

*(Convenience Translation of Consolidated Financial Statements and Related Disclosures
and Footnotes Originally Issued in Turkish, See Note 2.1)*

**İş Finansal Kiralama
Anonim Şirketi and Its Subsidiary**

Consolidated Interim Financial Statements
As at and for the Six-Month Interim Period Ended
30 June 2011

**With Independent Auditors’
Review Report Thereon**

Akis Bağımsız Denetim ve Serbest Muhasebeci
Mali Müşavirlik Anonim Şirketi

11 August 2011

This report includes 1 page of “Independent Auditors’
Review Report” and 74 pages of interim financial
information together with their explanatory notes.

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**Convenience Translation of the Independent Auditors' Review Report
Originally Prepared and Issued in Turkish (See Note 2.1)**

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of İş Finansal Kiralama Anonim Şirketi

Introduction

We have reviewed the consolidated interim balance sheet of İş Finansal Kiralama Anonim Şirketi ("the Company") and its subsidiary (together "the Group") as at 30 June 2011 and the related consolidated interim statements of income, cash flows, and changes in equity ("consolidated interim financial statements") for the six-month period then ended. These consolidated interim financial statements are the responsibility of the Company's management. Our responsibility, as independent auditors, is to issue a report on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the accounting rules, policies and auditing standards set out by the Banking Law numbered 5411. These regulations require that we plan and perform the review to obtain reasonable assurance as to whether the interim financial statements are free of material misstatement. A review is principally limited to reviewing the financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly the consolidated financial position of İş Finansal Kiralama Anonim Şirketi and its subsidiary as at 30 June 2011, and of the consolidated results of its operations and its consolidated cash flows for the six-month period then ended in accordance with the communiqués, disclosures and directives promulgated by the Banking Regulation and Supervision Agency on accounting and financial reporting principles (see Note 2).

Istanbul, 11 August 2011

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ

Orhan Akova, Certified Public Accountant
Partner

Additional paragraph for convenience translation to English

As explained in Section Note 2.1, the accompanying consolidated interim financial statements are not intended to present the consolidated financial position and consolidated results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

**CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2011
(STATEMENT OF FINANCIAL POSITION)**

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

BALANCE SHEET - ASSETS		Notes	Reviewed Current Period 30 June 2011			Audited Prior Period 31 December 2010		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	CASH		-	-	-	-	-	-
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	4	15.282	417	15.699	4.364	-	4.364
2.1	Financial Assets Held for Trading		15.282	-	15.282	4.364	-	4.364
2.2	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-	-	-
2.3	Derivative Financial Assets Held for Trading		-	417	417	-	-	-
III.	BANKS	5	66.596	321.901	388.497	554.284	137.000	691.284
IV.	RECEIVABLES FROM REVERSE REPURCHASE AGREEMENTS		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	6	23.369	-	23.369	26.516	-	26.516
VI.	FACTORING RECEIVABLES	7	407.137	44.853	451.990	312.189	19.131	331.320
6.1	Discounted Factoring Receivables		118.816	-	118.816	103.685	-	103.685
6.1.1	Domestic		120.728	-	120.728	105.268	-	105.268
6.1.2	Foreign		-	-	-	-	-	-
6.1.3	Unearned Income (-)		(1.912)	-	(1.912)	(1.583)	-	(1.583)
6.2	Other Factoring Receivables		288.321	44.853	333.174	208.504	19.131	227.635
6.2.1	Domestic		288.321	-	288.321	208.504	-	208.504
6.2.2	Foreign		-	44.853	44.853	-	19.131	19.131
VII.	FINANCING LOANS		-	-	-	-	-	-
7.1	Retail Loans		-	-	-	-	-	-
7.2	Credit Loans		-	-	-	-	-	-
7.3	Instalment Commercial Loans		-	-	-	-	-	-
VIII.	LEASE RECEIVABLES	8	173.259	1.063.403	1.236.662	151.435	740.236	891.671
8.1	Lease Receivables		168.414	1.006.375	1.174.789	148.223	703.200	851.423
8.1.1	Finance Lease Receivables		208.608	1.177.690	1.386.298	186.575	827.190	1.013.765
8.1.2	Operational Lease Receivables		-	-	-	-	-	-
8.1.3	Other		-	-	-	-	-	-
8.1.4	Unearned Income (-)		(40.194)	(171.315)	(211.509)	(38.352)	(123.990)	(162.342)
8.2	Leasing Contracts in Progress		3.929	17.001	20.930	2.614	5.245	7.859
8.3	Advances Given for Lease Transactions		916	40.027	40.943	598	31.791	32.389
IX.	NON-PERFORMING RECEIVABLES	7, 8	25.884	12.206	38.090	26.327	17.623	43.950
9.1	Non-Performing Factoring Receivables		2.540	-	2.540	2.651	-	2.651
9.2	Non-Performing Financing Loans		-	-	-	-	-	-
9.3	Non-Performing Lease Receivables		56.358	30.537	86.895	54.446	34.111	88.557
9.4	Specific Provisions (-)		(33.014)	(18.331)	(51.345)	(30.770)	(16.488)	(47.258)
X.	DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT		-	-	-	-	-	-
10.1	Fair Value Hedges		-	-	-	-	-	-
10.2	Cash Flow Hedges		-	-	-	-	-	-
10.3	Net Foreign Investment Hedges		-	-	-	-	-	-
XI.	INVESTMENTS HELD TO MATURITY (Net)		-	-	-	-	-	-
XII.	INVESTMENT IN SUBSIDIARIES (Net)		-	-	-	-	-	-
XIII.	INVESTMENT IN ASSOCIATES (Net)		-	-	-	-	-	-
XIV.	INVESTMENT IN JOINT VENTURES (Net)		-	-	-	-	-	-
XV.	TANGIBLE ASSETS (Net)	10	1.104	-	1.104	448	-	448
XVI.	INTANGIBLE ASSETS (Net)		967	-	967	806	-	806
16.1	Goodwill	12	166	-	166	166	-	166
16.2	Other Intangibles	11	801	-	801	640	-	640
XVII.	DEFERRED TAX ASSETS	13	82.235	-	82.235	78.615	-	78.615
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	14	453	-	453	278	-	278
18.1	Assets Held For Sale		453	-	453	278	-	278
18.2	Assets of Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	15	22.908	4.094	27.002	21.970	2.176	24.146
TOTAL ASSETS			819.194	1.446.874	2.266.068	1.177.232	916.166	2.093.398

The accompanying notes are an integral part of these consolidated interim financial statements.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

**CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2011
(STATEMENT OF FINANCIAL POSITION)**

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

	BALANCE SHEET - LIABILITIES	Notes	Reviewed Current Period 30 June 2011			Audited Prior Period 31 December 2010		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	4	-	4.775	4.775	-	1.201	1.201
II.	FUNDS BORROWED	16	473.611	1.246.954	1.720.565	717.310	869.590	1.586.900
III.	FACTORING PAYABLES		-	-	-	-	-	-
IV.	LEASE OBLIGATIONS	18	-	-	-	-	-	-
4.1	Finance Lease Obligations		-	-	-	-	-	-
4.2	Operational Lease Obligations		-	-	-	-	-	-
4.3	Other		-	-	-	-	-	-
4.4	Deferred Finance Lease Expenses (-)		-	-	-	-	-	-
V.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset-Backed Securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	MISCELLANEOUS PAYABLES	17	2.286	10.819	13.105	2.472	12.008	14.480
VII.	OTHER LIABILITIES	17	3.865	12.131	15.996	2.568	6.020	8.588
VIII.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT		-	-	-	-	-	-
8.1	Fair Value Hedges		-	-	-	-	-	-
8.2	Cash Flow Hedges		-	-	-	-	-	-
8.3	Net Foreign Investment Hedges		-	-	-	-	-	-
IX.	TAXES AND DUTIES PAYABLE	19	4.339	-	4.339	3.186	-	3.186
X.	PROVISIONS		2.349	518	2.867	2.908	174	3.082
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserves For Employee Benefits	21	1.984	-	1.984	2.218	-	2.218
10.3	Other Provisions	20	365	518	883	690	174	864
XI.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XII.	PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
12.1	Held For Sale		-	-	-	-	-	-
12.2	Discontinued Operations		-	-	-	-	-	-
XIII.	SUBORDINATED LOANS		-	-	-	-	-	-
XIV.	SHAREHOLDERS' EQUITY		504.421	-	504.421	475.961	-	475.961
14.1	Paid-in Capital	23	339.000	-	339.000	295.000	-	295.000
14.2	Capital Reserves	23	9.362	-	9.362	15.666	-	15.666
14.2.1	Share Premium		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Securities Value Increase Fund		7.424	-	7.424	13.728	-	13.728
14.2.4	Revaluation Surplus on Tangible and Intangible Assets		-	-	-	-	-	-
14.2.5	Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Entities		1.938	-	1.938	1.938	-	1.938
14.2.6	Hedging Reserves (Effective Portion)		-	-	-	-	-	-
14.2.7	Revaluation Surplus on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
14.2.8	Other Capital Reserves		-	-	-	-	-	-
14.3	Profit Reserves	24	110.868	-	110.868	91.166	-	91.166
14.3.1	Legal Reserves		16.627	-	16.627	13.442	-	13.442
14.3.2	Statutory Reserves		-	-	-	-	-	-
14.3.3	Extraordinary Reserves		94.241	-	94.241	77.724	-	77.724
14.3.4	Other Profit Reserves		-	-	-	-	-	-
14.4	Profit or Loss		34.225	-	34.225	63.268	-	63.268
14.4.1	Prior Periods Profit/Loss	25	(434)	-	(434)	(434)	-	(434)
14.4.2	Current Period Profit/Loss		34.659	-	34.659	63.702	-	63.702
14.5	Non-Controlling Interests	22	10.966	-	10.966	10.861	-	10.861
	TOTAL LIABILITIES AND EQUITY		990.871	1.275.197	2.266.068	1.204.405	888.993	2.093.398

The accompanying notes are an integral part of these consolidated interim financial statements.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED INTERIM STATEMENT OF OFF-BALANCE SHEET ITEMS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

	STATEMENT OF OFF-BALANCE SHEET ITEMS	Notes	Reviewed Current Period 30 June 2011			Audited Prior Period 31 December 2010		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	IRREVOCABLE FACTORING TRANSACTIONS		9.210	4.634	13.844	18.785	1.893	20.678
II.	REVOCABLE FACTORING TRANSACTIONS		27.747	1.528	29.275	21.849	3.060	24.909
III.	COLLATERALS RECEIVED	38	434.853	169.107	603.960	438.565	137.129	575.694
IV.	COLLATERALS GIVEN	26	2.367	-	2.367	493	-	493
V.	COMMITMENTS		500	55.566	56.066	-	14.135	14.135
5.1	Irrevocable Commitments		500	55.566	56.066	-	14.135	14.135
5.2	Revocable Commitments		-	-	-	-	-	-
5.2.1	Lease Commitments		-	-	-	-	-	-
5.2.1.1	Finance Lease Commitments		-	-	-	-	-	-
5.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
5.2.2	Other Revocable Commitments		-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL INSTRUMENTS		190.992	229.902	420.894	-	48.147	48.147
6.1	Derivative Financial Instruments for Risk Management		-	-	-	-	-	-
6.1.1	Fair Value Hedges		-	-	-	-	-	-
6.1.2	Cash Flow Hedges		-	-	-	-	-	-
6.1.3	Net Foreign Investment Hedges		-	-	-	-	-	-
6.2	Derivative Financial Instruments Held For Trading	26	190.992	229.902	420.894	-	48.147	48.147
6.2.1	Forward Foreign Currency Purchases/Sales		2.436	2.445	4.881	-	-	-
6.2.2	Swap Purchases/Sales	26	183.456	222.566	406.022	-	48.147	48.147
6.2.3	Put/call options		5.100	4.891	9.991	-	-	-
6.2.4	Futures purchases/sales		-	-	-	-	-	-
6.2.5	Others		-	-	-	-	-	-
VII.	ITEMS HELD IN CUSTODY		68.746	9.372	78.118	71.991	7.159	79.150
	TOTAL OFF-BALANCE SHEET ITEMS		734.415	470.109	1.204.524	551.683	211.523	763.206

The accompanying notes are an integral part of these consolidated interim financial statements.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

INCOME STATEMENT		Notes	Reviewed Current Period 1 January-30 June 2011	Not Reviewed Current Period 1 April-30 June 2011	Reviewed Prior Period 1 January-30 June 2010	Not Reviewed Prior Period 1 April-30 June 2010
I.	OPERATING INCOME	29	60.495	32.820	47.758	22.888
	FACTORING INCOME		13.129	7.234	6.851	3.578
1.1	Factoring Interest Income		12.080	6.592	6.377	3.322
1.1.1	Discount		4.325	2.372	2.461	1.312
1.1.2	Other		7.755	4.220	3.916	2.010
1.2	Factoring Commission Income		1.049	642	474	256
1.2.1	Discount		518	321	192	109
1.2.2	Other		531	321	282	147
	INCOME FROM FINANCIAL LOANS		-	-	-	-
1.1	Interest Income From Financial Loans		-	-	-	-
1.2	Commission Income From Financial Loans		-	-	-	-
	LEASE INCOME		47.366	25.586	40.907	19.310
1.1	Finance Lease Income		47.366	25.586	40.907	19.310
1.2	Operational Lease Income		-	-	-	-
1.3	Fees and Commission Income on Lease Operations		-	-	-	-
II.	OPERATING EXPENSE (-)	30	(10.303)	(5.460)	(9.206)	(4.905)
2.1	Personal Expenses		(7.019)	(3.708)	(5.782)	(2.879)
2.2	Retirement Pay Provision Expense		(132)	(76)	(94)	(54)
2.3	Research and Development Expense		-	-	-	-
2.4	General Administration Expense		(3.152)	(1.676)	(3.330)	(1.972)
2.5	Other		-	-	-	-
III.	OTHER OPERATING INCOME	31	231.590	142.588	165.506	84.646
3.1	Interest Income on Bank Deposits		15.744	5.780	16.735	9.628
3.2	Interest Income on Reverse Repurchase Agreements		-	-	-	-
3.3	Interest Income on Marketable Securities		561	352	108	41
3.3.1	Interest Income on Financial Assets Held for Trading		561	352	108	41
3.3.2	Interest Income on Financial Assets at Fair Value Through Profit and Loss		-	-	-	-
3.3.3	Interest Income on Financial Assets Available For Sale		-	-	-	-
3.3.4	Interest Income on Financial Assets Held to Maturity		-	-	-	-
3.4	Dividend Income		3.935	3.914	2.960	2.939
3.5	Interest Received from Money Market Placements		967	(833)	185	169
3.5.1	Derivatives		967	(833)	185	169
3.5.2	Other		-	-	-	-
3.6	Foreign Exchange Gains		205.517	130.388	137.404	69.082
3.7	Others		4.866	2.987	8.114	2.787
IV.	FINANCIAL EXPENSES (-)	32	(37.015)	(18.875)	(25.439)	(13.283)
4.1	Interest Expense on Funds Borrowed		(36.701)	(18.707)	(25.034)	(13.089)
4.2	Interest Expense on Factoring Payables		-	-	-	-
4.3	Interest Expense of Finance Leases		-	-	-	-
4.4	Interest Expense on Securities Issued		-	-	-	-
4.5	Other Interest Expenses		-	-	-	-
4.6	Fees and Commissions Expenses		(314)	(168)	(405)	(194)
V.	SPECIFIC PROVISION FOR NON-PERFORMING RECEIVABLES (-)	33	(5.869)	(2.951)	(4.814)	(1.721)
VI.	OTHER OPERATING EXPENSES (-)	34	(200.757)	(124.258)	(138.695)	(70.026)
6.1	Impairment in Value of Marketable Securities		(62)	(62)	(28)	(28)
6.1.1	Impairment in Value of Financial Assets at Fair Value Through Profit and Loss		(62)	(62)	(28)	(28)
6.1.2	Impairment in Value of Financial Assets Available For Sale		-	-	-	-
6.1.3	Impairment in Value of Financial Assets Held to Maturity		-	-	-	-
6.2	Impairment in Value of Non-Current Assets		-	-	-	-
6.2.1	Impairment in Value of Tangible Assets		-	-	-	-
6.2.2	Impairment in Value of Assets Held for Sale and Discontinued Operations		-	-	-	-
6.2.3	Impairment in Value of Goodwill		-	-	-	-
6.2.4	Impairment in Value of Other Intangible Assets		-	-	-	-
6.2.5	Impairment in Value of Subsidiaries, Associates and Joint Ventures		-	-	-	-
6.3	Losses from Derivative Financial Operations		(10.005)	(8.486)	(3)	(3)
6.4	Foreign Exchange Losses		(189.635)	(115.262)	(137.262)	(68.849)
6.5	Other		(1.055)	(448)	(1.402)	(1.146)
VII.	NET OPERATING INCOME		38.141	23.864	35.110	17.599
VIII.	INCOME RESULTED FROM MERGERS		-	-	-	-
IX.	GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
X.	POFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX		38.141	23.864	35.110	17.599
XI.	PROVISION FOR TAXES FROM CONTINUING OPERATIONS (±)	35	(2.610)	(3.961)	5.574	6.984
11.1	Current Tax Charge		(6.230)	(3.788)	(484)	(208)
11.2	Deferred Tax Charge (-)		-	(173)	-	-
11.3	Deferred Tax Credit (+)		3.620	-	6.058	7.192
XII.	NET PROFIT/LOSS AFTER TAXES FROM CONTINUING OPERATIONS		35.531	19.903	40.684	24.583
XIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
13.1	Income from Assets Held for Sale		-	-	-	-
13.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-	-	-
13.3	Other Income from Discontinued Operations		-	-	-	-
XIV.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
14.1	Expense from Assets Held for Sale		-	-	-	-
14.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-	-	-
14.3	Other Expense from Discontinued Operations		-	-	-	-
XV.	POFIT/LOSS BEFORE TAX ON DISCONTINUED OPERATIONS		-	-	-	-
XVI.	PROVISION FOR TAXES FROM DISCONTINUED OPERATIONS (±)		-	-	-	-
16.1	Current Tax Charge		-	-	-	-
16.2	Deferred Tax Charge (-)		-	-	-	-
16.3	Deferred Tax Credit (+)		-	-	-	-
XVII.	NET PROFIT/LOSS AFTER TAXES FROM DISCONTINUED OPERATIONS		-	-	-	-
XVIII.	NON-CONTROLLING INTERESTS	22	(872)	(665)	(686)	(437)
XIX.	NET PROFIT/LOSS FOR THE PERIOD		34.659	19.238	39.998	24.146
	Earnings Per Share	36	0,10	0,06	0,12	0,07

