

YEDİTEPE FAKTORİNG A.Ş.

**THE SPECIAL REPORT PREPARED AS FOR 31ST DECEMBER 2012 TO BE
SUBMITTED TO THE BANKING REGULATORY AND SUPERVISORY AGENCY**

TÜRKÇE dilinden İNGİLİZCE diline
yapılan bu tercüme, tarafından
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tarafından yapıldığını onaylarım.

DELOITTE

To:
TO THE BANKING REGULATORY AND SUPERVISORY AGENCY

And

THE BOARD OF DIRECTORS OF
YEDİTEPE FAKTORİNG A.Ş.

We have audited the balance sheet, income statement, cash flow and the statement of changes in equity of Messrs. Yeditepe Faktoring A.Ş. (the Company) as for 31st December 2012, which were prepared according to the regulations, official communiques and circulars of THE BANKING REGULATORY AND SUPERVISORY AGENCY concerning accounting and financial reporting rules. The audit was carried out pursuant to Article 26 of the Regulations concerning the establishment and operation of financial leasing, factoring and finance companies that became effective after it was published at the official gazette no 26315 dated 10th October 2006.

Our audit was performed in full compliance with the regulations concerning the Accreditation and the Operation of the Organizations that will perform independent audits at Banks, which was issued by THE BANKING REGULATORY AND SUPERVISORY AGENCY (BDDK). The audit employs other methods and techniques, which we deem necessary for the control of accounting records.

The financial statements dated 31st December 2012 and the statistical data containing financial information of the same date, which were submitted in Section VII as per Paragraph 2 Article 26 of the amended regulations concerning the establishment and operation of financial leasing, factoring and finance companies that became effective after it was published at the official gazette no 27856 dated 24th February 2011, were issued according to the format and the scope defined in Paragraph 2 Article 24 of the amended regulations concerning the establishment and operation of financial leasing, factoring and finance companies. It was established that the financial statements and the statistical data containing financial information comply with the company records.

The information on the company in this report about compliance to the administrative liabilities were submitted as an additional analysis pursuant to the regulations of BDDK and are not part of financial statements. The analyses were conducted by sampling. Our audit was performed for the purpose of commenting on the financial statements. It is not intended to investigate compliance with regard to administrative liabilities.

This report is issued for use by the company and BDDK only, and use by third parties is not recommended.

Istanbul 29th March 2013

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
A MEMBER OF DELOITTE TOUCHE TOHMATSU LIMITED

Özlem Gören Güçdemir

Head Auditor, SSMM

Signed

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ANNEX 1: NOTES ABOUT INDEPENDENT AUDIT REPORT, FINANCIAL STATEMENTS.

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YEDİTEPE FAKTORİNG A.Ş.

EXPLANATIONS ABOUT FINANCIAL STATEMENTS PREPARED FOR THE BANKING REGULATORY AND SUPERVISORY AGENCY

I. GENERAL INFORMATION

Name of company : Yeditepe Faktoring A.Ş.
Trade reg. no. : 623523
Tax office : Mecidiyeköy
VAT No. : 435 007 1866
Date incorporated : 03.07.2008/26.08.1997
Share capital : 24.000.000 TL (Nominal value)
Address : Esentepe Mah. Büyükdere Cad. Oyal İş Merkezi
No: 108/1 K6 34394 Şişli/İstanbul
Tel : (21) 267 33 33
Fax : (212) 267 30 50
Internet address : www.yeditepefaktoring.com

Shareholding Structure

Shareholders:

	31 December 2012		31 December 2011	
	%	2012	%	2012
Fevzi Öztürkmen	98,492	23.638,20	98,228	19,646
Halil Öztürkmen	0,50	120	0,667	133
İsmail Öztürkmen	1,00	240	1,093	219
İsmail Hatunoğlu	-	-	-	-
Özkan Okur	-	-	-	-
Recep Sinan Neftçi	-	-	0,003	0,5
Süleyman Gazi Erçel	-	-	0,003	0,5
Mehmet İlker Genç	0,0025	0,6	0,003	0,5
Vural Güngördü	0,0025	0,6	0,003	0,5
Burçin Yücel	0,0025	0,6		
TOTAL	100,00	24.000	100,00	20.000

Top Managers

Board of Directors

Chairman of Board of Directors : Fevzi ÖZTÜRKMEN
Vice-Chairman of Board of Directors : Burçin YÜCEL
Member of Board of Directors : Vural GÜNGÖRDÜ
Member of Board of Directors : Mehmet İlker GENÇ
Member of Board of Directors : Halil ÖZTÜRKMEN

Legal Auditors:

Member of Auditing Board : Tuncay SINANMIŞ

General Manager and Deputies:

General Manager : Burçin YÜCEL
Asst. General Manager : Vural GÜNGÖRDÜ

YEDİTEPE FAKTORİNG A.Ş.

EXPLANATIONS ABOUT FINANCIAL STATEMENTS PREPARED FOR THE BANKING REGULATORY AND SUPERVISORY AGENCY

I. GENERAL INFORMATION (cont'd)

Signatories in Group A:

Chairman of Board of Directors	Fevzi ÖZTÜRKMEN
Vice Chairman of Board of Directors and General Manager	Burçin YÜCEL
Asst. General Manager	Vural GÜNGÖRDÜ

Legal auditors

Legal auditor	Tuncay SINANMIŞ
Number of employees	45 (2011:30)
Branches and representatives	Nil
Participations and affiliates	Nil
Liaison offices	Nil

II. ACCOUNTING RECORDS

1. Compliance of annual accounts and records with accounting principles

As per Paragraph 2 Article 26 of the regulations concerning the establishment and operation of financial leasing, factoring and finance companies, the company's annual accounts and records are compliant with the accounting principles and were prepared in compliance with the "Official Communiqué about the Uniform Account Plan to be applied to Financial Leasing, Faktoring and Finance Companies and the format and the content of the financial statements to be disclosed to public".

The financial statements dated 31st December 2012 and the statistical data containing financial information of the same date, which were submitted in enclosure, were prepared according to the format and the scope defined in Paragraph 2 Article 24 of the regulations concerning the establishment and operation of financial leasing, factoring and finance companies and are consistent with company records.

Provisions of the "Official Communiqué about the provisions to be reserved for the claims of financial leasing, factoring and finance companies" were applied.

YEDİTEPE FAKTORİNG A.Ş.

EXPLANATIONS ABOUT FINANCIAL STATEMENTS PREPARED FOR THE BANKING REGULATORY AND SUPERVISORY AGENCY

III. ADMINISTRATIVE LIABILITIES

- a) It is established that the transactions assumed by the company comply with the statutory decree about Lending Money No. 90 and the Financial Leasing Law

Further to the sampling, no significant exceptional case was detected that company transactions do not comply with financial leasing law and regulations concerning the establishment and operation of financial leasing, factoring and finance companies.

- b) It is established that there is not any difference between the financial statements dated 31st December 2012 and the statistical data containing financial information of the same date and the financial statements reported to BDDK,

according to the Paragraph 2 Article 26 of the regulations concerning the establishment and operation of financial leasing, factoring and finance companies.

- c) Statements made to the government authorities and the permissions received in the current term:

According to the information we received from the company management, the company forwarded to relevant government authorities the information and the documents regarding its operations in 2012 or received required permissions. The statements sent to BDDK during the fiscal term 1st January – 31st December 2012 were investigated and no non-compliance with company operations was detected.

- d) Internal Control Systems in the company, its branches and representative offices

Company conducts its operations at head office. Company has no branches.

Although the audits, which were conducted in order to define type, timing and scope of the audit methods, aim understanding of the structure of the internal control of the company, they are not intended to give a guarantee on internal control system or to define the significant discrepancies of the internal control system. However, nothing significant was observed concerning internal control system during the audits performed on entire financial statements.

The findings during audits and the measures taken by the company are as follows:

Finding: The Company is using the application Orion-net, which is frequently preferred in factoring sector. It is found that, as in many factoring companies in the sector using this program, the logos are in the same server, which are accessible by supplier, the changes on the application are not logged at sufficient detail and there is no logging at database level. Company management advised that logging will be made on application and database during

the first quarter of 2012 and the said logs will be closed to the access of the users with high authority.

Finding: It was observed that the SA having the admin rights on SQL database on which Orion.net program operates is used by Bisod, the supplier. It was found that the producer is entitled to access in remote to the live environment and the database. The company management advised that the supplier accessed to the live environment when there is a problem and the changes on database could only be made by the said supplier.

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YEDİTEPE FAKTORİNG A.Ş.

EXPLANATIONS ABOUT FINANCIAL STATEMENTS PREPARED FOR THE BANKING REGULATORY AND SUPERVISORY AGENCY

I. ADMINISTRATIVE LIABILITIES (Cont'd)

- e) Information about the actions filed against the company and administrators during the current term

A letter of confirmation about the summary of the actions filed against and in favor of the company was prepared by the company lawyers and forwarded to us. This letter was reviewed by us and an investigation was made if there is any situation requiring setting aside provision in the financial statements dated 31st December 2012. Company management declared in writing that there was no action pending against company administrators regarding the duties in the company.

- f) Financial leasing operations comply with the transaction limits defined in the regulations concerning the establishment and operation of financial leasing, factoring and finance companies.

- g) According to the financial statements dated 31st December 2012, nothing was found that financial leasing operations do not comply with the transaction limits defined in Article 23 of the regulations concerning the establishment and operation of financial leasing, factoring and finance companies.

IV. POST-TERM DEVELOPMENTS

Nil

V. METHOD

Our audit was performed on the basis of importance using the appropriate techniques among physical examination, observation, verification, data collection, re-monitoring recording system, re-calculation, document review, analytical examination, sampling, control and confirmation, which is suitable for the company. Within our audit program, our risk assessment techniques and internal control tests were separately added to our independent audit works.

The audit and investigation rules and techniques, which are applied during our audits, are given below in terms of items of financial statement.

Cash and Banks

Reconciliation statements were prepared for the significant bank balances and sent to relevant banks. Bank extracts were controlled as alternative audit technique. Also, evaluation of foreign currency balances was controlled.

Factoring Transactions and Non-Performing Loans

Reconciliation statements were sent by random sampling for Non-Performing Loans and creditability of claims as for date of balance sheet was analyzed. Also compliance with current legislation of Non-Performing Loans was tested.

YEDİTEPE FAKTORİNG A.Ş.

EXPLANATIONS ABOUT FINANCIAL STATEMENTS PREPARED FOR THE BANKING REGULATORY AND SUPERVISORY AGENCY

VI. METHOD (Cont'd)

Tangible and intangible fixed assets

Entries and exits during the year were tested by sampling. Depreciation accounts for the term were controlled.

Other Assets and Liabilities

Accounts were examined as for date of balance sheet and compliance with company operations were controlled and tested by sampling.

Loans Received

Reconciliation statements were sent by sampling to domestic and foreign banks. Maturity, interest re-discounts and foreign currency values of the loans received were controlled.

Tax

Tax calculations of the company for the current term were audited by sampling.

Equity

Equity opening balances were re-conciliated with the closing balances of the previous year. Entrance and exits of equity, profit distribution statements were controlled.

Income Statement

Main operational incomes and expenses, exchange profit-loss accounts were tested using analytical methods by comparing with previous year.

Special provisions account and other incomes and expenses were tested in detail by sampling.

VII. SUGGESTIONS

We hold that legislation should be prepared for internal control and risk management procedures in order to ensure a uniform application in the sector.

