İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH THE
COMMUNIQUE NO: XI/25 PUBLISHED BY
CAPITAL MARKET BOARD
FOR THE YEAR ENDED 31 DECEMBER 2007

(Translated into English from the Original Turkish Report)

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CONVENIENCE TRANSLATION OF REPORT AND FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

İş Finansal Kiralama A.Ş.
The Board of Directors

We have audited the accompanying financial statements of İş Finansal Kiralama A.Ş. (the "Company") and its subsidiary (together the "Group"), which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Group's management is responsible for the preparation and fair presentation of these financial statements in accordance with Capital Market Board standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Capital Market Board standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of İş Finansal Kiralama A.Ş. (the "Company") and its subsidiary (together the "Group") as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with Capital Market Board standards.

İstanbul, 8 February 2008

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU**

Sibel Türker

Partner

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2007

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

ASSETS	Note	Audited 31 December 2007	Audited 31 December 2006
Current Assets		637.155	505.711
Liquid assets	4	164.008	81.254
Marketable securities (net)	5	25	750
Trade receivables (net)	7	-	-
Finance lease receivables (net)	8	366.688	359.560
Due from related parties (net) (*)	9	-	-
Other receivables (net)	10	54.493	25.982
Biological assets (net)	11	-	-
Inventories (net)	12	-	-
Receivables from ongoing construction contracts (net)	13	-	-
Deferred tax assets	14	-	-
Other current assets	15	51.941	38.165
Long-term Assets		415.188	370.720
Trade receivables (net)	7	-	-
Finance lease receivables (net)	8	395.699	362.241
Due from related parties (net) (*)	9	-	-
Other receivables (net)	10	1.597	-
Financial assets (net)	16	16.617	7.106
Positive / (negative) goodwill (net)	17	166	166
Investment properties (net)	18	-	-
Tangible assets (net)	19	1.044	1.176
Intangible assets (net)	20	45	12
Deferred tax assets	14	20	19
Other long-term assets	15	-	-
TOTAL ASSETS		1.052.343	876.431

(*) Receivables due from related parties in Note 9 are included in finance lease receivables.

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSİDIARY

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2007

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

LIABILIITIES	Note	Audited 31 December 2007	Audited 31 December 2006
Short-term Liabilities		575.882	398.980
Short-term borrowings (net)	6	512.220	325.879
Short-term portions of long-term borrowings (net)	6	28.525	30.898
Finance lease payables (net)	8	17	91
Other financial liabilities	10	-	-
Trade payables (net)	7	14.281	16.220
Due to related parties (net) (*)	9	-	-
Advances received	21	10.576	11.952
Ongoing construction progress payments	13	-	-
Provisions	23	122	229
Deferred tax liabilities (net)	14	-	-
Other short-term liabilities	15	10.141	13.711
Long-term Liabilities		261.022	318.483
Long-term borrowings (net)	6	260.477	318.022
Finance lease payables (net)	8	-	-
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	-	-
Due to related parties (net) (*)	9	-	-
Advances received	21	-	-
Provisions	23	545	461
Deferred tax liabilities (net)	14	-	-
Other long-term liabilities	15	-	-
MINORITY SHARE	24	2.857	1.603
SHAREHOLDER'S EQUITY		212.582	157.365
Capital	26	139.500	100.000
Treasury stock	25	-	-
Capital reserves	26	21.128	12.627
- Premium in excess of par		-	-
- Gain on cancellation of equity shares		-	-
- Revaluation fund		-	-
- Financial assets fair value reserve		8.547	46
- Shareholders' equity inflation restatement differences		12.581	12.581
Profit reserves	27	3.656	15.699
- Legal reserves		3.360	3.186
- Statutory reserves		-	-
- Extraordinary reserves		296	12.513
- Special reserves		-	-
- Gain on sale of properties and equity participations which will be transferred to capital		-	-
- Currency translation reserve		-	-
Net profit / (loss) for the year		46.716	27.446
Retained earnings /(losses)	28	1.582	1.593
TOTAL LIABILITIES and SHAREHOLDER'S EQUITY		1.052.343	876.431

(*) Payables due to related parties in Note 9 are included in trade payables and advances received.

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

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2007

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

INCOME STATEMENT	Note	Audited 1 January 2007- 31 December 2007	Audited 1 January 2006 - 31 December 2006
OPERATING INCOME			
Sales (net)	36	110.538	98.911
Cost of sales (-)		-	-
Service income (net)		-	-
Other operating income / interest-dividend-rent (net)		-	-
GROSS PROFIT		110.538	98.911
Operating expenses (-)	37	(21.505)	(12.160)
NET OPERATING PROFIT		89.033	86.751
Other income and profit	38	8.427	8.528
Other expenses and losses (-)	38	(506)	(16.775)
Finance expenses (net)	39	(49.577)	(53.717)
OPERATING PROFIT		47.377	24.787
Net monetary gain / (loss)	40	-	-
MINORITY SHARE (INCOME) / EXPENSE	24	(256)	3.135
PROFIT BEFORE TAXATION		47.121	27.922
Taxation	41	(405)	(476)
NET PROFIT FOR THE YEAR		46.716	27.446
EARNINGS PER SHARE (TRY)	42	0,38	0,22

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

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED SHAREHOLDER'S EQUITY AT 31 DECEMBER 2007

