receivables from maritime activities	2,777	3,017
Costumers	9	5
Export goods receivables	1,981	1,981
Less: Provision for doubtful trade receivables	(1,981)	(1,981)
<b>Total, net</b>	<b>2,786</b>	<b>3,022</b>

Movement in the provision for doubtful trade receivables:

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Allowance at the beginning of year</b>	<b>1,981</b>	<b>1,981</b>
Provision for doubtful receivables	-	-
Recoveries	-	-
<b>Provision net of recoveries</b>	<b>-</b>	<b>-</b>
<b>Allowance at the end of period</b>	<b>1,981</b>	<b>1,981</b>

**b) Trade Payables**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Payables to suppliers	682	184
Payables to marine sector suppliers	257	161
Export trade payables	220	220
<b>Total</b>	<b>1,159</b>	<b>565</b>

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**8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES**

**a) Loans and Advances to Customers**

	30 June 2017					
	Amount			Effective interest rate (%)		
	Turkish lira	Foreign currency	Foreign currency indexed	Turkish lira	Foreign currency	Foreign currency indexed
Corporate loans	154,393	-	7,710	12.48-20.25	-	5.50-6.25
<b>Total</b>	<b>154,393</b>	<b>-</b>	<b>7,710</b>			
Loans in arrears	3,926	-	-	-	-	-
Less: Allowance for impairment on loans and advances to customers	(5,168)	-	-	-	-	-
<b>Total, net</b>	<b>153,151</b>		<b>7,710</b>			
	31 December 2016					
	Amount			Effective interest rate (%)		
	Turkish lira	Foreign currency	Foreign currency indexed	Turkish lira	Foreign currency	Foreign currency indexed
Corporate loans	154,640	-	18,054	12.00-19.25	-	5.40-6.50
<b>Total</b>	<b>154,640</b>	<b>-</b>	<b>18,054</b>			
Loans in arrears	3,928	-	-	-	-	-
Less: Allowance for impairment on loans and advances to customers	(6,903)	-	-	-	-	-
<b>Total, net</b>	<b>151,665</b>		<b>18,054</b>			

Movements in the allowance for impairment:

	Continuing Operations	
	30 June 2017	31 December 2016
<b>Allowance at the beginning of the year</b>	<b>6,903</b>	<b>14,504</b>
Recoveries	(1,974)	(3,698)
Allowance for impairment	239	1,761
<b>Allowance net of recoveries</b>	<b>(1,735)</b>	<b>1,937</b>
Loans written off during the period	-	(5,664)
<b>Allowance at the end of the period</b>	<b>5,168</b>	<b>6,903</b>

As at 30 June 2017 and 31 December 2016, loans and advances to customers interest rates are fixed and floating.

The Group has not accrued interest for non performing loans. As at 30 June 2017, unaccrued interest loan amount is TL 3,926 (31 December 2016: TL 3,928).

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**8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)**

**b) Factoring Receivables and Payables**

	30 June 2017					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	253,663	-	-	14.00-30.00	-	-
Doubtful factoring receivables	3,081	-	-	-	-	-
<b>Total factoring receivables</b>	<b>256,744</b>	<b>-</b>	<b>-</b>			
Less: Provision for doubtful factoring receivables	(2,824)	-	-	-	-	-
<b>Factoring receivables, net</b>	<b>253,920</b>	<b>-</b>	<b>-</b>			
<b>Factoring payables</b>	<b>1,333</b>	<b>-</b>	<b>44</b>			

  

	31 December 2016					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	279,441	-	363	11.00-32.00	-	7.01-7.81
Doubtful factoring receivables	3,761	-	-	-	-	-
<b>Total factoring receivables</b>	<b>283,202</b>	<b>-</b>	<b>363</b>			
Less: Provision for doubtful factoring receivables	(3,335)	-	-	-	-	-
<b>Factoring receivables, net</b>	<b>279,867</b>	<b>-</b>	<b>363</b>			
<b>Factoring payables</b>	<b>941</b>	<b>-</b>	<b>42</b>			

Movement in the allowance for doubtful factoring receivables:

	30 June 2017	31 December 2016
<b>Allowance at the beginning of year</b>	<b>3,335</b>	<b>5,501</b>
Recoveries	(647)	(117)
Allowance for doubtful factoring receivables	136	1,112
<b>Allowance net of recoveries</b>	<b>(511)</b>	<b>995</b>
Factoring receivables written off during the period	-	(3,161)
<b>Allowance at the end of period</b>	<b>2,824</b>	<b>3,335</b>

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**8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)**

**c) Finance Lease Receivables, Net**

	30 June 2017	31 December 2016
Invoiced lease receivables	25	172
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Doubtful finance lease receivables	2,953	2,870
<b>Finance lease receivables, gross</b>	<b>2,978</b>	<b>3,042</b>
Less: Unearned interest income	(4)	(4)
Less: Allowance for doubtful finance lease receivables	(2,953)	(2,870)
<b>Finance lease receivables, net</b>	<b>21</b>	<b>168</b>

The aging of net finance lease receivables is as follows:

	30 June 2017	31 December 2016
Not later than 1 year	21	168
<b>Finance lease receivables, net</b>	<b>21</b>	<b>168</b>

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

	30 June 2017	31 December 2016
<b>Allowance at the beginning of year</b>	<b>2,870</b>	<b>2,651</b>
Allowance for doubtful lease receivables	83	257
Recoveries	-	(38)
<b>Allowance net of recoveries</b>	<b>83</b>	<b>219</b>
<b>Finance lease receivables written off during the period</b>	<b>-</b>	<b>-</b>
<b>Allowance at the end of period</b>	<b>2,953</b>	<b>2,870</b>

**a) Funds Borrowed**

	30 June 2017				31 December 2016			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
<b>Short term</b>	<b>170,537</b>	<b>10,381</b>	-	-	<b>226,512</b>	<b>17,527</b>	-	-
Fixed interest	170,537	10,381	14.00-15.75	5.40-5.80	226,512	17,527	10.00-14.50	3.00-5.80
Floating interest	-	-	-	-	-	-	-	-
<b>Medium/long Term</b>	-	<b>235,796</b>	-	-	-	<b>246,536</b>	-	-
Fixed interest	-	86,948	-	4.50-5.40	-	89,934	-	4.25-5.50
Floating interest	-	148,848	-	3.97-6.18	-	156,602	-	3.68-6.01
<b>Total</b>	<b>170,537</b>	<b>246,177</b>	-	-	<b>226,512</b>	<b>264,063</b>	-	-

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**8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)**

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

	30 June 2017		31 December 2016	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	59,320	15,034	89,934	15,094
Up to 2 year	27,628	14,417	-	14,465
Up to 3 year	-	33,047	-	14,464
Up to 4 year	-	41,075	-	31,690
More than 5 year	-	45,275	-	80,889
<b>Total</b>	<b>86,948</b>	<b>148,848</b>	<b>89,934</b>	<b>156,602</b>

**b) Other money market deposits**

	30 June 2017				31 December 2016			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Liabilities from money market transactions	48,649	-	13.15-14.10	-	20,011	-	10.20-10.60	-
<b>Total</b>	<b>48,649</b>	<b>-</b>			<b>20,011</b>			

**c) Borrowers' funds**

	31 December 2016				31 December 2016			
	Amount		Effective Interest rate (%)		Amount		Effective Interest rate (%)	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Demand	269	40	-	-	929	13	-	-
Time	3,356	31,773	10.00-10.25	1.25-4.25	3,444	38,077	10.00-13.50	1.25-2.50
<b>Total</b>	<b>3,625</b>	<b>31,813</b>			<b>4,373</b>	<b>38,090</b>		

**d) Liabilities arising from finance leases**

**Payable from short term financial lease activities**

	30 June 2017	31 December 2016
Advances taken due to finance leases	50	249
Payables related to leased assets	39	30
<b>Total</b>	<b>89</b>	<b>279</b>

**9. INVENTORIES**

	30 June 2017	31 December 2016
Ship mineral oil	838	926
<b>Total</b>	<b>838</b>	<b>926</b>

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**10. LEASE OPERATIONS**

Cano Maritime Limited and Dodo Maritime Limited have their own M/V Cano and M/V Dododry bulk cargo ships which they received from the date of completion of construction on 7 May 2013, Hako Maritime Limited has its own M/V Hako dry bulk cargo ship, after the receipt of completed construction on 23 June 2014, starting from 26 June 2014, Zeyno Maritime Limited has its own M/V Zeyno dry bulk cargo ship, made on 29 September 2014 after receiving completed starting from 2 October 2014 Neco Maritime Limited has its own M/V Olivia dry bulk cargo ship after the receipt of completed construction on 2 August 2016, starting from 5 August 2016, are all rented in the form of time charter lease. These technical management of the ships performed under the contract to a company abroad by Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited and Neco Maritime Limited. Dodo Maritime Limited, Hako Maritime Limited and Zeyno Maritime Limited gained the ship principal installments of financing used bank loans while intake ship in rent and interest amount until the part is in with transfer to the relevant bank, Dodo Maritime Limited has taken interest on the blocked amount until the due date.

**11. PROPERTY AND EQUIPMENT**

Continuing Operations	Land and Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships	Motor Vehicles	Fixed Assets Under Construction <sup>(**)</sup>	Total
<b>At 1 January 2017, net carrying amount</b>	<b>2</b>	<b>1,409</b>	<b>1,132</b>	<b>337,469</b>	<b>434</b>	<b>11,666</b>	<b>352,112</b>
Additions	-	559	39	-	-	-	598
Disposals, net	-	(9)	-	-	-	-	(9)
Foreign currency translation differences	-	-	-	(977)	-	(40)	(1,017)
Depreciation charge for the period	(1)	(175)	(138)	(8,765)	(60)	-	(9,139)
<b>At 30 June 2017, net carrying amount</b>	<b>1</b>	<b>1,784</b>	<b>1,033</b>	<b>327,727</b>	<b>374</b>	<b>11,626</b>	<b>342,545</b>
<b>At 30 June 2017</b>							
Cost	2	6,404	1,622	230,874	574	11,626	251,365
Foreign currency translation differences	-	-	-	156,590	-	-	156,590
Accumulated depreciation <sup>(*)</sup>	(1)	(4,620)	(589)	(59,737)	(200)	-	(65,410)
<b>Net carrying amount</b>	<b>1</b>	<b>1,784</b>	<b>1,033</b>	<b>327,727</b>	<b>374</b>	<b>11,626</b>	<b>342,545</b>

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

(\*\*) Amount consists of advances given by GSD Shipping B.V. for the purchase of the 63,000 DWT type bulk dry cargo vessel constructed on behalf of Mila Maritime Ltd.

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**11. PROPERTY AND EQUIPMENT (continued)**

Continuing Operations	Land and Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships	Motor Vehicles	Fixed Assets Under Construction <sup>(**)</sup>	Total
<b>At 1 January 2016, net of accumulated depreciation and impairment</b>	2	712	901	270,546	450	-	272,611
Additions	-	964	460	24,084	95	11,666	37,269
Disposals, net	-	(20)	-	-	(9)	-	(29)
Foreign currency translation differences	-	-	-	60,895	-	-	60,895
Depreciation charge for the period	-	(247)	(229)	(18,056)	(102)	-	(18,634)
<b>At 31 December 2016, net of accumulated depreciation and impairment</b>	<b>2</b>	<b>1,409</b>	<b>1,132</b>	<b>337,469</b>	<b>434</b>	<b>11,666</b>	<b>352,112</b>
<b>At 31 December 2016</b>							
Cost	2	5,891	1,583	230,874	573	11,666	250,851
Foreign currency translation differences	-	-	-	157,742	-	-	157,742
Accumulated depreciation <sup>(*)</sup>	-	(4,482)	(451)	(51,147)	(139)	-	(56,481)
<b>Net carrying amount at 31.12.2016</b>	<b>2</b>	<b>1,409</b>	<b>1,132</b>	<b>337,469</b>	<b>434</b>	<b>11,666</b>	<b>352,112</b>

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

(\*\*) Amount consists of advances given by GSD Shipping B.V. for the purchase of the 63,000 DWT type bulk dry cargo vessel constructed on behalf of Mila Maritime Ltd.