VIII. NOTES ABOUT INDEPENDENT AUDIT REPORT, FINANCIAL STATEMENTS.

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YEDİTEPE FAKTORİNG A.Ş.**THE FINANCIAL STATEMENTS AS FOR 31ST DECEMBER 2012 AND
INDEPENDENT AUDIT REPORT**

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DELOITTE**INDEPENDENT AUDIT REPORT****THE BOARD OF DIRECTORS OF
YEDİTEPE FAKTORİNG A.Ş.**

We have audited the balance sheet, income statement, cash flow and the statement of changes in equity of Messrs. Yeditepe Faktoring A.Ş. (the Company) which were prepared as for 31st December 2012, and a summary of the descriptive notes concerning significant accounting policies.

Explanation about the responsibility of Company Board of Directors

Company Board of Directors is responsible for the establishment of an internal control system, selection of appropriate accounting policies and implementation thereof pursuant to "Official Communiqué about the Uniform Account Plan to be applied to Financial Leasing, Faktoring and Finance Companies and the format and the content of the financial statements to be disclosed to public", Turkish Accounting Standards, Turkish Financial Reporting Standards as well as the other regulations, communiques and circulars that are published by THE BANKING REGULATORY AND SUPERVISORY AGENCY concerning accounting and financial reporting and the explanations made by THE BANKING REGULATORY AND SUPERVISORY AGENCY.

Explanation about the responsibility of the authorized auditing body

Our responsibility as the organization performing independent audit is to give opinion about the audited financial statements. Our independent audit was performed in compliance with the regulations concerning the Accreditation and the Operation of the Organizations that will perform independent audits at Banks, published at Official Gazette no 26333 dated 1st November 2006 and the international audit standards. The independent audit was planned and performed so as to provide a reasonable assurance that the financial statements will not have a significant error. During the independent audit, auditing techniques for collecting evidence about the amounts in the financial statements and the explanations and the footnotes of such statements were used. These techniques were left to the initiative of the independent auditors that we have employed; however appropriate audit techniques were defined considering the efficiency of internal controls during the process of preparing and submitting financial statements and assessing the suitability of the applied accounting policies. But we do not aim to give opinion about the efficiency of internal control system but rather to define the relationship between the financial statements prepared by the company and the internal control. Sufficient and appropriate evidence was provided for the following opinion.

Independent Audit Opinion

To our opinion the enclosed financial statements truly reflect the results of operations and the cash flow of Messrs. Yeditepe Faktoring A.Ş. as of 31st December 2013 in compliance with the regulations, communiques and circulars issued by THE BANKING REGULATORY AND SUPERVISORY AGENCY in connection with accounting and financial reporting principles as well as the explanations made by THE BANKING REGULATORY AND SUPERVISORY AGENCY.

Istanbul 29th March 2013

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
A MEMBER OF DELOITTE TOUCHE TOHMATSU LIMITED

Özlem Gören Güçdemir

Head Auditor, SSMM

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YEDİTEPE FAKTORİNG A.Ş.

BALANCE SHEET AS OF 31 DECEMBER 2012 (in thousand TL unless otherwise specified)

	ASSETS	Footnote	THOUSAND TL			THOUSAND TL		
			Current independently 31 st December 2012	term audited		Previous independently 31 st December 2011	term audited	
			TP	YP	Total	TP	YP	Total
I	CASH		2	-	2	3	-	3
II	Differential and financial assets reflected on profit-loss NET		-	-	-	-	-	-
2.1	Financial Assets for purchase-sale		-	-	-	-	-	-
2.2	Differential and financial assets reflected on profit-loss		-	-	-	-	-	-
2.3	Derivative financial assets for purchase-sale		-	-	-	-	-	-
III	BANKS	5	173	126	299	248	-	248
IV	CLAIMS FROM REVERSE REPURCHASING		-	-	-	-	-	-
V	FINANCIAL ASSETS READY FOR SALE		-	-	-	-	-	-
VI	FACTORİNG RECEİVABLE	7	118.660	14.872	133.532	77.762	449	78.211
6.1	Discounted Factoring Receivables		74.433	14.872	89.305	69.241	449	69.690
6.1.1	Domestic		77.540	15.853	93.393	71.651	453	72.104
6.1.2.	Foreign		-	-	-	-	-	-
6.1.3	Un-earned Incomes (-)		(3.107)	(981)	(4.088)	(2.410)	(4)	(2.414)
6.2	Other Factoring Receivables		44.227	-	44.227	8.521	-	8.521
6.2.1	Domestic		44.227	-	44.227	8.521	-	8.521
6.2.2	Foreign		-	-	-	-	-	-
VII	FINANCING LOANS		-	-	-	-	-	-
7.1	Consumer loans		-	-	-	-	-	-
7.2	Credit cards		-	-	-	-	-	-
7.3	Installment Commercial loans		-	-	-	-	-	-
VIII	LEASING TRANSACTIONS		-	-	-	-	-	-
8.1	Claims from leasing transactions		-	-	-	-	-	-
8.1.1	Financial leasing claims		-	-	-	-	-	-
8.1.2	Claims from leasing the operations		-	-	-	-	-	-
8.1.3	Others		-	-	-	-	-	-
8.1.4	Unearned incomes (-)		-	-	-	-	-	-
8.2	Investment in progress for leasing		-	-	-	-	-	-
8.3	Advance paid for leasing operations		-	-	-	-	-	-
IX	NON-PERFORMING LOANS	7	1.138	-	1.138	553	-	553
9.1	Factoring Loans		3.862	-	3.862	2.739	-	2.739
9.2	Finance Loans		-	-	-	-	-	-
9.3	Leasing operations		-	-	-	-	-	-
9.4	Special provisions (-)		(2.274)	-	(2.274)	(2.186)	-	(2.186)
X	HEDGING DERIVATIVE FINANCIAL ASSETS		-	-	-	-	-	-
10.1	Hedging against value risk		-	-	-	-	-	-
10.2	Hedging against cash flow		-	-	-	-	-	-
10.3	Hedging against net investment risk abroad		-	-	-	-	-	-
XI	INVESTMENT TO BE HELD UNTIL		-	-	-	-	-	-

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 E-mail : info@seckin-translation.com Web : <http://www.seckin-translation.com>

	MATURITY (NET)							
XII	AFFILIATES (NET)		-	-	-	-	-	-
XIII	PARTICIPATIONS (NET)		-	-	-	-	-	-
XIV	BUSINESS PARTNERS (NET)		-	-	-	-	-	-
XV	TANGIBLE FIXED ASSETS (NET)	9	408	-	408	491	-	491
XVI	INTANGIBLE FIXED ASSETS (NET)	10	49	-	49	49	-	49
16.1	Goodwill		-	-	-	-	-	-
16.2	Others		-	-	-	-	-	-
XVII	DEFERRED TAX	12	945	-	945	526	-	526
XVIII	FIXED ASSET DEBTS HELD FOR SALE (NET)		-	-	-	-	-	-
18.1	For sale		-	-	-	-	-	-
18.2	Suspended operations							
XIX	OTHER ASSETS	14	43	-	43	168	-	168
	TOTAL ASSETS		121.418	14.998	136.416	79.800	449	80.249

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YEDİTEPE FAKTORİNG A.Ş.

BALANCE SHEET AS OF 31 DECEMBER 2012 (in thousand TL unless otherwise specified)

	LIABILITIES		THOUSAND TL			THOUSAND TL		
			Current term independently audited 31 st December 2012			Previous term independently audited 31 st December 2011		
			TP	YP	Total	TP	YP	Total
I	DERIVATIVE FINANCIAL LIABILITIES FOR PURCHASE-SALE					-	-	-
II	FUNDS BORROWED	15	84.819	14.952	99.771	52.760	180	52.940
III	FACTORING DEBTS		70	-	70	8	-	8
IV	DEBTS FROM LEASING TRANSACTIONS		-	-	-	-	-	-
4.1	Financial leasing debts		-	-	-	-	-	-
4.2	Activity leasing debts		-	-	-	-	-	-
4.3	Others		-	-	-	-	-	-
4.4	Deferred financial leasing expenses (-)		-	-	-	-	-	-
V	SECURITIES ISSUED (Net)		-	-	-	-	-	-
V.1	Bills		-	-	-	-	-	-
V.2	Asset backed Securities		-	-	-	-	-	-
V.3	Bonds		-	-	-	-	-	-
VI	MISC. DEBTS	16	12	-	12	47	-	47
VII	OTHER FOREIGN SOURCES		-	-	-	-	-	-
VIII	HEDGING DERIVATIVE FINANCIAL LIABILITIES		-	-	-	-	-	-
8.1	Hedging against value risk		-	-	-	-	-	-
8.2	Hedging against cash flow risk		-	-	-	-	-	-
8.3	Hedging against net investment risk abroad		-	-	-	-	-	-
IX	TAXES AND OBLIGATIONS PAYABLE	19	1.283	-	1.283	481	-	481
X	PROVISIONS FOR DEBTS AND EXPENSES		152	-	152	39	-	39
10.1	Provision for re-structuring		-	-	-	-	-	-
10.2	Provisions for employee benefits	21	133	-	133	39	-	39
10.3	Other provisions	20	19	-	19	-	-	-
XI	DEFERRED TAX DEBT		-	-	-	-	-	-
XII	FIXED ASSET DEBTS FOR SUSPENDED OPERATIONS AND HELD FOR SALE (NET)		-	-	-	-	-	-
12.1	For sale		-	-	-	-	-	-
12.2	Suspended operations		-	-	-	-	-	-
XIII	CAPITAL LIKE LOANS		-	-	-	-	-	-
XIV	EQUITY		35.127	-	35.127	26.734	-	26.734
14.1	Paid up capital	23	24.000	-	24.000	20.000	-	20.000
14.2	Capital reserves		-	-	-	-	-	-
14.2.1	Share premium		-	-	-	-	-	-
14.2.2	Gain on cancelled share certificates		-	-	-	-	-	-
14.2.3	Difference on Valuation of securities		-	-	-	-	-	-
14.2.4	Re-valuation differences between tangible and intangible fixed assets		-	-	-	-	-	-
14.2.5	Free certificates of participations, affiliates, and jointly controlled partnerships		-	-	-	-	-	-

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14.2.6	Hedging valuation difference (effective)		-	-	-	-	-	-
14.2.7	Accumulated valuation differences for the operations held for sale and suspended		-	-	-	-	-	-
14.2.8	Other capital reserves		-	-	-	-	-	-
14.3	Profit reserves	24	2.200	-	2.200	1.869	-	1.869
14.3.1	Legal reserves		2.200	-	2.200	1.869	-	1.869
14.3.2	Statute reserves		-	-	-	-	-	-
14.3.3	Extraordinary reserves		-	-	-	-	-	-
14.3.4	Other profit reserves		-	-	-	-	-	-
14.4	Profit or Loss		8.928	-	8.927	4.865	-	4.865
14.4.1	Profit or Loss of Previous Terms	25	534	-	534	607	-	607
14.4.2	Profit or Loss of the current term		8.393	-	8.393	4.258	-	4.258
	TOTAL LIABILITIES		121.464	14.952	136.416	80.069	180	80.249

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YEDİTEPE FAKTORİNG A.Ş.

OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2012 (in thousand TL unless otherwise specified)

			THOUSAND TL			THOUSAND TL		
			Current term independently audited 31 st December 2012			Previous term independently audited 31 st December 2011		
	OFF-BALANCE SHEET ITEMS		TP	YP	Total	TP	YP	Total
I	Factoring transactions, risk assumed		-	-	-	-	-	-
II	Factoring transactions, risk not assumed		89.399	-	89.399	71.539	-	71.539
III	Guarantees received		9.030	-	9.030	787	-	787
IV	Guarantees given	27	147	-	147	246	-	246
V	Commitments		-	-	-	638.942	-	638.942
5.1	Irrevocable commitments		-	-	-	-	-	-
5.2	Revocable commitments		-	-	-	-	-	-
5.2.1	Leasing commitments		-	-	-	-	-	-
5.2.1.1	Financial leasing commitments		-	-	-	-	-	-
5.2.1.2	Activity leasing commitments		-	-	-	-	-	-
5.2.2	Other Revocable commitments		-	-	-	638.942	-	638.942
VI	DERIVATIVE FINANCIAL INSTRUMENTS		-	-	-	-	-	-
6.1	Hedging derivative financial instruments		-	-	-	-	-	-
6.1.1	Hedging against valuation risk		-	-	-	-	-	-
6.1.2	Hedging against cash flow		-	-	-	-	-	-
6.1.3	Hedging against net investment risk abroad		-	-	-	-	-	-
6.2	Purchase-Sale Transactions		-	-	-	-	-	-
6.2.1	Future Purchase-Sale Transactions		-	-	-	-	-	-
6.2.2	Swap Transactions		-	-	-	-	-	-
6.2.3	Purchase-Sale Option Transactions		-	-	-	-	-	-
6.2.4	Future Purchase-Sale Transactions		-	-	-	-	-	-
6.2.5	Others		-	-	-	-	-	-
XII	DEPOSITED ASSETS		119.973	17.495	137.468	82.611	1.285	83.896
	TOTAL OFF-BALANCE SHEET ITEMS		218.549	17.495	236.044	794.125	1.285	795.410

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YEDİTEPE FAKTORİNG A.Ş.

INCOME STATEMENT AS OF 31 DECEMBER 2012 (in thousand TL unless otherwise specified)

	INCOMES AND EXPENSES		THOUSAND TL Current term independently audited 01.01-31.12.2012	THOUSAND TL Previous term independently audited 01.01-31.12.2011
			Total	Total
I	MAIN OPERATIONAL INCOMES			
1.1	FACTORING INCOMES	30	24.849	16.968
1.1.1	Interest on Factoring Receivables		21.595	14.405
1.1.1.1	Discounts		12.902	11.765
1.1.1.2	Other		8.693	2.640
1.1.2	Charges and commissions on Factoring Receivables		3.254	2.563
1.1.2.1	Discounts		3.254	2.563
1.1.2.2	Other		-	-
1.2	INCOMES FROM FINANCE LOANS		-	-
1.2.1	Interests received from finance loans		-	-
1.2.2	Charges and commissions on finance loans		-	-
1.3	LEASING EXPENSES		-	-
1.3.1	Financial Leasing Incomes		-	-
1.3.2	Activity leasing incomes		-	-
1.3.3	Charges and commissions received from leasing transactions		-	-
II	MAIN OPERATIONAL EXPENSES (-)	31	(5.140)	(4.564)
2.1	Personnel		(3.201)	(2.820)
2.2	Provision for severance pay		(9)	(24)
2.3	Research and development		-	-
2.4	General operational expenses		(1.930)	(1.720)
2.5	Others		-	-
III	OTHER OPERATIONAL EXPENSES	32	382	678
3.1	Interest received from banks		-	-
3.2	Interests received from reverse re-purchasing transactions		-	-
3.3	Interests received from securities		-	-
3.3.1	Financial assets for purchase-sale		-	-
3.3.2	Financial assets reflected on profit/loss		-	-
3.3.3	Financial assets ready for sale		-	-
3.3.4	Investments held until maturity		-	-
3.4	Dividends		-	-
3.5	Profit on capital market transactions		-	-
3.5.1	Derivative financial transactions		-	-
3.5.2	Others		-	-
3.6	Profit on exchange		112	196
3.7	Others		270	482
IV	FINANCE EXPENSES (-)	33	(8.637)	(5.694)
4.1	Interests paid to the borrowings		(8.511)	(5.575)
4.2	Interests paid to factoring debts		-	-
4.3	Financial leasing expenses		-	-
4.4	Interest paid to securities issued		-	-
4.5	Other interests paid		-	-

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4.6	Charges and commissions paid		(126)	(119)
V	SPECIAL PROVISIONS FOR NON-PERFORMING LOANS (-)	34	(787)	(1.435)
VI	OTHER OPERATIONAL EXPENSES (-)	35	(115)	(174)
6.1	Devaluation of securities		-	-
6.1.1	Financial assets devaluation		-	-
6.1.2	Financial assets ready for sale		-	-
6.1.3	Investments to be held until maturity		-	-
6.2	Devaluation of fixed assets		-	-
6.2.1	Devaluation of tangible fixed assets		-	-
6.2.2	Devaluation of fixed assets held for sale		-	-
6.2.3	Devaluation of goodwill		-	-
6.2.4	Devaluation of other intangible fixed assets		-	-
6.2.5	Devaluation of participation, affiliates and business parties		-	-
6.3	Loss from derivative financial transaction		-	-
6.4	Loss from exchange transactions		(115)	(174)
6.5	Others		-	-
VII	NET OPERATIONAL PROFIT/LOSS		10.552	5.779
VIII	EXCESS WRITTEN OFF AS INCOME AFTER AMALGAMATION		-	-
IX	NET MONETARY POSITION PROFIT/LOSS		-	-
X	BEFORE TAX PROFIT/LOSS		-	-
XI	TAX PROVISION FOR ONGOING OPERATIONS	36	(2.159)	(1.521)
11.1	Provision for current tax		(2.578)	(1.657)
11.2	Deferred tax expense (+)		-	-
11.3	Deferred tax income (-)		419	136
XII	NET PROFIT/LOSS OF TERM FOR ONGOING OPERATIONS		8.393	4.258
XIII	INCOMES FROM SUSPENDED OPERATIONS		-	-
13.1	Incomes from the fixed assets held for sale		-	-
13.2	Sales profits of affiliates, participations and business partners		-	-
13.3	Other Incomes from suspended operations		-	-
XIV	SUSPENDED OPERATIONS EXPENSES (-)		-	-
14.1	Expenses for the fixed assets held for sale		-	-
14.2	Sales losses of affiliates, participations and business partners		-	-
14.3	Other suspended operation expenses		-	-
XV	BEFORE TAX PROFIT/LOSS OF SUSPENDED OPERATIONS		-	-
XVI	PROVISION FOR TAX OF SUSPENDED OPERATIONS		-	-
16.1	Provision for current tax		-	-
16.2	Deferred tax expense effect		-	-
16.3	Deferred tax income effect		-	-
XVII	NET TERM PROFIT/LOSS OF SUSPENDED OPERATIONS		-	-
XVIII	NET TERM PROFIT/LOSS		8.393	4.258
	Loss/Profit per share			

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YEDİTEPE FAKTORİNG A.Ş.

TABLE FOR INCOME AND EXPENSES ACCOUNTED AT EQUITY AS OF 31 DECEMBER 2012
(in thousand TL unless otherwise specified)

	THOUSAND TL	THOUSAND TL
	Current term independently audited 01.01-31.12.2012	Previous term independently audited 01.01-31.12.2011
INCOME AND EXPENSES ACCOUNTED AT EQUITY		
I ADDED FROM THE FINANCIAL ASSETS READY FOR SALE TO SECURITIES INCREMENT VALUE FUND	-	-
1.1 Net change in the fair value of the financial assets ready for sale	-	-
1.2 Net change in the fair value of the financial assets ready for sale (transfer to profit-loss)	-	-
II REVALUATION INCREASE OF TANGIBLE FIXED ASSETS	-	-
III REVALUATION INCREASE OF INTANGIBLE FIXED ASSETS	-	-
IV CURRENCY RATE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V LOSS/PROFIT THAT RELATE HEDGING DERIVATIVE FINANCIAL ASSETS AGAINST CASH FLOW RISK	-	-
5.1 Profit/Loss for fair value difference	-	-
5.2 Re-classified and shown in income statement	-	-
VI LOSS/PROFIT THAT RELATE HEDGING DERIVATIVE FINANCIAL ASSETS AGAINST NET INVESTMENT RISK ABROAD	-	-
6.1 Profit/Loss for fair value difference	-	-
6.2 Re-classified and shown in income statement	-	-
VII EFFECTS OF THE CHANGES IN ACCOUNTING POLICY AND CORRECTION OF ERRORS	-	-
VIII OTHER INCOMES AND EXPENSES ACCOUNTED AT EQUITY AS PER TMS	-	-
IX DEFERRED TAX FOR VALUATION DIFFERENCES	-	-
X NET INCOME/EXPENSE ACCOUNTED UNDER EQUITY	-	-
XI PROFIT/LOSS OF TERM	-	-
XII TOTAL LOSS/PROFIT ACCOUNTED	-	-

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YEDİTEPE FAKTORİNG A.Ş.

CASH FLOW TABLE FOR THE YEAR ENDING ON 31 DECEMBER 2012 (in thousand TL unless otherwise specified)

	Footnote	THOUSAND TL Current term independently audited 01.01- 31.12.2012	THOUSAND TL Previous term independently audited 01.01- 31.12.2011
A	CASH FLOW FOR MAIN OPERATIONS		
1.1	Operational profit before change at assets and liabilities	10.026	6.146
1.1.1	Interests received / leasing incomes	23.268	15.019
1.1.2	Leasing expenses	-	-
1.1.3	Dividends received	-	-
1.1.4	Charges and commissions received	3.254	2.563
1.1.5	Other earnings	133	678
1.1.6	Collections of non-performing loans, which are written off as loss	249	236
1.1.7	Cash payments to service suppliers and personnel	(3.201)	(2.843)
1.1.8	Taxes paid	(2.178)	(2.031)
1.1.9	Others	(11.499)	(7.476)
1.2	Change at assets and liabilities		
1.2.1	Net (increase) decrease at Factoring Receivables	(56.792)	(19.123)
1.2.1	Net (increase) decrease at finance loans	-	-
1.2.1	Net (increase) decrease at claims from leasing transactions	-	-
1.2.2	Net (increase) decrease at other assets	(288)	(273)
1.2.3	Net (increase) decrease at factoring debts	-	-
1.2.3	Net (increase) decrease at debts from leasing transactions	-	-
1.2.4	Net (increase) decrease at loans received	46.831	13.204
1.2.5	Net (increase) decrease at due debts	-	-
1.2.6	Net (increase) decrease at other debts	341	(305)
I	Net cash flow arising from main operations	118	(351)
B	CASH FLOW FOR INVESTMENT OPERATIONS		
2.1	Acquired affiliates, participations and business partners	-	-
2.2	Disposed affiliates, participations and business partners	-	-
2.3	Purchased movable and immovable property	9	(443)
2.4	Disposed movable and immovable property	-	-
2.5	Acquired financial assets ready for sale	-	-
2.6	Disposed financial assets ready for sale	-	-
2.7	Purchased investments to be held until maturity	-	-
2.8	Sold investments to be held until maturity	-	-
2.9	Others	10	(38)
II	Net cash flow arising from investment operations	(68)	(481)
C	CASH FLOW FOR FINANCE OPERATIONS		
3.1	Cash acquired from loans and issued securities	-	-
3.2	Cash paid arising from loans and issued securities	-	-
3.3	Issued investment instruments	-	-
3.4	Dividends paid	-	-
3.5	Payments that relate to financial leasing	-	-
3.6	Others	-	-
III	Net cash acquired from finance operations	-	-
IV	Effect of change at currency rate on cash and cash equivalents	-	-
V	Net increase at cash and cash equivalents	50	(832)
VI	Cash and cash equivalents at term beginning	251	1.083
VII	Cash and cash equivalents at term ending	5	251

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YEDİTEPE FAKTORİNG A.Ş.