The accompanying notes are an integral part of these consolidated financial statements.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

**CONSOLIDATED INTERIM STATEMENT OF GAINS AND LOSSES RECOGNIZED IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2011**

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

PROFIT/LOSS ITEMS RECOGNISED DIRECTLY IN EQUITY	Reviewed Current Period 30 June 2011	Reviewed Prior Period 30 June 2010
I. ADDITIONS TO MARKETABLE SECURITIES VALUE INCREASE FUND FROM AVAILABLE FOR SALE FINANCIAL ASSETS	(6.304)	(598)
1.1 Change in the Fair Value of the Financial Assets Available For Sale, Net	(6.304)	(598)
1.2 Change in the Fair Value of the Financial Assets Available For Sale, Net (Transfer to Profit/Loss)	-	-
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE DIFFERENCES ON FOREIGN CURRENCY TRANSACTIONS	-	-
V. PROFIT/LOSS ON DERIVATIVE FINANCIAL ASSETS FOR CASH FLOW HEDGES	-	-
5.1 Profit/Loss on Derivative Financial Assets for Cash Flow Hedges (Effective Portion of the Changes in Fair Value)	-	-
5.2 The Portion of Derivative Financial Assets Held for Cash Flow Hedges Reclassified in and Transferred to Income Statement	-	-
VI. PROFIT/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR NET FOREIGN INVESTMENT HEDGES	-	-
6.1 Profit/Loss from Derivative Financial Assets for Net Investment Hedges (Effective Portion of Fair Value Differences)	-	-
6.2 The Portion of Derivative Financial Assets Held for Net Foreign Investment Hedges Reclassified in and Transferred to Income Statement	-	-
VII. EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN THE ACCOUNTING POLICIES	-	-
VIII. OTHER INCOME AND EXPENSES RECOGNISED UNDER EQUITY IN ACCORDANCE WITH TAS	-	-
IX. DEFERRED TAXES ON REVALUATION DIFFERENCES	-	-
X. NET PROFIT/LOSS RECOGNIZED DIRECTLY IN EQUITY (I+II+...+IX)	(6.304)	(598)
XI. PROFIT/LOSS FOR THE PERIOD	34.659	39.998
XII. TOTAL PROFIT/LOSS RECOGNISED FOR THE PERIOD	28.355	39.400

The accompanying notes are an integral part of these consolidated financial statements.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

	Notes	Paid-in Capital	Paid-in Capital Inflation Adjustment	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value Changes Of Marketable Securities	Revaluation Reserve on Tangible and Intangible Assets	Bonus Shares Obtained From Subs., Assoc., and Jointly Contr. Ent.	Hedge Reserves (Effective Portion)	Revaluation Reserves on Assets Held for Sale and Discontinued Operations	Shareholders' Equity Before Non-Controlling Interests	Non-Controlling Interest	Total Equity
CHANGES IN EQUITY																			
Prior Period (01.01 – 31.06.2010) (Reviewed)																			
I.		250.000	-	-	-	8.151	-	10.857	-	105.388	11.336	9.825	-	-	-	-	395.557	8.945	404.502
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		250.000	-	-	-	8.151	-	10.857	-	105.388	11.336	9.825	-	-	-	-	395.557	8.945	404.502
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	24	-	-	-	-	-	-	-	-	-	-	(598)	-	-	-	-	(598)	74	(524)
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	24	-	-	-	-	-	-	-	-	-	-	-	-	1.939	-	-	1.939	113	2.052
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	24	45.000	-	-	-	-	-	(3.545)	(30.119)	-	(11.336)	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	39.998	-	-	-	-	-	-	39.998	686	40.684
XVIII.		-	-	-	-	5.291	-	70.412	30.119	(105.388)	(434)	-	-	-	-	-	-	-	-
18.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2		-	-	-	-	5.291	-	70.412	30.119	(105.388)	(434)	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		295.000	-	-	-	13.442	-	77.724	-	39.998	(434)	9.227	-	1.939	-	-	436.896	9.818	446.714
Current Period (01.01. – 30.06.2011) (Reviewed)																			
I.		295.000	-	-	-	13.442	-	77.724	-	63.702	(434)	13.728	-	1.938	-	-	465.100	10.861	475.961
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	24	-	-	-	-	-	-	-	-	-	-	(6.304)	-	-	-	-	(6.304)	(767)	(7.071)
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	24	44.000	-	-	-	-	-	(24.000)	(20.000)	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	34.659	-	-	-	-	-	-	34.659	872	35.531
XVI.		-	-	-	-	3.185	-	40.517	20.000	(63.702)	-	-	-	-	-	-	-	-	-
16.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16.2		-	-	-	-	3.185	-	40.517	20.000	(63.702)	-	-	-	-	-	-	-	-	-
16.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		339.000	-	-	-	16.627	-	94.241	-	34.659	(434)	7.424	-	1.938	-	-	493.455	10.966	504.421

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2011**

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

		Reviewed Current Period	Reviewed Prior Period
	Notes	30 June 2011	30 June 2010
A. CASH FLOWS FROM OPERATING ACTIVITIES			
1.1 Operating Profit Before Changes In Operating Assets And Liabilities		70.632	35.605
1.1.1 Interests Received/Lease Income		75.702	62.496
1.1.2 Lease Expenses		-	-
1.1.3 Dividends Received		1.012	1.009
1.1.4 Fees and Commissions Received		1.049	-
1.1.5 Other Income		8.103	3.191
1.1.6 Collections from Non-performing Receivables	31	1.448	5.076
1.1.7 Payments to Personnel and Service Suppliers		(6.410)	(5.400)
1.1.8 Taxes Paid		(5.041)	(3.829)
1.1.9 Others		(5.231)	(26.938)
1.2 Changes in Operating Assets and Liabilities		(366.636)	154.845
1.2.1 Net (Increase) Decrease in Factoring Receivables		(120.388)	(44.468)
1.2.2 Net (Increase) Decrease in Financing Loans		-	-
1.2.3 Net (Increase) Decrease in Lease Receivables		(428.703)	15.619
1.2.4 Net (Increase) Decrease in Other Assets		(17.523)	(2.309)
1.2.5 Net Increase (Decrease) in Factoring Payables		-	-
1.2.6 Net Increase (Decrease) in Lease Payables		-	-
1.2.7 Net Increase (Decrease) in Funds Borrowed		191.433	187.654
1.2.8 Net Increase (Decrease) in Due Payables		-	-
1.2.9 Net Increase (Decrease) in Other Liabilities		8.545	(1.651)
I. Net Cash Provided from / (Used in) Operating Activities		(296.004)	190.450
B. CASH FLOWS FROM INVESTING ACTIVITIES			
2.1 Cash Paid for Purchase Of Associates, Subsidiaries and Joint-ventures		-	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3 Purchases of Tangible and Intangible Assets	10, 11	(1.054)	(314)
2.4 Proceeds From Sale of Tangible and Intangible Assets	10	5	5
2.5 Cash Paid for Purchase of Financial Assets Available for Sale	6	(1.000)	-
2.6 Proceeds From Sale of Financial Assets Available for Sale		-	-
2.7 Cash Paid for Purchase of Held-to-Maturity Investment Securities		-	-
2.8 Proceeds from Sale of Held-to-Maturity Investment Securities		-	-
2.9 Other		-	-
II. Net cash used in investing activities		(2.049)	(309)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other		-	-
III. Net Cash Used in Financing Activities		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		(1.741)	249
V. Net Increase / (Decrease) in Cash and Cash Equivalents		(299.794)	190.390
VI. Cash and Cash Equivalents at the Beginning of the Period	5	686.906	362.397
VII. Cash and Cash Equivalents at the End of the Period	5	387.112	552.787

The accompanying notes are an integral part of these consolidated interim financial statements.

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

İş Finansal Kiralama A.Ş. (“the Company”) was incorporated on 9 March 1988 to operate in Turkey in accordance with the Finance Lease Act No: 3226. The core business of the Company is leasing operations, both domestic and abroad, and it started its leasing operations in July 1988. The head office of the Company is located at İş Kuleleri Kule:2 Kat:10 34330 Levent-İstanbul/Turkey.

The Company has purchased nominal shares of İş Factoring Finansman Hizmetleri A.Ş. (“İş Factoring”) amounting to TRY 12.517 in consideration of USD 10.952.375 on 11 August 2004. The Company owns 78,23% of this subsidiary and it has been consolidated in the accompanying financial statements.

The ultimate parent of the Company is Türkiye İş Bankası A.Ş.. The main shareholders of the Company are Türkiye İş Bankası A.Ş. with 27,79% and Türkiye Sınai Kalkınma Bankası A.Ş. (“TSKB”) with 28,56% participation. The Company’s 42,67% of shares are publicly traded and listed on the Istanbul Stock Exchange.

As at 30 June 2011, the Company and its subsidiary (“the Group”) employ 136 employees (31 December 2010: 121 employees).

Dividend Payable

As at 30 June 2011, the Company does not have any dividend payable.

Approval of the Financial Statements

The consolidated interim financial statements as at 30 June 2011 have been approved by the Board of Directors of the Company and authorized for issue as at 11 August 2011. General Assembly and / or legal authorities has the discretion of making changes in the accompanying consolidated interim financial statements after their issuance.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of the Presentation

Accounting Standards Applied

The accompanying consolidated interim financial statements are prepared in accordance with “Communiqué Uniform Chart of Accounts to be implemented by Financial Leasing, Factoring and Financing Companies and its Explanation as well as the Form and Scope of Financial Statements to be announced to Public” published on the Official Gazette no.26525 dated 17 May 2007 promulgated by Banking Regulation and Supervision Agency (“BRSA”), Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and the appendices and interpretations promulgated by Turkish Accounting Standards Board (“TASB”) and the statements and guidance published by BRSA on accounting and financial reporting principles (together referred as “Reporting Standards”).

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation (Continued)

The consolidated interim financial statements have been prepared on the historical cost basis except for the remeasurement of financial instruments. Historical cost is generally determined as fair value of the consideration paid for the assets.

Additional Paragraph for Convenience Translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying consolidated interim financial statements. Accordingly, the accompanying consolidated interim financial statements are not intended to present the consolidated financial position and consolidated results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

Functional and Reporting Currency

The individual financial statements of each group entities are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TRY, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

Preparation of Financial Statements in Hyperinflationary Periods

The consolidated financial statements of the Group have been adjusted for the effects of inflation in accordance with TAS 29 “Financial Reporting in Hyperinflationary Economies” until 31 December 2004. By a circular issued on 28 April 2005, BRSA declared that the application of inflation accounting has been ceased to be applied for the companies operating in Turkey starting from 1 January 2005, since the provisions of hyperinflationary economy do not exist anymore. Accordingly, non-monetary assets and liabilities, and components of equity as at 30 June 2011 were adjusted for the effects of inflation that lasted till 31 December 2004 for the items acquired before 31 December 2004 and the items which were acquired after 1 January 2005 were accounted for at their respective nominal amounts.

Comparative Information and Restatement of the Prior Periods’ Consolidated Financial Statements

The Group’s consolidated financial statements are prepared comparatively with the prior period in order to provide information on the financial position and performance of the Group. When the presentation or classification of financial statements is changed, prior period’s financial statements are also reclassified in line with the related changes in order to sustain consistency and all significant changes are explained.

A portion of intangible assets which were recorded as furniture and fixtures and leasehold improvements at the prior period was classified as intangible assets in the current period (Note 10).

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation (Continued)

Accounting estimates

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant accounting estimates used are described in the following notes:

- Note 3 (b) and (c) – Useful lives of tangible and intangible assets
- Note 4 – Financial assets and liabilities at fair value through profit or loss
- Note 6 – Financial assets available for sale
- Note 13 – Deferred tax asset and liabilities
- Note 20 – Provisions
- Note 21 – Employee benefits
- Note 26 – Commitments and contingencies
- Note 33 – Provisions for non-performing receivables
- Note 38 – Additional information about financial instruments

Basis of Consolidation

The details of the Group’s subsidiary as at 30 June 2011 and 31 December 2010 are as follows:

<u>Subsidiary</u>	<u>Incorporation and operation location</u>	<u>Shareholding rate %</u>	<u>Voting right rate %</u>	<u>Core business</u>
İş Factoring	Istanbul	78,23	78,23	Factoring operations

The accompanying consolidated interim financial statements include the accounts of the Company and its subsidiary on the basis set out in “Subsidiaries” section below. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation (Continued)

Basis of Consolidation (Continued)

As at 30 June 2011 and 31 December 2010, the Company owns 78,23% of İş Factoring. As the Company has the power to control the operations of the İş Factoring, the financial statements of İş Factoring have been fully consolidated in the accompanying consolidated interim financial statements.

(ii) Transactions eliminated on consolidation

Financial statements of İş Factoring have been fully consolidated in the accompanying financial statements and the investment balance in the Company’s balance sheet have been eliminated against the paid-in capital of İş Factoring. Intra-group balances, transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The accounting policies of the subsidiary have been changed when necessary to align them with the policies adopted by the Group

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(iii) Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group’s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest in equity since the date of the combination.

Offsetting

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

2.2 Changes in Accounting Policies

Material changes in accounting policies are adjusted retrospectively and prior periods’ consolidated financial statements are restated. The accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3 Changes in Accounting Estimates and Errors

If the changes in accounting estimates relate to a specific period, they are applied in the period they relate to whereas if the changes are related to future periods, they are applied both in the period the change is made and prospectively in the future periods. There has not been any significant change in the accounting estimates of the Group in the current year.

Material accounting errors are adjusted retrospectively and prior periods’ consolidated financial statements are restated.

2.4 Standards and Interpretations not yet effective as at 30 June 2011

The Group applied all of the relevant and required standards promulgated by TASB as at 30 June 2011.

A number of new standards, amendments to standards and interpretations are not yet effective as at 30 June 2011, and have not been applied in preparing these consolidated financial statements. These standards are as follows;

Amendments to TFRS 7 “*Disclosures – Transfers of Financial Assets*” is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets.