The Group has taken the higher value of use determined through fair value whose sales expenses are deducted as amount recoverable and discounted cash flow methods in the impairment calculation made taking each of the dry cargo ships, owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. its five maritime affiliates located in Malta, into account as cash generating units as basis as of 30 June 2017 in accordance with IAS 36 and has not made a provision for impairment as of 30 June 2017 since the value of use are higher than carrying amounts for each of the five ships. Discounted cash flow calculations, used to determine amount recoverable, have been started based on final budgeting of technical management company made for leasing contracts which are considered to be concluded in near future in the framework of current market conditions through examining current ship leasing agreements and realisations in previous periods for income. Cash flows which can occur in depreciation period have been tried to be anticipated using expectations and assumptions generated by the Group management on direction, level and timing of market based on recent condition of freight market and impacts related to its development and it is deducted to reporting date with a discount rate appropriate to structure of company and market. Amounts, deducted from cost while determining amount subject to depreciation have been used as cash inflow in value of use calculation. Selection of periods in which fixed or variable based leasing are applied or locations of ships on the expiration of leasing period are main factors which can cause different realizations from those which have been anticipated under assumptions in calculations. On the other hand, the realization of assumptions are bounded to variable factors directing global dry cargo ship transportation market. The Company management believes that any changes reasonably occurring in any of aforementioned main assumptions shall not cause total carrying amounts of aforementioned cash generation units being higher than the total recoverable amounts.

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**12. INTANGIBLE ASSETS**

<b>Continuing Operations</b>	<b>Patents and Licenses</b>
<b>At 1 January 2017 net carrying amount</b>	<b>257</b>
Additions	44
Amortization charge for the period	(33)
<b>At 30 June 2017 net carrying amount</b>	<b>268</b>
<b>At 30 June 2017</b>	
Cost	2,388
Accumulated amortization	(2,120)
<b>Net carrying amount</b>	<b>268</b>
<b>Continuing Operations</b>	<b>Patents and Licenses</b>
<b>At 1 January 2016 net carrying amount</b>	<b>222</b>
Additions	119
Amortization charge for the period	(84)
<b>At 31 December 2016 net carrying amount</b>	<b>257</b>
<b>At 31 December 2016</b>	
Cost	2,340
Accumulated amortization	(2,083)
<b>Net carrying amount</b>	<b>257</b>

**13. GOODWILL**

None.

**14. BORROWING COSTS**

In the consolidated financial statements of the Group as of 31 December 2016, the borrowing costs totaling TL 194 incurred within the scope of the acquisition of ship are capitalised as part of the cost of the ships classified in “Ships” under “Property and Equipment” after the delivery dates of the ships and “Advances Given for the Purchase Orders of Tangible Assets” under “Prepaid Expenses” until the delivery dates of the ships in accordance with “IAS 23 Borrowing Costs”.



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**15. TAXATION**

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in Turkey. In Turkey, the corporation tax rate for the fiscal period ended 30 June 2017 is 20% (31 December 2016: 20%). Corporate tax returns are required to be filed within the first twenty-five days of the fourth month following the reporting date and paid in one installment until the end of the fourth month. The tax legislation provides for a temporary tax of 20% (31 December 2016: 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the period.

**Tax losses carried forward**

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect the tax returns and the related accounting records for a retrospective maximum period of five years.

There is no tax losses carried forward as at 30 June 2017 (31 December 2016: None).

**Withholding tax on dividend distributions**

The 15% withholding tax applies to dividends distributed by resident corporations to resident or non-resident real persons, those who are not liable to or exempt from income and corporation tax, non-resident corporations (excluding those that acquire dividend through a registered office or permanent representative in Turkey). Dividend distributions by resident corporations to resident corporations are not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

**Investment allowance**

Effective from 24 April 2003, investment allowances provided a deduction from the corporate tax base of 40% of the cost of the purchases or production of the new fixed assets subject to depreciation and exceeding TL 10 (31 December 2013: TL 10) and directly related with the production of goods and services. Investment allowance that arose prior to 24 April 2003 was subject to 19.8% withholding tax unless they were converted to the new application at the will of companies. All investment allowances were carried forward with indexed amounts. With respect to the new legislation effective from 1 January 2006, these unused investment allowances could be used until 31 December 2008 and investment allowances ceased to apply to the new investments to be made beginning from 1 January 2006, but continued to apply to the investments started before 1 January 2006. Afterwards, a decision rendered by the Constitutional Court of Turkey cancelling the clause of this legislation limiting the deduction period of the unused investment allowances has again made effective the deductibility of the unused investment allowances after 31 December 2008. According to the decision mentioned above, investment allowances transferred to 2006 due to lack of profit and investment allowances gained by the investments that are commenced before 1 January 2006 and continued after that date constituting economic and technical integrity will not be only used in 2006, 2007 and 2008, but also in the following years. An amendment to the Income Tax Law promulgated in Official Gazette no 6009 dated 1 August 2010 limited the amount of investment allowance to be utilised to 25% of earnings for the year, but the Constitutional Court of Turkey has cancelled this amendment providing 25% utilization of investment allowance and has again made effective utilization of investment allowance up to 100% of tax base by means of a decision dated 9 February 2012, being effective starting from the tax returns to be filed for the fiscal period as at 31 December 2011. Therefore, the consolidated financial statements of the Group as at 31 December 2013 are prepared based on 100% utilization of investment allowance by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., the only Group company benefiting from investment allowance. GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., has sued for the utilization of the investment allowance relating to 75% of the earnings which could not be utilised in the corporate tax return filed for the year 2010 reserving the right to sue and has been entitled to utilise it by adjusting the corporate tax return for the year 2010 via offsetting the investment allowance not utilized previously against the corporate tax of TL 641 paid during the year 2014 and to take back the paid amount by the decision of the tax court notified on 27 March 2014. The amounts that have been taken back in cash and by offsetting until 31 December 2014 amounted to TL 396 and TL 245, respectively, totalling TL 641.

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**15. TAXATION (continued)**

**Investment allowance (continued)**

As at 30 June 2017 and 31 December 2016, the Group has the following unused investment allowances:

<b>Unused investment allowances</b>				
<b>Group company</b>	<b>30 June 2017</b>		<b>31 December 2016</b>	
	<b>Subject to 19.8% withholding tax</b>	<b>Subject to 0% withholding tax</b>	<b>Subject to 19.8% withholding tax</b>	<b>Subject to 0% withholding tax</b>
GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.	104,778	-	95,516	-
<b>Total</b>	<b>104,778</b>	<b>-</b>	<b>95,516</b>	<b>-</b>

**Transfer pricing**

According to the article 13 titled “the disguised profit distribution by way of transfer pricing” of the Corporate Tax Law, if prices or considerations imposed for purchase or sale of goods or services between the company and its related parties are not consistent with the arm’s length principle, the profit hence from is regarded as fully or partially distributed in a disguised way by way of transfer pricing. The arm’s length principle implies that transfer prices or considerations applied in purchase or sale of goods or services between related parties should be in accordance with prices which would have been agreed between unrelated parties. Corporations are required to determine the price or consideration applied in the transactions with related parties by choosing the method most appropriate to the nature of the transaction among the comparable uncontrolled price method, the cost plus method, the resale minus method or the other methods determined by them. The income fully or partially distributed in a disguised way through transfer pricing is considered as dividend distributed by the resident corporations and the amount transferred back to the head office by the non-resident corporations as of the last day of the fiscal period in which the conditions stipulated in this article are realized, with respect to the application of Corporate and Income Tax Laws. The former assessments of tax are adjusted accordingly for the taxpayers being a party to these transactions provided that the tax to be charged to the corporation making the disguised profit distribution is finalized and paid before this adjustment is made.

**Consolidated Tax Calculation**

Turkish tax legislation, a parent company does not permit its consolidated subsidiaries and affiliates have the financial statements on a consolidated basis over corporate tax declaration and payment arrangements. Therefore, corporate tax provisions reflected on the consolidated financial statements and the companies that is in the scope of consolidation are calculated seperately.

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**15. TAXATION (continued)**

**Current Tax Liability**

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

<b>Continuing Operations</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
Corporate income taxes payable	5,649	13,126
Prepaid income taxes	(4,476)	(6,247)
<b>Income taxes payable, net</b>	<b>1,173</b>	<b>6,879</b>

**Income tax benefit / (expense)**

**Consolidated income tax benefit /(expense)**

	<b>30 June 2017</b>			<b>30 June 2016</b>		
	<b>Consolidated income statement</b>	<b>Consolidated other comprehensive income</b>	<b>Consolidated statement of comprehensive income</b>	<b>Consolidated income statement</b>	<b>Consolidated other comprehensive income</b>	<b>Consolidated statement of comprehensive income</b>
<b>Continuing Operations</b>						
Current income tax benefit/(expense)	(5,617)	(32)	(5,649)	(2,603)	(44)	(2,647)
Deferred income tax benefit /(expense)	150	(227)	(77)	397	(77)	320
<b>Total</b>	<b>(5,467)</b>	<b>(259)</b>	<b>(5,726)</b>	<b>(2,206)</b>	<b>(121)</b>	<b>(2,327)</b>

**Consolidated income tax benefit /(expense)**

	<b>30 June 2017</b>			<b>30 June 2016</b>		
	<b>Consolidated income statement</b>	<b>Consolidated other comprehensive income</b>	<b>Consolidated statement of comprehensive income</b>	<b>Consolidated income statement</b>	<b>Consolidated other comprehensive income</b>	<b>Consolidated statement of comprehensive income</b>
<b>Continuing Operations</b>						
Current income tax benefit/(expense)	-	-	-	21	-	21
Deferred income tax benefit /(expense)	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>21</b>

<b>Continuing Operations</b>	<b>31 December 2016</b>	<b>Recognised in Period</b>	<b>(Taken Back) /</b>		<b>30 June 2017</b>
			<b>Paid in Period</b>		
<b>Prepaid Income Tax</b>					
Taken back from 2016's overpaid corporate tax	-	1,214	-	1,214	
Taken back current year's overpaid corporate tax	-	5	-	5	
<b>Prepaid Income Tax</b>	<b>-</b>	<b>1,219</b>	<b>-</b>	<b>1,219</b>	

<b>Continuing Operations</b>	<b>31 December 2015</b>	<b>Recognised in Period</b>	<b>(Taken Back) /</b>		<b>31 December 2016</b>
			<b>Paid in Period</b>		
<b>Prepaid Income Tax</b>					
Taken back from 2015's overpaid corporate tax	2,834	(65)	(2,769)	-	
Taken back current year's overpaid corporate tax	-	-	-	-	
<b>Prepaid Income Tax</b>	<b>2,834</b>	<b>(65)</b>	<b>(2,769)</b>	<b>-</b>	

**Corporate tax liability regarding foreign subsidiaries of the Group**

The net profits of Cano Maritime Limited, established on 26 March 2013, Dodo Maritime Limited, established on 26 March 2013, Hako Maritime Limited, established on 1 April 2013, Zeyno Maritime Limited, established on 22 April 2013, Neco Maritime Limited, established on 5 May 2016 and Mila Maritime Limited, established on 21 November 2016 all domiciled in Malta, are subject to 0% corporate tax in Malta. GSD Shipping B.V, established on 19 October 2016 domiciled in the Netherlands, is subject to flexible rate corporate tax in the Netherlands. The current or prior period profits of Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited and Neco Maritime Limited are subject to 20% corporate tax in Turkey to be taxed in the current period profit of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., in the period when they are recognized as profit by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., 100% shareholder of these companies, having been received through dividend distribution in cash or by bonus issue or through share capital increase by bonus issue.

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**15. TAXATION (continued)**

**Deferred tax assets and liabilities**

Deferred tax assets or liabilities of the consolidated assets and liabilities with the values shown in the financial statements of the temporary differences arising between the tax base and amounts considered in the calculation is determined by calculating the tax effects of the balance sheet method.