PROFIT DISTRIBUTION TABLE FOR THE YEAR ENDING ON 31 DECEMBER 2012

(in thousand TL unless otherwise specified)

YEDİTEPE FAKTORİNG A.Ş. PROFIT DISTRIBUTION TABLE			
		THOUSAND TL	
		Current term independently audited 01.01-31.12.2012	Previous term independently audited 01.01-31.12.2011
I	DISTRIBUTION OF TERM PROFIT (*)		
1.1	TERM PROFIT	10.552	5.779
1.2	TAX AND LEGAL LIABILITIES PAYABLE (-)	(2.159)	(1.521)
1.2.1	Corporate tax (income tax)	(2.578)	(1.657)
1.2.2	Income tax withholding	-	-
1.2.3	Other	419	136
A	NET TERM PROFIT	8.393	4.258
1.3	LOSS OF PREVIOUS TERM (-)	-	-
1.4	Primary reserve (-)	-	331
1.5	Legal funds to be retained and saved	-	-
B	DISTRIBUTABLE NET PROFIT OF TERM	-	-
1.6	FIRST DIVIDEND TO SHAREHOLDERS	-	-
1.6.1	To holders of share certificates	-	-
1.6.2	To holders of privileged certificates	-	-
1.6.3	To redeemed shares	-	-
1.6.4	Profit sharing bonds	-	-
1.6.5	Holders of profit sharing certificates	-	-
1.7	DIVIDEND TO PERSONNEL	-	-
1.8	DIVIDEND TO BOARD OF DIRECTORS	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS	-	-
1.9.1	To holders of share certificates	-	-
1.9.2	To holders of privileged certificates	-	-
1.9.3	To redeemed shares	-	-
1.9.4	Profit sharing bonds	-	-
1.9.5	Holders of profit sharing certificates	-	-
1.10	SECOND RESERVE (-)	-	-
1.11	STATUTE RESERVES (-)	-	-
1.12	EXTRA ORDINARY RESERVES	-	-
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II	DISTRIBUTION FROM RESERVES		
2.1	RESERVES DISTRIBUTED	-	-
2.2	SECOND RESERVE (-)	-	-
2.3	DIVIDEND TO SHAREHOLDERS (-)	-	-
2.3.1	To holders of share certificates	-	-
2.3.2	To holders of privileged certificates	-	-
2.3.3	To redeemed shares	-	-
2.3.4	Profit sharing bonds	-	-
2.3.5	Holders of profit sharing certificates	-	-
2.4	DIVIDEND TO PERSONNEL (-)	-	-
2.5	DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
III	PROFIT PER SHARE		
3.1	TO HOLDERS OF SHARE CERTIFICATES	-	-
3.2	TO HOLDERS OF SHARE CERTIFICATES (%)	-	-
3.3	To holders of privileged certificates	-	-
3.4	To holders of privileged certificates (%)	-	-
IV	DIVIDEND PER SHARE		
4.1	TO HOLDERS OF SHARE CERTIFICATES	-	-
4.2	TO HOLDERS OF SHARE CERTIFICATES (%)	-	-
4.3	To holders of privileged certificates	-	-
4.4	To holders of privileged certificates (%)	-	-

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YEDİTEPE FAKTORİNG A.Ş.

FOOTNOTES THAT RELATE TO FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31 DECEMBER 2012 (in thousand TL unless otherwise specified)

1. COMPANY ORGANIZATION AND LINE OF BUSINESS

Güney Faktoring Hizmetleri A.Ş. was incorporated on 7th October 1997. Its name was changed as Yeditepe Faktoring A.Ş. (the Company) on 19th April 2007. Line of business of the Company, which continues its operations according to the decision of Banking Regulatory and Supervisory Agency, is domestic and international factoring operations. The major shareholder of the company as of 31st December 2012 is Fevzi Öztürkmen who holds 98% of shares.

Number of employees as of 31st December 2012 is 45 (30 in 31st December 2011).

The head office address of the company is as follows:

Büyükdere Caddesi No 108 Oyal İş Hanı Kat 6, 34394 Şişli İstanbul Turkey

Dividend Payable

There is not any decision of the General Assembly concerning payment of 2012 profit as of the date of this report.

Approval of Financial Statements

Financial statements were approved by the board of directors and permission was given for their publication on 29th March 2013.

2. PRINCIPLES CONCERNING FINANCIAL STATEMENTS

Company has accounted its operations in 2011 according to the “Official Communiqué about the Uniform Account Plan to be applied to Financial Leasing, Factoring and Finance Companies and the format and the content of the financial statements to be disclosed to public”, which became effective after it was published at Official Gazette no 26525 dated 17th May 2007.

In accounting the operations of 2012 operations, the provisions of “the Official Communiqué about the provisions to be reserved for the claims of financial leasing, factoring and finance companies”, which was published at Official Gazette no 26588 dated 20th July 2007 based on the “Regulations concerning the establishment and operation of financial leasing, factoring and finance companies” that became effective after it was published at the official gazette no 26315 dated 10th October 2006 were applied.

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Section 1 of the Law no 2499 was repealed by the statutory decree no 660, which became effective after it was published at Official Gazette dated 2nd November 2011 and the accounting and auditing standards authority was organized. Pursuant to the provisions of the provisional article 1 of the statutory decree, existing legislation will be in force until the standards of the authority become effective. Therefore this will not cause any change in the principles concerning issue of financial statements.

Financial statements are prepared on the basis of historical cost. In defining historical cost, the fair value of the sums paid for assets is taken.

Editing Financial Statements at High Inflation Periods

The financial statements of the company were subjected to inflation adjustment as per "Turkish Accounting Standard that relates to financial statements at high inflation economies" (TMS29) until 31st December 2004. By a circular issued by Banking Regulatory and Supervisory Agency on 28th April 2005, it was announced that the indicators requiring application of high inflation accounting had been removed and high inflation accounting was ceased as of 1st January 2005.

Netting

Financial assets and debts are netted and shown in their net sums in the balance sheet when there is a legal right for netting the sums depicted in financial statements and when it is intended to settle the debt by netting and to take assets to financial statements simultaneously.

Changes in Accounting Policies

The significant changes made in accounting policies are applied retro actively and the financial statements of previous terms are re-issued. There has not been any significant change at the company's accounting policies during the current term.

Changes in Accounting Predictions and Errors

If the changes in accounting predictions pertain to one term only, they will be applied in the current term where change was made; if they pertain to future terms, they will be applied both in the current term where change was made and in future terms.

Preparation of financial statements according to international reporting standards requires the management to apply the policies and take decisions, which influence reported assets, liabilities, incomes and expenses and to make predictions and assumptions. The realized results may be different from predictions. Predictions and the assumptions, which are the basis of predictions, are continuously revised. Updating at accounting predictions are recorded at the term where updating was made and at the following terms, which are influenced by such updating. Significant accounting errors are applied retroactively and the financial statements of previous terms are re-issued. There has not been any significant change at accounting predictions during the current term.

The new and the revised International Financial Reporting Standards (UFRS)

(a) Changes made in UFRS, which affect the sums reported in financial statements

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There are not new and revised standards that affect company's representation and the footnotes.

- (b) Standards not affecting company's financial statements, the changes in existing standards and comments, valid as from 2012

Nil

- (c) Changes at standards not yet become effective and comments

Company has not applied the following standards, which have not yet become effective and the changes to such standards

UMS 1 (Changes)	Presentation of the other income items ¹
UMS 1 (Changes)	Clarification of the liabilities about presentation of comparative information ²
UFRS 9	Financial Instruments ³
UFRS10	Consolidated Financial Statements
UFRS11	Joint Agreements
UFRS12	Explanations about the shares in other operations
UFRS13	Fair Valuations
UFRS7 (Changes)	Presentation – Netting of financial assets and financial debts ⁴
UFRS9 and UFRS7 (changes)	Compulsory effective date for UFRS9 and explanations ⁵
UFRS10, UFRS11 and UFRS12 (changes)	Consolidated financial statements, joint agreements and explanations about the shares in other operations
UFRS19 (2011)	Benefits to employees
UMS27 (2011)	Individual Financial Statements
UMS28 (2011)	Investments in participations and business partners
UMS32 (Changes)	Netting of financial assets and financial debts
Annual improvements except changes is UFRS, changes in UMS1	
UFRYK 20	Excavation costs at production phase in surface mining operations

UMS1 (Changes) presentation of other income item is effective on 1st July 2012 or as from the financial terms starting after that date. The said changes redefine the comprehensive income statement. As per the changes made at UMS1, the phrases “comprehensive income statement” and “income table” were replaced with “other comprehensive income statement” and “income statement” respectively. As per the changes made at UMS1, explanations permitting presentation of income statements in a single statement or two consecutive statements remained unchanged. But, as per the changes made at UMS1, other comprehensive

¹ Effective from the financial terms starting on 1st July 2012 or later

² Annual improvements published in May 2012 are effective on 1st January 2013 as part of the term 2009-2011 or as from the financial terms starting after that date.

³ Effective on 1st January 2013 or as from the financial terms starting after that date

⁴ Effective on 1st January 2014 or as from the financial terms starting after that date

⁵ Effective on 1st January 2015 or as from the financial terms starting after that date

expenses are classified under two groups: (a) items, which shall not be re-classified in income statement later and (b) items, which shall be re-classified in income statement later if some conditions are met. Taxes that relate to other comprehensive incomes shall be classified similarly. The said changes have not affected the explanations regarding before or after tax presentation of other comprehensive incomes. Such changes may be applied retroactively. Except the changes concerning the said presentation, the changes at UMS1 have no effect on profit or loss and other comprehensive or total comprehensive incomes.

UMS1 (Changes) Presentation of Financial Statements)
(part of annual improvements 2009-2011 published in May 2012)

The changes at UMS1, published in May 2012, as part of the annual improvements 2009-2011, are effective on 1st January 2013 and as from the financial terms starting after that date.

As per UMS1 standard, an enterprise, which amends its accounting policy retroactively or edits its financial statements retroactively, must present financial situation statement (a third financial situation statement). In case retroactive application, editing or classification by an enterprise has significant effect on the information of the third financial statement, the enterprise must submit a third financial statement.

UFRS 9 Financial Instruments

UFRS 9, which was published in November 2009, bring new requirements for the classification and measurement of financial assets. UFRS 9, which was amended in October 2010, covers the changes concerning classification and measurement of financial obligations.

The important changes that UFRS 9 has brought are as follows:

UFRS9, ULS39 Financial Instruments: All assets, which are recorded under accounting and measurement standards, must be measured on redeemed cost or fair value following the first accounting. Debt instruments, which lead to cash flows for the payment of interest of principal, shall be generally measured on redeemed cost in later terms.