Amendments to TAS 1 – “*Presentation of Items of Other Comprehensive Income*” are effective for annual periods beginning on or after 1 July 2012. The amendments to TAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time would be presented separately from items which will never be reclassified.

TFRS 9 “Financial Instruments” has been issued on April 2010, by the TASB as the first step in its project to replace TAS 39 Financial Instruments: Recognition and Measurement.

TFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. The guidance in TAS 39 on impairment of financial assets and hedge accounting continues to apply.

The amendment is effective for annual periods beginning on or after 1 January 2013, although entities are permitted to adopt them earlier. Prior periods need not be restated if an entity adopts the standard for reporting periods beginning before 1 January 2012.

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.4 Standards and Interpretations not yet effective as at 30 June 2011 (Continued)

TFRS 12 “*Disclosure of Interests in Other Entities*” is effective for annual periods beginning on or after 1 January 2013 and are applied on a modified retrospective basis. This new Standard may be adopted early, but TFRS 10 Consolidated Financial Statements and TFRS 11 Joint Arrangements should be also adopted early. TFRS 12 includes all of the disclosures that were previously in TAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in TAS 31 Interests in Joint Ventures and TAS 28 Investment in Associates. These disclosures relate to an entity’s interests in subsidiaries, joint arrangements, associates and structured entities. Under the new standard it is expected that more comprehensive disclosures will be given for interests in other entities.

Revised TFRS 13 “*Fair Value Measurement*” replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value when it is required or permitted by other TFRSs. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. An entity shall apply TFRS 13 for annual periods beginning on or after 1 January 2013.

The amended TAS 19 “*Employee Benefits*” is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among there numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Revenue

Finance lease income: Initial value of leased assets at the beginning of the leasing period under the Finance Lease Act is recognized as finance lease receivables in the consolidated balance sheet. Interest income resulting from the difference between the total finance lease receivables and the investment value of the leased assets are recognized in the period in which the relevant receivable portion for each accounting period is distributed over the related period using the fixed interest rate through the leasing period. The interest income not accrued yet is followed up under the account of unearned interest income.

Factoring revenue: Consists of factoring interest and commission income collected or accrued on advances given to the customers.

Factoring commission income is a certain percentage of the total amount of invoices subject to factoring transactions.

Other interest income is accrued based on the effective interest which equals the estimated cash flows to net book value of the related asset. Dividend income from equity share investments is recognized when the shareholders have the right to receive the dividend.

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(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Tangible Assets

Tangible assets acquired before 1 January 2005 are carried at restated cost for the effects of inflation in TRY units current at the 31 December 2004 less accumulated depreciation and impairment losses, and tangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated depreciation and impairment losses.

Tangible assets are depreciated over the estimated useful lives of the related assets on a straight-line basis over the cost. The estimated useful lives, residual values and depreciation method are reviewed at each reporting date.

Leasehold improvements are depreciated over their respective lease periods.

The cost of replacing part of an item of tangible assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of tangible assets are recognized in the profit or loss as incurred.

The estimated useful lives for the current and comparative periods are as follows:

Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	5 years

Gains and losses on disposal of an item of tangible assets are determined by comparing the proceeds from disposal with the carrying amount of tangible assets, and are recognized net within other operating income/expense in the consolidated income statement.

c. Intangible Assets

Intangible assets include computer software, licenses and goodwill. Intangible assets acquired before 1 January 2005 are carried at restated cost for the effects of inflation in TRY units current at the 31 December 2004 less accumulated amortisation and impairment losses and intangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated amortisation and impairment losses. The estimated useful lives, residual values and amortization method of intangible assets other than goodwill are reviewed at each reporting date. Amortization is charged on a straight-line basis over their estimated useful lives. The intangible assets are comprised of computer software and licenses. The useful lives of intangible assets are 5 years.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their useful lives. Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding five years).

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Impairment of Non-Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impaired non-financial assets other than goodwill are reviewed for possible reversal of the impairment at each reporting date.

e. Borrowing Costs

All borrowing costs are recorded in the income statement in the period in which they are incurred.

f. Financial Assets Held For Sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group’s accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in the consolidated income statement. Gains are not recognized in excess of any cumulative impairment loss.

g. Financial Instruments

Financial assets

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: “financial assets as at fair value through profit or loss (“FVTPL”)”, “held-to-maturity investments”, “available-for-sale (“AFS”)” financial assets and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Financial Instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated under this category upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or achieved more relevant accounting measurement. Derivatives are also categorized as held for trading unless they are designated as hedges.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest method less impairment, with revenue recognized using effective interest method.

Available for sale financial assets

Quoted equity investments and quoted certain debt securities held by the Group that are traded in an active market are classified as being available-for-sale financial assets and are stated at fair value. The Group also has investments in unquoted equity investments that are not traded in an active market but are also classified as available-for-sale financial assets and stated at cost since their value cannot be reliably measured. Gains and losses arising from changes in fair value are recognized in other comprehensive income and presented under the marketable securities revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the marketable securities revaluation reserve is transferred to profit or loss.

Dividends on available-for-sale equity instruments are recognized in the profit or loss when the Group’s right to receive the dividends is established.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial Instruments (Continued)

Financial assets (Continued)

Available for sale financial assets (Continued)

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate valid at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

Finance lease receivables, factoring receivables and other receivables

Finance lease receivables, factoring receivables and other receivables are carried at fair value at initial recognition and they are carried at amortized cost subsequent to initial recognition, using the effective interest method.

Provision for doubtful finance lease receivables, factoring receivables and other receivables are recognized as an expense and written off against the profit for the year. Provision for non-performing receivables is allocated assessing the Group’s loan portfolio, quality and risk and considering the economic conditions and other factors including the related legislation against the potential losses that may be resulted from the current finance lease and factoring receivables. In accordance with the Communiqué No. 26588 on the “Communiqué on Procedures and Principles for the Provisions to be set aside by Financial Leasing, Factoring and Financing Companies for their Receivables” issued at 20 July 2007 by BRSA, the Group’s specific provision rate allocated for the below finance lease receivables considering their collaterals as at 1 January 2008 are as follows: 20%, at a minimum, for finance lease receivables overdue more than 150 days not exceeding 240 days; 50%, at a minimum, for finance lease receivables overdue more than 240 days not exceeding 360 days; and 100%, at a minimum, for finance lease receivables overdue more than 1 year.

The Group classifies its overdue finance lease receivables not exceeding 360 days as under the “Non-Performing Receivables” and classifies its finance lease receivables overdue more than 1 year under “Non-Performing Receivables”.

In accordance with the above-mentioned Communiqué, specific provision rate allocated for the factoring receivables considering their collaterals are as follows: 20%, at a minimum, for factoring receivables overdue more than 90 days not exceeding 180 days; 50%, at a minimum, for factoring receivables overdue more than 180 days not exceeding 360 days; and 100%, at a minimum, for factoring receivables overdue more than 1 year.

While the Group provides 100% provision for doubtful factoring receivables which do not have worthy collaterals without considering the time intervals above, the Group provides provision for its other doubtful receivables having possibility of recovery based on the time intervals mentioned above.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial Instruments (Continued)

Financial assets (Continued)

Finance lease receivables, factoring receivables and other receivables (Continued)

When the Group annuls overdue foreign currency leasing contracts, it converts foreign currency receivables into TRY using the exchange rate at the annulment date and does not evaluate such amounts starting from the annulment date. Since invoice issuance for such receivables is ceased, the Group also ceases its income accrual calculation starting from the annulment date.

Other receivables that have fixed or determinable payments that are not quoted in an active market are also classified in this category. These receivables are measured at amortized cost using the effective interest method less any impairment.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss are subject to impairment testing at each reporting date to determine whether there is any indicator of impairment for financial asset or financial asset group. An entity shall assess at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset. That loss event or events must also have an impact on the estimated future cash flows of the financial asset or group of financial assets. For the financial assets which are measured at amortized cost, except for finance lease receivables and factoring receivables stated above, the amount of impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by impairment loss directly for all financial assets with the exception of finance lease receivables and factoring receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Changes in allowance accounts are recognized in profit or loss.

With the exception of available for sale equity instruments, if, in a subsequent period the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed the amortized cost that would have been impaired.

Increase in fair value of available for sale equity instruments subsequent to impairment is recognized in directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with maturities of three months or less than three months from date of acquisition and that are readily convertible to cash and are subject to an insignificant risk of changes in value.

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(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial Instruments (Continued)

Financial liabilities

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

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL and stated at fair value, with any resulting gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest paid on the financial liability.

Other financial liabilities

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on effective interest method.

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

Derivative financial instruments and hedge accounting

The Group’s activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments (primarily foreign currency forward and currency swap contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured at fair value at subsequent reporting dates. Although some of the derivative transactions provide economic hedging, since all necessary conditions for hedge accounting have not been met, the Group classifies these transactions as held for trading and therefore, changes in the fair value of derivative financial instruments are recognized in profit or loss as they arise.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Business Combinations

The acquisitions of subsidiaries are accounted for by using the purchase method. The cost of the acquisition is measured at the aggregate of fair value, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for the control of the acquiree. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under TFRS 3 “Business combinations” are recognized at fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. When the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, excess amount is recognized immediately in profit or loss.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling party’s proportion of the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

i. Effects of Changes in Exchange Rates

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TRY, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

The foreign currency exchange rates used by the Group as at 30 June 2011 and 31 December 2010 are as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
USD	1,6302	1,5460
Euro	2,3492	2,0491

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

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Earnings Per Share

Earnings per share presented in the accompanying consolidated income statement is determined by dividing net income by the weighted average number of shares in issue during the year.

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

k. Events After the Reporting Periods

Events after the reporting periods means the events occurred between the reporting date and the authorization date for the announcement of the financial statements. In accordance with TAS 10 “Events After the Reporting Date”; post-reporting date events that provide additional information about the Group’s position at the reporting dates (adjusting events) are reflected in the consolidated financial statements. Post-reporting date events that are not adjusting events are disclosed in the notes when material.

l. Provisions, Contingent Liabilities and Contingent Assets:

In accordance with the TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognized when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Group discloses the related issues in the accompanying notes. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the time value of the money is significant to the provision.

Contingent assets are disclosed in the notes and not recognized unless they are realized.

m. Leases

- Group as Lessor

The Group’s accounting policies over finance leases are disclosed in note (g).

- Group as Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss in accordance with the Group’s general policy on borrowing costs. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Lease incentives received or to be received to enter into an operating lease are also recognized in the profit or loss on a straight-line basis over the lease term.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Segment Reporting

The Group has two different operating segments, leasing and factoring, that is used by management to make decisions about resources to be allocated to the segments and assess their performance, and for which discrete financial information is available.

o. Taxes on Income

Turkish Tax Legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated interim financial statements, have been calculated on a separate-entity basis.

Income tax expense or credit comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, investment incentives, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxes related to fair value measurement of available for sale assets are charged or credited to equity and subsequently recognized in profit or loss together with the deferred gains that are realized.

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(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Employee Benefits / Reserve for Employee Termination Benefits

In accordance with the existing social legislation in Turkey, the Group is required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are recognized in the accompanying consolidated interim financial statements as accrued. The computation of the liability is based upon the retirement pay ceiling announced by the government.

In accordance with TAS 19 “Employee Benefits”, the Group calculated the employee severance indemnities incurred due to retirement of its employees by discounting the future liabilities to their present values, by using actuarial method and reflected to the consolidated financial statements. The main estimates used are as follows:

	30 June 2011	31 December 2010
Discount rate	4,66%	4,66%
Expected rate of salary/limit increase	5,10%	5,10%
Probability of retirement	100%	100%

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the retirement pay ceiling is revised semi annually, the ceiling amount of full TRY 2.731,85 effective from 1 July 2011 has been taken into consideration in calculation of provision for employee termination benefits (retirement pay provision) (31 December 2010: full TRY 2.623,23).

r. Statement of Cash Flows

The Group presents statement of cash flows as an integral part of its financial statements to inform the users of financial statements about its ability to manage changes in its net assets, its financial structure and the amount and timing of its cash flows under changing conditions.

In the statement of cash flows, the cash flows for the period are reported with a classification of operating, investment and financing activities. Cash flows related with operating activities compose of the cash flows arising from core operations of the Company. Cash flows related with investment activities compose of cash flows that the Group generates from or uses in investment activities (tangible and financial investments). Cash flows related with financing activities represent resources that the Group uses for financing activities and the reimbursements of such resources.

s. Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are reclassified as dividend payables by netting off from the retained earnings in the period in which they are approved and disclosed.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Related Parties

In accordance with TAS 24 “Related Party Disclosures” shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. Related party transactions consist of the transfer of the assets and liabilities between related parties by a price or free of charge.

For the purpose of the accompanying consolidated interim financial statements, shareholders of the Company, the companies controlled by/associated with them, key management and the Board members of the Company are referred to as related parties (Note 9).

4. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets held for trading:

As at 30 June 2011 and 31 December 2010, details of financial assets held for trading are as follows:

	30 June 2011		31 December 2010	
	TRY	FC	TRY	FC
Debt securities issued by private sector	8.340	-	3.259	-
Public debt securities	4.323	-	-	-
Equity securities	1.639	-	-	-
Mutual funds	841	-	1.105	-
Other securities held for trading	139	-	-	-
	<u>15.282</u>	<u>-</u>	<u>4.364</u>	<u>-</u>

30 June 2011	Nominal Value TRY	Fair Value TRY
Debt securities issued by private sector	8.685	8.340
Public debt securities	4.700	4.323
	<u>13.385</u>	<u>12.663</u>

Maturities of debt securities issued by private sector are between 2 March 2012 - 28 May 2013 and maturities of public debt securities are between 8 August 2012 - 6 January 2021.

The Group has investments in Türkiye İş Bankası A.Ş. mutual funds amounting to TRY 841 (31 December 2010: TRY 1.105).

The Group has debt securities issued by Türkiye İş Bankası A.Ş. whose nominal value is TRY 3.967 and fair value is TRY 3.501 (31 December 2010 – None).

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

4. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Derivative Financial Liabilities Held For Trading:

Derivative financial instruments are measured at their fair values. Favorable fair value changes of derivative financial instruments are recognized under derivative financial assets held for trading and unfavorable fair value changes of derivative financial instruments are recognized under derivative financial liabilities held for trading.

	30 June 2011		31 December 2010	
	TP	YP	TP	YP
Derivative Financial Assets Held For Trading	-	417	-	-
	-	417	-	-

	30 June 2011		31 December 2010	
	TRY	FC	TRY	FC
Derivative Financial Liabilities Held For Trading	-	4.775	-	1.201
	-	4.775	-	1.201

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

5. BANKS

As at 30 June 2011 and 31 December 2010, the details of the banks are as follows:

	30 June 2011		31 December 2010	
	TRY	FC	TRY	FC
Demand Deposits	729	3.786	1.598	5.099
Time Deposits	65.000	317.597	548.331	131.879
Interest Accrual	867	518	4.355	22
	<u>66.596</u>	<u>321.901</u>	<u>554.284</u>	<u>137.000</u>

The details of the time deposits as at 30 June 2011 are as follows:

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>30 June 2011</u>
TRY	6,00-10,45	01.07.2011-11.08.2011	65.867
USD	0,50-4,90	01.07.2011-26.07.2011	114.808
Euro	0,50-4,95	01.07.2011-29.07.2011	203.307
			<u>383.982</u>

The details of the time deposits as at 31 December 2010 are as follows:

<u>Currency</u>	<u>Interest Rate (%)</u>	<u>Maturity</u>	<u>31 December 2010</u>
TRY	6,25-9,40	03.01.2011-07.02.2011	552.686
USD	0,50-2,50	03.01.2011	60.229
Euro	0,50-2,80	03.01.2011-07.01.2011	71.673
			<u>684.588</u>

As at 30 June 2011, TRY 4.470 portion of total foreign currency deposits (31 December 2010: TRY 21.278) and TRY 15.788 portion of total TRY deposits (31 December 2010: TRY 379.538) consist of accounts at the Company’s main shareholder, Türkiye İş Bankası A.Ş.