The Company takes into account developments in the sector in which it operates, taxable profit estimates in future periods, the overall economic and political situation of the country of Turkey and its affiliates and/or the general international economic factors such as the political situation may affect the Company in the financial statements of the deferred tax assets.

By the dates 30 June 2017 and 31 December 2016, the Company's unconsolidated allocated over tax losses and unused in the financial statements and the separation of deferred tax assets, are given in the table above as titled 'Unused Tax losses and Expiry Years' under the group company separation issue. Calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements of different companies subject to consolidation. However, consolidated net deferred tax assets and liabilities in the consolidated without offsetting assets and liabilities are shown separately in the financial statements arising from different companies that are subject to consolidation in the financial statements.

Deferred tax assets and liabilities as at 30 June 2017 and 31 December 2016 are as follows:

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Deferred tax liabilities</b>		
Valuation differences of securities	7,980	8,024
Valuation and depreciation differences of fixed assets	102	96
Derivative financial instruments	-	101
Other	5	2
<b>Gross deferred tax liabilities</b>	<b>8,087</b>	<b>8,223</b>
<b>Deferred tax assets</b>		
Provisions arising from financial sector operations	659	990
Deferred tax effect of tax losses carried forward	232	-
Provision for employee termination benefits obligation	344	315
Derivative financial instruments	120	26
Provision for employee unused paid vacation obligation	234	189
Provision for employee bonus	112	186
Valuation differences on securities	-	204
Other	14	18
<b>Gross deferred tax assets</b>	<b>1,715</b>	<b>1,928</b>
<b>Deferred tax assets/(liabilities), net</b>	<b>(6,372)</b>	<b>(6,295)</b>

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

	<b>Continuing Operations</b>		<b>Discontinued Operations</b>	
	<b>30 June 2017</b>	<b>31 December 2016</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Deferred tax assets, net at 1 January</b>	<b>(6,295)</b>	<b>(496)</b>	-	-
Deferred income tax recognized in consolidated income statement	150	(4,489)	-	-
Deferred income tax recognized in consolidated other comprehensive income	(227)	(1,310)	-	-
<b>Deferred tax assets, net at the end of period</b>	<b>(6,372)</b>	<b>(6,295)</b>	-	-

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**16. EMPLOYEE BENEFITS**

Employee bonus provision is as follows:

<b>Continuing Operations</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
Bonus provision	1,135	1,803
<b>Total</b>	<b>1,135</b>	<b>1,803</b>

The movement in employee bonus provision is as follows:

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>At 1 January</b>	<b>1,803</b>	<b>1,219</b>
Provision reversed during the period	(668)	-
Provision set during the period	-	584
<b>Closing balance at the end of period</b>	<b>1,135</b>	<b>1,803</b>

**Long Term Employee Benefits and Vacation Liability**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Employee Benefits	1,724	1,579
Vacation Pay Liability	1,169	945
<b>Total</b>	<b>2,893</b>	<b>2,524</b>

According to TAS 19, long term employee benefits and vacation liability requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans, The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Accordingly, the following actuarial assumptions were used in the calculation of the employee termination benefits obligation.

	<b>30 June 2017</b>	<b>31 December 2016</b>
Discount rate (%)	10.80	10.80
Expected rates of salary/limit increases	6.00	6.00

In accordance with existing social legislation, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In Turkey, such payments are calculated on the basis of 30 days’ pay (limited to a maximum of TL 4,426 (full) and TL 4,297 (full) as at 30 June 2017 and 31 December 2016, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

The Group, except to the extent that another IFRS requires or permits their inclusion in the cost of an asset, has recognized service cost and net interest on the net defined benefit liability (asset) in the consolidated income statement and remeasurements of the net defined benefit liability (asset) in the consolidated comprehensive income statement, which are the components of defined benefit cost.

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**16. EMPLOYEE BENEFITS (continued)**

The movement in provision for employee termination benefits obligation is as follows:

	<b>Continuing Operations</b>	
	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>At 1 January</b>	<b>1,579</b>	<b>1,641</b>
Actuarial losses/(gains)	48	511
Interest cost on the provision	37	83
Provision reversed due to being paid	(75)	(894)
Provision reversed without being paid	(1)	(3)
Service cost	136	241
<b>Closing balance at the end of period</b>	<b>1,724</b>	<b>1,579</b>

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

	<b>Continuing Operations</b>	
	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>At 1 January</b>	<b>945</b>	<b>1,214</b>
Provision reversed during the period	-	(304)
Provision set during the period	224	35
<b>Closing balance at the end of period</b>	<b>1,169</b>	<b>945</b>

**17. OTHER RECEIVABLES AND PAYABLES**

**Other Receivables, Current**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Transitory receivables (*)	13,811	3,142
Deposits and guarantees given	6	6
Other	1,594	359
<b>Total</b>	<b>15,411</b>	<b>3,507</b>

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

**Other Receivables, Non Current**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Collaterals given	4	3
<b>Total</b>	<b>4</b>	<b>3</b>

**Collaterals given in other receivables**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Other collaterals given	10	9
<b>Total</b>	<b>10</b>	<b>9</b>

**Other Payables, Short Term Liability**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Transfer Orders	13,946	3,588
Taxes and funds payable other than on income	1,274	1,371
Other	350	163
<b>Total</b>	<b>15,570</b>	<b>5,122</b>

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**18. OTHER ASSETS AND LIABILITIES**

**Other Assets**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Deferred VAT	1,212	1,008
Other	20	-
<b>Total</b>	<b>1,232</b>	<b>1,008</b>

**Other Short Term Liabilities**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Other	11	11
<b>Total</b>	<b>11</b>	<b>11</b>

**19. SHARE CAPITAL/ TREASURY SHARES**

**Share Capital**

As at 30 June 2017 and 31 December 2016, the nominal values and number of shares of the issued capital of the Company are as follows in terms of share groups:

	<b>30 June 2017</b>			<b>31 December 2016</b>		
	<b>Total number of shares</b>	<b>Nominal value per share (full TL)</b>	<b>Total nominal value (full TL)</b>	<b>Total number of shares</b>	<b>Nominal value per share (full TL)</b>	<b>Total nominal value (full TL)</b>
Share group						
A (bearer shares)	70,704	0.01	707.04	70,704	0.01	707.04
B (bearer shares)	70,704	0.01	707.04	70,704	0.01	707.04
C (bearer shares)	70,704	0.01	707.04	70,704	0.01	707.04
D (bearer shares)	44,999,787,888	0.01	449,997,878.88	44,999,787,888	0.01	449,997,878.88
<b>Total</b>	<b>45,000,000,000</b>		<b>450,000,000.00</b>	<b>45,000,000,000</b>		<b>450,000,000.00</b>

**Privileges**

The Company's Board of Directors consists of 9 members which are selected by the general assembly according to Turkish Commercial Code. 5 members of the board of directors, 2 of whom are required to meet the criteria stipulated by the Corporate Governance Principles for independent board members, are selected from the candidates nominated by Class (A) shareholders, 2 members of the board of directors are selected from the candidates nominated by Class (B) shareholders and 2 members of the board of directors are selected from the candidates nominated by Class (C) shareholders by the general assembly.

The cancellation of privileges given to Class (A) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (A) shareholders, the quorum for decision being independent from the numbers of shareholders who attend the assembly. The cancellation of privileges given to Class (B) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (B) shareholders, the quorum for decision being independent of the numbers of shareholders who attend the assembly. The cancellation of privileges given to Class (C) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (C) shareholders, the quorum for decision being independent of the numbers of shareholders who attend the assembly.

**Authorised Share Capital**

The Company, being in the authorised share capital system, can increase its share capital until it reaches the authorised share capital by means of a resolution of the board of directors without a resolution of general assembly being also required. The authorised share capital can be exceeded by means of a share capital increase through bonus issue one time only, but can not be exceeded by means of a share capital increase in cash. The authorised share capital of the Company is TL 1,000,000, being effective until 31 December 2021.

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**19. SHARE CAPITAL/ TREASURY SHARES (continued)**

**Treasury Shares**

As at 30 June 2017 and 31 December 2016, the carrying and nominal values and ownership percentages of the treasury shares, which consist of the shares of the Company that are owned by GSD Holding A.Ş., are as follows

The owner of the treasury shares	30 June 2017			31 December 2016		
	Carrying Value <sup>(*)</sup>	Nominal value	Ownership percentage	Carrying value <sup>(*)</sup>	Nominal Value	Ownership percentage
GSD Holding A.Ş.	53,218	85,300	18.956%	53,218	85,300	18.956%
<b>Buyback shares</b>	<b>53,218</b>	<b>85,300</b>	<b>18.956%</b>	<b>53,218</b>	<b>85,300</b>	<b>18.956%</b>
<b>Total</b>	<b>53,218</b>	<b>85,300</b>	<b>18.956%</b>	<b>53,218</b>	<b>85,300</b>	<b>18.956%</b>

<sup>(\*)</sup>80% of share capital increases through bonus issue amounting to TL 34,600 is excluded.

**Profit Appropriation and Dividend Distribution**

The Company's statutory retained earnings consist of the extra-ordinary reserves and the first and second legal reserves. Publicly held companies make their profit appropriation in accordance with CMB regulations and the Turkish Commercial Code as follows:

The legal reserves consist of the first and the second legal reserves in accordance with the Turkish Commercial Code, 5% of statutory profits are appropriated as the first legal reserve until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital by the corporations with the exception of holding companies. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital with the exception of holding companies, but may be used to absorb losses in the event that the general reserve is exhausted.

According to the regulations of Capital Markets Board (CMB) of Turkey, there is no minimum required profit distribution for the exchange-traded companies and the net distributable profit of an exchange-traded company preparing consolidated financial statements is calculated by taking into regard its net profit arising from its financial statements in accordance with International Financial Reporting Standards as much as the total of the items that may be distributed as dividend arising from its statutory financial statements based on its books of account. Dividend to be distributed by an exchange-traded company from its net distributable profits arising from its financial statements in accordance with International Financial Reporting Standards is required to be met by the total of its net distributable profit after offsetting its prior year losses, if any, and other items that may be distributed as dividend arising from its statutory financial statements based on its books of account.

The exchange-traded companies in Turkey distribute their profits by the resolution of their general assemblies in accordance with the relevant legislations and within the guidelines stated in their profit distribution policies determined by their general assemblies. The profit distribution policies of the exchange-traded companies must contain at least whether any profit will be distributed or not and if it will be distributed, the profit distribution rate determined for shareholders and other profit-sharing persons; method of payment of the dividend; time of payment of the dividend providing that the dividend distribution process will start latest by the end of the accounting period during which the general assembly meeting was held; whether advance dividend will be distributed or not and, if it will be distributed, the related principles in respect of this. The Company adopted a policy of not distributing cash or bonus dividend and distributing retained earnings by way of share capital increases through bonus issue by capitalization of internal resources within the regulatory framework of CMB and re-evaluating this policy every year, pursuant to its profit distribution policy explained below:

Dividends are distributed to all outstanding shares as of the distribution date equally in proportion to their ownership percentage in share capital regardless of the issue and acquisition dates of these shares, The rights arising from the dividend privilege are reserved. In the capital increases of public companies, bonus shares are distributed to outstanding shares as of the date of share capital increase.



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**19. SHARE CAPITAL/ TREASURY SHARES (continued)**

**Profit Distribution Policy**

According to 2016 Ordinary General Assembly of the Company has resolved on 25 May 2017 that the profit distribution policy of Company for the year 2017 and the subsequent years pursuant to the Corporate Governance Principles is the distribution of profits as bonus shares by means of share capital increases from internal resources through the capitalisation of profits, to the extent that the criteria stipulated by the regulatory framework of CMB in relation to share capital increases through bonus issue are met, in order to finance the growth by way of retention of earnings in equity through the accumulation of profits in extraordinary reserves by considering the growth plans, investing activities and existing financial structures of the associated companies and subsidiaries and this policy is to be re-evaluated every year by taking into account the regulations of the Capital Markets Board regarding profit distribution and the liquidity position of the Company.