In addition to that, according to UFRS9 standard, enterprises may have an option not allowing later change of the fair value of other comprehensive incomes (not for purchase and sale). The most important effects of UFRS9 on the classification and measurement of financial debts are related with the accounting of the amount of change, which may be correlated with the changes at credit risk of the debt (debts defined as reflected on profit or loss). As per UFRS 9, the total change, which may be correlated with the changes at credit risk of the debt, shall be presented under other comprehensive incomes unless it does not create wrong accounting matching. The changes at the fair value of financial debt, which may be correlated with the changes at credit risk of the debt, cannot be classified as loss or profit later. As a matter of fact, as per UMS39, all changes in the fair value of financial debt, classified as being reflected on loss and profit, were being presented under loss or profit.

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Company management estimates that UFRS9 application shall have significant effect on the company's financial assets and liabilities in future. But, until detailed studies have been completed, it is not possible to estimate the said effect reasonably.

UFRS 13 Fair Value Measurements

UFRS 13 shall be the sole source as a guide covering the fair value measurement and the notes related thereto. A standard defines the fair value, outlines the overall frame that relates to the Fair Value Measurements and describes the requirements of the explanations to be made about other fair measurements. UFRS 13 has a wide scope. It is also valid for non-financial items, which UFRS permits measurement of fair value. Generally the requirements of UFRS about the explanations about Fair Value Measurements are more wide spread more than the existing standards. For example, UFRS 7 Financial Instruments.

UFRS13 is effective on 1st January 2013 or as from the financial terms starting after that date, with the option to apply earlier.

UFRS7 and UMS32 (changes) Netting of financial assets and financial debts and explanations

Changes at UMS32 make explanations about the rules that relate to the netting of financial assets and financial debts. Such changes particularly clarify the statements "having the right to enter into an account that is legally applied at current term" and "simultaneous accrual and payment".

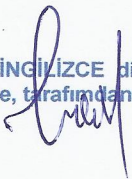
According to the changes at UFRS7, enterprises shall explain the right of netting about the financial instruments under a netting agreement and the information about the relevant agreements (for example sending security).

Changes at UFRS 7 are effective on 1st January 2013 or as from the financial terms starting after that date. Such changes must be applied retroactively for all comparable terms. But changes at UMS32 shall be effective on 1st January 2014 or as from the financial terms starting after that date, provided it will be applied retroactively.

Company management think that changes at UFRS7 and UMS 32 shall require further explanations in future terms about netting of financial assets and liabilities.

UMS19 Benefits to Employees

Changes at UMS19 modify the accounting of defined benefit plans and severance pay. The most important change is related with defined benefit liabilities and accounting of benefit assets. The changes require recording of the variations that occur in the fair value of defined benefit liabilities and benefit assets. Thus the corridor method in the previous version of UMS19 is cancelled and recording of previous service costs is speeded up. The changes require accounting of all actuarial loss and gains as other comprehensive incomes in order to reflect the plan deficit or excess of net retirement asset or liability. Also, the changes at UMS 19 will be applied retroactively. But until detailed studies are completed it is not possible to estimate the said effect reasonably.



3. VALUATION PRINCIPLES APPLIED / ACCOUNTING POLICIES

Important valuation principles and accounting policies used in the preparation of attached financial statements are as follows:

a. Revenue

Factoring service incomes are composed of interests and commissions earned on the advance payments to customers.

A certain percentage received on the total of the invoice, which is subject to factoring transactions, is the factoring commissions earned.

The interest earned from financial assets is accrued in the relevant term at the rate of the effective interest, which transfers balance of principal and the estimated cash entry of the financial asset to the recorded value of the said asset.

b. Tangible fixed assets

Tangible fixed assets are accounted on the amount after accumulated depreciation and accumulated amortization is deducted from their cost.

Cost of tangible fixed assets is subjected to amortization by using linear depreciation method according to their expected useful lives. Expected useful life, residual value and depreciation method is revised annually for the possible effects of the changes at estimates and if there is a change, it is accounted proactively.

The amounts that are spent for repair, service and maintenance of tangible fixed assets are entered as expense. Earning or loss arising from the disposal of tangible fixed assets or from their taking out of service is defined as the difference in the book value of sales proceeds and the asset, and entered to income statement.

c. Intangible fixed assets

The purchased Intangible fixed assets

The purchased Intangible fixed assets are entered on the value after accumulated redemption and accumulated depreciation is deducted from cost. These assets are redeemed according to their expected useful lives using linear redemption method. Expected useful life and redemption method is revised annually for the possible effects of the changes at estimates and if there is a change, it is accounted proactively.

Computer software

The purchased computer software is capitalized on the costs that are realized during purchasing and the period elapsing until it is ready for use. The costs are redeemed according to their useful life.

d. Depreciation at assets

A depreciation test is applied in case it is not possible to recover book value of the assets that are subject to redemption. When the book value of the assets exceeds recoverable amount, provision for depreciation is entered. Recoverable amount is the bigger of the fair value or value at use after deducting cost of sales. In order to assess depreciation assets are grouped at the lowest level where separately defined cash flows exist (units generating cash). Non-financial assets, which are subject to depreciation, are revised for possible cancellation of depreciation.

e. Cost of debts

All costs of debts are entered in the income statement in the term they arise.

f. Financial instruments

Financial assets and liabilities are entered in the company's balance sheet in case company is a legal party to such financial instruments.

Factoring Receivables and Other Receivables

Factoring Receivables and Other Receivables are accounted on their fair values on the first recording date. In the terms following the first recording, they are entered on their discounted cost using effective interest method.

As from 1st January 2008, according to the Communiqué concerning the procedures and the principles for the provisions to be set aside by the Financial Leasing, Factoring and Finance companies for their claims no 26588 dated 20th July 2007, special provision will be set aside at the rate of minimum 20% of the Factoring Receivables, of which collection is delayed for more than 90 days but less than 180 days; at the rate of minimum 50% of the Factoring Receivables, of which collection is delayed for more than 180 days but less than 360 days; at the rate of 100% of the Factoring Receivables, of which collection is delayed for more than 1 year. Company, according to this communiqué, shall set aside a provision of 100% for the bed factoring debts having no guarantee, regardless the above mentioned number of days.

Financial Assets

The financial assets except those classified as financial assets for which fair value difference is reflected on loss or profit, shall be accounted on the total amount of the expenses, which might be directly related to purchasing in fair market value. Financial assets are classified as

“the financial assets for which fair value difference is reflected on loss or profit”, “investments to be held until maturity”, “financial assets ready for sale” and “credits and claims”. Classification is defined during the first recording depending on the purpose of acquisition of financial assets and its properties.

Financial assets for which fair value difference is reflected on loss or profit

In case the company's main purpose to acquire a financial asset is to dispose of the asset in a near future, the financial asset is part of a defined financial instrument portfolio that the company manages and the short term profit of the financial asset is realizable as in all undefined derivative products as hedging against financial risk, the said financial assets will be classified as the ones for which fair value difference is reflected on loss or profit. The profit or loss arising from the assessment of the financial assets for which fair value difference is reflected on loss or profit, shall be accounted at loss/profit statement. Net profit or loss, which is accounted in loss/profit statement, also covers the interest and/or dividend acquired from the said financial assets.

As for balance sheet date, there is not any financial asset of the company for which fair value difference is reflected on loss or profit.

Effective Interest Method

Effective interest method is the valuation of the financial asset with redeemed cost and distribution of the relevant interest earned to the relevant term. Effective interest rate is the ratio that rounds down the estimated cash total to be collected throughout the expected life of financial asset or in a shorter time to the net current value of the relevant financial asset.

The incomes that relate to the debt instruments to be held until maturity and ready for sale and the financial assets classified as credit and claim are calculated according to the effective interest method.

Investments to be held until maturity

As for balance sheet date, the company has no investments to be held until maturity.

Financial assets ready for sale

As for balance sheet date, the company has no financial assets ready for sale.

Depreciation at financial assets

The financial assets except those for which fair value difference is reflected on loss or profit, shall be evaluated depending on whether there are indicators that a financial asset or a group of financial assets. Following the first accounting of the financial asset, if one or more event occur and if there is an independent indicator that the financial asset or group of financial assets is depreciated further to the impact of the event on the future estimated cash flows, the

financial asset will be depreciated and this depreciation makes loss. Total depreciation for credits and claims is the difference between the book value and the current value of the estimated cash flows, discounted on the main interest rate.

Except Factoring Receivables, depreciation at all other financial assets will be deducted from the recorded value of the financial asset; in the event claims are not collected, the said sum will be written off. Changes at reserve account are accounted in income statement.

If loss of depreciation is decreased at later term, except equity instruments ready for sale, and if the decrease could be related to an event that occurs following accounting of the depreciation loss, the previously accounted depreciation will be written off at income statement so as not to exceed the redeemed cost.

The subsequent increase at the fair value of the equity instruments, ready for sale after depreciation, shall be directly accounted under equity.

Cash and Cash Equivalents

Cash and cash equivalents are cash, time deposit and other short term investments with high liquidity, having no risk of high change at value, easily convertible to cash, with maturity of 3 months or less as from date of purchase. The book values of such assets are close to fair values.

Financial Liabilities

The company's financial liabilities and equity instruments are classified according to contractual arrangements and the basis for defining a financial liability and an equity instrument. The agreement that represents the right in the assets remaining after deducting all debts of the company is a financial instrument based on equity. The accounting policies for the financial instruments based on certain financial liabilities and equity are given below.

Financial liabilities are classified as the financial liabilities of which fair value difference is reflected on loss or profit or other financial liabilities.

Financial liabilities of which fair value difference is reflected on loss or profit

Financial liabilities of which fair value difference is reflected on loss or profit are recorded with fair value and revaluated with its fair value at balance sheet date. Change at fair value is accounted at income statement. Net gains or losses, which are accounted at income statement, cover the interest paid for the said financial liabilities.

Other financial liabilities

Other financial liabilities, including financial debts, are accounted at the beginning with their fair value free from cost.

Other financial liabilities are later accounted on redeemed cost price using effective interest method.

Effective interest method is the method to calculate redeemed costs of financial liability and distribute to the term, which the relevant interest is related. Effective interest rate is the ratio, which converts the cash payments to the current net value of the financial liability.

g. Amalgamations of operations

Nil

h. Effects of exchange rate changes

The financial statements of the company were submitted in the currency, which is effective in the economic environment where the company operates. The company's operations and financial position, the functional currency of operations and financial statements are expressed in TL.

The currency rates, which are used by the company as of 31 December 2012 and 31 December 2011, are as follows:

	31 December 2012	31 December 2011
USD	1,7826	1,8889
EURO	2,3517	2,4438

The transactions made in foreign currency (beyond TL) are entered considering the currency rates prevailing on the date of transaction. Monetary assets and liabilities indexed to foreign currency in the balance sheet are converted into TL considering the currency rates prevailing on the date of balance sheet. Those entered in foreign currency of non-monetary items, which are followed in fair value, are converted into TL considering the currency rates prevailing on the date when fair value is determined. Non-monetary items in foreign currency, measured in historical cost, are not converted.

i. Income per Share

Because company's shares are not traded at the exchange, there is no account for income per share.

j. Events after balance sheet date

The events after balance sheet date shall cover all incidents between the balance sheet date and the date of authorization for issue of balance sheet even if they occur after an announcement of profit or public disclosure of other selected financial information.

The company shall revise the amounts in the financial statements if an event requiring revision after balance sheet date occurs.

k. Provisions, Contingent Liabilities and Contingent Assets:

Provision will be reserved in financial statements when there is a liability arising from past events, when the liability is likely to be fulfilled and when the liability can be reliably estimated.