The reconciliation of carrying value of cash and cash equivalents in the accompanying consolidated interim financial statements and the cash flow statement is as follows:

	<u>30 June 2011</u>	<u>30 June 2010</u>
Demand deposits	4.515	6.307
Time deposits (1-3 months) (without accrual)	382.597	546.480
Cash and cash equivalents	<u>387.112</u>	<u>552.787</u>

As at 30 June 2011 and 31 December 2010, there is not any blockage on cash and cash equivalents.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

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6. FINANCIAL ASSETS AVAILABLE FOR SALE

As at 30 June 2011 and 31 December 2010, details of financial assets available for sale are as follows:

Name of the investment	Core business	Incorporation and location	Voting right (%)	Ownership Rate (%)		Carrying Amount	
				30	31	30	31
				June 2011	December 2010	June 2011	December 2010
Quoted Investments:							
İş Yatırım Menkul Değerler A.Ş. (İş Yatırım)	Investment and Securities Services	İstanbul	4,86	4,86	4,86	21.114	25.298
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Private Equity	İstanbul	0,89	0,89	0,89	990	959
Unquoted investments:							
Camiş Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0,05	0,05	0,05	4	3
Yatırım Finansman Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0,06	0,06	0,06	34	29
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İletişim Hiz. A.Ş. (İş Net)	Inf. Comm. and Techn. Services	İstanbul	1,00	1,00	1,00	227	227
Efes Varlık Yönetimi A.Ş.	Asset Management	İstanbul	10,00	10,00	-	1.000	-
TOTAL						23.369	26.516

7. FACTORING RECEIVABLES

As at 30 June 2011 and 31 December 2010, details of factoring receivables are as follows:

	30 June 2011	31 December 2010
Short-term factoring receivables (*)		
Domestic factoring receivables (net)	408.388	313.352
Export and import factoring receivables	44.811	19.130
Factoring interest income accrual	703	421
Unearned interest income	(1.912)	(1.583)
	<u>451.990</u>	<u>331.320</u>
Non-performing factoring receivables (**)	2.540	2.651
Provision for non-performing factoring receivables (**)	(2.540)	(2.651)
	<u>451.990</u>	<u>331.320</u>

(*) Consists of factoring receivables of the subsidiary, İş Factoring, which is owned by the Company with the ownership percentage of 78,23%.

(**) Presented under the non-performing receivables in the accompanying consolidated interim balance sheet.

Euro 5.660.440, USD 13.322.214, GBP 3.767.535 and TRY 79.940 of factoring receivables have variable rates (31 December 2010: Euro 1.372.353, GBP 179.354 and TRY 208.504) while TRY 327.197 of factoring receivables have fixed rate (31 December 2010: Euro 2.701.380, USD 6.698.152 and TRY 103.685).

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(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

7. FACTORING RECEIVABLES (Continued)

As at 30 June 2011, the average interest rate applicable for the factoring receivables is; 13,30% for TRY, 5,09% for USD, 4,08% for Euro and 3,24% for GBP (31 December 2010: 8,56% for TRY, 4,62% for USD and 4,65% for Euro and 4.55% for GBP).

The details of the factoring receivables based on types of factoring transactions are as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Domestic irrevocable	134.807	121.789
Foreign irrevocable	6.571	15.460
Domestic revocable	272.330	190.399
Foreign revocable	38.282	3.672
	<u>451.990</u>	<u>331.320</u>

Except for its non-performing receivables for which 100% provision provided, the Group does not have overdue factoring receivables as at the reporting date. The carrying amount of the Group’s restructured factoring receivables amounts to TRY 117 (31 December 2010: TRY 41). If such receivables were not restructured, they would be classified as overdue or doubtful receivables. The Group has contractual securities as collateral for such receivables.

The Group’s collaterals for factoring receivables are as follows; (if the amount of collaterals exceeds the amount of receivables during the calculation of collaterals, only the corresponding portion of the receivable is included in the below table).

<u>Collateral type</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
Mortgage	1.500	1.500
	<u>1.500</u>	<u>1.500</u>

The aging of non-performing factoring receivables is as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Up to 90 days	-	-
Between 90 – 180 days	-	-
Between 180 – 360 days	-	-
Over 360 days	2.540	2.651
	<u>2.540</u>	<u>2.651</u>

The Group has contractual securities as collateral for the above non-performing factoring receivables. The movement of provision for non-performing factoring receivables is as follows:

	<u>1 January- 30 June 2011</u>	<u>1 January- 30 June 2010</u>
Provision at the beginning of the period	(2.651)	(2.971)
Provision set during the period	-	(10)
Collections	111	167
Provision at the end of the period	<u>(2.540)</u>	<u>(2.814)</u>

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(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

8. LEASE RECEIVABLES

As at 30 June 2011 and 31 December 2010, details of finance lease receivables are as follows:

<u>30 June 2011</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Total</u>
Invoiced finance lease receivables	28.754	-	28.754
Uninvoiced finance lease receivables	395.156	962.388	1.357.544
Less: Unearned interest income	(83.709)	(127.800)	(211.509)
Leasing contracts in progress (**)	-	20.930	20.930
Advances given for lease transactions	-	40.943	40.943
Gross finance lease receivables	<u>340.201</u>	<u>896.461</u>	<u>1.236.662</u>
Non-performing finance lease receivables (*)	72.792	14.103	86.895
Specific provisions (*)	(40.884)	(7.921)	(48.805)
Net finance lease receivables	<u>372.109</u>	<u>902.643</u>	<u>1.274.752</u>

<u>31 December 2010</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Total</u>
Invoiced finance lease receivables	29.483	-	29.483
Uninvoiced finance lease receivables	326.702	657.580	984.282
Less: Unearned interest income	(69.507)	(92.835)	(162.342)
Leasing contracts in progress (**)	-	7.859	7.859
Advances given for lease transactions	-	32.389	32.389
Gross finance lease receivables	<u>286.678</u>	<u>604.993</u>	<u>891.671</u>
Non-performing finance lease receivables (*)	74.255	14.302	88.557
Specific provisions (*)	(37.403)	(7.204)	(44.607)
Net finance lease receivables	<u>323.530</u>	<u>612.091</u>	<u>935.621</u>

(*) Presented as the non-performing receivables in the accompanying consolidated interim balance sheet.

(**) The Group purchases machinery and equipment from domestic and foreign suppliers on behalf of the lessees on the basis of the leasing contract terms. As at 30 June 2011 and 31 December 2010, leasing contracts in progress balance includes the total amount paid for these machinery and equipment but not charged to the lessees yet.

As at 30 June 2011, analysis of finance lease receivables according to their maturities is as follows:

	<u>2011 (**)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 and after</u>	<u>Total</u>
Finance lease receivables (gross) (*)	276.558	356.156	302.641	208.952	119.140	160.941	1.424.388
Unearned interest	<u>(49.709)</u>	<u>(67.153)</u>	<u>(46.906)</u>	<u>(23.148)</u>	<u>(12.418)</u>	<u>(12.175)</u>	<u>(211.509)</u>
Finance lease receivables (net)	<u>226.849</u>	<u>289.003</u>	<u>255.735</u>	<u>185.804</u>	<u>106.722</u>	<u>148.766</u>	<u>1.212.879</u>

(*) Leasing contracts in progress and advances given balances are not included in the maturity analysis as they have not been scheduled by the payment plans yet.

(**) Non-performing finance lease receivables amounting to TRY 38.090 are presented in 2011 column since their collection dates are not certain.

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(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

8. LEASE RECEIVABLES (Continued)

As at 31 December 2010, analysis of finance lease receivables according to their maturities is as follows:

	<u>2011(**)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 and after</u>	<u>Total</u>
Finance lease receivables (gross) (*)	393.038	250.662	195.935	117.276	58.698	42.106	1.057.715
Unearned Interest	<u>(69.508)</u>	<u>(43.990)</u>	<u>(28.562)</u>	<u>(12.152)</u>	<u>(5.046)</u>	<u>(3.084)</u>	<u>(162.342)</u>
Finance lease receivables (net)	<u>323.530</u>	<u>206.672</u>	<u>167.373</u>	<u>105.124</u>	<u>53.652</u>	<u>39.022</u>	<u>895.373</u>

(*) Leasing contracts in progress and advances given balances are not included in the maturity analysis as they have not been scheduled by the payment plans yet.

(**) Non-performing finance lease receivables amounting to TRY 43.950 are presented in 2011 column since their collection dates are not certain.

As at 30 June 2011, the average compound interest rate applicable for the finance lease receivables is; 16,39% for TRY, 6,51% for USD, and 7,73% for Euro (31 December 2010: 18,57% for TRY, 7,86% for USD and 8,52% for Euro).

As at 30 June 2011, details of finance lease receivables in terms of currency types are as follows:

<u>Currency</u>	<u>Principal in foreign currency</u>	<u>Principal (*) (Net)</u>	<u>Unearned interest in foreign currency</u>	<u>Unearned interest</u>
USD	313.682.799	511.367	52.275.611	85.220
Euro	215.909.882	507.214	36.648.799	86.095
TRY	-	194.298	-	40.194
Total		<u>1.212.879</u>		<u>211.509</u>

As at 31 December 2010, details of finance lease receivables in terms of currency types are as follows:

<u>Currency</u>	<u>Principal in foreign currency</u>	<u>Principal (*) (Net)</u>	<u>Unearned interest in foreign currency</u>	<u>Unearned interest</u>
USD	215.308.642	332.867	33.283.481	51.456
Euro	189.329.957	387.956	35.397.692	72.534
TRY	-	174.550		38.352
Total		<u>895.373</u>		<u>162.342</u>

(*) Leasing contracts in progress and advances given balances are not included in details of finance lease receivables in terms of currency types.

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8. LEASE RECEIVABLES (Continued)

USD 46.446.706 and Euro 20.455.228 portion of the Group’s finance lease receivables have variable rates (31 December 2010: USD 30.877.584 and Euro 20.464.686) while USD 267.236.093, Euro 195.454.654 and TRY 194.298 portion of its finance lease receivables have fixed rates (31 December 2010: USD 184.431.058, Euro 168.865.272 and TRY 174.550).

The collaterals obtained by the Group, except for the leased assets, for its all finance lease receivables, except for non-performing finance lease receivables are as follows; (if the amount of collaterals exceeds the amount of receivables during the calculation of collaterals, only the corresponding portion of the receivable is included in the below table).

<u>Collateral type</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
Mortgages	98.130	111.180
Guarantors	49	136
Cash blockages	1.404	2.228
Letters of guarantee	1.405	1.918
Equities	2.450	-
	<u>103.438</u>	<u>115.462</u>

In addition to above guarantees, the Group also has pledged assets (vehicles) amounting to TRY 11.093 (31 December 2010: TRY 9.916).

As at the reporting date, the Group did not book provision for invoiced finance lease receivables overdue less than 150 days classified under the finance lease receivables amounting to TRY 10.792 (31 December 2010: TRY 13.290) since the Group management assessed that there is no deterioration in the collection capacity and therefore these receivables are recoverable. The aging analysis of such receivables is as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Up to 30 days	8.131	10.078
Between 30 – 60 days	1.048	1.234
Between 60 – 90 days	801	905
Between 90 – 150 days	812	1.073
Total overdue	<u>10.792</u>	<u>13.290</u>
Not due amount	<u>165.894</u>	<u>180.829</u>
	<u>176.686</u>	<u>194.119</u>

Details of the collaterals obtained by Group for overdue lease receivables mentioned above are as follows:

<u>Collateral type</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
Mortgages	16.641	33.679
Guarantors	8	45
Cash blockages	28	25
Letters of guarantee	6	305
	<u>16.683</u>	<u>34.054</u>

In addition to above guarantees, the Group also has pledged assets (vehicles) amounting to TRY 683 (31 December 2010: TRY 627).

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8. LEASE RECEIVABLES (Continued)

In determining the recoverability of the finance lease receivables, the Group considers any change in the credit quality of receivables from the date that receivable was initially recognized to the reporting date. The Group does not have significant credit risk concentration. The sectoral distribution of the finance lease receivables are given in Note 38.

Starting from 1 January 2008, the Group measures and recognizes losses incurred or to be incurred from its receivables in accordance with the requirements of “The Communiqué on Procedures and Principles for the Provisions to be set aside by Financial Leasing, Factoring and Financing Companies for their Receivables” issued by BRSA.

As at 30 June 2011 and 31 December 2010, the aging of non-performing finance lease receivables is as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Between 150 – 240 days	1.709	1.651
Between 240 – 360 days	1.147	3.475
Over 360 days	42.760	38.721
Uninvoiced non-performing finance lease receivables	46.950	50.448
Unearned interest of non-performing finance lease receivables	(5.671)	(5.738)
	<u>86.895</u>	<u>88.557</u>

Collaterals obtained for non-performing finance lease receivables as at 30 June 2011 and 31 December 2010 are as follows:

<u>Guarantee type:</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
Mortgages	9.342	10.174
Cash blockages	106	107
Letter of guarantee	-	6
	<u>9.448</u>	<u>10.287</u>

In addition to the above collaterals, leased equipments amounting to TRY 26.135 and pledged assets (vehicles) amounting to TRY 444 are considered in the provision calculation (31 December 2010: leased equipments amounting to TRY 29.143 and pledged assets (vehicles) amounting to TRY 279).

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

<u>Movement of specific provisions:</u>	<u>1 January- 30 June 2011</u>	<u>1 January- 30 June 2010</u>
Provision at the beginning of the period	(44.607)	(39.629)
Provision set during the period	(5.535)	(4.804)
Collections	1.337	4.909
Provision at the end of the period	<u>(48.805)</u>	<u>(39.524)</u>

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9. RELATED PARTIES

As at 30 June 2011 and 31 December 2010, details of related party balances are as follows:

<u>Finance lease receivables</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	37.777	37.254
Avea İletişim Hizmetleri A.Ş.	3.044	3.094
Gemport Gemlik Liman İşletmeleri A.Ş.	2.905	4.741
Türkiye İş Bankası A.Ş.	1.649	3.207
Ortopro Tıbbi Aletler San.ve Tic.A.Ş.	1.059	888
İş Merkezleri Yönetim Ve İşletim A.Ş.	298	442
Dr. Feridun Frik İlaç San.Tic. A.Ş.	87	124
TSKB Gayrimenkul Aracılık Hizm. A.Ş.	26	32
	<u>46.845</u>	<u>49.782</u>
<u>Factoring receivables</u>		
Dr. Feridun Frik İlaç San. Tic. A.Ş.	2.951	2.759
Kültür Yayınları İş-Türk Ltd. Şti.	496	618
Nevotek Bilişim Ses Ve İletişim Sist.San. Ve Tic. A.Ş.	235	-
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	-	28.250
	<u>3.682</u>	<u>31.627</u>
<u>Payables to related parties</u>		
Anadolu Anonim Türk Sigorta Şirketi (Insurance Premium)	6.746	4.571
İş Merkezleri Yönetim ve İşletim A.Ş.	2	-
	<u>6.748</u>	<u>4.571</u>
<u>Deposits placed to related parties</u>		
Türkiye İş Bankası A.Ş. Time Deposit	16.805	394.138
Türkiye İş Bankası A.Ş. Demand Deposit	3.453	6.678
	<u>20.258</u>	<u>400.816</u>
<u>Derivative financial assets held for trading</u>		
Türkiye İş Bankası A.Ş.	223	-
	<u>223</u>	<u>-</u>
<u>Derivative financial liabilities held for trading</u>		
Türkiye İş Bankası A.Ş.	1.613	278
	<u>1.613</u>	<u>278</u>

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9. RELATED PARTIES (Continued)

As at 30 June 2011 and 31 December 2010, details of borrowings from related parties are as follows:

Türkiye İş Bankası A.Ş.