Pursuant to the article 16/8, of the Communiqué on Shares (VII-128,1) promulgated by the Capital Markets Board of Turkey (the CMB), without prejudice to statutory obligations with respect to share capital increase, the applications of publicly traded companies to the CMB for share capital increases by capitalisation of internal resources excluding period profit which will result in the adjusted share price dropping below full TL 2, the share price being calculated as the average of the weighted average trading prices in stock exchange within 30 days prior to the disclosure of share capital increase to the public, are not put into process by the CMB.

**Appointments of Group Companies**

In the Ordinary General Assembly Meeting for the year 2016 of GSD Holding A.Ş. held on 25 May 2017, it was decided for the the Company's Board of Directors to be authorized regarding the separation of thousand TL138,958 of net profit of year 2016 on the legal records of the Company by allocating TL thousand 6,948 first legal reserve, from the remainder TL thousand 132,010 amount and by allocating TL thousand 6,948 first legal reserve from the TL thousand 91,051 from the consolidated IFRS net profit of year 2016 and to allocate the remainder TL thousand 84,103 amount as excess reserve.

In the Ordinary General Assembly Meeting for the year 2016 dated 27 March 2017 of GSD Faktoring A.Ş. it was decided TL 1,000 amount of gross profit that is obtained to be allocated as first premium to shareholders, to be separated TL 427 as first legal reserve, TL 879 dividend distribution to Board of Director members, to be separated TL 2,228 as corporate tax, to transfer the remainder from profit for the period TL 6,225 TL amount as excess reserve.

The Ordinary General Assembly Meeting of GSD Yatırım Bankası A.Ş. was held on 22 March 2017. In the Ordinary General Assembly Meeting, it was decided to the net profit amounting to TL 15,342 provided from the activities of the year 2016, TL 767 first legal reserve, TL 2,500 first premium to shareholders in accordance with 24/C articles of association of the Bank, the remaining of TL 12,075 as extraordinary reserves.

In The Ordinary General Assembly Meeting for the year 2016 dated 25 May 2017 of GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. was decided, to transfer of the net loss of TL thousand 28,345 in the IFRS financial statements of the Company to the previous year's losses and to allocate TL thousand 228 type first legal reserve all to be covered by past year losses in the IFRS financial statements of the Company.

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**19. SHARE CAPITAL/ TREASURY SHARES (continued)**

**Retained earnings**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Extraordinary reserves (historical)	144,262	12,252
Extraordinary reserves (arising from the first application of inflation accounting)	68,925	68,925
Inflation adjustment on extraordinary reserves	23,082	23,082
Legal reserves	6,303	6,304
Inflation adjustment on legal reserves	5,868	5,868
Transaction costs of equity transactions	(901)	(901)
IFRS adjustments	(22,053)	11,549
<b>Retained earnings</b>	<b>225,486</b>	<b>127,079</b>

**The items that may be distributed as dividend to shareholders of the Company arising from its statutory financial statements based on its books of account**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Net profit/loss for the period	(3,125)	138,958
Extraordinary reserves (historical)	144,262	12,253
Extraordinary reserves (arising from the first application of inflation accounting)	68,925	68,925
Inflation adjustment on extraordinary reserves	23,082	23,082
<b>The items that may be distributed as dividend in statutory financial statements</b>	<b>233,144</b>	<b>243,218</b>

The restatement effects of the inflation adjustment on the credit balance accounts which are transferred to another account or withdrawn from the company as dividend shall be subject to corporate tax without being included in the current net income for the year during which the transfer or withdrawal is made, but the restatement effects of the inflation adjustment on the equity accounts can be capitalised or transferred to the accumulated deficit account to set off the prior year losses arising from the first application of inflation accounting without being subject to corporate tax, according to the Temporary Clause 25 and the Repeated Clause 298 of the Tax Procedural Law of Turkey. The Tax Procedural Law Communiqué numbered 328 excepts the transfers or withdrawals made from the restatement effects of the inflation adjustment on the nonmonetary credit balance accounts which are profit reserves, special funds (such as fixed asset replacement fund), advances and deposits and progress payments arising from construction contracts, from corporate tax in this regard.

Pursuant to the section under the heading of 19. Profit Distribution belonging to the Circular numbered 17 relating to the Tax Procedural Law of Turkey, prior year income not existing before the first inflation adjustment and arising from the first inflation adjustment, which are transferred to another account or withdrawn from the company as dividend shall be subject to corporate tax without being included in the current net income for the year during which the transfer or withdrawal is made.

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**19. SHARE CAPITAL/ TREASURY SHARES (continued)**

**Changes in Non-Controlling Interests Without Loss of Control**

According to "IFRS 10 –Consolidated Financial Statements", "Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners)." In order to meet the requirement of this standard, the difference between the change in the Group's share in its subsidiaries' equity items except reserves resulting from the accumulation of other comprehensive income items in equity arising from the change in the Group's ownership interest in that subsidiary that do not result in a loss of control and the fair value of the consideration paid or received to effect such a change are not recognised in the consolidated income statement and other comprehensive income, but directly classified in "Changes in non-controlling interests without loss of control" balance of the previous year-end, to "Retained Earnings".

As at 31 December 2016, elimination entries for repurchased shares as part of calculating the repurchased shares have not been recognized. As at 31 March 2017 and 30 June 2017, such elimination entries have been recognized.

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

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Opening Balance</b>	-	<b>(34)</b>
Beginning balance of the fund transferred to retained earnings	-	<b>34</b>
Effect of the share buy-back by GSD Holding A.Ş from GSD Denizcilik Gayrimenkul İnş.San. ve Tic. A.Ş.	(771)	-
<b>The Changes in Non-Controlling Interests Without Loss of Control</b>	<b>(771)</b>	-

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**19. SHARE CAPITAL/ TREASURY SHARES (continued)**

**Non-controlling interests**

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

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.	Consolidated
<b>1 January 2017</b>	<b>21,622</b>	<b>3,735</b>	<b>25,357</b>
Non-controlling interest in net profit/(loss) in the income statement	(1,239)	536	(703)
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	(105)	-	(105)
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(8)	-	(8)
Non-controlling interest in profit/(loss) from treasury share	(4,820)	(32)	(4,852)
<b>30 June 2017</b>	<b>15,450</b>	<b>4,239</b>	<b>19,689</b>

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

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.	Consolidated
<b>1 January 2016</b>	<b>21,622</b>	<b>2,936</b>	<b>24,558</b>
Non-controlling interest in net profit/(loss) in the income statement	(6,634)	826	(5,808)
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	6,254	-	6,254
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(7)	(27)	(34)
Non-controlling interest in profit/(loss) from treasury share	387	-	387
<b>31 December 2016</b>	<b>21,622</b>	<b>3,735</b>	<b>25,357</b>

**Summarised financial information for the subsidiaries that has non-controlling interests <sup>(\*)</sup>**

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
<b>30 June 2017</b>		
Current Assets	26,953	254,650
Non- Current Assets	329,493	311
<b>Total Asset</b>	<b>356,446</b>	<b>254,961</b>
Short term liabilities	105,778	213,428
Long term liabilities	162,012	624
Total liabilities	267,790	214,052
Equity	88,656	40,909
<b>Total Liability</b>	<b>356,446</b>	<b>254,961</b>
<b>30 June 2017</b>		
Net period profit/(loss)	(7,043)	5,179
Other comprehensive income	(641)	2
<b>Total comprehensive income</b>	<b>(7,684)</b>	<b>5,181</b>

**Summarised financial information for the subsidiaries that has non-controlling interests <sup>(\*)</sup>**

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
<b>31 December 2016</b>		
Current Assets	22,822	280,940
Non- Current Assets	339,000	342
<b>Total Asset</b>	<b>361,822</b>	<b>281,282</b>
Short term liabilities	123,434	244,995
Long term liabilities	142,048	559
Total liabilities	265,482	245,554
Equity	96,340	35,728
<b>Total Liability</b>	<b>361,822</b>	<b>281,282</b>
<b>31 December 2016</b>		
Net period profit/(loss)	(28,345)	7,908
Other comprehensive income	28,629	(256)
<b>Total comprehensive income</b>	<b>284</b>	<b>7,652</b>

<sup>(\*)</sup> The details of the above summarised financial data are obtained from consolidated IFRS financial statements except the eliminations of intragroup balances.

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**20. ASSETS HELD FOR SALE**

Assets held for sale the purpose of sale are consist of the real estate properties obtained by the Group in exchange for “Receivables from Financial Activities”. In accordance with the related regulations banks have to dispose of the properties that they are obliged to obtain arisen from their receivables within three years starting from the day of obtaining it. From the real estate properties obtained by the banks due to their receivables, on the condition that they would not exceed the boundary specified in Banking Law and the value and the proportion they needed for banking and with the permission of Supervision Agency, the ones allocated for their own usage are not evaluated within the scope of aforementioned regulation.

	<b>30 June 2017</b>	<b>31 December 2016</b>
Assets held for sale	58,100	59,281
<b>Total</b>	<b>58,100</b>	<b>59,281</b>

**Assets held for sale**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Cost	58,100	59,281
<b>Total</b>	<b>58,100</b>	<b>59,281</b>

Valuation report may be obtained for properties held for sale if necessary. Properties held for sale are carried at the lower of their carrying amounts and their fair values less costs to sell based on valuation report. As at 30 June 2017, it has not been deemed necessary to obtain a valuation report.

<b>Continuing Operations</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Opening balance at 1 January</b>	<b>59,281</b>	<b>941</b>
Additions (*)	-	58,985
Disposals	(1,181)	(645)
<b>Closing balance at the end of period</b>	<b>58,100</b>	<b>59,281</b>

(\*)The property which is mortgaged property in the proceeding of execution of GSD Bank A.Ş acquired on the date of 12 August 2016, and transferred to held for sale assets after offsetting the loan receivable. The bank won the tender which initiated for the mortgaged property in execution proceeding on the date of 11 August 2015 with the amounting to TL 48,010. The legal process ended up and the property had been acquired on the date of 12 August 2016 and after the offsetting of loan receivable, the paid total VAT and fulfillment expenses amounting to TL 10,975 for the property provision is transferred to held for sale assets.

**2016 effects regarding the calculation of partnership net profit on sale resulted with the loss of control and the classification of the stopped actions within the scope of the sale of 75.50% share owned by GSD Holding A.Ş. on Tekstil Bankası A.Ş. to ICBC**

Pursuant to the 29 April 2014 dated share purchase and sale contract, 75.50% of the TL 282 –TL 213 amount of tax paid in 2016 to ICBC Turkey Bank A.Ş. through retrospective reconciliation, which has a contract currency provision of USD 72,018.27 and 50% of TL 435 – TL 217 – private credit provision calculated on 22 May 2016 regarding to some credits opened prior to transaction closure, which has a contract currency provision of USD 75,653.62 was paid to the ICBC from the money held on Deposit Account on 30 March 2016 and 23 May 2016, respectively, TL 430 total share sale expense abided on 2016 and TL 21 corporate tax income calculated related to this expense are recognized in “Period Profit/(Loss) of Discontinuing Operations” on consolidated IFRS Income Statement for the period of 1 January 2016-31 December 2016 of GSD Holding A.Ş.

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**20. ASSETS HELD FOR SALE (continued)**

**2016 effects regarding the calculation of partnership net profit on sale resulted with the loss of control and the classification of the stopped actions within the scope of the sale of 75.50% share owned by GSD Holding A.Ş. on Tekstil Bankası A.Ş. to ICBC (continued)**

It was decided by GSD Holding A.Ş. Board of Directors that due to the fact that the amount that should be transferred on 8 April 2016 and onwards has changed, on 24 May 2016, 75.50% which has a worth of TL 204,109 of the profit calculated with the related tax regulation about the sale to ICBC on 22 May 2015 of the shares of Tekstil Bankası A.Ş. which had a percentage of 75% on Company's capital, by subtraction of 75% of TL 4,922 abided in 2015 and TL 322 abided in 2016 from the expenses regarding this profit, to be held at hand until the end of fifth year following the sales without being transferred to another account and without being pulled from operation so that it can benefit from the Corporate Tax Exemption specified by the 5/1-e article of 5520 Numbered Corporate Tax Law, so that it could be transferred from the net profit of year 2015 of TL 303,135 on legal records of the Company and from consolidated IFRS net profit for the year 2015 to the Special Funds Account in the capital and on the legal records of the Company and to the Reserves on Retained Earnings Account on the capital on consolidated IFRS statement of financial position with a net worth of TL 198,865.