Provision will be calculated by estimating the sums to be spent in order to fulfill the liability as for the date of balance sheet considering the risk and the uncertainties regarding the liability.

In case provision is measured by using the estimated cash flows, which are necessary for fulfilling the liability, the book value of the provision will be equal to the current value of relevant cash flows.

In case some or all of the economic benefit, which is necessary to pay the provision, is expected to be provided by third parties, the sum to be collected shall be accounted as an asset when the sum is almost definite and reliably measured.

1. Accounting Policies, Changes at Accounting Estimates and Errors

Significant changes at accounting policies and the important accounting errors are applied retroactively and the financial statements of previous terms are revised. There has not been any important change in the accounting policies of the company during the current term.

If changes at accounting estimates pertain to a specific term they will be applied in the current term, or if they pertain to future terms, they will be applied both in the current term and future term proactively. There has not been any important change in the accounting estimates of the company during the current term.

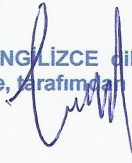
m. Financial Leasing

Leasing – the Company as Lessee

The financial leasing transactions, of which majority of property risk and gains belong to lessee, are classified as financial leasing whereas other leasing transactions are classified as operating leasing.

The assets acquired through financial leasing are capitalized using the reasonable value of the asset at the time of leasing or the lower of the minimum lease payments than current value.

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The liability towards the lessor is entered as financial leasing liability in the balance sheet. Financial leasing payments are classified as financial expenses and the payment of principal towards reducing the financial leasing liability. Financial expenses are entered in the income statement under the general indebtedness policy, detailed above.

Payments made for operational leasing are entered in income statement throughout leasing period by linear method.

n. Related parties

In the enclosed financial statements, shareholders of Yeditepe Faktoring A.Ş., top managers and members of board of directors, their families and their affiliates, participations and subsidiaries are expressed as related parties.

It is thought that the current values of the claims and debts of related parties in the balance sheet (book value) are estimated fair values.

o. Reporting financial information to divisions

Because the company is operating in Turkey and in the field of factoring only, it has not reported financial information according to division.

p. Taxes assessed on corporate income

Income tax is composed of the current tax and the deferred tax.

Current tax:

Current tax is assessed on the taxable term profit. Taxable profit is different from the profit show in income statement because it excludes taxable or discountable incomes or expenses as well as nontaxable or non-discountable items in the other years. The company's legal tax liability was calculated by using legalized or almost legalized tax rate as for the date of balance sheet.

Deferred tax

Deferred tax liability is assessed taking into account legalized or almost legalized tax rates of the differences between the amounts of assets and liabilities shown in financial statements and their amounts in legal tax base.

While deferred tax liabilities are being calculated for all of the taxable differences, the tax assets comprised of discountable differences are calculated with the condition to likely benefit such differences in order to obtain profit. Deferred tax liabilities are calculated for all taxable temporary differences, which relate to the shares in affiliates, participations and business partners except when the company is able to control removal of temporary differences and it is very unlikely that such difference will be eliminated in near future.

The recorded value of deferred tax is reviewed at each balance sheet date. Recorded book value of deferred tax asset is reduced to the extent that it is not possible to obtain a financial profit, enabling getting the benefit to be provided by some or all of the deferred tax asset.

Deferred tax assets and liabilities are calculated on the tax rates, which are expected to be in effect in the periods where assets are realized and liabilities are fulfilled and which were legalized or almost legalized as for the date of balance sheet. During calculation of deferred tax assets and liabilities, the tax results of the estimated methods for recovery of book value of assets or fulfillment of liabilities of the company.

Current Term and Deferred Tax

The current tax and the deferred tax will be accounted as income or expense in income statement except the ones related with the items which are directly accounted as asset or liability at equity (in such case their deferred tax is also directly accounted at equity). Tax effect will be taken into account at amalgamations, calculation of goodwill or in determining the part of the fair value of assets, liabilities and contingent debts exceeding purchasing cost of the purchased share.

q. Benefits to employees / Severance Pay

Pursuant to the provisions of current legislation and collective bargaining in Turkey, severance pay is paid when retired or discharged. As per UMS19 "Standard for the benefits to employees", such payments are classified as retirement benefit plans.

Severance pay liability, accounted at balance sheet, has been calculated according to current net value of the expected liability in future when employees retire and reflected unto income statement.

r. Cash Flow Statement

In cash flow statement, current cash flows are reported based on basic, investment and financial operations.

Cash flows originating from basic operations show the cash flows from the Company's factoring operations.

Cash flows originating from investment operations show the cash flows that the Company uses in investments (fixed investments and financial investments).

Cash flows originating from financial operations show the resources that the company uses for financial operations and their reimbursement.

4. FINANCIAL ASSETS OF WHICH FAIR VALUE IS REFLECTED ON PROFIT/LOSS

Nil

5. BANKS

	31 December 2012		31 December 2011	
	TP	YP	TP	YP
Current deposits	173	126	248	-
	173	126	248	-

There is not time deposit as for 31st December 2012 and 31st December 2011.

There no lien or pledge on the above detailed balances (31st December 2011: Nil)

Settlement of cash and cash equivalents with their recorded sum at balance sheet and cash flow statement:

	31 December 2012	31 December 2011
Cash values	2	3
Current deposit	299	248
Cash and cash equivalents	301	251

6. FINANCIAL ASSETS READY FOR SALE

Nil

7. FACTORING RECEIVABLES

	31 December 2012		31 December 2011	
	TP	YP	TP	YP
Domestic Factoring Receivables	100.172	15.853	65.763	453
Factoring interest accruals	21.595	-	14.409	-
Less: Unearned interests	(3.107)	(981)	(2.410)	(4)
Non-performing Factoring Receivables (*)	3.862	-	2.739	-
Gross Factoring Receivables	122.522	14.872	80.501	449
Less: Special provisions	(2.274)	-	(2.186)	-
Factoring Receivables	119.798	14.872	78.315	449

(*) Classified in non-performing claims at balance sheet

All non-performing loans of the company have fixed interest rate as for 31st December 2012 and 31st December 2011.

The company has surety that he received for Factoring Receivables.

Factoring transactions according to type are as follows:

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	31 December 2012	31 December 2011
Domestic irrevocable	134.670	78.764
	134.670	78.764

There is a factoring claim, for which no provision was made amounting TL 208 (31 December 2011: TL 489) with a delayed maturity less than 90 days as for balance sheet date. The details are as follows:

	31 December 2012	31 December 2011
0-30 days	208	489
30-60 days	-	-
60-90 days	-	-
Overdue	208	489
Not yet due	-	-
Total	208	489

The guarantees that relate to the Factoring Receivables of the company are as follows. While calculating the special provision, if guarantee exceeds the claim, only the sum corresponding to the claim was considered. There are promissory notes of TL 55 , mortgage of TL 3000, cheque of TL 4.775 and vehicle pledge of TL 250 that the company has received as surety for the Factoring Receivables not yet overdue as for 31 December 2012.

Guarantees	31 December 2012	31 December 2011
Mortgage	3.000	35
Promissory note	55	361
Cheque	4.775	70
Vehicle pledge	250	-
	8.080	466

Details of the non-performing Factoring Receivables are as follows:

	31 December 2012	31 December 2011
Up to 90 days	1.074	1.633
90 to 180 days	120	97
180 to 360 days	358	38
Over 360 days	2.310	971
	3.862	2.739

The company has surety that he received for non-performing Factoring Receivables.

The provisions for non-performing Factoring Receivables are as follows:

	1 January/ 31 December 2012	1 January / 31 December 2011
Provision at term beginning	2.186	1.046
Provisions reserved during the term	787	1.435
Collections	(249)	(236)

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Written off from assets	-	(59)
Provision at term ending	2.724	2.186

Company is calculating and accounting its already accrued or expected losses as from 1st January 2008 according to the Official Communiqué about the provisions to be reserved for the claims of financial leasing, factoring and finance companies.

As for the date of balance sheet the company has no factoring claim, which was re-structured (31 December 2011: Nil)

8. EXPLANATIONS BY RELATED PARTY

Nil

Benefits to Top Managers

	1 January / 31 December 2012	1 January / 31 December 2011
Short term benefits (*)	445	378
	445	378

(*) Top managers of the company are general manager, assistant general manager and members of board of directors.

9. TANGIBLE FIXED ASSETS

	Upholstery and fixtures	Special costs	Vehicles	Total
Cost				
Opening balance 1 January 2012	404	206	80	690
Purchases	48	2	-	50
Closing balance 31 December 2012	452	208	80	740
Accumulated Depreciation				
Opening balance 1 January 2012	(97)	(79)	(23)	(199)
Term depreciation	(82)	(31)	(20)	(133)
Closing balance 31 December 2012	(179)	(110)	(43)	(332)
Net book value 31 December 2012	272	98	37	408

	Upholstery and fixtures	Special costs	Vehicles	Total
Cost				
Opening balance 1 January 2011	95	206	80	690
Purchases	309	2	-	50
Disposals	-	208	80	740
Closing balance 31 December 2011	404			
Accumulated Depreciation				
Opening balance 1 January 2011	(46)	(52)	(18)	(116)

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Term depreciation	(51)	(27)	(24)	(102)
Disposals	-	-	19	19
Closing balance 31 December 2011	97	(79)	(23)	(199)
Net book value 31 December 2011	307	127	57	491

The useful lives of tangible fixed assets are as follows:

	Year
Upholstery and fixtures	3-10
Special costs	5
Vehicles	5

10. INTANGIBLE FIXED ASSETS

Cost (software)	31 December 2012	31 December 2011
1 January opening balance	150	112
Purchases	18	38
Term ending closing balance	168	150
Redemption		
1 January opening balance	(101)	(74)
Term redemption	(18)	(27)
Term ending closing balance	(119)	(101)
Net Book Value	49	49

The useful lives of intangible fixed assets are as follows:

	Year
Rights	3-10

11. GOODWILL

Nil

12. DEFERRED TAXES AND LIABILITIES

The company accounts deferred tax claims and liabilities, which were deferred because of time differences arising from the difference between financial statements subject to tax and the financial statements prepared according to UFRS. The said differences generally arise because some incomes and expenses, subject to taxation, are entered in the financial statements prepared according to UFRS at different terms. Provision is reserved for the deferred tax, which is unlikely to occur.