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>30 June 2011</u>
TRY	-	04.07.2011	134
USD	2,00-4,63	Overdraft -30.09.2016	256.096
Euro	2,72-4,43	Overdraft -06.06.2012	212.019
GBP	2,15-2,40	Overdraft	3.753
			<u>472.002</u>

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>31 December 2010</u>
TRY	7,25-7,45	07.11.2011	177.987
USD	2,90-4,14	05.01.2011-30.09.2016	128.487
Euro	2,51-3,50	04.01.2011-28.10.2011	250.186
GBP	3,48	Overdaft	426
			<u>557.086</u>

İş Bank GmbH

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>30 June 2011</u>
Euro	3,00-3,05	Overdraft-26.10.2011	36.301
			<u>36.301</u>

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>31 December 2010</u>
Euro	3,05-4,00	Overdraft-26.10.2011	31.636
			<u>31.636</u>

TSKB

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>30 June 2011</u>
USD	2,43-2,48	15.07.2014-15.05.2015	45.411
Euro	3,21	15.07.2014	10.108
			<u>55.519</u>

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>31 December 2010</u>
USD	2,42-2,46	15.07.2014-15.05.2015	45.376
Euro	2,58	15.07.2014	10.051
			<u>55.427</u>

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9. RELATED PARTIES (Continued)

For the six-month period ended 30 June 2011 and 2010, finance income and expenses from related parties are as follows:

	01.01.2011- 30.06.2011	01.04.2011- 30.06.2011	01.01.2010- 30.06.2010	01.04.2010- 30.06.2010
<u>Finance lease interest income</u>				
Bayek Tedavi Sağlık Hizm. ve İşlet.A.Ş.	890	454	896	456
Gemport Gemlik Liman. İşl. A.Ş.	169	74	328	147
Türkiye İş Bankası A.Ş.	129	58	576	261
Ortopro Tıbbi Aletler San.ve Tic.A.Ş.	50	26	30	14
Avea İletişim Hizmetleri A.Ş.	46	22	(2)	23
İş Merkezleri Yönetim ve İşletim A.Ş.	37	17	63	30
Dr. Feridun Frik İlaç San. Tic. A.Ş	10	4	16	8
Other	2	1	2	2
	<u>1.333</u>	<u>656</u>	<u>1.909</u>	<u>941</u>
<u>Interest income from related parties</u>				
Türkiye İş Bankası A.Ş.	8.908	2.138	10.247	5.388
Total	<u>8.908</u>	<u>2.138</u>	<u>10.247</u>	<u>5.388</u>
<u>Dividend income from related parties</u>				
İş Yatırım Menkul Değerler A.Ş	3.891	3.891	2.912	2.912
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	22	22	27	27
İş Net Elekt.Bilgi Ür.Dağ.Tic.ve İlet.Hiz.A.Ş	17	-	17	-
Yatırım Finansman Menkul Değerler A.Ş	5	1	4	-
Total	<u>3.935</u>	<u>3.914</u>	<u>2.960</u>	<u>2.939</u>
<u>Finance expense</u>				
Türkiye İş Bankası A.Ş	8.874	5.539	2.933	1.784
TSKB	381	198	49	29
İşbank Gmbh	4	-	4	3
Total	<u>9.259</u>	<u>5.737</u>	<u>2.986</u>	<u>1.816</u>
<u>Rent expense</u>				
İş Gayrimenkul Yatırım Ortaklığı A.Ş	527	260	518	265
Türkiye İş Bankası A.Ş.	105	105	-	-
Total	<u>632</u>	<u>365</u>	<u>518</u>	<u>265</u>

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9. RELATED PARTIES (Continued)

	01.01.2011- 30.06.2011	01.04.2011- 30.06.2011	01.01.2010- 30.06.2010	01.04.2010- 30.06.2010
<u>Commission income</u>				
Anadolu Anonim Türk Sigorta Şirketi	1.010	576	836	456
Total	<u>1.010</u>	<u>576</u>	<u>836</u>	<u>456</u>
<u>Factoring commission income from related parties</u>				
Şişe Cam Dış Tic.AŞ.	36	19	35	15
Kültür Yayınları İş-Türk Ltd.Şti.	2	-	5	2
Total	<u>38</u>	<u>19</u>	<u>40</u>	<u>17</u>
<u>Factoring interest income from related parties</u>				
Bayek Tedavi Sağlık Hizm. ve İşlet. A.Ş.	851	209	388	254
Ant Gıda Tarım Tur.En. ve Demir Çelik San. Tic. A.Ş.	-	-	169	40
Dr. Feridun Frik İlaç San. Tic. A.Ş.	165	91	-	-
Kültür Yayınları İş-Türk Ltd. Şti.	19	5	69	36
Nevotek Bil.Ses ve İlet. Sist. San.ve Tic. A.Ş	2	2	23	8
Total	<u>1.037</u>	<u>307</u>	<u>649</u>	<u>338</u>
<u>Mutual fund income</u>				
Türkiye İş Bankası A.Ş	2	1	2	1
Total	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>

Financial assets of related parties in Group portfolio are presented in Note 4.

As at 30 June 2011 and 31 December 2011, nominal values of derivative transactions from related parties are as follows:

	30 June 2011		31 December 2010	
	Purchase	Sale	Purchase	Sale
Swap Transactions	106.185	103.843	4.970	5.248
Forward Transactions	2.426	2.445	-	-
Option Transactions	5.100	4.891	-	-
Total	<u>113.711</u>	<u>111.179</u>	<u>4.970</u>	<u>5.248</u>

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9. RELATED PARTIES (Continued)

For the six-month period ended 30 June 2011 and 2010, the remuneration of the key management during year comprised the following:

	01.01.2011- 30.06.2011	01.04.2011- 30.06.2011	01.01.2010- 30.06.2010	01.04.2010- 30.06.2010
<u>Key management personnel compensation (*)</u>				
Salaries and other short-term benefits (**)	<u>1.405</u>	<u>611</u>	<u>1.276</u>	<u>565</u>

(*) Key management consists of members of the board of directors, general manager and assistant general managers.

(**) Consists of monetary benefits such as; salaries, bonuses and premiums along with vehicle rentals and other associated expenses.

10. TANGIBLE ASSETS

For the six-month periods ended 30 June 2011 and 2010, the movement in tangible assets is as follows:

	<u>Vehicles</u>	<u>Furniture and Fixtures</u>	<u>Other Tangible Assets</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost</u>					
Opening balance at 1 January 2011	29	3.010	1.902	2.107	7.048
Additions	152	596	-	19	767
Disposals	-	(515)	-	(49)	(564)
Closing balance at 30 June 2011	<u>181</u>	<u>3.091</u>	<u>1.902</u>	<u>2.077</u>	<u>7.251</u>
<u>Accumulated depreciation</u>					
Opening balance at 1 January 2011	(29)	(2.653)	(1.886)	(2.032)	(6.600)
Depreciation for the period	-	(82)	(10)	(14)	(106)
Disposals	-	512	-	47	559
Closing balance at 30 June 2011	<u>(29)</u>	<u>(2.223)</u>	<u>(1.896)</u>	<u>(1.999)</u>	<u>(6.147)</u>
Carrying amounts at 30 June 2011	<u>152</u>	<u>868</u>	<u>6</u>	<u>78</u>	<u>1.104</u>

As at 30 June 2011 and 2010, there is no restriction on the tangible assets of the Group.

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10. TANGIBLE ASSETS (Continued)

	<u>Vehicles</u>	<u>Furniture and Fixtures</u>	<u>Other Tangible Assets</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost</u>					
Opening balance 1 January 2010	29	3.161	1.905	2.616	7.711
Additions	-	236	-	5	241
Disposals	-	(377)	(3)	-	(380)
Closing balance 30 June 2010	<u>29</u>	<u>3.020</u>	<u>1.902</u>	<u>2.621</u>	<u>7.572</u>
<u>Accumulated depreciation</u>					
Opening balance 1 January 2010	(26)	(2.987)	(1.856)	(2.506)	(7.375)
Depreciation for the period	(3)	(51)	(19)	(21)	(94)
Disposals	-	373	2	-	375
Closing balance 30 June 2010	<u>(29)</u>	<u>(2.665)</u>	<u>(1.873)</u>	<u>(2.527)</u>	<u>(7.094)</u>
Carrying amounts at 30 June 2010	<u>-</u>	<u>355</u>	<u>29</u>	<u>94</u>	<u>478</u>

11. INTANGIBLE ASSETS

For the six-month period ended 30 June 2011 and 2010, the movement in intangible assets is as follows:

	<u>30 June 2011</u>	<u>30 June 2010</u>
<u>Cost</u>		
Opening balance at 1 January	1.374	1.046
Transfer	287	91
Additions	(156)	-
Closing balance at the end of the period	<u>1.505</u>	<u>1.137</u>
<u>Amortization</u>		
Opening balance at 1 January	(734)	(530)
Transfer	(125)	(94)
Amortization for the period	155	-
Closing balance at the end of the period	<u>(704)</u>	<u>(624)</u>
Carrying amounts	<u>801</u>	<u>513</u>

12. GOODWILL

The Company has purchased nominal shares of İş Factoring amounting to TRY 12.517 in consideration of USD 10.952.375 on 11 August 2004. The ownership rate of the Company in this subsidiary is 78,23%. Goodwill has arisen amounting to TRY 169 on purchased equity of TRY 16.603. As at 30 June 2011, net amount of goodwill is TRY 166 (31 December 2010: TRY 166). Based on TFRS 3, for the annual periods beginning on or after 30 June 2004 the Group has ceased amortization of goodwill arising from the acquisitions before 31 December 2004.

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13. DEFERRED TAX ASSETS AND LIABILITIES

As at 30 June 2011 and 31 December 2010, details of deferred tax assets and deferred tax liabilities based on the temporary differences calculated by the prevailing tax rate are as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
<u>Temporary differences subject to deferred tax</u>		
Investment incentive – without withholding tax	384.152	371.305
Investment incentive – with withholding tax	152.631	145.383
Allowance for doubtful finance lease receivables	39.026	34.061
Valuation differences on financial instruments	4.358	1.201
Employee bonus accrual	609	1.045
Reserve for employee benefits	983	921
Provision for lawsuit	549	864
Unused vacation	392	252
Finance lease adjustment	(347)	(137)
Prepaid expenses	(393)	(512)
Tax base differences in tangible and intangible assets	(671)	(553)
Finance lease income accruals	(19.137)	(16.938)
Other	127	115
	<u>562.279</u>	<u>537.007</u>
	<u>30 June 2011</u>	<u>31 December 2010</u>
<u>Deferred tax assets / (liabilities)</u>		
Investment incentive – without withholding tax	76.830	74.261
Investment incentive – with withholding tax	305	291
Allowance for doubtful finance lease receivables	7.805	6.812
Valuation differences on financial instruments	872	240
Employee bonus accrual	122	209
Reserve for employee benefits	197	184
Provision for lawsuit	110	173
Unused vacation provision	78	50
Finance lease adjustment	(69)	(27)
Prepaid expenses	(79)	(102)
Tax base difference in tangible and intangible assets	(134)	(111)
Finance lease income accruals	(3.827)	(3.388)
Other	25	23
Deferred tax asset	<u>83.235</u>	<u>78.615</u>

Tax rate used in computation of deferred tax assets and liabilities is 0.2% for “Investment incentives with withholding tax” and 20% for the other items (31 December 2010: 0.2% and 20%).

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13. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Investment Incentive:

The statement "limited to 2006, 2007 and 2008 only" in the 69th Article of the Income Tax Law No. 193, which was cancelled by the Constitutional Court decision No. 2009/144 and published in the Official Gazette on 8 January 2010, was re-regulated by the Law No. 6009 Article 5, published in the Official Gazette No. 27659, dated 1 August 2010. This new legislation enabled without any year limitation the continued utilization of investment allowances, which are carried forward due to insufficient current year earnings. However, the amount of investment allowance to be utilised may not exceed 25% of earnings for the year. With this change, corporation tax rate adopted for corporations benefiting from investment allowance is determined at the current rate (20%) instead of the previous rate of 30%. The Group may utilise TRY 536.783 of its unused investment allowances as offset against its future profits. The Group has TRY 77.135 of deferred tax assets comprising of unused investment allowances, which may be offset against future profits. Partial or whole recoverable amounts of deferred tax asset are estimated based on current conditions. Future profit projections and potential tax planning strategies have been taken into consideration for valuation purposes.

There is no unused tax losses carried forward.

Movements in deferred tax assets/(liabilities) are as follows:

	<u>30 June 2011</u>	<u>30 June 2010</u>
Opening balance at 1 January	78.615	64.981
Deferred tax benefit	3.620	6.058
Closing balance	<u>82.235</u>	<u>71.039</u>

14. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 30 June 2011 and 31 December 2010, details of assets held for sale and discontinued operations are as follows:

	<u>30 June 2011</u>		<u>31 December 2010</u>	
	TRY	FC	TRY	FC
Assets held for sale (*)	453	-	278	-
	<u>453</u>	<u>-</u>	<u>278</u>	<u>-</u>

(*) Consists of properties acquired as a result of the legal proceeding in relation to its non-performing receivables.

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15. OTHER ASSETS

As at 30 June 2011 and 31 December 2010, details of other assets are as follows:

	30 June 2011		31 December 2010	
	TRY	FC	TRY	FC
Deductible value added tax	21.243	-	20.277	-
Insurance premium receivables	617	2.881	325	1.998
Others	1.048	1.213	1.368	178
	22.908	4.094	21.970	2.176

16. FUNDS BORROWED

As at 30 June 2011 and 31 December 2010, details of funds borrowed are as follows:

	30 June 2011		31 December 2010	
	TRY	FC (*)	TRY	FC (*)
Short-term borrowings	446.623	954.006	688.927	706.793
Short-term portion of long-term borrowings	7.711	64.799	7.096	13.583
Total short-term borrowings	454.334	1.018.805	696.023	720.376
Long-term borrowings	19.277	228.149	21.287	149.214
Total long-term borrowings	19.277	228.149	21.287	149.214
Total borrowings	473.611	1.246.954	717.310	869.590

(*) Total TRY 27.323 foreign currency indexed borrowings have been presented in TRY column in the accompanying consolidated interim balance sheet (31 December 2010 – TRY 28.707).

As at 30 June 2011 and 31 December 2010, maturity analysis of borrowings are as follows:

<u>Maturity analysis of borrowings</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
Within 1 year	1.473.139	1.416.399
Within 1-2 years	123.702	97.841
Within 2-3 years	79.233	30.948
Within 3-4 years	33.895	23.989
Within 4-5 years	7.336	17.723
Over 5 years	3.260	-
TOTAL	1.720.565	1.586.900

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16. FUNDS BORROWED (Continued)

As at 30 June 2011 and 31 December 2010 details of borrowings based on types of currency are as follows:

<u>Currency (*)</u>	<u>Interest rate %</u>	<u>Original Currency Amount</u>	<u>30 June 2011</u>
TRY	9,38-16,00	-	446.109
USD	2,36-4,25	181.013.937	295.089
Euro	2,77-4,85	271.420.778	637.622
GBP	2,15-2,40	3.752.599	9.798
Interest accruals			12.011
TOTAL			1.400.629

<u>Currency (*)</u>	<u>Interest rate %</u>	<u>Original Currency Amount</u>	<u>31 December 2010</u>
TRY	7,05-7,50	-	688.169
USD	2,40-5,47	202.118.698	312.476
Euro	2,40-4,81	188.058.618	385.351
GBP	3,48	178.328	426
Interest accruals			9.298
TOTAL			1.395.720

(*) Foreign currency indexed borrowings have been presented in TRY column in the accompanying consolidated interim balance sheet.

As at 30 June 2011 and 31 December 2010, details of long-term borrowings and short-term portion of long-term borrowings based on types of currency are as follows:

<u>Currency</u>	<u>Interest rate %</u>	<u>Original Currency Amount</u>	<u>30 June 2011</u>
USD	1,60-4,63	154.117.567	251.242
Euro	3,21-5,04	29.241.204	68.694
TOTAL			319.936

<u>Currency</u>	<u>Interest rate %</u>	<u>Original Currency Amount</u>	<u>31 December 2010</u>
USD	1,66-4,14	86.752.267	134.119
Euro	2,58-3,40	27.847.090	57.061
TOTAL			191.180

As at 30 June 2011 and 31 December 2010, interest rates are expressed compounded.

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16. FUNDS BORROWED (Continued)

As at 30 June 2011 and 31 December 2010 details of borrowings based on types of interest rate are as follows:

	30 June 2011		31 December 2010	
	TRY	FC (*)	TRY	FC (*)
Fixed rate	406.338	878.594	600.733	581.401
Variable rate	39.950	395.683	87.870	316.896
	<u>446.288</u>	<u>1.274.277</u>	<u>688.603</u>	<u>898.297</u>

(*) Foreign currency indexed borrowings have been presented in TRY column in the accompanying consolidated interim balance sheet.

Fair values of the funds borrowed are presented in Note 38.

As at 30 June 2011, the Group has available TRY 2.654.091 of unused credit lines for which all precedent conditions were met (31 December 2010: TRY 1.745.674).