By the Ordinary General Assembly Meeting for the year 2015 of GSD Holding A.Ş held on 26 May 2016, it was decided that a total of TL 200,000 premium to be distributed to the shareholders of the Company by with a capital increase through bonus issues that would be counterbalanced wholly from the premium as follows; TL 198,865 amount from the net profit of 2015 on the legal records of the Company which corresponds to TL 303,135 and TL 220,606 from consolidated IFRS net profit for year 2015, from the amount that has been transferred to the Special Funds Account on capital on legal records and consolidated IFRS statement of financial position and TL 1,135 amount from the rest of the net profit from year 2015.

DISCONTINUED OPERATIONS CONSOLIDATED INCOME STATEMENT (01.01.2016-31.12.2016)	Before Consolidation Eliminations	Consolidation Eliminations	After Consolidation Eliminations
Profit/(loss) before tax from discontinued operations	-	-	-
Tax income/(expense) from discontinued operations	-	-	-
Current tax income/(expense)	-	-	-
Deferred tax income/(expense)	-	-	-
Gain or loss relating to the discontinuance, net	(409)	-	(409)
Gain or loss relating to the discontinuance	-	-	-
The cost to sell the discontinued operations	(430)	-	(430)
Tax expense relating to the discontinuance	21	-	21
<b>NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>(409)</b>	<b>-</b>	<b>(409)</b>
DISCONTINUED OPERATIONS CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (01.01.2016-31.12.2016)	Before Consolidation Eliminations	Consolidation Eliminations	After Consolidation Eliminations
<b>NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>(409)</b>	<b>-</b>	<b>(409)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	-	-	-
<b>OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>			
<b>Net profit/(loss) from discontinued operations</b>	<b>(409)</b>	<b>-</b>	<b>(409)</b>
Non-controlling interest	-	-	-
Equity holders of the company	(409)	-	(409)

As at 30 June 2017, the Group has no discontinued operations.

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**21. RELATED PARTY DISCLOSURES**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. For the purpose of these consolidated financial statements, unconsolidated subsidiaries and other companies of the shareholders are referred to as related parties. Related parties also include individuals that are principle owners, management and members of the Board of Directors and their families.

In the course of conducting its business, the Group conducted various business transactions with related parties on commercial terms and at rates which approximate market rates:

	30 June 2017				31 December 2016			
	GSD Group	Delta Group	Share-holders	Key Executives	GSD Group	Delta Group	Share-holders	Key Executives
	<b>Continuing Operations</b>				<b>Continuing Operations</b>			
Cash loans	-	-	-	691	-	-	368	-
Deposits-Borrowers' funds	-	-	-	22	-	-	-	-
Other payables	-	-	-	-	-	-	-	-

  

	30 June 2017				30 June 2016			
	GSD Group	Delta Group	Share-Holders	Key Executives	GSD Group	Delta Group	Share-holders	Key Executives
	<b>Continuing Operations</b>				<b>Continuing Operations</b>			
Interest income	-	-	33	-	7	-	50	-
Interest expense	-	-	-	-	-	-	-	-
Rent expense	-	-	1,138	-	-	-	1,014	-
Commission income	-	-	-	-	-	-	-	-

In the above table, the balances related with the shareholders belong to the Chairman of the Board of Directors of the Company. Mehmet Turgut Yılmaz and Delta Group is under the control of Mehmet Turgut Yılmaz, The balances related with GSD Group belong to unconsolidated group companies and its foundation.

In the above table containing related party balances, the rent expense under the shareholders column comprise the amounts paid to Mehmet Turgut Yılmaz for office building rent by group companies; donation expense comprise the donations made to GSD Education Foundation by group companies; the balances of related party transactions under the headings of cash loans, non-cash loans, deposits, borrowers' funds, derivative financial instruments, interest income, interest expense and commission income arise from the banking transactions made between the Group banks and the related parties on market terms. The comparable price method is used in the determination of rent expense arising from related party transactions.

The executive and non-executive members of the Board of Directors and the management received remuneration and fees totalling TL 4,459 for continuing operations for the six-month period ended 30 June 2017 (30 June 2016: TL 9,879 for continuing operations).

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**22. PROVISIONS AND COMMITMENTS**

**Provision for litigation**

There is no provision for litigations that is required to be set or disclosed for continuing operations as at 30 June 2017 and 31 December 2016.

**Short term Provisions**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Non cash loan provisions	13	13
<b>Total</b>	<b>13</b>	<b>13</b>

**Non cash loan provisions movement table:**

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>Opening Balance</b>	13	12
Provision set during / (reversed) the period	-	1
<b>Closing balance at the end of period</b>	<b>13</b>	<b>13</b>

**Commitments**

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

	<b>30 June 2017</b>	<b>31 December 2016</b>
Letters of guarantee	744,661	747,740
<b>Total non-cash loans</b>	<b>744,661</b>	<b>747,740</b>
Other commitments	29	27
<b>Total non-cash loans and off-balance sheet commitments</b>	<b>744,690</b>	<b>747,767</b>

**23. FINANCIAL RISK MANAGEMENT**

The Company's risk management program focuses on minimising the negative effects of the ambiguities in financial markets on the Company's financial statements. The Company is mostly exposed to ,market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk in relation with financial investments, Group uses derivative instruments in order to protect financial risk.



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**23. FINANCIAL RISK MANAGEMENT (continued)**

Foreign currency position table <sup>(**)</sup> (Unless indicated, original currency)	30 June 2017				31 December 2016			
	TL	Thousand USD	Thousand Euro	Other (TL)	TL	Thousand USD	Thousand Euro	Other (TL)
1. Trade Receivables	2,777	792	-	-	3,017	857	-	-
2a. Monetary Financial Assets (Cash and Bank)	133,323	37,932	71	6	142,697	37,606	2,737	200
2b. Non-Monetary Financial Assets	458,097	130,620	-	-	453,134	128,761	-	-
3. Other	3,080	874	4	-	1,583	441	9	-
<b>4. Current Asset (1+2+3)</b>	<b>597,277</b>	<b>170,218</b>	<b>75</b>	<b>6</b>	<b>600,431</b>	<b>167,665</b>	<b>2,746</b>	<b>200</b>
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets (Cash and Bank)	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	339,353	96,762	-	-	349,135	99,209	-	-
<b>8. Non Current Assets (5+6+7)</b>	<b>339,353</b>	<b>96,762</b>	<b>-</b>	<b>-</b>	<b>349,135</b>	<b>99,209</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>936,630</b>	<b>266,980</b>	<b>75</b>	<b>6</b>	<b>949,566</b>	<b>266,874</b>	<b>2,746</b>	<b>200</b>
10. Trade Payables	719	205	-	-	184	52	-	-
11. Financial Liabilities	116,628	33,219	18	55	160,846	42,545	2,927	263
12a. Monetary Other Financial Liabilities	-	-	-	-	66	11	7	-
12b. Non Monetary Other Financial Liabilities	836	237	1	-	967	273	2	-
<b>13. Short Term Liability (10+11+12)</b>	<b>118,183</b>	<b>33,661</b>	<b>19</b>	<b>55</b>	<b>162,063</b>	<b>42,881</b>	<b>2,936</b>	<b>263</b>
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	161,442	46,033	-	-	141,508	40,210	-	-
16 a. Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
16 b. Non Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
<b>17. Long Term Liability (14+15+16)</b>	<b>161,442</b>	<b>46,033</b>	<b>-</b>	<b>-</b>	<b>141,508</b>	<b>40,210</b>	<b>-</b>	<b>-</b>
<b>18. Total Liability (13+17)</b>	<b>279,625</b>	<b>79,694</b>	<b>19</b>	<b>55</b>	<b>303,571</b>	<b>83,091</b>	<b>2,936</b>	<b>263</b>
19. Net Asset/(Liability) Position of Off Balance Sheet Foreign Currency Derivative Instruments(19a-19b)	<b>68,388</b>	<b>19,500</b>	-	-	<b>88,861</b>	<b>25,250</b>	-	-
19a. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	68,388	19,500	-	-	88,861	25,250	-	-
19b. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	-	-	-	-	-	-	-	-
<b>20. Net financial position (9-18+19)</b>	<b>725,393</b>	<b>206,786</b>	<b>56</b>	<b>(49)</b>	<b>734,856</b>	<b>209,033</b>	<b>(190)</b>	<b>(63)</b>
<b>21. Position of Net Monetary Units of Foreign Currency Assets / (Liabilities) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(142,689)</b>	<b>(40,733)</b>	<b>53</b>	<b>(49)</b>	<b>(156,890)</b>	<b>(44,355)</b>	<b>(197)</b>	<b>(63)</b>
22. Total Fair value of Financial Instruments used for Currency Hedge	(599)	-	-	(599)	371	-	-	370
23. Amount of hedged Foreign Currency Assets <sup>(*)</sup>	-	-	-	-	-	-	-	-
24. Amount of hedged Foreign Currency Liabilities <sup>(*)</sup>	68,388	19,500	-	-	88,861	25,250	-	-
25. Export	-	-	-	-	-	-	-	-
26. Import	-	-	-	-	-	-	-	-

<sup>(\*)</sup> Hedge accounting has not been applied in accordance with IFRS.

<sup>(\*\*)</sup> Continuing and discontinued operations are both explained under the same foreign currency position table.

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**23. FINANCIAL RISK MANAGEMENT (continued)**

According to a regulation of the Capital Markets Board of Turkey dated 9 September 2009, the exchange-traded companies except financial institutions and investment trusts can give a collateral, pledge, mortgage and guarantee only in favor of their own judicial entities and their consolidated subsidiaries and other third parties can be a beneficiary of a collateral, pledge, mortgage and guarantee given by exchange-traded companies only if it is provided with the sole aim of conducting ordinary business activities.