Time differences for the deferred tax:

	31 December 2012	31 December 2011
Unearned income	4.088	2.414
Provision for Bad factoring debts	494	240
Difference in assessed value of tangible and intangible assets	9	(63)
Provision for severance pay	3	7

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Provision for unused leave	45	32
Premium provision	85	-
	4.274	2.630

Deferred Tax (Assets) / Liabilities

	31 December 2012	31 December 2011
Unearned income	818	484
Provision for Bad factoring debts	98	48
Difference in assessed value of tangible and intangible assets	2	(13)
Provision for severance pay	1	1
Provision for unused leave	9	6
Premium provision	17	-
Deferred Tax Asset (Net)	945	526

Deferred tax movement as for balance sheet date:

	1 January - 31 December 2012	1 January - 31 December 2011
Opening balance as of 1 January	526	390
Deferred tax income	419	136
Closing balance	945	526

13. ASSETS HELD FOR SALE AND THAT RELATE TO INTERRUPTED OPERATIONS

Nil

14. OTHER ASSETS

	31 December 2012		31 December 2011	
	TP	YP	TP	YP
Advance paid tax	-	-	129	-
Advance paid expenses	19	-	21	-
Deposits given	18	-	17	-
Personnel overdrafts	6	-	1	-
	43	-	168	-

15. LOANS RECEIVED

	31 December 2012	31 December 2011
Short-Term Loans	99.771	52.892
Installments of Long Term Loans at current term	-	28
Total short term debts	99.771	52.920
Long Term Loans		
Long Term Installments of Long Term Loans	-	52.920

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Total Long Term Debts	-	20
Total Debts	99.771	52.940

Reimbursement Maturity of Loans	31 December 2012	31 December 2011
Payable in 1 year	99.771	52.920
Payable in 1-2 years	-	20
TOTAL	99.771	52.940

Short term bank loans as of 31 December 2012 and 31 December 2011 are as follows:

31 December 2012			
Currency	Interest rate %	Total currency	
TL	7,75-12,45	84.819	84.819
USD	5,61	8.384	14.952
Total			99.771
31 December 2011			
Currency	Interest rate %	Total currency	
TL	10,44-16,50	52.760	52.760
USD	7,00	95	180
Total			52.940

Loan interest rate of loans is expressed as compound rates.

	31 December 2012		31 December 2011	
	TP	YP	TP	YP
Variable interest	-	-	-	-
Fixed interest	84.819	14.952	52.760	180
	84.819	14.952	52.760	180

The fair value of the loans utilized by the company is given in Note 39.

16. MISCELLANEOUS DEBTS AND OTHER FOREIGN SOURCES

	31 December 2012		31 December 2011	
	TP	YP	TP	YP
Debts to sellers	12	-	47	-
Other	-	-	-	-
	12	-	47	-

17. DEBTS FROM LEASING OPERATIONS

Nil

18. DERIVATIVE FINANCIAL OBLIGATIONS FOR PURCHASE-SALE

Nil

19. TAXES AND LIABILITIES PAYABLE

	31 December 2012		31 December 2011	
	TP	YP	TP	YP
Taxes payable (*)	1.070	-	120	-

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Social Security Premiums Payable	57	-	89	-
Installments payable under the Law no 6111	156	-	272	-
	1.283	-	481	-

(*) TL 881 is corporate tax (2011: Nil)

20. PROVISIONS FOR DEBTS AND EXPENSES

	31 December 2012	31 December 2011
Provision for employee benefits	133	39
Other provisions	19	-
	152	39

21. BENEFITS TO EMPLOYEES

Provisions for Employee Rights

	31 December 2012	31 December 2011
Provision for severance pay	3	7
Provision for Unused leaves	45	32
Provision for premiums	85	-
	133	39

Provision for severance pay

	31 December 2012	31 December 2011
Term beginning	7	25
Service cost	2	23
Interest cost	1	1
Paid severance pay	(7)	(42)
Term ending	3	7

As per the Labor Law in effect, legal severance pay must be paid to the employees whose employment contracts terminate entitling them to severance pay. Also, as per the provisions of Article 60 of the Social Security Law, as amended by the laws no 2422 dated 6th March 1981 and no 4447 dated 25th August 1999, legal severance pay must be paid to those who are entitled to resign by receiving severance pay. Some provisions concerning the conditions of work before retirement were removed from the law after the law was amended on 23rd May 2002.

The severance pay, which will be paid as for 31 December 2012 has a ceiling value of TL 3.033,99 per month (2011: TL 2.731,85).

Severance pay is not subject to any fund. Provision for severance pay is calculated by estimating the current value of the future probable liability arising from the retirement of the employees. UMS19 (benefits to employees) provides that the company's liabilities will be developed by using the actuarial valuation methods. The actuarial assumptions used in calculating total liability are as follows:

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The main assumption is that the maximum liability will increase parallel to inflation. Therefore, the applied discount rate defines the expected real rate following adjustment of future inflation. For this reason, as for 31 December 2012, provisions in the enclosed financial statements are calculated by estimating the current value of the probable liability arising from the retirement of employees. Provision on the relevant balance sheet dates were calculated by using a real discount rate of 5.0% per annum, which is based on the assumptions of 5.0% inflation and 7.15% discount rate. (31 December 2011: 5.1% inflation, 10% discount, 4,66% real discount rate). Ceiling of the severance pay is revised every six months. In calculating the provision of the company's severance pay the ceiling of TL 3.129,25 was taken into account (1 January 2012: TL 2.917,27).

22. MINORITY INTEREST

Nil

23. PAID UP CAPITAL AND CAPITAL RESERVES

Shareholders and their shares as of 31 December 2012 and 31 December 2011:

SHARE CAPITAL

	31 December		31 December	
Shareholders	%	2012	%	2011
Fevzi Öztürkmen	98,493	23,638,20	98,228	19,646
Halil Öztürkmen	0,500	120,00	0,667	133
Ismail Öztürkmen	1.000	240,00	1,093	219
Mehmet İlker Genç	0,003	0,60	-	-
Vural Güngördü	0,003	0,60	-	-
Burçin Yücel	0,003	0,60	-	-
İsmail Hatunoğlu	-	-	0,003	0,5
Özkan Okur	-	-	0,003	0,5
Recep Sinan Neftçi	-	-	0,003	0,5
Süleyman Gazi Erçel	-	-	0,003	0,5
Total	100,000	24.000	100,000	20.000

24. PROFIT RESERVES

	31 December 2012	31 December 2011
Legal reserves	2.200	1.869
Total	2.200	1.869

Legal reserves are comprised of the first and the second legal reserve funds that are set aside according to Turkish Commercial Code. The first legal reserve fund is set aside at the rate of 5% of the net annual profit up to 20% of the paid up capital. The second legal reserve fund is set aside up to 10% of the dividends paid.

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25. PROFIT OR LOSS OF PREVIOUS TERMS

	31 December 2012	31 December 2011
Profits of previous terms	535	607

26. FOREIGN CURRENCY POSITION

Foreign currency position of the company as of 31 December 2012:

31 December 2012	USD	Euro	TL Equivalent
Banks	71	-	126
Factoring Receivables	8.343	-	14.872
Loans received	(8.388)	-	(14.952)
Balance sheet position	26	-	46
Off-balance sheet position	-	-	-
Net foreign currency position	26	-	46

31 December 2011	USD	Euro	TL Equivalent
Factoring Receivables	238	-	449
Loans received	(95)	-	(180)
Balance sheet position	143	-	269
Off-balance sheet position	-	-	-
Net foreign currency position	143	-	269

27. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There is a guarantee letter of TL 147 issued by the company to courts as of 31 December 2012 (31 December 2011: TL 246).

28. REPORTING ACCORDING TO DIVISIONS

Nil

29. EVENTS AFTER BALANCE SHEET DATE

Nil

30. OPERATIONAL INCOMES

	1 January - 31 December 2012	1 January - 31 December 2011
Factoring interest earned	21.595	14.405
Factoring commissions earned	23.254	2.563
	124.849	16.968

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31. OPERATIONAL EXPENSES

	1 January - 31 December 2012	1 January - 31 December 2011
Personnel expenses	(3.205)	(2.844)
Rental	(520)	(408)
Vehicle expenses	(17)	(11)
Depreciation and redemption expenses	(151)	(129)
Representation and entertainment expenses	(76)	(72)
Communication expenses	(180)	(118)
Vehicle and fuel expenses	(98)	(98)
Data processing expenses	(63)	(72)
Tax duty and charges	(64)	(91)
Stationery expenses	(32)	(29)
Auditing wages	(69)	(68)
Contributions, repairs and service	(97)	(154)
Court and notary charges	(40)	(86)
Electricity, water, heating expenses	(33)	(27)
Kitchen expenses	(45)	(24)
Other general management expenses	(450)	(333)
	(5.140)	(4.564)

32. OTHER OPERATIONAL INCOMES

	1 January - 31 December 2012	1 January - 31 December 2011
Interest earned	-	14
Currency rate differences	112	196
Collection of bad debts	249	236
Others	21	232
	382	678

33. FINANCIAL EXPENSES

	1 January - 31 December 2012	1 January - 31 December 2011
Interests paid	(8.511)	(5.575)
Wages and commissions paid	8126	(119)
	(8.637)	(5.694)

34. SPECIAL PROVISIONS FOR NON-PERFORMING DEBTS

	1 January - 31 December 2012	1 January - 31 December 2011
Special provision expenses	(787)	(1.435)
	(787)	(1.435)

35. OTHER OPERATIONAL EXPENSES

	1 January - 31 December 2012	1 January - 31 December 2011
Currency rate differences	(115)	(174)
	(115)	(174)

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36. TAXES

Tax on term's profit	31 December 2012	31 December 2011
Provision for current corporate tax	2.578	1.385
Less: Advanced paid tax	(1.697)	(1.514)
Tax on term's profit (*)	881	(129)

(*) The said sum was accounted under other assets in the balance sheet 2011

Provision for Tax	1 January - 31 December 2012	1 January - 31 December 2011
Provision for corporate tax (*)	(2.578)	(1.657)
Deferred tax income (expense)	419	136
	(2.159)	(1.521)

(*) Current corporate tax of the company in the income statement dated 31.12.2011 is TL 1.657. Installments of TL 272 payable in future term have been added to current corporate tax.

Settlement of provision for tax	1 January - 31 December 2012	1 January - 31 December 2011
Profit before tax	10.552	5.779
Current tax rate	%20	%20
Tax calculated	(2.110)	(1.156)
Settlement of the reserved sum with the provision for tax:		
- non-allowable charges	(10)	(637)
- sum payable under the law no 6111	-	(272)
- others	(39)	544
Tax in income statement	(2.159)	(1.521)

The company is subject to corporate tax, which is in effect in Turkey. Required provisions were reserved in the enclosed financial statements for the estimated tax liability concerning the company's current term operations.

The corporate tax, which is assessed on the taxable corporate income, is calculated after deducting tax exempt incomes, incomes that are not taxable and other discounts (losses of previous years, if any, and the investment discounts).

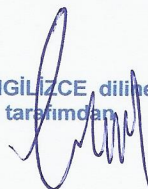
Effective tax rate in 2012 is 20% (2011:20%).

Advance tax is assessed in quarterly terms in Turkey. An advance tax of 20% was calculated during taxation of the corporate incomes in 2012 as for advance tax terms (2011:20%).

Losses can be carried forward for maximum 5 years, to deduct from the taxable profit of future years. But losses cannot be deducted from the profits of previous years retroactively.

There is a settlement procedure regarding taxation in Turkey. Companies prepare their tax returns between 1-25 April of the year following fiscal year. The tax returns and the related accounts may be audited and revised within 5 years.

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The company decided to benefit from the provisions regarding increase of tax base of the Law concerning "Restructuring of Some Claims and Making Amendment in the Statutory Decrees and the Law about Social Security and General Health Insurance" no 6111, which became effective after it was published at the Official Gazette no 27857 dated 25th February 2011. Then the tax base of the company was increased and a tax debt of TL 191 was assessed, payable in 18 equal installments. In 2011, TL 43 was paid. On the other hand the debt of the company was restructured as per Article 3 of the Law payable in 18 equal installments. And a tax debt of TL 158 was assessed. In 2011, TL 35 was paid. As for 31.12.2012, TL 116 was paid.