17. MISCELLANEOUS PAYABLES AND OTHER LIABILITIES

As at 30 June 2011 and 31 December 2010, details of miscellaneous payables are as follows:

	30 June 2011		31 December 2010	
	TRY	FC	TRY	FC
Payables to suppliers for lease transactions	446	5.600	796	8.790
Other payables (*)	1.840	5.219	1.676	3.218
	<u>2.286</u>	<u>10.819</u>	<u>2.472</u>	<u>12.008</u>

(*) The Group insures the equipments that are subject to the leasing transactions and pays for the relevant costs in installments. Other payables consist of the Group’s insurance premium payables and payables to suppliers resulting from daily operations of the Group.

The Group purchases generally in cash from the suppliers. The Group has a financial risk management policy that enables the Group to pay all its payables at their maturities.

As at 30 June 2011 and 31 December 2010, details of other liabilities are as follows:

	30 June 2011		31 December 2010	
	TRY	FC	TRY	FC
Advances received (**)	3.538	12.131	1.972	5.870
Others	327	-	596	150
	<u>3.865</u>	<u>12.131</u>	<u>2.568</u>	<u>6.020</u>

(**) Advances received consist of lease advances received from lessees in accordance with the leasing agreements for machinery and equipments that are not readily in use of the customers.

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18. FINANCE LEASE OBLIGATIONS

None.

19. TAXES AND DUTIES PAYABLE

As at 30 June 2011 and 31 December 2010, details of taxes and duties payable are as follows:

	30 June 2011		31 December 2010	
	TRY	FC	TRY	FC
Corporate tax provision	3.788	-	2.599	-
Taxes and duties payable	551	-	587	-
	<u>4.339</u>	<u>-</u>	<u>3.186</u>	<u>-</u>

As at 30 June 2011 and 31 December 2010, details of corporate tax provision and prepaid taxes are as follows:

	30 June 2011	31 December 2010
Current period corporate tax provision	6.230	11.212
Corporation taxes paid in advance during the year	(2.442)	(8.613)
Corporate tax provision (net)	<u>3.788</u>	<u>2.599</u>

As at 30 June 2011 and 31 December 2010, details of corporate tax provision as follows:

	30 June 2011	30 June 2010
Corporate tax provision at the beginning of the period	2.599	3.552
Total income tax expense	6.230	484
Corporation taxes paid during the year	(5.041)	(3.829)
Corporate tax provision (net)	<u>3.788</u>	<u>207</u>

20. PROVISIONS

As at 30 June 2011 and 31 December 2010, other provisions are as follows:

	30 June 2011	31 December 2010
Provision for lawsuits	549	864
General provision for financial lease receivables	334	-
	<u>883</u>	<u>864</u>

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20. PROVISIONS (Continued)

For the period ended 30 June 2011 and 2010, movements in provisions are as follows:

<u>30 June 2011</u>	<u>General Provision for Financial Lease Receivables</u>	<u>Provision for lawsuits</u>
At the beginning of the period	-	864
Additions	334	153
Cancellations	-	(468)
At the end of the period	<u>334</u>	<u>549</u>

<u>30 June 2010</u>	<u>General Provision for Financial Lease Receivables</u>	<u>Provision for lawsuits</u>
At the beginning of the period	-	630
Additions	-	279
At the end of the period	<u>-</u>	<u>909</u>

21. EMPLOYEE BENEFITS

As at 30 June 2011 and 31 December 2010, details of reserve for employee benefits are as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Reserve for employee severance indemnity	983	921
Unused vacation provision	392	252
Employee bonus accrual	609	1.045
	<u>1.984</u>	<u>2.218</u>

Under the Turkish Labor Law, the companies are required to pay termination benefits to each employee who has qualified for such amount at the end of its employment contract. Also, employees who are entitled to retirement are required to be paid retirement pay in accordance with the requirements of Act no. 2422 dated 6 March 1981, Act no. 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code no. 506. Some transitional provisions related to the pre-retirement service term were excluded from the scope of the Law since the related law was amended on 23 May 2002. As the retirement pay ceiling is revised semi annually, the ceiling amount of TRY full 2.731,85 effective from 1 July 2011 has been taken into consideration in calculation of provision for employee termination benefits.

TAS 19 – “Employee Benefits” requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Discount rate	4.66%	4.66%
Probability of retirement	100%	100%

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21. EMPLOYEE BENEFITS (Continued)

For the periods ended 30 June 2011 and 2010, movements in reserve for employee severance indemnity are as follows:

	<u>30 June 2011</u>	<u>30 June 2010</u>
Balance at the beginning of the period	921	718
Charge for the period	42	35
Cost of services	142	80
Amounts paid	(70)	(55)
Actuarial difference	(52)	(21)
Balance at the end of the period	<u>983</u>	<u>757</u>

The movement of the provision for unused vacation during the periods ended 30 June 2011 and 2010 are as follows:

	<u>30 June 2011</u>	<u>30 June 2010</u>
Balance at the beginning of the period	252	170
Provision set during the period	140	110
Balance at the end of the period	<u>392</u>	<u>280</u>

The movement of the provision for employee bonus accrual during the periods ended 30 June 2011 and 2010 are as follows:

	<u>30 June 2011</u>	<u>30 June 2010</u>
Balance at the beginning of the period	1.045	675
Provision set during the period	609	537
Payment made during the period	(1.045)	(689)
Balance at the end of the period	<u>609</u>	<u>523</u>

22. NON-CONTROLLING INTERESTS

The Company owns 78,23% of İş Factoring. As at 30 June 2011, the non-controlling interests amounted to TRY 10.966 (31 December 2010: TRY 10.861) calculated on the total equity of the subsidiary and TRY 872 (30 June 2010: TRY 686) calculated on the net profit of the subsidiary.

	<u>30 June 2011</u>	<u>30 June 2010</u>
Balance at the beginning of the period	10.861	8.945
Fair value changes of marketable securities	(767)	74
Bonus shares	-	113
Profit for the period	872	686
Balance at the end of the period	<u>10.966</u>	<u>9.818</u>

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23. PAID-IN CAPITAL AND CAPITAL RESERVES

As at 30 June 2011 nominal capital of company is TRY 339.000. The share capital company consist of 33.900.000.000 shares Kurus 1 price.

As at 30 June 2011 and 31 December 2010, shareholders and their ownership percentages are as follows:

<u>Shareholders</u>	<u>(%)</u>	<u>30 June 2011</u>	<u>(%)</u>	<u>31 December 2010</u>
Türkiye İş Bankası A.Ş.	27,79	94.222	27,79	81.993
TSKB	28,56	96.818	28,56	84.252
Türkiye Şişe ve Cam Fab. A.Ş.	0,08	259	0,08	225
Nemtaş Nemrut Liman İşletmeleri A.Ş.	0,90	3.051	0,90	2.655
Publicly traded	42,67	144.650	42,67	125.875
TOTAL	100,00	339.000	100,00	295.000

On 7 April 2011, the Group has increased its share capital by TRY 44.000 to TRY 339.000. The increase comprises of TRY 20.000 of bonus shares from previous year’s profit, TRY 24.000 of extraordinary reserves. Capital increase is registered on 27 July 2011.

The Company’s share capital is divided into Group A and Group B shares. Group A shareholders have the privilege of nominating board of directors members and audit committee members. As a result of this privilege, board of directors members and audit committee members are selected among the candidates nominated by Group A shareholders. Allocation of Group A shares among shareholders is as follows;

<u>Shareholders</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
Türkiye İş Bankası A.Ş.	300.000.000	300.000.000
TSKB	255.000.000	255.000.000
Türkiye Şişe ve Cam Fab. A.Ş.	22.500.000	22.500.000
Nemtaş Nemrut Liman İşletmeleri A.Ş.	22.500.000	22.500.000
Total	600.000.000	600.000.000

Any change in the articles of association of the Company is subject to the consent of Group A shareholders.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

23. PAID-IN CAPITAL AND CAPITAL RESERVES (Continued)

CAPITAL RESERVES

As at 30 June 2011 and 31 December 2010, details of capital reserves are as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Marketable securities revaluation reserve	7.424	13.728
Bonus shares obtained from associates, subsidiaries and jointly controlled entities	<u>1.938</u>	<u>1.938</u>
Total	<u><u>9.362</u></u>	<u><u>15.666</u></u>

Marketable Securities Revaluation Reserve:

Marketable securities revaluation reserve arises as a result of valuation of available for sale financial assets at their fair values. In case of disposing a financial asset valued at fair value, a portion of the revaluation reserve in connection with the disposed asset is immediately recognized in profit or loss. If the revalued financial asset is permanently impaired, a portion of the revaluation fund in connection with the impaired financial asset is also recognized in profit or loss.

Bonus shares obtained from associates, subsidiaries and jointly controlled entities:

Bonus shares obtained from associates, subsidiaries and jointly controlled entities arise as a result of the capital increase of the associates, subsidiaries and jointly controlled entities from their capital reserves that are not stems from profit or loss.

24. PROFIT RESERVES

As at 30 June 2011 and 31 December 2010, details of profit reserves are as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Legal reserves	16.627	13.442
Extraordinary reserves (*)	<u>94.241</u>	<u>77.724</u>
TOTAL	<u><u>110.868</u></u>	<u><u>91.166</u></u>

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. Legal reserves, if less than 50% of the paid-in capital, can only be used to net-off the losses.

(*) As per the Banking Regulation and Supervision Agency, income associated with deferred tax assets shall not be considered as cash or internally generated source and accordingly such amounts taking part of net period profit shall not be included in profit distribution and capital increase, the Group has deferred tax amounting to TRY 78.645 classified in extraordinary reserves which will not be distributed.

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

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26. COMMITMENTS AND CONTINGENCIES (Continued)

	30 June 2011	
	Amount as	
	Original Currency	TRY
Option Purchases:		
TRY	5.100.000	5.100
		<u>5.100</u>
Option Sales:		
USD	3.000.000	4.891
		<u>4.891</u>

As at 31 December 2010 details of derivatives are as follows:

	31 December 2010	
	Amount as	
	Original Currency	TRY
Currency Swap Purchases:		
USD	15.214.568	23.522
		<u>23.522</u>
Currency Swap Sales:		
Euro	12.017.395	24.625
		<u>24.625</u>

Derivative transactions performed with related parties are presented in Note 9.

All derivative transactions are short-term. For the period ended 30 June 2011, the Group has TRY 417 of unrealized profit and TRY 4.775 of unrealized loss in relation to the fair value changes of swap transactions designated at through profit or loss (Note 4) (30 June 2010: TRY 140 unrealized profit).

27. SEGMENT REPORTING

Information regarding the Group’s operating business segments is based on the Group’s management and internal reporting structure.

Segment capital expenditure is the total cost incurred during the period to acquire tangible assets and intangible assets.

Business segments

The Group comprises the following main business segments:

- Leasing Includes the Group’s finance lease activities
- Factoring operations Includes the Group’s factoring activities

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

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27. SEGMENT REPORTING (Continued)

<u>30 June 2011:</u>	<u>Leasing</u>	<u>Factoring</u>	<u>Total</u>
Total assets	1.738.711	527.357	2.266.068
Total liabilities	1.284.658	476.989	1.761.647
Net profit	31.526	3.133	34.659

<u>31 December 2010:</u>	<u>Leasing</u>	<u>Factoring</u>	<u>Total</u>
Total assets	1.615.894	477.504	2.093.398
Total liabilities	1.189.814	427.623	1.617.437
Net profit	59.508	4.194	63.702

<u>30 June 2011</u>	<u>Leasing</u>	<u>Factoring</u>	<u>Total</u>
Operating Income	47.366	13.129	60.495
Operating Expense (-)	(8.236)	(2.067)	(10.303)
Other Operating Income	217.203	14.387	231.590
Financial Expenses (-)	(25.609)	(11.406)	(37.015)
Provision for Losses on Non-Performing Receivables (-)	(5.869)	-	(5.869)
Other Operating Expense (-)	(191.257)	(9.500)	(200.757)
Profit from Continuing Operations Before Tax	33.598	4.543	38.141
Provision for Taxes from Continuing Operations (±)	(2.072)	(538)	(2.610)
Net Profit from Continuing Operations	31.526	4.005	35.531
Non-Controlling Interests	-	(872)	(872)
Net Profit for the Period	31.526	3.133	34.659
Fixed Asset Additions	413	641	1.054
Depreciation and Amortisation	(196)	(35)	(231)

<u>30 June 2010</u>	<u>Leasing</u>	<u>Factoring</u>	<u>Total</u>
Operating Income	40.907	6.851	47.758
Operating Expense (-)	(7.088)	(2.118)	(9.206)
Other Operating Income	157.437	8.069	165.506
Financial Expenses (-)	(16.904)	(8.535)	(25.439)
Provision for Losses on Non-Performing Receivables (-)	(4.805)	(9)	(4.814)
Other Operating Expense (-)	(138.123)	(572)	(138.695)
Profit from Continuing Operations Before Tax	31.424	3.686	35.110
Provision for Taxes from Continuing Operations (±)	6.109	(535)	5.574
Net Profit from Continuing Operations	37.533	3.151	40.684
Non-Controlling Interests	-	(686)	(686)
Net Profit for the Period	37.533	2.465	39.998
Fixed Asset Additions	281	51	332
Depreciation and Amortisation	(167)	(21)	(188)

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28. EVENTS AFTER REPORTING DATE

Nemtaş Share Transfer:

Nemtaş Nemrut Liman İşletmeleri A.Ş sold its share in the capital of the Company with a nominal value of TRY 2.826 to Camış Yatırım Holding A.Ş. on 21 July 2011 at the ISE Wholesale Market. After the sale, the share of Nemtaş Nemrut Liman İşletmeleri A.Ş has decreased to 0,07% and the share of Camış Yatırım Holding A.Ş has increased to 0,83%.

Corporate Taxes Lawsuit:

The Company paid the corporate tax in 2009 due to the fact that the investment incentive expired on 31 December 2008 as per the regulation in force.

Turkish Constitutional Court decided to cancel the clause numbered (2) of the Article 15 of the Law 5479 and expressions of “2006, 2007, 2008” in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as at 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, time limitations for carried forward investment allowance gained in the previous period of mentioned date and limitations related to investments commenced between the dates of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation of investment allowance become effective with promulgation of decision on the official gazette and the decision of Turkish Constitutional Court was promulgated in Official Gazette no 27456 dated 8 January 2010. Since the investment allowance amount of the Company has become useable after that change, the Company has sued the Corporate Tax Office for the return of the corporate taxes amounting TRY 13.135 which the Company had paid for 2009. The respective lawsuit has resulted in the Company’s favor. Regarding the lawsuit result, the corporate tax will be refunded to the Company. However Corporate Tax Office has the right to take an appeal before the Council of State by requesting the suspension of execution in 30 days as from the date when the court gives the written notice to the tax office.