As at 30 June 2017 and 31 December 2016, group collateral and pledge position are as follows:

<b>Continuing Operations</b>						
<b>Collaterals, pledges, mortgages and guarantees given by the Group</b>		<b>30 June 2017</b>				
	<b>TL</b>	<b>US Dollars</b>	<b>Euro</b>	<b>Others</b>	<b>Total</b>	
<b>A. Collaterals, pledges, mortgages and guarantees given by the Group</b>						
<b>Companies in favor of their own judicial entities</b>						
	<b>10</b>	<b>79,501</b>	<b>-</b>	<b>-</b>	<b>79,511</b>	
1. Letters of guarantee given by the Group Company	-	-	-	-	-	
2. Letters of guarantee given by the Non-Group Banks as collateral against cash loans	-	-	-	-	-	
3. Other letters of guarantee given by the Non-Group Banks	-	147	-	-	147	
4. Marketable Securities	-	-	-	-	-	
5. Cash	10	7,321	-	-	7,331	
6. Mortgage given as collateral against cash loans <sup>(***)</sup>	-	44,433	-	-	44,433	
7. Subsidiary share pledge given as collateral against cash loans <sup>(***)</sup>	-	27,600	-	-	27,600	
8. Other	-	-	-	-	-	
<b>B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies</b>						
	<b>214,053</b>	<b>636,610</b>	<b>-</b>	<b>27</b>	<b>850,690</b>	
1. Guarantees given as collateral against cash loans <sup>(*)</sup>	213,724	447,874	-	27	661,625	
2. Guarantees given as collateral against derivative contracts <sup>(*)</sup>	-	-	-	-	-	
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-	
4. Other non-cash loans	329	-	-	-	329	
5. Mortgage given as collateral against cash loans <sup>(***)</sup>	-	104,416	-	-	104,416	
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-	
7. Bank deposit given as collateral against cash loans	-	6,690	-	-	6,690	
8. Other	-	77,630	-	-	77,630	
<b>C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities</b>						
	<b>511,201</b>	<b>231,458</b>	<b>2,002</b>	<b>-</b>	<b>744,661</b>	
1. Non-cash loans given by the Group Banks	511,201	231,458	2,002	-	744,661	
2. Other	-	-	-	-	-	
<b>D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2. of the Communiqué on the Corporate Governance</b>						
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>E. Other collaterals, pledges, mortgages and guarantees given by the Group</b>						
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
1. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder <sup>(**)</sup>	-	-	-	-	-	
2. Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-	
3. Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-	
<b>Total</b>	<b>725,264</b>	<b>947,569</b>	<b>2,002</b>	<b>27</b>	<b>1,674,862</b>	

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**23. FINANCIAL RISK MANAGEMENT (continued)**

Continuing Operations Collaterals, pledges, mortgages and guarantees given by the Group	31 December 2016				
	TL	US Dollars	Euro	Others	Total
<b>A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities</b>	<b>9</b>	<b>91,566</b>	-	-	<b>91,575</b>
1. Letters of guarantee given by the Group Company	-	-	-	-	-
2. Letters of guarantee given by the Non-Group Banks as collateral against cash loans	-	-	-	-	-
3. Other letters of guarantee given by the Non-Group Banks	-	148	-	-	148
4. Marketable Securities	-	-	-	-	-
5. Cash	9	14,000	-	-	14,009
6. Mortgage given as collateral against cash loans <sup>(***)</sup>	-	48,241	-	-	48,241
7. Subsidiary share pledge given as collateral against cash loans <sup>(***)</sup>	-	29,177	-	-	29,177
8. Other	-	-	-	-	-
<b>B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies</b>	<b>187,090</b>	<b>602,370</b>	-	<b>193</b>	<b>789,653</b>
1. Guarantees given as collateral against cash loans <sup>(*)</sup>	186,789	487,296	-	193	674,278
2. Guarantees given as collateral against derivative contracts <sup>(*)</sup>	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	301	-	-	-	301
5. Mortgage given as collateral against cash loans <sup>(***)</sup>	-	108,361	-	-	108,361
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7. Bank deposit given as collateral against cash loans	-	6,713	-	-	6,713
8. Other	-	-	-	-	-
<b>C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities</b>	<b>510,136</b>	<b>235,749</b>	<b>1,855</b>	-	<b>747,740</b>
1. Non-cash loans given by the Group Banks	510,136	235,749	1,855	-	747,740
2. Other	-	-	-	-	-
<b>D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2. of the Communiqué on the Corporate Governance</b>	-	-	-	-	-
<b>E. Other collaterals, pledges, mortgages and guarantees given by the Group</b>	-	-	-	-	-
1. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder <sup>(**)</sup>	-	-	-	-	-
2. Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-
3. Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-
<b>Total</b>	<b>697,235</b>	<b>929,685</b>	<b>1,855</b>	<b>193</b>	<b>1,628,968</b>

<sup>(\*)</sup> Guarantees given as collateral against cash loans and derivative contracts indicate the total risk exposure arising from guarantees given by the Company as collateral against outstanding cash loans and derivative contracts of its consolidated subsidiaries. The Company has no income or consideration arising from such guarantees it has given in favor of its consolidated subsidiaries.

<sup>(\*\*)</sup> Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder indicate the total risk exposure arising from the non-cash loans given by the Group Banks in favor of Mehmet Turgut Yılmaz, the chairman of the Board of Directors of the Company, and Delta Group Companies which are under his control.

<sup>(\*\*\*)</sup> The dry bulk cargo ships named M/V Cano, M/V Dodo, M/V Hako, M/V Zeyno and M/V Olivia owned by Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited and Neco Maritime Limited, respectively, and the 100% shares of Cano Maritime Limited owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. are mortgaged and pledged, respectively, against the bank loans obtained to finance the ship purchase in favour of the creditor banks.

The line of "E. Total amount of other given TRIKs in the group " in the table asserted above refers to the ratio of other given TRIs by the Group to the Group's equity is 0% as of 30 June 2017 (31 December 2016: 0%).

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**24. FAIR VALUES**

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The table below gives a comparison of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair values in the consolidated financial statements.

	30 June 2017		31 December 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loans and advances to customers	160,861	160,861	169,719	169,719
Finance lease receivables	21	21	168	168
<b>Total</b>	<b>160,882</b>	<b>160,882</b>	<b>169,887</b>	<b>169,887</b>
<b>Financial liabilities</b>				
Funds borrowed	416,714	416,714	490,575	490,575
<b>Total</b>	<b>416,714</b>	<b>416,714</b>	<b>490,575</b>	<b>490,575</b>

The following methods and assumptions were used to estimate the fair values of the financial instruments:

- Fair values of certain financial assets and liabilities carried at cost or amortized cost, including cash and cash equivalents, balances with the Central Bank, deposits with banks and other financial institutions, other money market placements, factoring receivables and payables, demand deposits and reserve deposits at the central bank are considered to approximate their respective carrying values due to their short-term nature.
- Fair values of other financial instruments are determined by using estimation techniques that include taking reference to the current market value of another instrument with similar characteristics or by discounting the expected future cash flows at prevailing interest rates.

**Fair Value Hierarchy**

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed debt instruments.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the OTC derivative contracts. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

As of 30 June 2017, in fair value hierarchy, available for sale financial instruments amounted TL 25,019 (31 December 2016: TL 23,888) presented at fair value and explained in note 5 is defined as level 2 and held as cost amount are not taken into account.

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**25. EARNINGS PER SHARE**

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period adjusted, for "Bonus Shares" when they are issued to shareholders without any consideration as explained below, subsequent to the date of financial statements, but before their authorization.

In Turkey, companies can increase their share capital by making a prorata distribution of shares ("Bonus Shares") to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and restatement differences. For the purpose of the EPS calculation such Bonus Shares are regarded as stock dividends. Dividend payments made in the form of free shares are regarded similarly. Accordingly the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares.

The following reflects the data used in the basic earnings per share computations:

<b>Continuing Operations</b>	<b>30 June 2017</b>	<b>30 June 2016</b>
Net profit/(loss)	13,318	(9,055)
The weighted average number of shares with a nominal value of full TL 1	364,700,000	225,077,645
<b>Basic earnings per share with a nominal value of full TL 1</b>	<b>0.037</b>	<b>(0.040)</b>
<b>Diluted earnings per share with a nominal value of full TL 1</b>	<b>0.037</b>	<b>(0.040)</b>
<b>Discontinued Operations</b>	<b>30 June 2017</b>	<b>30 June 2016</b>
Net profit/(loss)	-	(409)
The weighted average number of shares with a nominal value of full TL 1	364,700,000	225,077,645
<b>Basic earnings per share with a nominal value of full TL 1</b>	<b>-</b>	<b>(0.002)</b>
<b>Diluted earnings per share with a nominal value of full TL 1</b>	<b>-</b>	<b>(0.002)</b>

**26. CASH FLOWS**

**Cash and cash equivalents in the statement of cash flows:**

<b>Continuing Operations</b>	<b>30 June 2017</b>	<b>30 June 2016</b>
Cash on hand and balances with the Central Bank	4,220	5,476
Banks and financial institutions	90,633	127,575
Reserve requirements	7,150	15,962
<b>Cash and cash equivalents in the statement of financial position</b>	<b>102,003</b>	<b>149,013</b>
Less: Required reserve	(7,150)	(15,962)
Less: Accrued interest	(99)	(79)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>94,754</b>	<b>132,972</b>
<b>Discontinued Operations</b>	<b>30 June 2017</b>	<b>30 June 2016</b>
Cash on hand and balances with the Central Bank	-	-
Banks and financial institutions	-	-
Reserve requirements	-	-
<b>Cash and cash equivalents in the statement of financial position</b>	<b>-</b>	<b>-</b>
Less: Required reserve	-	-
Less: Accrued interest	-	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>-</b>	<b>-</b>

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**27. SUBSEQUENT EVENTS**

None.

**28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE**

**GSD Holding A.Ş. Capital Increase by stock**

GSD Holding A.Ş.'s application to the CMB on 23 June 2016 for capital increase amounting to TL 200,000,000 which are 198,865 thousand in legal reserves under the account of the Special Funds in equity and amounting to TL 1,135 thousand to be cover from 2015 profit. Application confirmed by CMB according to i-CMB 128.14 (3 November 2016 dated ve 30/1046 n.d.) numbered decision on 3 November 2016. Paid in capital has reached amounting to TL 450,000,000, subsequent to approval of Ministry of Customs and Trade and registration of İstanbul Chamber of Commerce on 30 November 2016.

**The Share Buy-Back Program of GSD Holding A.Ş.**

The Annual General Assembly of GSD Holding A.Ş. held on 25 June 2015 in connection with the year 2014 resolved to approve the Three-Year Share Buy-Back Program of GSD Holding A.Ş. prepared by the Board of Directors of GSD Holding A.Ş. by means of the resolution dated 29 May 2015 and to authorise the Board of Directors of GSD Holding A.Ş. to make share buy-back within the framework of this program. The Board of Directors of GSD Holding A.Ş. resolved to transfer the authority granted to it by the General Assembly to Akgün Türer, the Vice-Chairman and General Manager of the Company, on 25 June 2015 pursuant to the Article 5/1 of the Communiqué on Bought Back Shares (II-22.1) of the Capital Markets Board of Turkey.

The aim of the share buy-backs to be made within the framework of the Share Buy-Back Program of GSD Holding A.Ş. is to support the stock exchange price of the shares of GSD Holding A.Ş. trading in Borsa İstanbul (BIST) below its book value and to make use of the liquidity of the Company to this aim, the maximum duration of implementation being three years. The maximum number of the shares to be bought back within the framework of the Share Buy-Back Program is up to the 10 % of the share capital of the Company including prior share repurchases pursuant to the Article 9 of the Communiqué on Bought Back Shares (II-22.1) of the Capital Markets Board of Turkey, but is up to the 5.338 % of the share capital of the Company in the event that the shares of GSD Holding A.Ş. owned by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. with a percentage in share capital of 4.662 % are held without being sold for the duration of the program. The program is to be terminated when the amount of the share buy-backs reaches the maximum number of the shares to be bought back within the framework of the Share Buy-Back Program. The fixed upper and lower price limits for the the shares to be bought back within the framework of the Share Buy-Back Program are full TL 1.00 and full TL 2.25. In the event that the transactions requiring an adjustment to the share price are carried out, the specified lower and upper price limits are subject to adjustment within the framework of the regulations of Borsa İstanbul (BIST) and have been adjusted to be full TL 0.76 and full TL 2.01 due to the gross dividend distribution in cash of TL 0.24 per share with a nominal value of TL 1 on 29 July 2015 for the first time in this context. The principles for the disposal of the shares to be bought back within the framework of the Share Buy-Back Program are not determined. The total amount of the fund reserved for the share buy-back to be made within the framework of the Share Buy-Back Program is full TL 60,000,000 and to be provided through equity sources.