Income Tax Withholding

In addition to corporate tax, a withholding tax is assessed on the dividends for fully obligated corporations, which receive dividend and add such dividend to their corporate earnings. Income tax withholding was applied as 10% in all companies between 24 April 2003 and 22 July 2006. This rate is 15% since 22 July 2006 according to the decision of the Council of Ministers no 2006/10731. Dividends not paid but added to share capital are not subject to withholding.

37. INCOME PER SHARE

Because company's shares are not traded at the exchange, there is no account for income per share.

38. OTHER ISSUES, WHICH SIGNIFICANTLY AFFECT FINANCIAL STATEMENTS OR WHICH ARE REQUIRED IN ORDER TO MAKE FINANCIAL STATEMENTS UNDERSTANDABLE, CLEAR AND INTERPRETABLE

Nil

39. ADDITIONAL INFORMATION ABOUT FINANCIAL STATEMENTS

a) Share capital risk management

The company, while ensuring sustainability of operations on one hand, is targeting to promote profitability by using debt-equity balance in the most efficient way, on the other.

In 2012, ratio of equity to debts was 35% as the company's strategy. Ratio of equity to debts as for 31 December 2012 and 31 December 2011 is as follows:

	2012	2011
Total debts	101.289	53.515
Less: Cash and cash equivalents	(301)	(251)
Net debt	100.988	53.264
Total equity	35.127	26.734
Equity/debt ratio	%35	%50

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b) Important Accounting Policies

Important accounting policies of the company regarding financial instruments are explained under the note no 3 “valuation principles / accounting policies applied”.

c) Financial Instrument Categories

Financial Assets:	31 December 2012	31 December 2011
Banks	299	248
Factoring Receivables and non-performing debts	134.671	78.764
Financial liabilities		
Various debts	(12)	(47)
Loans received and factoring debts	(99.771)	(52.948)

d) Target in Financial Risk Management

The company is responsible for ensuring regular access to financial markets and observing and managing the financial risks, which it is exposed to because of its operations. The risks cover market risk (currency rate risk, interest rate risk and price risk), liquidity risk and cash flow interest rate risk.

e) Market risk

The company is exposed to financial risks that relate to changes in currency rate (see item f) and interest rate (see item g) because of its operations. Market risks are measured on the basis of sensitivity analyses.

f) Exchange Rate Risk

Transactions in foreign currency causes occurrence of exchange rate risks. The company regularly controls the currency rate risk that occurs as a result of company operations and the cash flows of finance agreements.

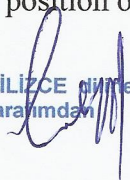
Distribution of the company's monetary assets and liabilities in foreign currency is given in Note 26.

Sensitivity to Exchange Rate Risk

The following table shows the sensitivity of the company to foreign currency when USD and EURO rate is increased by 10%. The 10% rate is the rate used to report foreign currency risk to top management and expresses the change expected in the foreign currency by the management. Sensitivity analyses that relate to currency rate risks, which the company is exposed to at the time of reporting, are defined according to the change at the beginning and held fixed throughout the term. Positive sum means increased income.

Foreign currency position of the company as of 31 December 2012

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31 December 2012				
	Profit/Loss		Equity	
	Valuation of foreign currency	devaluation of foreign currency	Valuation of foreign currency	devaluation of foreign currency
When USD changes by 10% before TL				
1. USD net asset / liability	5	(5)	-	-
2. The part protected from USD risk (-)	-	-	-	-
3 USD net effect (1+2)	5	(5)	-	-
When EURO changes by 10% before TL				
4 EURO net asset / liability	-	-	-	-
5 The part protected from EURO risk (-)	-	-	-	-
6 EURO net effect (4+5)	-	-	-	-
When other currencies changes by 10% before TL				
7 Other currency net asset / liability	-	-	-	-
8 The part protected from other currency risk (-)	-	-	-	-
9 Other currency net effect (7+8)	-	-	-	-
Total (3 + 6 + 9)	5	(5)		

31 December 2011				
	Profit/Loss		Equity	
	Valuation of foreign currency	devaluation of foreign currency	Valuation of foreign currency	devaluation of foreign currency
When USD changes by 10% before TL				
1 USD net asset / liability	27	(27)	-	-
2. The part protected from USD risk (-)	-	-	-	-
3 USD net effect (1+2)	27	(27)	-	-
When EURO changes by 10% before TL				
4 EURO net asset / liability	-	-	-	-
5 The part protected from EURO risk (-)	-	-	-	-
6 EURO net effect (4+5)	-	-	-	-
When other currencies changes by 10% before TL				
7 Other currency net asset / liability	-	-	-	-
8 The part protected from other currency risk (-)	-	-	-	-
9 Other currency net effect (7+8)	-	-	-	-
Total (3 + 6 + 9)	27	(27)	-	-

g) Interest rate risk management

The indebtedness of the company on fixed and variable interest rates makes the company exposed to interest rate risk. The risk is controlled by the company by making an appropriate distribution among the debts with fixed and variable interest rates.

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Sensitivity to Interest Rate

The following sensitivity analyses are defined according to the change at interest rate at the beginning of fiscal year and the exposed interest rate risk, and held fixed throughout the term. Company management makes sensitivity analyses on a 100 point fluctuation scenario in interest rates. The said figure is also used for the reports sent to top management.

Interest Position Table

	31 December 2012	31 December 2011
<u>Financial Instruments with Fixed Interest</u>		
Financial Assets		
Factoring Receivables	134.670	78.764
Financial Liabilities		
Loans received	99.771	52.940
<u>Financial Instruments with Variable Interest</u>		
Financial Liabilities	-	-
Loans received	-	-

h) Other price risks

Nil

i) Credit Risk Management

The risk of occurrence of a financial loss because of non-fulfillment of the contractual obligations of one of the parties to the financial instrument is defined as credit risk. The company is making effort to minimize credit risk by entering into transactions with the parties having creditability only, and if possible, by obtaining sufficient security. The credit risk, which the company is exposed to and the creditability ratings of the customers are continuously monitored. Credit risk is controlled within the limits defined by the Board of Directors for customers.

Factoring debts cover numerous customers in various sectors. Creditability assessment is made continuously on the balance of commercial receivables of customers.

Distribution of Factoring Receivables in sectors is as follows:

	31 December 2012 %	31 December 2011 %
Construction	19,33	19,76
Tourism	7,98	11,00
Wholesale and brokerage	0,25	5,89
Textile	14,11	10,73
Chemistry, plastic and medicine	3,82	1,73
Metal industry	0,52	1,88
Foodstuff	1,71	7,01
Transport	8,86	10,79
Other manufacturing industry	4,51	5,75
Wood and wood products	0,79	1,52
Motor vehicles	0,42	0,43

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Press	0,85	1,17
Misc. operations (plant, animal breeding)	18,23	-
Others	18,62	22,34
	100,00	100,00

Factoring Receivables

31 December 2012	Related party	Other party	Deposit in banks	Difference in fair value, reflected on K/Z	Financial assets ready for sale
Max. credit risk exposed on report date	-	134.670	299	-	-
- Part of max. risk, secured by a guarantee etc.	-	8,080	-	-	-
A Net book value of the financial assets not overdue or not devaluated		133.532	299		
- Part secured by a guarantee etc.	-	-	-	-	-
B Book value of the financial assets, of which conditions were re-negotiated or otherwise deemed overdue or devaluated					
C Net book value of the financial assets, overdue but not devaluated	-	-			
- Part secured by a guarantee etc	-	-	-	-	-
D Net book value of the financial assets, devaluated		-			
- overdue (gross book value)	-	3.862	-	-	-
- Devaluation (-)		(2.724)			
- Part of the net value secured by a guarantee etc.	-	8.080	-	-	-
- Not overdue (gross book value)					
- Devaluation (-)	-	-	-	-	-
- Part of the net value secured by a guarantee etc.					
E Off-Balance Sheet Items involving credit risk					

31 December 2012					
Max. credit risk exposed on report date	-	78.764	248	-	-
- Part of max. risk, secured by a guarantee etc.	-	466	-	-	-
A Net book value of the financial assets not overdue or not devaluated	-	78.211	248		
- Part secured by a guarantee etc.	-	315	-	-	-
B Book value of the financial assets, of which conditions were re-negotiated or otherwise deemed overdue or devaluated	-	-	-	-	-
C Net book value of the financial assets, overdue but not devaluated	-	489	-	-	-
- Part secured by a guarantee etc	-	-	-	-	-

TÜRKÇE dilinden İNGİLİZCE diline yapılan bu tercüme, tarafından yapılmıştır.

TÜRKÇE dilinden İNGİLİZCE diline yapılan bu tercümenin, dairemiz yeminli tercümanı HAYAL ESEN tarafından yapıldığını onaylarım.

D Net book value of the financial assets, devaluated	-				
- overdue (gross book value)	-	2.739	-	-	-
- Devaluation (-)	-	(2.186)			
- Part of the net value secured by a guarantee etc.	-	151	-	-	-
- Not overdue (gross book value)	-	-	-	-	-
- Devaluation (-)	-	-	-	-	-
- Part of the net value secured by a guarantee etc.	-	-			
E Off-Balance Sheet Items involving credit risk	-	-	-	-	-

j) Liquidity Risk Management

The company has established an appropriate liquidity management for short, medium and long term funding and liquidity. The company manages liquidity risk by regularly following estimated and actual cash flows and maintaining sufficient funds and debt reserve.

Liquidity Table

The table shows the distribution of maturity of financial assets and liabilities of the company, which are not derivatives. It was prepared according the earliest dates when the company will collect and pay assets and liabilities. The interests to be received and paid on the company's assets and liabilities are also shown in the table.

31 December 2012						
Contractual Maturity	Book value	Total contractual cash entries-exits (I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Longer than 5 years (IV)
Non-derivative financial liabilities						
Loans received	99.771	99.791	82.854	16.937	-	-
Factoring debts	70	70	70	-	-	-
	99.841	99.861	82.924	16.937	-	-
31 December 2011						
Contractual Maturity						
Non-derivative financial liabilities	52.940	52.945	52.900	24	21	-
Loans received	8	8	8	-	-	-
Factoring debts	52.948	52.953	52.908	24	21	-

The company makes payments according to contractual maturity. No information was provided about the realistic levels of financial assets.

k) The Fair Value of Financial Instruments

Except as detailed in the following table, company managers think that the book values of the financial assets and liabilities are fair values.

TÜRKÇE dilinden İNGİLİZCE diline yapılan bu tercüme, tarafımdan yapılmıştır.

TÜRKÇE dilinden İNGİLİZCE diline yapılan bu tercümenin, dairemiz yeminli tercümanı HAYAL ESEN tarafımdan yapıldığını onaylarım.

31 December 2012	Financial assets at their redeemed value	Loans and claims	Financial liabilities at their redeemed value	Book value
Financial Assets				
Banks	299	-	-	299
Factoring Receivables	-	134.670	-	134.670
Financial liabilities				
Factoring debts	-	-	70	70
Loans received	-	-	99.771	99.771

31 December 2012	Financial assets at their redeemed value	Loans and claims	Financial liabilities at their redeemed value	Book value
Financial Assets				
Banks	248	-	-	248
Factoring Receivables	-	78.764	-	78.764
Financial liabilities				
Factoring debts	-	-	8	8
Loans received	-	-	52.940	52.940

Company management think that the recorded values of financial instruments reflect fair values.

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yapılmıştır.

TÜRKÇE dilinden İNGİLİZCE diline
yapılan bu tercümenin, dairemiz
yeminli tercümanı HAYAL ESEN
tarafından yapıldığını onaylarım.