29. OPERATING INCOME

For the periods ended 30 June 2011 and 2010, details of operating income are as follows:

	01.01.2011 - <u>30.06.2011</u>	01.04.2011 - <u>30.06.2011</u>	01.01.2010 - <u>30.06.2010</u>	01.04.2010 - <u>30.06.2010</u>
Finance lease interest income	47.366	25.586	40.907	19.310
Factoring income	13.129	7.234	6.851	3.578
	<u>60.495</u>	<u>32.820</u>	<u>47.758</u>	<u>22.888</u>

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(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

30. OPERATING EXPENSES

For the periods ended 30 June 2011 and 2010, details of operating expenses are as follows:

	01.01.2011 - 30.06.2011	01.04.2011 - 30.06.2011	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010
Personnel expenses	(7.019)	(3.708)	(5.782)	(2.879)
Office rent expenses	(734)	(411)	(612)	(292)
Travel and car expenses	(408)	(205)	(330)	(161)
Information technology expenses	(278)	(138)	(221)	(114)
Consultancy expenses	(265)	(129)	(164)	(44)
Depreciation and amortisation expense	(231)	(131)	(188)	(118)
Capital increase expense	(142)	(105)	(184)	(153)
Other general administrative expenses	(1.226)	(633)	(1.725)	(1.144)
	<u>(10.303)</u>	<u>(5.460)</u>	<u>(9.206)</u>	<u>(4.905)</u>

31. OTHER OPERATING INCOME

For the periods ended 30 June 2011 and 2010, details of other operating income are as follows:

	01.01.2011 - 30.06.2011	01.04.2011 - 30.06.2011	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010
Foreign exchange gains	205.517	130.388	137.404	69.082
Interest income	16.305	6.132	16.843	9.669
Dividend income	3935	3.914	2960	2.939
Collections from non-performing receivables	1.448	1.173	5.076	732
Commission income	1.011	577	836	456
Income from derivative financial transactions	967	(833)	185	169
Others	2.407	1.237	2.202	1.599
	<u>231.590</u>	<u>142.588</u>	<u>165.506</u>	<u>84.646</u>

32. FINANCE EXPENSES

For the periods ended 30 June 2011 and 2010, details of financial expenses are as follows:

	01.01.2011 - 30.06.2011	01.04.2011 - 30.06.2011	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010
Interest expenses	(36.701)	(18.707)	(25.034)	(13.089)
Fees and commissions expenses	(314)	(168)	(405)	(194)
	<u>(37.015)</u>	<u>(18.875)</u>	<u>(25.439)</u>	<u>(13.283)</u>

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33. PROVISION FOR NON-PERFORMING RECEIVABLES

For the periods ended 30 June 2011 and 2010, details of provision for non-performing receivables are as follows:

	01.01.2011 - 30.06.2011	01.04.2011 - 30.06.2011	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010
Specific provision expenses	(5.535)	(2.617)	(4.814)	(1.721)
General provision expenses	(434)	(334)	-	-
	<u>(5.869)</u>	<u>(2.951)</u>	<u>4.814</u>	<u>(1.721)</u>

34. OTHER OPERATING EXPENSES

For the periods ended 30 June 2011 and 2010, details of other operating expenses are as follows:

	01.01.2011 - 30.06.2011	01.04.2011 - 30.06.2011	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010
Foreign exchange losses	(189.635)	(115.262)	(137.262)	(68.849)
Losses from derivative financial transactions	(10.005)	(8.486)	(3)	(3)
Impairment losses on securities	(62)	(62)	(28)	(28)
Other	(1.055)	(448)	(1.402)	(1.146)
	<u>(200.757)</u>	<u>(124.258)</u>	<u>(138.695)</u>	<u>(70.026)</u>

35. TAXATION

For the periods ended 30 June 2011 and 2010, details of income tax expense are as follows:

	01.01.2011 - 30.06.2011	01.04.2011 - 30.06.2011	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010
Current tax charge	(6.230)	(3.788)	(484)	(208)
Deferred tax benefit	3.620	(173)	6.058	7.192
	<u>(2.610)</u>	<u>(3.961)</u>	<u>5.574</u>	<u>6.984</u>

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35. TAXATION(Continued)

The reported income tax expenses for the period is different than the amounts computed by applying the statutory tax rate of the Company to profit before income tax of the Group, as shown in the following reconciliation:

	%	1 January- 30 June 2011	%	1 January- 30 June 2010
Net profit for the period		35.531		40.684
Total tax income		<u>2.610</u>		<u>(5.574)</u>
Profit before tax		38.141		35.110
Income tax using the Company's tax rate	20,00	7.628	20,00	(7.022)
- Non deductible expenses	0,64	246	1,63	(574)
- Tax exempt income	(2,05)	(783)	(1,75)	(615)
- Investment incentives	(10,54)	(4.019)	(35,29)	(12.389)
- Other	(1,21)	(462)	(0,47)	(166)
Total income tax expense / (income)	6,84	<u>2.610</u>	(15,88)	<u>(5.574)</u>

Corporate Tax

The Group is subject to the Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group’s results for the period. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated interim financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

As at 30 June 2011, corporate income tax rate is 20% (31 December 2010: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2010 is 20% (31 December 2010: 20%). Under the Turkish taxation system, tax losses can be carried forward up to five years. Tax losses can not be carried back to offset profit from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1 April and 25 April of the following year (between 1st and 25th of the following 4. month of the tax year for the tax responsible who have special tax years). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

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35. TAXATION(Continued)

Income Withholding Tax:

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% period between 24 April 2003 and 22 July 2006. This rate was changed to 15% with the cabinet decision numbered 2006/10731 commencing from 22 June 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. After this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the companies. There is no withholding tax on the investments incentives utilized without investment incentive certificates.

Investment Incentives

Temporary Article 69 added to the Income Tax Law numbered 193 with Law no 5479, which became effective starting from 1 January 2006, upon being promulgated in Official Gazette no 26133 dated 8 April 2006, stating that taxpayers can deduct the investment allowance exemption amounts which were present according to legislative provisions effective on 31 December 2005 (and by taking into account the corporate tax legislation in that date) only from the corporate profits of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or totally in three years was not allowed to be transferred to following years and became unavailable as of 31 December 2008. On the other side, Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of Article 2 and Article 15 of the Law no 5479 and the right of investment allowance became unavailable during the period of 1 January 2006 and 8 April 2006.

However, on 15 October 2009, Turkish Constitutional Court decided to cancel the clause numbered (2) of the Article 15 of the Law 5479 and expressions of “2006, 2007, 2008” in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as at 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, time limitations for carried forward investment allowance gained in the previous period of mentioned date and limitations related to investments commenced between the dates of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation of investment allowance become effective with promulgation of decision on the official gazette and the decision of Turkish Constitutional Court was promulgated in Official Gazette no 27456 dated 8 January 2010.

According to the decision mentioned above, investment allowances transferred to 2006 due to lack of profit and investment allowances gained by the investments that are commenced before 1 January 2006 and continued after that date constituting economic and technical integrity will not be only used in 2006, 2007 and 2008, but also in the following years. However, the amount of investment allowance to be utilised may not exceed 25% of earnings for the year according to amendments to the Income Tax Law promulgated in Official Gazette no 27659 dated 1 August 2010. With this amendment, corporation tax rate adopted for corporations benefiting from investment allowance is determined at the current rate (20%) instead of the previous rate of 30%.

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35. TAXATION(Continued)

Transfer Pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

36. EARNINGS PER SHARE

The weighted average number of shares of the Group and earnings per share for the period ended 30 June 2011 and 2010 are as follows:

	1 January- 30 June 2011	1 January- 30 June 2010
Weighted average number of outstanding shares (*)	33.900.000.000	29.500.000.000
Net profit for the period (TRY)	34.659	39.998
Basic earnings per share (full Kurus) (**)	0,10	0,12

(*) As at 30 June 2011, the share capital of the Company consists of 33.900.000.000 shares having Kurus 1 nominal price.

	2011	2010
Number of shares at beginning of the period	29.500.000.000	25.000.000.000
Capital increase (**)	4.400.000.000	4.500.000.000
Number of shares at end of the period	33.900.000.000	29.500.000.000

(**) Capital increase is made through internal resources and prior period's earnings per share figure is revised by using the number of shares subsequent to the capital increase.

37. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital by sustaining its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and the equity balance.

Although there is no change in the capital risk management strategy in 2011, the debt/equity ratio is 37% as at 30 June 2011 (31 December 2010: 52%). As at 30 June 2011 and 31 December 2010, the leverage ratios are as follows;

	<u>30 June 2011</u>	<u>31 December 2010</u>
Funds borrowed	1.720.565	1.586.900
Miscellaneous payables	13.105	14.480
Other liabilities	<u>15.996</u>	<u>8.588</u>
Total liabilities	1.749.666	1.609.968
Banks (-)	<u>(388.497)</u>	<u>(691.284)</u>
Net liabilities	<u>1.361.169</u>	<u>918.684</u>
Total shareholders’ equity	504.421	475.961
Shareholders’ equity / liabilities	37%	52%

According to the credit rating report of Fitch issued at 1 December 2010, credit rating of the Company is as follows:

Foreign Currency

Long term	BBB-
Short term	F3
Outlook	Positive

TRY

Long term	BBB-
Short term	F3
Outlook	Positive

National

Long term	AAA (tur)
Outlook	Stable
Support	2

(b) Significant accounting policies

The Group’s accounting policies on the financial instruments are disclosed in Note 3 “Significant accounting policies”.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(c) Categories of financial instruments

	<u>30 June 2011</u>	<u>31 December 2010</u>
<u>Financial Assets:</u>		
Banks	388.497	691.284
Financial assets at fair value through profit or loss:		
-Financial assets held for trading	15.282	4.364
-Derivative financial assets held for trading	417	-
Finance lease receivables and non-performing receivables, net	1.274.752	935.621
Factoring receivables and non-performing factoring receivables, net	451.990	331.320
Insurance premium receivables (*)	3.498	2.323
Financial assets available for sale	23.369	26.516
<u>Financial Liabilities:</u>		
Derivative financial liabilities held for trading	(4.775)	(1.201)
Miscellaneous payables and other liabilities	(29.101)	(23.068)
Funds borrowed	(1.720.565)	(1.586.900)

(*) Included in other assets.

(d) Financial risk management objectives

The Group’s corporate treasury function provides services to the business, coordinates access to domestic and international markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risk. Such risks include market risk (including currency risk, interest rate risk and price risk), liquidity risk and credit risk.

The Group uses derivative instruments to minimize the effects of such risks and it also uses such instruments for hedging. The Group does not enter into or trade any financial instruments (including derivative financial instruments) for speculative purposes.

In order to minimize potential risks, the Group reports monthly to the risk management committee which is in charge of monitoring risks and the policies applied.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (refer to section f), interest rates (refer to section g) and equity prices will affect the Group’s income or the value of its holdings of financial instruments. To manage risks relating to exchange rates and interest rates, the Group uses various derivative financial instruments including the below:

- “Forward foreign exchange contracts” to hedge the exchange rate risk arising from operations,
- “Currency swaps” to control the exchange rate risk of foreign currency denominated liabilities.

At the Group level, market risk exposures are measured by sensitivity analysis.

There has been no change in the Group’s exposure to market risks or the method it uses to manage and measure such risks.

(f) Currency risk management

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial position and cash flows. The Group manages this currency risk by using the foreign exchange derivative contracts.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

As at 30 June 2011 and 31 December 2010, details of foreign currency denominated assets and liabilities are as follows:

	USD	Euro	CHF	GBP	JPY	TRY
30 June 2011 (*)	000	000	000	000	000	Equivalent
Banks	71.143	87.648	-	8	26	321.901
Finance lease receivables	313.683	215.910	-	-	-	1.018.581
Factoring receivables	41.896	6.204	-	3.768	-	92.712
Advances given for lease transactions	2.899	14.990	-	16	2.200	40.027
Leasing contracts in progress	4.893	3.841	-	-	-	17.001
Other assets	1.894	427	-	1	-	4.094
Total assets (**)	436.408	329.020	-	3.793	2.226	1.494.316
Funds borrowed	(337.710)	(303.907)	-	(3.755)	-	(1.274.277)
Miscellaneous payables and other liabilities	(4.879)	(6.353)	(2)	(26)	10	(22.950)
Other provisions	(113)	(142)	-	-	-	(518)
Total liabilities (**)	(342.702)	(310.402)	(2)	(3.781)	10	(1.297.745)
Balance sheet position	93.706	18.618	(2)	12	2.236	196.571
Notional amounts of derivatives	(103.400)	(9.456)	-	-	-	(190.777)
Net foreign currency position	(9.694)	9.162	(2)	12	2.236	5.794

(*) Foreign currency indexed borrowings amounting to USD 10.559.874 and Euro 4.302.604 (Total: TRY 27.323) and foreign currency indexed factoring receivables amounting to USD 28.574.082 and Euro 544.010 (Total: TRY 47.859) are presented in TRY column in the accompanying consolidated interim balance sheet.

(**) Accruals related to derivative financial assets amounting to TRY 417 and derivative financial liabilities amounting to TRY 4.775 is not taken into consideration.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

<u>31 December 2010 (*)</u>	<u>USD</u> <u>000</u>	<u>Euro</u> <u>000</u>	<u>CHF</u> <u>000</u>	<u>GBP</u> <u>000</u>	<u>JPY</u> <u>000</u>	<u>TRY</u> <u>Equivalent</u>
Banks	40.478	36.303	-	14	26	137.000
Finance lease receivables	215.309	189.330	-	-	-	720.823
Factoring receivables	7.967	4.074	-	179	-	21.093
Advances given for lease transactions	11.055	6.929	-	211	-	31.791
Leasing contracts in progress	951	1.842	-	-	-	5.245
Other assets	663	562	-	-	-	2.176
Total assets (**)	276.423	239.040	-	404	26	918.128
Funds borrowed	(291.745)	(218.063)	-	(178)	-	(898.297)
Miscellaneous payables and other liabilities	(2.381)	(6.706)	(1)	(253)	74	(18.028)
Other provisions	(113)	-	-	-	-	(174)
Total liabilities (**)	(294.239)	(224.769)	(1)	(431)	74	(916.499)
Balance sheet position	(17.816)	14.271	(1)	(27)	100	1.629
Notional amounts of derivatives	15.215	(12.017)	-	-	-	(1.103)
Net foreign currency position	(2.601)	2.254	(1)	(27)	100	526

(*) Foreign currency indexed borrowings amounting to USD 12.066.560 and Euro 4.905.306 (Total: TRY 28.707) and foreign currency indexed factoring receivables amounting to USD 1.269.016 (Total: TRY 1.961) are presented in TRY column in the accompanying consolidated interim balance sheet.

(**) Accruals related to derivative financial liabilities amounting to TRY 1.201 is not taken into consideration.

Foreign currency sensitivity

The Group is mainly exposed to USD and Euro exchange rate risks.

The table below indicates the sensitivity of the Group to USD and Euro when there is a 15% of change in such exchange rates. The Group uses 15% of rate change when it reports its foreign currency risk to the top management and this rate represents the top management’s expectation on the exchange rate fluctuations. Sensitivity analysis made in relation to the Group’s exposure to foreign currency at the reporting period is determined based on the fluctuations at the beginning of the fiscal year and the analysis are fixed during the reporting period. Positive amount refers to an increase in the net profit.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

Foreign currency sensitivity (Continued)

	Profit / (Loss)		Equity ^(*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
30 June 2011				
15% change of the USD against TRY				
1- Net USD asset/liability	22.914	(22.914)	22.914	(22.914)
2- Hedged portion of TRY against USD risk (-)	(25.284)	25.284	(25.284)	25.284
3- Net effect of USD (1+ 2)	(2.370)	2.370	(2.370)	2.370
15% change of the Euro against TRY				
4- Net Euro asset/liability	6.561	(6.561)	6.561	(6.561)
5- Hedged portion of TRY against Euro risk (-)	(3.332)	3.332	(3.332)	3.332
6- Net effect of Euro (4+5)	3.229	(3.229)	3.229	(3.229)
15% change of other foreign currencies against TRY				
7- Net other foreign currencies asset/liability	9	(9)	9	(9)
8- Hedged portion of TRY against other currencies risk (-)	-	-	-	-
9- Net effect of other foreign currencies (7+8)	9	(9)	9	(9)
TOTAL (3+6+9)	868	(868)	868	(868)

(*) Includes profit/loss effect.

	Profit / (Loss)		Equity ^(*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
31 December 2010				
15% change of the USD against TRY				
1- Net USD asset/liability	(4.174)	4.174	(4.174)	4.174
2- Hedged portion of TRY against USD risk (-)	3.528	(3.528)	3.528	(3.528)
3- Net effect of USD (1+ 2)	(646)	646	(646)	646
15% change of the Euro against TRY				
4- Net Euro asset/liability	4.248	(4.248)	4.248	(4.248)
5- Hedged portion of TRY against Euro risk (-)	(3.694)	3.694	(3.694)	3.694
6- Net effect of Euro (4+5)	554	(554)	554	(554)
15% change of other foreign currencies against TRY				
7- Net other foreign currencies asset/liability	(7)	7	(7)	7
8- Hedged portion of TRY against other currencies risk (-)	-	-	-	-
9- Net effect of other foreign currencies (7+8)	(7)	7	(7)	7
TOTAL (3+6+9)	(99)	99	(99)	99

(*) Includes profit/loss effect.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

Forward foreign exchange contracts and currency swaps

The Group uses forward contracts and currency swaps to cover the risks of receipts and payments, expected sales and purchases in a certain foreign currencies.

(g) Interest rate risk management

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and variable rates. Such risk is managed by making a proper classification between fixed and variable rate liabilities.

