

Signing an agreement for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC

As a result of the negotiations carried out by the intermediary institutions authorised by the Board of Directors of GSD Holding A.Ş., GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) signed an agreement for purchase and sale of shares on 29 April 2014 comprising

- a) the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC,
- b) the determination of a price of Turkish Liras (TL) of 668,810,011.63 for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. by taking into consideration the audited financial statements of Tekstil Bankası A.Ş. as of 31 December 2013, subject to adjustment after closing based on the change in the net asset value of Tekstil Bankası A.Ş. between 31 December 2013 and the transaction closing date in proportion to the percentage of the shares being sold, which is to be collected in U.S. Dollars (USD), the conversion from TL to USD being made based on the average of the buying and selling foreign exchange rates announced by the Central Bank of the Republic of Turkey during the period shortly before the closing date of the transaction,
- c) representations and warranties, pre-completion undertakings, indemnities and other clauses as are customary for an agreement for purchase and sale of shares;

completion of the transaction being conditional upon obtaining the necessary regulatory approvals from the relevant regulatory authorities in Turkey and China, including the China Banking Regulatory Commission, the Banking Regulation and Supervision Agency of Turkey and the Competition Authority of Turkey.

Since the mentioned share sale transaction falls within the scope of the significant transactions as per the 23rd article of the Capital Market Law No:6362, it has been submitted to the Ordinary General Assembly Meeting for the year 2013 held on 3 June 2014 for approval pursuant to the article 408/2-f of the Turkish Commercial Code No:6102. The approval of the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. has been resolved by a majority vote with TL 96,714,845.774 votes in the affirmative and TL 1.92 votes in the negative by the General Assembly Meeting of GSD Holding A.Ş. for the year 2013 held on 3 June 2014, and no right to leave has arisen in consequence of this transaction pursuant to the Communiqué on the Common Principles on the Significant Transactions and the Right to Leave (II-23.1) of the Capital Markets Board.

In order to get the necessary regulatory approvals for the completion of the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC), the formal applications to the Banking Regulation and Supervision Agency (BRSA) of Turkey and the Competition Authority of Turkey have been made by ICBC on 6 August 2014. The Competition Authority of Turkey, by means of the resolution dated 20 August 2014 numbered 14-29/593-259, has approved the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC).

The approval of the China Banking Regulatory Commission (CBRC) for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC) has been notified to GSD Holding A.Ş. on 20 March 2015.

The Banking Regulation and Supervision Agency (BRSA) of Turkey has approved the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC) on 2 April 2015. Closing of transaction will be executed after the completion of the ordinary procedures set forth in the agreement for purchase and sale of shares dated 29 April 2014.

The classification of the subsidiary as a discontinued operation due to an agreement being signed for the sale of 75.50 % shares of of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and the calculation of gain on the sale of the subsidiary resulting in loss of control when the sale is finalised

In consequence of the agreement for sale of shares signed on 29 April 2014 between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., the assets, liabilities and consolidated income statement items of Tekstil Bankası A.Ş. are classified as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. as at 31 December 2014 in accordance with “the standard IFRS 5 Non-current Assets Held for Sale and Discontinued Operations”, by continuing to be consolidated and being measured at their carrying amounts in the consolidation which is the lower of their carrying amounts and fair values less costs to sell, as measured before this date. In this context, , the assets and liabilities of Tekstil Bankası A.Ş. are collectively classified under “Assets Held for Sale from Discontinued Operations” and “Liabilities Related to Assets Held for Sale from Discontinued Operations”, respectively, in the consolidated IFRS statement of financial position of GSD Holding A.Ş. as at 31 December 2014; the consolidated income statement items of Tekstil Bankası A.Ş. are collectively classified under “Net Profit/(Loss) from Discontinued Operations” in the consolidated IFRS income statements of GSD Holding A.Ş. for the years ended 31 December 2014 and 31 December 2013. There is no classification as a discontinued operation for “Accumulated Other Comprehensive Income” and “Non-controlling Interests” recognised under shareholders’ equity in the consolidated IFRS statement of financial position of GSD Holding A.Ş. as at 31 December 2014 and “Other Comprehensive Income” in the consolidated IFRS statements of comprehensive income for the years ended 31 December 2014 and 31 December 2013 and the disclosures as to the part of these items pertaining to the discontinued operation are given in notes to the financial statements. The consolidated cash flows of Tekstil Bankası A.Ş. are collectively classified under “Net cash provided by operating activities before changes in operating assets and liabilities from discontinued operations”, “Net cash (used in) / provided by operating activities from discontinued operations”, “Net cash (used in) / provided by investing activities from discontinued operations”, “Net cash (used in) / provided by financing activities from discontinued operations” and “Discontinued Operations” in the consolidated IFRS statement of cash flows of GSD Holding A.Ş. for the years ended 31 December 2014 and 31 December 2013.