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**28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (countined)**

**The Share Buy-Back Program of GSD Holding A.Ş. (countined)**

This Share Buy-back Programme is the first share buy-back programme to be implemented by GSD Holding A.Ş.. The shares of GSD Holding A.Ş. bought back and not disposed of until the beginning of the program consist of the shares of GSD Holding A.Ş. with a nominal value of TL 11,654,221.744 and with a percentage in share capital of 4.662% owned by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., a subsidiary of GSD Holding A.Ş., having been acquired prior to the coming into force of the Communiqué on Bought Back Shares (II-22.1) of CMB. In the event share buy-backs are made as much as the total amount of the fund of full TL 60,000,000 reserved for the share buy-back to be made within the framework of the Share Buy-Back Program, the liquidity of the Company will decrease as much as that amount and the bought-back shares will be recognised under the heading “Treasury Shares”, as a deficit account, within the equity in the consolidated IFRS financial statements of the Company in the amount of repurchase. Pursuant to the Article 20 of the Communiqué on Bought Back Shares (II-22.1) of CMB, reserve funds are to be set aside up to the acquisition value of the bought back shares, and classified as restricted reserves under the shareholders’ equity; the bought back shares and the said reserve funds are to be shown in the financial statements in line with the formats announced by the CMB; the reserves set aside as per this article are to be released up to an amount sufficient to meet the acquisition value, if the bought back shares are disposed of or redeemed. No gain or loss is recognized in the consolidated income statement and other comprehensive income on the purchase, issue, sale or cancellation of the Company’s own equity instruments pursuant to IAS 32. There is no subsidiary to be able to make share buy-back within the framework of the Share Buy-Back Program.

As a result of increase of paid in capital without charge from amounting full TL 250,000,000 to amounting full TL 450,000,000, GSD Holding has increased its shares 80% nominally. Company requested opinion from CMB within the scope of the article 520 of the Turkish Commercial Code No: 6102 to separate excess reserve those shares aforementioned.

According to CMB’s 36231672-045.01-E.1473 numbered opinion, In order to follow up repurchased shares in the consolidated financial statements, free shares nominal values are able to be illustrated under shareholder’s equity “repurchased shares(-)” account and net off via “reserves on buy backed shares” account. With respect to aforementioned above phrase illustration, there is no change or effect on retained earnings balance and total shareholder’s equity balance in consolidated financial statements.

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**28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (countined)**

**The purchase of shares of GSD Holding A.Ş. by GSD Holding A.Ş. in Borsa İstanbul (BIST) and the sale of shares of GSD Holding A.Ş. by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. in Borsa İstanbul (BIST)**

GSD Holding A.Ş. bought back the Class (D) shares of GSD Holding A.Ş. with a nominal value of full TL 25,000,000 and a percentage in share capital of 10 % for full TL 31,312,088.73 for unadjusted prices of full TL 1.10-1.55 per share with a nominal value of full TL 1 on the National Market of Borsa İstanbul between 30 June 2015 and 25 May 2016 to be settled 2 business day later within the framework of the Share Buy-Back Program of GSD Holding A.Ş. prepared by the Board of Directors of GSD Holding A.Ş. by means of the resolution dated 29 May 2015 and approved by the Annual General Assembly of GSD Holding A.Ş. held on 25 June 2015 in connection with the year 2014. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. sold the Class (D) of GSD Holding A.Ş. with a nominal value of full TL 11,654,221.74 and a percentage in share capital of 4.662 % for full TL 15,411,114.92 for unadjusted prices of full TL 1.24-1.55 per share with a nominal value of full TL 1 on the National Market of Borsa İstanbul between 30 June 2015 and 25 May 2016 to be settled 2 business day later within the framework of the Resolution of the Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. dated 25 June 2015 in relation to the sale of the Class (D) shares of GSD Holding A.Ş. owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with a nominal value of full TL 11,654,221.74 and a percentage in share capital of 4.662% on the National Market of Borsa İstanbul (BIST) pursuant to the Article 19/6 of the Communiqué on Bought Back Shares (II-22.1) of the Capital Markets Board of Turkey.

As a result of these transactions between 30 June 2015 and 25 May 2016, the buy-backed shares in relation to the shares of GSD Holding A.Ş. including those held by subsidiaries increased from a nominal value of full TL 11,654,221.74 and a percentage in share capital of 4.662% to a nominal value of full TL 25,000,000.00 and a percentage in share capital of 10% and the percentages in share capital of those held by GSD Holding A.Ş. and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. increased from zero to a 10% and decreased from 4.662% to zero, respectively.

**Additon to The Share Buy-Back Program of GSD Holding A.Ş.**

On 21 July 2016 and 25 July 2016, the Capital Markets Board announced that the publicly listed companies may recapture their shares in the stock market without any limit, by taking the decision of the board of directors and making a special case announcement. In return for the announcement of the CMB, in addition to the previously completed share repurchase program in line with the decision of the board of directors dated 26 July 2016. The Board of Directors of GSD Holding A.Ş. resolved to transfer the authority granted to it by the General Assembly to Akgün Türer, the Vice-Chairman and General Manager of the Company, the Company decided to acquire additional 10% (TL 25,000,000). It has been decided to allocate amounting to TL 40,000,000 for the repurchase of new shares to be made within this scope.



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**28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (countined)**

**The purchase of shares of GSD Holding A.Ş. by GSD Holding A.Ş. in Borsa İstanbul (BIST) and the sale of shares of GSD Holding A.Ş. by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. in Borsa İstanbul (BIST)**

The company holds GSD Holding A.Ş. share	Buy/(Sales) Transactions				Accumulated Situation			Transaction Explanations			
	Transaction Cost	Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date
<b>Recalled shares</b>					-	-	-	-	-	-	-
GSD Holding A.Ş.	1,938	1,938	1,250	0.500%	1,938	1,250	0.500%	Buying	ISE	30.06.15	02.07.15
GSD Holding A.Ş.	552	552	477	0.191%	2,490	1,727	0.691%	Buying	ISE	02.10.15	06.10.15
GSD Holding A.Ş.	568	568	473	0.189%	3,058	2,200	0.880%	Buying	ISE	27.10.15	02.11.15
GSD Holding A.Ş.	1,019	1,019	800	0.320%	4,077	3,000	1.200%	Buying	ISE	10.11.15	12.11.15
GSD Holding A.Ş.	1,135	1,135	900	0.360%	5,212	3,900	1.560%	Buying	ISE	11.11.15	13.11.15
GSD Holding A.Ş.	1,241	1,241	1,000	0.400%	6,453	4,900	1.960%	Buying	ISE	12.11.15	16.11.15
GSD Holding A.Ş.	1,261	1,261	1,000	0.400%	7,714	5,900	2.360%	Buying	ISE	13.11.15	17.11.15
GSD Holding A.Ş.	1,267	1,267	1,000	0.400%	8,981	6,900	2.760%	Buying	ISE	16.11.15	18.11.15
GSD Holding A.Ş.	1,280	1,280	1,000	0.400%	10,261	7,900	3.160%	Buying	ISE	17.11.15	19.11.15
GSD Holding A.Ş.	1,547	1,547	1,300	0.520%	11,808	9,200	3.680%	Buying	ISE	18.11.15	20.11.15
GSD Holding A.Ş.	1,547	1,547	1,300	0.520%	13,355	10,500	4.200%	Buying	ISE	19.11.15	23.11.15
GSD Holding A.Ş.	1,560	1,560	1,300	0.520%	14,915	11,800	4.720%	Buying	ISE	20.11.15	24.11.15
GSD Holding A.Ş.	826	826	700	0.280%	15,741	12,500	5.000%	Buying	ISE	23.11.15	25.11.15
GSD Holding A.Ş.	1,118	1,118	1,000	0.400%	16,859	13,500	5.400%	Buying	ISE	24.11.15	26.11.15
GSD Holding A.Ş.	1,305	1,305	1,150	0.460%	18,164	14,650	5.860%	Buying	ISE	25.11.15	27.11.15
GSD Holding A.Ş.	1,150	1,150	1,000	0.400%	19,314	15,650	6.260%	Buying	ISE	26.11.15	30.11.15
GSD Holding A.Ş.	855	855	750	0.300%	20,169	16,400	6.560%	Buying	ISE	27.11.15	01.12.15
GSD Holding A.Ş.	684	684	600	0.240%	20,853	17,000	6.800%	Buying	ISE	03.12.15	07.12.15
GSD Holding A.Ş.	1,937	1,937	1,450	0.580%	22,790	18,450	7.380%	Buying	ISE	19.04.16	21.04.16
GSD Holding A.Ş.	1,244	1,244	950	0.380%	24,035	19,400	7.760%	Buying	ISE	21.04.16	25.04.16
GSD Holding A.Ş.	1,452	1,452	1,100	0.440%	25,487	20,500	8.200%	Buying	ISE	11.05.16	13.05.16
GSD Holding A.Ş.	1,848	1,848	1,400	0.560%	27,335	21,900	8.760%	Buying	ISE	12.05.16	16.05.16
GSD Holding A.Ş.	1,344	1,344	1,050	0.420%	28,679	22,950	9.180%	Buying	ISE	23.05.16	25.05.16
GSD Holding A.Ş.	1,334	1,334	1,050	0.420%	30,012	24,000	9.600%	Buying	ISE	24.05.16	26.05.16
GSD Holding A.Ş.	1,300	1,300	1,000	0.400%	31,312	25,000	10.000%	Buying	ISE	25.05.16	27.05.16
GSD Holding A.Ş.	7,396	7,396	7,500	3.000%	38,708	32,500	13.000%	Buying	ISE	26.07.16	28.07.16
GSD Holding A.Ş.	2,097	2,097	2,100	0.840%	40,805	34,600	13.840%	Buying	ISE	27.07.16	29.07.16
GSD Holding A.Ş.	400	400	400	0.160%	41,205	35,000	14.000%	Buying	ISE	28.07.16	01.08.16
GSD Holding A.Ş.	982	982	1,000	0.400%	42,187	36,000	14.400%	Buying	ISE	29.07.16	02.08.16
GSD Holding A.Ş.	599	599	600	0.240%	42,786	36,600	14.640%	Buying	ISE	01.08.16	03.08.16
GSD Holding A.Ş.	99	99	100	0.040%	42,885	36,700	14.680%	Buying	ISE	02.08.16	04.08.16
GSD Holding A.Ş.	198	198	200	0.080%	43,083	36,900	14.760%	Buying	ISE	04.08.16	08.08.16
GSD Holding A.Ş.	980	980	1,000	0.400%	44,063	37,900	15.160%	Buying	ISE	17.08.16	19.08.16
GSD Holding A.Ş.	833	833	850	0.340%	44,896	38,750	15.500%	Buying	ISE	18.08.16	22.08.16
GSD Holding A.Ş.	727	727	750	0.300%	45,623	39,500	15.800%	Buying	ISE	22.08.16	24.08.16
GSD Holding A.Ş.	485	485	500	0.200%	46,108	40,000	16.000%	Buying	ISE	24.08.16	26.08.16
GSD Holding A.Ş.	734	734	750	0.300%	46,842	40,750	16.300%	Buying	ISE	25.08.16	29.08.16
GSD Holding A.Ş.	392	392	400	0.160%	47,234	41,150	16.460%	Buying	ISE	26.08.16	30.08.16
GSD Holding A.Ş.	82	82	89	0.036%	47,316	41,239	16.496%	Buying	ISE	26.09.16	28.09.16
GSD Holding A.Ş.	246	246	261	0.104%	47,562	41,500	16.600%	Buying	ISE	27.09.16	29.09.16
GSD Holding A.Ş.	474	474	500	0.200%	48,036	42,000	16.800%	Buying	ISE	29.09.16	03.10.16
GSD Holding A.Ş.	470	470	500	0.200%	48,506	42,500	17.000%	Buying	ISE	30.09.16	04.10.16
GSD Holding A.Ş.	477	477	500	0.200%	48,983	43,000	17.200%	Buying	ISE	04.10.16	06.10.16
GSD Holding A.Ş.	245	245	250	0.100%	49,228	43,250	17.300%	Buying	ISE	10.10.16	12.10.16
GSD Holding A.Ş.	-	-	34,600	-	-	77,850	-	Free	-	-	-
GSD Holding A.Ş.	2,241	2,241	4,150	0.922%	51,469	82,000	18.222%	Buying	ISE	29.11.16	01.12.16
GSD Holding A.Ş.	1,060	1,060	2,000	0.445%	52,529	84,000	18.667%	Buying	ISE	01.12.16	05.12.16
GSD Holding A.Ş.	530	530	1,000	0.222%	53,059	85,000	18.889%	Buying	ISE	06.12.16	08.12.16
GSD Holding A.Ş.	159	159	300	0.066%	53,218	85,300	18.956%	Buying	ISE	07.12.16	09.12.16
<b>Total Mutual Subsidiary Adjustments.</b>					<b>10,737</b>	<b>11,654</b>	<b>4.662%</b>				
GSD Denizcilik	(1,938)	(1,132)	(1,250)	(0.500%)	9,605	10,404	4.162%	Sales	ISE	30.06.15	02.07.15
GSD Denizcilik	(638)	(500)	(500)	(0.200%)	9,105	9,904	3.962%	Sales	ISE	10.11.15	12.11.15
GSD Denizcilik	(756)	(622)	(600)	(0.240%)	8,483	9,304	3.722%	Sales	ISE	11.11.15	13.11.15
GSD Denizcilik	(992)	(874)	(800)	(0.320%)	7,609	8,504	3.402%	Sales	ISE	12.11.15	16.11.15
GSD Denizcilik	(756)	(594)	(600)	(0.240%)	7,015	7,904	3.162%	Sales	ISE	13.11.15	17.11.15
GSD Denizcilik	(1,937)	(1,578)	(1,454)	(0.582%)	5,437	6,450	2.580%	Sales	ISE	19.04.16	21.04.16
GSD Denizcilik	(1,244)	(1,031)	(950)	(0.380%)	4,406	5,500	2.200%	Sales	ISE	21.04.16	25.04.16
GSD Denizcilik	(1,452)	(1,194)	(1,100)	(0.440%)	3,212	4,400	1.760%	Sales	ISE	11.05.16	13.05.16
GSD Denizcilik	(1,848)	(1,519)	(1,400)	(0.560%)	1,693	3,000	1.200%	Sales	ISE	12.05.16	16.05.16
GSD Denizcilik	(1,344)	(1,140)	(1,050)	(0.420%)	553	1,950	0.780%	Sales	ISE	23.05.16	25.05.16
GSD Denizcilik	(1,206)	(1,031)	(950)	(0.380%)	(478)	1,000	0.400%	Sales	ISE	24.05.16	26.05.16
GSD Denizcilik	(1,300)	(1,085)	(1,000)	(0.400%)	(1,563)	-	-	Sales	ISE	25.05.16	27.05.16
GSD Denizcilik	-	1,563	-	-	1,563	-	-	Cons. Adj.	-	-	-
<b>Total</b>	<b>(15,411)</b>	<b>(10,737)</b>	<b>(11,654)</b>	<b>(%4.662%)</b>	<b>-</b>	<b>-</b>	<b>-</b>				
<b>Total</b>	<b>53,218</b>	<b>53,218</b>	<b>85,300</b>		<b>53,218</b>	<b>85,300</b>	<b>18,960%</b>				