Interest rate sensitivity

The interest rate sensitivity analysis below is based on the Group’s exposure to interest rate risk at the reporting date and estimated interest rate fluctuations at the beginning of the fiscal year, and is fixed during the reporting period. The Group management makes its sensitivity analysis based on a 100 base point interest rate fluctuation scenario. This rate is also used in reporting to the top management.

As at 30 June 2011 and 31 December 2010, the interest rate profile of the Group’s interest-bearing financial instruments is as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Fixed rate instruments		
Financial assets:		
Banks	383.982	684.588
Finance lease receivables (*)	1.089.108	805.702
Factoring receivables	327.197	119.576
Financial liabilities:		
Funds borrowed	1.284.932	1.182.134
Variable rate instruments		
Financial assets:		
Finance lease receivables (*)	123.771	89.671
Factoring receivables	124.793	211.744
Financial liabilities:		
Borrowings	435.633	404.766

(*) Leasing contracts in progress and advances given are not included in the balances above.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(g) Interest rate risk management (Continued)

Interest rate sensitivity (Continued)

If interest rates were 100 base points higher at the reporting date and all other variables were fixed:

- Interest income from variable rate finance lease contracts would increase by TRY 610 (30 June 2010: TRY 434), and interest income from fixed rate finance lease contracts would increase by TRY 5.128 (30 June 2010: TRY 3.164).
- Interest income from variable rate factoring contracts would increase by TRY 408 (30 June 2010: TRY 573), and interest income from fixed rate factoring contracts would increase by TRY 1.821 (30 June 2010: TRY 352).
- Interest expense from variable rate funds borrowed (borrowings) would increase by TRY 2.084 (30 June 2010: TRY 2.093), and interest expense from fixed rate borrowings would increase by TRY 6.231 (30 June 2010: TRY 3.961).

(h) Other price risks

The Group is exposed to equity securities price risks because of equity investments. Equity securities are held especially for strategic purposes rather than trading purposes. These investments are not traded by the Group.

Equity price sensitivity

Sensitivity analysis below is determined based on the equity share price risks exposed as at the reporting date.

If data used in the valuation method were 15% higher / lower and all other variables were fixed:

- There would not be any difference in the net profit/loss to the extent that equity investments are classified as available or are not disposed of or are not subject to impairment.
- Revaluation reserve under equity would increase/ (decrease) by TRY 3.316 (30 June 2010: TRY 1.877). It is mainly because of changes in fair value of the available for sale equity securities.

Equity securities price sensitivity of the Group is not subject to a material change compared to prior years.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group’s exposure to credit risks and credit ratings of its counterparties are monitored periodically. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee.

Finance lease receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Sectoral allocation of finance lease receivables is as follows:

	30 June 2011 %	31 December 2010 %
Transportation	21,00	16,09
Forestry products and paper	11,75	6,85
Construction	11,35	11,20
Metal industry	8,76	10,25
Healthcare	7,81	10,80
Textile	5,46	5,99
Tourism	4,45	4,51
Finance	3,58	4,76
Food and beverage	3,56	3,22
Agriculture and forestry	3,45	4,55
Chemical and plastic	3,42	4,23
Machinery and equipment	2,92	3,29
Mining	2,76	2,40
Retail and wholesale	2,32	2,85
Other	7,41	9,01
	<u>100,00</u>	<u>100,00</u>

Leased asset allocation of finance lease receivables is as follows:

	30 June 2011 %	31 December 2010 %
Real estate	23,54	18,81
Machinery and equipment	22,37	25,61
Building and construction machinery	12,51	13,52
Sea transport vessels	8,99	8,88
Air transportation equipments	6,71	1,30
Medical equipment	5,25	7,12
Printing machinery	3,86	4,56
Textile machinery	3,72	3,77
Tourism equipment	3,09	3,60
Electronic and optical equipment	2,88	3,46
Road transportation equipments	2,54	3,62
Office equipments	2,40	3,06
Other	2,14	2,69
	<u>100,00</u>	<u>100,00</u>

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management (Continued)

As at 30 June 2011, details of exposure to credit risk based on categories of financial instruments are as follows:

	Receivables				Deposits	Fair value through profit/loss financial assets	Available for sale financial assets	Insurance premium receivables
	Finance Lease Receivables		Factoring Receivables					
	Related party	Third party	Related party	Third party				
30 June 2011								
Exposure to maximum credit risk as at reporting date (*)	46.845	1.227.907	3.682	448.308	388.497	15.699	23.369	3.498
- The portion of maximum risk covered by guarantee	-	112.886	-	1.500	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	46.845	1.013.131	3.682	448.191	388.497	15.699	23.369	3.498
- The portion covered by guarantee	-	86.755	-	1.500	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	117	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	176.686	-	-	-	-	-	-
- The portion covered by guarantee	-	16.683	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	38.090	-	-	-	-	-	-
- Overdue (gross book value)	-	66.474	-	2.540	-	-	-	-
- Impairment (-)	-	(38.755)	-	(2.540)	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc) (**)	-	9.448	-	-	-	-	-	-
- Not past due (gross book value)	-	20.421	-	-	-	-	-	-
- Impairment (-)	-	(10.050)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.) (**)	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

(*) Guarantees received are not taken into account in the calculation.

(**) Includes collaterals for the assets impaired but not overdue.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management (Continued)

As at 31 December 2010, details of exposure to credit risk based on categories of financial instruments are as follows:

	Receivables				Deposits	Fair value through profit/loss financial assets	Available for sale financial assets	Insurance premium receivables
	Finance Lease Receivables		Factoring Receivables					
	Related party	Third party	Related party	Third party				
31 December 2010								
Exposure to maximum credit risk as at reporting date (*)	48.770	886.851	31.627	299.693	691.284	4.364	-	2.323
- The portion of maximum risk covered by guarantee	-	125.749	-	1.500	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	48.770	648.782	31.627	299.652	691.284	4.364	-	2.323
- The portion covered by guarantee	-	81.408	-	1.500	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	41	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	194.119	-	-	-	-	-	-
- The portion covered by guarantee	-	34.054	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	43.950	-	-	-	-	-	-
- Overdue (gross book value)	-	68.567	-	2.651	-	-	-	-
- Impairment (-)	-	(36.472)	-	(2.651)	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc) (**)	-	10.287	-	-	-	-	-	-
- Not past due (gross book value)	-	19.990	-	-	-	-	-	-
- Impairment (-)	-	(8.135)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.) (**)	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

(*) Guarantees received are not taken into account in the calculation.

(**) Includes collaterals for the assets impaired but not overdue.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management (Continued)

As at 30 June 2011 and 31 December 2010, details of finance lease receivables rating in terms of internal rating information:

	<u>30 June 2011 %</u>	<u>31 December 2010 %</u>
Internal rating results:		
A+ (Perfect)	-	0,32
A (Very good)	2,16	4,06
A- (Good)	1,90	3,71
B+ (Satisfactory)	26,49	16,92
B (Close Monitoring)	20,82	15,29
B- (Insufficient)	24,95	25,68
C+ (Doubtful)	11,15	14,12
C (Loss)	6,30	6,88
Not rated	6,23	13,02
Total	<u>100,00</u>	<u>100,00</u>

As at 30 June 2011, details of finance lease receivables rating in terms of SME-MICRO scoring information:

	<u>30 June 2011(%)</u>
High	54,60
Medium	36,34
Low	9,06
Total	<u>100,00</u>

The Company has started SME-Micro scoring system. Accordingly, clients with revenue amounts under USD 1 million and credit limit below USD 60.000 will be subject to scoring under Micro title and the clients with revenue amounts between USD 1 million and USD 8 million and credit limits between USD 60.000 and USD 1 million are to be categorized as SME. The ratio of companies which are subjected to scoring Micro and SME to total portfolio is 3,3% as at 30 June 2011.

The aging analysis of overdue finance lease receivables is disclosed in Note 8. The Group does not have overdue financial assets other than finance lease receivables.

Collaterals obtained for all finance lease receivables and factoring receivables including past dues and non-performing receivables are as follows:

	<u>30 June 2011</u>		<u>31 December 2010</u>	
	<u>Nominal Value</u>	<u>Fair Value (*)</u>	<u>Nominal Value</u>	<u>Fair Value (*)</u>
Other mortgages	569.277	108.972	542.525	122.854
Ship mortgage	4.076	-	3.865	-
Guarantors	1.864	49	1.889	136
Cash blockages	2.561	1.510	3.557	2.335
Equities	2.450	2.450	-	-
Letters of guarantee	23.732	1.405	23.858	1.924
	<u>603.960</u>	<u>114.386</u>	<u>575.694</u>	<u>127.249</u>

(*) In determination of the fair value, lower of collateral amount or fair value up to the credit exposure amount has been taken into account.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(j) Liquidity risk management

Liquidity risk management responsibility mainly belongs to the board of directors. The board of directors has built an appropriate liquidity risk management framework for the management of the Group’s short, medium and long term funding and liquidity management requirements. The Group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by constantly monitoring forecasts and actual cash flows and matching the maturity profile of financial assets and liabilities.

Liquidity risk table

The following table details the maturities of non derivative financial assets and liabilities. The tables below have been drawn up based on the undiscounted contractual amounts of the financial assets and liabilities based on their maturities. Interest amounts to be collected and to be disbursed regarding the Group’s assets and liabilities have also been included in the table below.

30 June 2011

<u>Contractual Maturities</u>	<u>Carrying Amount</u>	<u>Contractual Cash Flows (I+II+III+IV)</u>	<u>Less than 3 Months (I)</u>	<u>3-12 Months (II)</u>	<u>1-5 Years (III)</u>	<u>More than 5 Years (IV)</u>
Non-derivative Financial Assets:						
Banks	388.497	389.209	389.209	-	-	-
Financial Assets Held For Trading	15.282	15.282	2.868	3.127	9.081	206
Finance Lease Receivables (*)	1.212.879	1.405.251	135.736	293.024	848.294	128.197
Factoring Receivables	451.990	451.990	422.311	29.679	-	-
Insurance Premium Receivables	3.498	3.498	3.498	-	-	-
Total Assets	2.072.146	2.265.230	953.622	325.830	857.375	128.403
Non-derivative Financial Liabilities:						
Funds Borrowed	1.720.565	1.766.903	758.612	743.156	261.741	3.394
Miscellaneous Payables and Other Liabilities	29.101	29.101	26.958	-	2.143	-
Total Liabilities	1.749.666	1.796.004	785.570	743.156	263.884	3.394

The Group makes payments based on contractual maturities.

(*) Advances given for lease receivables and leasing contracts in progress are not included in finance lease receivables, because payment plan for these transactions have not prepared yet.

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38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(j) Liquidity risk management (Continued)

31 December 2010

<u>Contractual Maturities</u>	<u>Carrying Amount</u>	<u>Contractual Cash Flows (I+II+III+IV)</u>	<u>Less than 3 Months (I)</u>	<u>3-12 Months (II)</u>	<u>1-5 Years (III)</u>	<u>More than 5 Years (IV)</u>
Non-derivative Financial Assets:						
Banks	691.284	693.181	693.181	-	-	-
Financial Assets at Fair Value Through Profit or Loss	4.364	4.364	4.364	-	-	-
Finance Lease Receivables (*)	895.373	1.040.776	124.462	244.432	629.776	42.106
Factoring Receivables	331.320	331.320	292.026	39.294	-	-
Insurance Premium Receivables	2.323	2.323	2.323	-	-	-
Total Assets	1.924.664	2.071.964	1.116.356	283.726	629.776	42.106
Non-derivative Financial Liabilities:						
Funds Borrowed	(1.586.900)	(1.618.361)	(849.902)	(561.739)	(200.156)	(6.564)
Miscellaneous Payables and Other Liabilities	(23.068)	(23.068)	(21.574)	(135)	(1.359)	-
Total Liabilities	(1.609.968)	(1.641.429)	(871.476)	(561.874)	(201.515)	(6.564)

(*) Advances given for lease receivables and leasing contracts in progress are not included in finance lease receivables, because payment plan for these transactions have not prepared yet.

The following table details the maturities of derivative financial assets and liabilities as at 30 June 2011 and 31 December 2010.

<u>30 June 2011 Contractual Maturities</u>	<u>Carrying Amount</u>	<u>Contractual Cash Flows (I+II+III+IV)</u>	<u>Less than 3 Months (I)</u>	<u>3-12 Months (II)</u>	<u>1-5 Years (III)</u>	<u>More than 5 Years (IV)</u>
Cash inflows from derivatives	214	210.554	101.846	108.708	-	-
Cash outflows from derivatives	-	(210.340)	(104.377)	(105.963)	-	-
31 December 2010 Contractual Maturities						
Cash inflows from derivatives	-	23.522	-	23.522	-	-
Cash outflows from derivatives	(1.103)	(24.625)	-	(24.625)	-	-

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(k) Fair value of financial instruments

Except for the items below, the Group management estimates that the carrying amount of the financial assets and liabilities approximate to their fair value.

Fair value of the financial instruments is determined based on the reliable data provided from financial markets. Fair value of other financial assets is determined by the benchmarking market value of a similar financial asset or by assumption methods which includes discounting future cash flows with current interest rates.

The table below refers to the comparison of carrying amounts and fair values of financial instruments which are carried at other than their fair value in the financial statements.

30 June 2011	Financial assets held for trading	Financial assets at amortized cost	Loans and receivables	Available for sale financial assets	Financial liabilities at amortized cost	Carrying amount	Fair value	Note
<u>Financial Assets</u>								
Banks	-	388.497	-	-	-	388.497	388.467	5
Financial assets at fair value through profit or loss	-							
- Financial assets held for trading	15.282		-	-	-	15.282	15.282	4
- Derivative financial assets held for trading	417	-	-	-	-	417	417	4
Finance lease receivables and non-performing lease receivables	-	-	1.274.752	-	-	1.274.752	1.293.282	8
Factoring receivables and non-performing factoring receivables	-	-	451.990	-	-	451.990	451.990	7
Insurance premium receivables	-	-	3.498	-	-	3.498	3.498	15
Available for sale financial assets	-	-	-	23.369	-	23.369	23.369	6
<u>Financial liabilities</u>								
Derivative financial assets held for trading	4.775	-	-	-	-	4.775	4.775	4
Miscellaneous payables and other liabilities	-	-	-	-	29.101	29.101	29.101	17
Funds borrowed	-	-	-	-	1.720.565	1.720.565	1.719.954	16

(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1)

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(k) Fair value of financial instruments (Continued)

31 December 2010	Financial assets Held for trading	Financial assets at amortized cost	Loans and receivables	Available for sale financial assets	Financial liabilities at amortized cost	Carrying amount	Fair value	Note
<u>Financial Assets</u>								
Banks	-	691.284	-	-	-	691.284	691.284	5
Financial assets at fair value through profit or loss								
- Financial assets held for trading	4.364	-	-	-	-	4.364	4.364	4
- Derivative financial assets held for trading	-	-	-	-	-	-	-	4
Finance lease receivables and non- performing lease receivables	-	-	935.621	-	-	935.621	1.001.798	8
Factoring receivables and non-performing factoring receivables	-	-	331.320	-	-	331.320	331.320	7
Insurance premium receivables	-	-	2.323	-	-	2.323	2.323	15
Available for sale financial assets	-	-	-	26.516	-	26.516	26.516	6
<u>Financial liabilities</u>								
Derivative financial liabilities held for trading	1.201	-	-	-	-	1.201	1.201	4
Miscellaneous payables and other liabilities	-	-	-	-	23.068	23.068	23.068	17
Funds borrowed	-	-	-	-	1.586.900	1.586.900	1.597.863	16

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2011

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(1) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2011	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	14.302	980	-	15.282
Derivative financial assets held for trading	-	417	-	417
Available-for-sale financial assets (*)	22.104	-	227	22.331
Total financial assets carried at fair value	36.406	1.397	227	38.030
Derivative financial liabilities held for trading	-	4.775	-	-
Total financial liabilities carried at fair value	-	4.775	-	-

(*) As at 30 June 2011, securities that are not publicly traded amounting to TRY 1.038 have been measured at cost.

31 December 2010	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	3.259	1.105	-	4.364
Available-for-sale financial assets (*)	26.257	-	227	26.484
Total financial assets carried at fair value	29.516	1.105	227	30.848
Derivative financial liabilities held for trading	-	1.201	-	-
Total financial liabilities carried at fair value	-	1.201	-	-

(*) As at 31 December 2010, securities that are not publicly traded amounting to TRY 32 have been measured at cost.