If the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC is finalised, a sale of a subsidiary resulting in loss of control will occur. In this case, GSD Holding A.Ş. shall derecognise the assets and liabilities of Tekstil Bankası A.Ş. at their carrying amounts and the carrying amount of the non-controlling interest in Tekstil Bankası A.Ş. at the date when control is lost (including any components of other comprehensive income attributable to them); will recognise the consideration for the sale and any investment retained in Tekstil Bankası A.Ş. (e.g. the shares of Tekstil Bankası A.Ş. held by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as at 31 December 2014, if these shares are still being held by them when the sale is finalised) at their fair values at the date when control is lost; will reclassify “Fair Value Reserve” arising from the accumulation in equity of remeasuring available for sale financial assets classified under other comprehensive income in relation to Tekstil Bankası A.Ş. to profit or loss in the consolidated income statement and will transfer “Property Revaluation Reserve” and “Reameasurements of the net defined benefit liability (asset)” accumulated in equity in relation to Tekstil Bankası A.Ş. directly to “Retained Earnings” in equity and will recognise any resulting difference as a gain or loss in profit or loss attributable to the equity holders of the parent in the consolidated IFRS financial statements in compliance with “the standard IFRS 10 Consolidated Financial Statements”. Pursuant to “the standard IFRS 5 Non-current Assets Held for Sale and Discontinued Operations”, the gain or loss resulting from these records and the share selling expenses composed of the financial and law consultancy fees and the other possible expenses arising from the sale transaction and the corporate tax expense on the gain on the sale of shares shall be classified under “Net Profit/(Loss) from Discontinued Operations” in the consolidated IFRS income statement of GSD Holding A.Ş.

The classification of the subsidiary as a discontinued operation due to an agreement being signed for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and the calculation of gain on the sale of the subsidiary resulting in loss of control when the sale is finalised (continued)

The corporate tax base of the 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. which is subject to the agreement for purchase and sale of shares signed between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) is thousands of TL 399,530 in the books of account of GSD Holding A.Ş. and 75 % of the gain on the sale of the shares in terms of the corporate tax to be determined by deducting the corporate tax base of the shares subject to the sale agreement amounting to thousands of TL 399,530 from the sale price of the shares which is equal to the total of the sale price of thousands of TL 668,810 according to the financial statements of Tekstil Bankası A.Ş. as of 31 December 2013 and the change in the net asset value of Tekstil Bankası A.Ş. in proportion to the percentage of the shares being sold between 31 December 2013 and the transaction closing date is subject to corporate tax exception providing that it will be recognised as a special reserve under the shareholders' equity to be retained for a period of 5 years without a distribution in cash or will be added to the share capital by a share capital increase through bonus shares and the remaining 25 % of the gain on the sale of the shares is subject to 20 % corporate tax, but in that case 75 % of the share selling expenses composed of the financial and law consultancy fees and the other possible expenses arising from the sale transaction shall not be deducted from the net corporate tax base for the period.

If the transaction for the sale is finalised, the gain before tax in terms of the consolidated IFRS financial statements on the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to Industrial and Commercial Bank of China Limited (ICBC) which will be calculated as of the transaction closing date, will be determined by deducting the net total of the assets and liabilities of Tekstil Bankası A.Ş. included in the IFRS financial statement consolidation of GSD Holding A.Ş.- in other words, the consolidated IFRS shareholders' equity of Tekstil Bankası A.Ş.- in proportion to the percentage of the shares being sold and the share selling expenses composed of the financial and law consultancy fees and the other possible expenses arising from the sale transaction, from the sale price of the shares which is equal to the total of the sale price of thousands of TL 668,810 according to the financial statements of Tekstil Bankası A.Ş. as of 31 December 2013 and the change in the net asset value of Tekstil Bankası A.Ş. in proportion to the percentage of the shares being sold between 31 December 2013 and the transaction closing date. The consolidated IFRS shareholders' equity of Tekstil Bankası A.Ş. included in the IFRS financial statement consolidation of GSD Holding A.Ş. are thousands of TL 605,516 and thousands of thousands of TL 610,812, respectively, as of 31 December 2013 and 31 December 2014 and the same amounts in proportion to the percentage of the shares being sold are thousands of TL 457,165 and thousands of TL 461,163, respectively. The change in the net asset value of Tekstil Bankası A.Ş. in proportion to the percentage of the shares being sold between 31 December 2013 and 31 December 2014 is thousands of TL 11,950.

If the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC is finalised, while accounting for the sale of the subsidiary resulting in loss of control in the consolidated IFRS financial statements of GSD Holding A.Ş. in accordance with the standard "IFRS 10 Consolidated Financial Statements", "Fair Value Reserve" arising from the accumulation in equity of remeasuring available for sale financial assets classified under other comprehensive income in relation to Tekstil Bankası A.Ş. to be reclassified to profit or loss in the consolidated income statement and "Property Revaluation Reserve" and "Reameasurements of the net defined benefit liability (asset)" accumulated in equity in relation to Tekstil Bankası A.Ş. to be transferred directly to "Retained Earnings" in equity are thousands of TL 1,400, thousands of TL 3,731 and thousands of TL -433 respectively, as of 31 December 2014 and the fair values of the shares of Tekstil Bankası A.Ş. held by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. to be deconsolidated and started to be carried at their fair values in the consolidated IFRS financial statements are thousands of TL 8,145 and the part of it attributable to the equity holders of the parent is thousands of TL 6,264 as of 31 December 2014; the net total of the assets and liabilities of Tekstil Bankası A.Ş. included in the IFRS financial statement consolidation of GSD Holding A.Ş. in proportion to the percentage of these shares (the consolidated IFRS equity interest) attributable to equity holders of the parent to be deconsolidated and derecognized is thousands of TL 4,886 as of 31 December 2014.