**GSD Holding Anonim Şirketi**  
**Notes to the Consolidated Financial Statements**  
**For the Six-Month Period Ended 30 June 2017**

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

**28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (countined)**

**The movement of additional buy-back programme between the dates 28.07.2016-21.08.2017**

In the repurchase of shares process which is started on 26 July 2016 and still continuous, the proportion of repurchase share on report date 21 August 2017 and the Company's share capital registered on 30 November 2016 amounting TL 450,000,000 is 18.956%. Nominal value of shares can be repurchase is amounting to full TL 4,700,000.

The company holds GSD Holding A.Ş. share	Buy/(Sales) Transactions				Accumulated Situation			Transaction Explanations			
	Transaction Cost	Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date
<b>Recalled shares</b>					31,312	25,000	10.000%	-	-		-
GSD Holding A.Ş.	7,396	7,396	7,500	3.000%	38,708	32,500	13.000%	Buying	ISE	26.07.16	8.07.16
GSD Holding A.Ş.	2,097	2,097	2,100	0.840%	40,805	34,600	13.840%	Buying	ISE	27.07.16	9.07.16
GSD Holding A.Ş.	400	400	400	0.160%	41,205	35,000	14.000%	Buying	ISE	28.07.16	1.08.16
GSD Holding A.Ş.	982	982	1,000	0.400%	42,187	36,000	14.400%	Buying	ISE	29.07.16	2.08.16
GSD Holding A.Ş.	599	599	600	0.240%	42,786	36,600	14.640%	Buying	ISE	01.08.16	3.08.16
GSD Holding A.Ş.	99	99	100	0.040%	42,885	36,700	14.680%	Buying	ISE	02.08.16	4.08.16
GSD Holding A.Ş.	198	198	200	0.080%	43,083	36,900	14.760%	Buying	ISE	04.08.16	8.08.16
GSD Holding A.Ş.	980	980	1,000	0.400%	44,063	37,900	15.160%	Buying	ISE	17.08.16	9.08.16
GSD Holding A.Ş.	833	833	850	0.340%	44,896	38,750	15.500%	Buying	ISE	18.08.16	2.08.16
GSD Holding A.Ş.	727	727	750	0.300%	45,623	39,500	15.800%	Buying	ISE	22.08.16	4.08.16
GSD Holding A.Ş.	485	485	500	0.200%	46,108	40,000	16.000%	Buying	ISE	24.08.16	6.08.16
GSD Holding A.Ş.	734	734	750	0.300%	46,842	40,750	16.300%	Buying	ISE	25.08.16	9.08.16
GSD Holding A.Ş.	392	392	400	0.160%	47,234	41,150	16.460%	Buying	ISE	26.08.16	0.08.16
GSD Holding A.Ş.	82	82	89	0.036%	47,316	41,239	16.496%	Buying	ISE	26.09.16	8.09.16
GSD Holding A.Ş.	246	246	261	0.104%	47,562	41,500	16.600%	Buying	ISE	27.09.16	9.09.16
GSD Holding A.Ş.	474	474	500	0.200%	48,036	42,000	16.800%	Buying	ISE	29.09.16	3.10.16
GSD Holding A.Ş.	470	470	500	0.200%	48,506	42,500	17.000%	Buying	ISE	30.09.16	4.10.16
GSD Holding A.Ş.	477	477	500	0.200%	48,983	43,000	17.200%	Buying	ISE	04.10.16	6.10.16
GSD Holding A.Ş.	245	245	250	0.100%	49,228	43,250	17.300%	Buying	ISE	10.10.16	2.10.16
GSD Holding A.Ş.	-	-	34,600			77,850		Free			
GSD Holding A.Ş.	2,241	2,241	4,150	0.922%	51,469	82,000	18.222%	Buying	ISE	29.11.16	1.12.16
GSD Holding A.Ş.	1,060	1,060	2,000	0.445%	52,529	84,000	18.667%	Buying	ISE	01.12.16	5.12.16
GSD Holding A.Ş.	530	530	1,000	0.222%	53,059	85,000	18.889%	Buying	ISE	06.12.16	8.12.16
GSD Holding A.Ş.	159	159	300	0.066%	53,218	85,300	18.956%	Buying	ISE	07.12.16	9.12.16
<b>Total</b>	<b>21,906</b>	<b>21,906</b>	<b>60,300</b>	<b>8.956%</b>	<b>53,218</b>	<b>85,300</b>	<b>18.956%</b>				

**Repurchases of shares in 2016 by GSD Denizcilik Gayr.İnş.San.ve Tic. A.Ş.**

By the Board of Directors Decision dated 26 July 2016, the GSD Denizcilik has decided to repurchase its shares up to 10 percent of paid-in share capital according to the announcements of CMB on 21 July 2016 and 25 July 2016 in order to protect investors. The repurchased shares amount to TL 2,815,000 with 5.395% of C group shares in the share capital. The repurchased share price is between TL 0,84 - TL 1.00 and amounting to TL 2,601,430 with same day value.

**GSD Holding Anonim Şirketi**  
**Notes to the Consolidated Financial Statements**  
**For the Six-Month Period Ended 30 June 2017**

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

**28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (countined)**

**The movement of additional buy-back programme between the dates 26.07.2016-21.08.2017**

The company holds GSD Denizcilik Gayr. İnş.San.ve Tic. A.Ş.share	Buy/(Sales) Transactions				Accumulated Situation			Transaction Explanations			
	Transaction Cost	Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date
Recalled shares					-	-	-	-	-	-	-
GSD Denizcilik	313	313	360	0.690%	313	360	0.690%	Buying	ISE	26.07.16	26.07.16
GSD Denizcilik	752	752	820	1.572%	1,065	1,180	2.262%	Buying	ISE	27.07.16	27.07.16
GSD Denizcilik	612	612	675	1.294%	1,677	1,855	3.556%	Buying	ISE	28.07.16	28.07.16
GSD Denizcilik	334	334	360	0.690%	2,011	2,215	4.246%	Buying	ISE	29.07.16	29.07.16
GSD Denizcilik	97	97	100	0.192%	2,108	2,315	4.438%	Buying	ISE	01.08.16	01.08.16
GSD Denizcilik	69	69	70	0.134%	2,177	2,385	4.572%	Buying	ISE	02.08.16	02.08.16
GSD Denizcilik	99	99	100	0.192%	2,276	2,485	4.764%	Buying	ISE	03.08.16	03.08.16
GSD Denizcilik	30	30	30	0.058%	2,306	2,515	4.822%	Buying	ISE	05.08.16	05.08.16
GSD Denizcilik	55	55	56	0.106%	2,361	2,571	4.926%	Buying	ISE	24.08.16	26.08.16
GSD Denizcilik	10	10	10	0.020%	2,371	2,582	4.949%	Buying	ISE	26.09.16	28.09.16
GSD Denizcilik	18	18	19	0.036%	2,379	2,601	4.985%	Buying	ISE	27.09.16	29.09.16
GSD Denizcilik	138	138	140	0.268%	2,517	2,741	5.253%	Buying	ISE	29.09.16	03.10.16
GSD Denizcilik	74	74	75	0.144%	2,591	2,816	5.397%	Buying	ISE	04.10.16	06.10.16
<b>Total</b>	<b>2,601</b>	<b>2,601</b>	<b>2,815</b>	<b>5.395%</b>	<b>2,591</b>	<b>2,816</b>	<b>5.395%</b>				

As a result of these transactions, shares, recalled by GSD Denizcilik Gayrimenkul İnş. San. Ve Tic. A.Ş., are deducted from the capital and the share of GSD Holding A.Ş in the GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. has increased from 77.958% to 82.404%. Hence, GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has 1.98% share in the capital of GSD Factoring A.Ş. GSD Holding A.Ş.'s indirect share percent which is in the capital of GSD Factoring A.Ş. increased by 0.09%. And, total of indirect and direct shares increased from 89.55% to 89.64%, as a result of the specified transactions.

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

As at 30 June 2017, direct share ratio total of Mehmet Turgut Yılmaz on GSD Holding A.Ş. is at 25.50%, total ratio of direct and indirect shares at 28.14%, which with the calculation of the capital with the deduction of repurchased shares 34.73%, regarding the shares of GSD Holding A.Ş., 25.50% of Mehmet Turgut Yılmaz, 4.50% of MTY Delta Denizcilik İç ve Dış Ticaret A.Ş., 18.95% of GSD Holding A.Ş. and 0.14% Adeo Turizm Otelcilik Limited Şirketi, which in total adds up to 49.09%, act in unison.

**Establishment of GSD Shipping B.V and Mila Maritime Limited Companies**

GSD Holding A.Ş has established a 100% subsidiary, GSD Shipping B.V Company, in the Netherlands on 19 October 2016 with a share capital of USD 5 million. The company's total establishment capital is paid in cash on 31 October 2016. GSD Holding A.Ş decided that the existing capital amount to be increased USD 5 million to USD 10 million on 19 December 2016, and decided the absolute amount of increased capital to be paid in cash and the committed amount is paid in cash on the date of 29 December 2016.

The establishment of company titled Mila Maritime Limited with a share capital of USD 5,000 in Malta is completed by GSD Shipping B.V for the purpose of operating in marine sector on the date of 21 November 2016. Between Mila Maritime Limited and Itachu Corporation located in Japan a contract has been signed on 28 November 2016 about constructing one dry cargo vessel be able to carry 63,000 DWT so as to commit in the midst of 2018.