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

	Capital	Treasury stock	Premium in excess of par	Gain on cancellation of equity shares	Revaluation reserve	Increase/ (decrease) in fair value reserve of financial assets	Shareholders equity inflation adjustment differences	Legal reserves	Statutory reserves	Extraordinary reserves	Special reserves	Gain on sale of properties and investments which will be transferred to capital	Translation reserves	Accumulated profit	Net profit	Total
As of 1 January 2006	50.000	-	-	-	-	(1)	31.366	2.381	-	5.434	-	-	(93)	670	40.022	129.779
Transfers	-	-	-	-	-	-	-	805	-	23.344	-	-	-	15.873	(40.022)	--
Capital increase	50.000	-	-	-	-	-	(18.785)	-	-	(16.265)	-	-	-	(14.950)	-	-
Translation reserves	-	-	-	-	-	-	-	-	-	-	-	-	93	-	-	93
Increase in fair value reserve of financial assets	-	-	-	-	-	47	-	-	-	-	-	-	-	-	-	47
Net profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27.446	27.446
Balance as of 31 December 2006	100.000	-	-	-	-	46	12.581	3.186	-	12.513	-	-	-	1.593	27.446	157.365
Transfers	-	-	-	-	-	-	-	174	-	23.958	-	-	-	3.314	(27.446)	-
Capital increase	39.500	-	-	-	-	-	-	-	-	(36.175)	-	-	-	(3.325)	-	-
Increase in fair value reserve of financial assets	-	-	-	-	-	8.501	-	-	-	-	-	-	-	-	-	8.501
Net profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46.716	46.716
Balance as of 31 December 2007	139.500	-	-	-	-	8.547	12.581	3.360	-	296	-	-	-	1.582	46.716	212.582

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

CONSOLIDATED STATEMENT OF CASH FLOWS AT 31 DECEMBER 2007

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

CASH FLOWS FROM OPERATING ACTIVITIES	Note	1 January 2007 - 31 December 2007	1 January 2006 - 31 December 2006
Net profit for the period		46.716	27.446
Adjustments to reconcile net profit to net cash used in operating activities:			
Depreciation of tangible assets	19	420	514
Amortization of intangible assets	20	4	2
Retirement pay provision	23	118	102
Allowances for doubtful receivables	8,10	30.696	10.249
Forward expense accrual	15	1.005	771
Interest income	38	(5.921)	(6.423)
Interest expense	39	47.206	41.885
Dividend income	38	(15)	(5)
Minority share	24	256	(3.135)
Accrual of finance lease receivables		147	(2.523)
Accrual of factoring receivables		77	(86)
Provision for unused vacation	23	22	59
Provision for legal cases		-	16.259
Provision for corporate tax	23	406	472
Unrealized foreign exchange (gain) / losses		(11.040)	29.230
Allowance for financial assets		-	22
Deferred tax charge	14	(1)	4
Translation reserves		-	93
Operating cash flows before movements in working capital		110.096	114.936
Change in assets and liabilities:			
Change in finance lease receivables		(137.590)	(78.308)
Change in factoring receivables		(31.508)	(9.798)
Change in other receivables and other current assets		(13.777)	(8.836)
Change in trade payables		(1.939)	2.794
Change in advances received		(1.376)	464
Change in other payables and other liabilities		(4.562)	1.228
Cash provided by / (used in) operating activities		(80.656)	22.480
Income tax paid	23	(621)	(454)
Retirement pay provision paid	23	(34)	(20)
Interest paid		(47.785)	(39.365)
Net cash used in operating activities		(129.096)	(17.359)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets	19	(288)	(616)
Purchase of intangible assets	20	(37)	(11)
Sale of tangible assets (net)		-	34
Securities sales / (purchases) (net)		725	(737)
Dividend received	38	15	5
Interest income received		5.591	5.924
Net cash provided by investing activities		6.006	4.599
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised		1.389.548	1.123.204
Repayment of loans		(1.184.034)	(1.100.764)
Net cash provided by financing activities		205.514	22.440
NET CHANGE IN LIQUID ASSETS		82.424	9.680
LIQUID ASSETS AT THE BEGINNING OF YEAR	4	81.009	71.329
LIQUID ASSETS AT THE END OF YEAR	4	163.433	81.009

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

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

İş Finansal Kiralama A.Ş. (the "Company") was incorporated on 8 February 1988 to operate in Turkey under the provisions of the Turkish financial leasing law number 3226.The core business of the Company is leasing operations, both domestic and abroad, and started leasing operations at the end of July in 1988. The head office of İş Leasing is located at İş Kuleler Kule: 2 Floor: 10 34330 Levent- İstanbul / Turkey.

The Company has purchased nominal shares of İş Factoring Finansman Hizmetleri A.Ş. amounting to TRY 12.517 thousand with a price of US $ 10.952.375 as of 11 August 2004.The company owns 78,23% of this subsidiary and it has been consolidated at accompanying financial statements.

The ultimate parent enterprise of the Company is Türkiye İş Bankası A.Ş. (İş Bankası). The main shareholders of the Company are Türkiye İş Bankası A.Ş. with 27,79% and Türkiye Sınai Kalkınma Bankası A.Ş. with 28,56%. Besides, 42,3% of the shares of the Company are publicly traded.

The shares of the Company are listed at the Istanbul Stock Exchange.

As of 31 December 2007, the Company employs 98 persons. (31 December 2006: 81)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

Accounting Standards Applied

The Capital Markets Board ("CMB") has published Communiqué No: XI/25 "Communiqué on Capital Markets Accounting Standards" on 15 November 2003. This Communiqué is applicable since the first interim financial statements period of which ended after 1 January 2005.

The Group maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation.

Communiqué No: XI/25 "Communiqué on Capital Markets Accounting Standards" issued by the CMB, provides a detailed set of accounting principles. The Communiqué declared that as an alternative the compliance with accounting standards issued by International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will be counted as in compliance to the CMB Accounting Standards. The accompanying consolidated financial statements were prepared in accordance with the above mentioned alternative application permitted by CMB. The financial statements were prepared in accordance with the CMB's decree mentioned above and with the CMB's decree announced on 20 December 2004 regarding the format of the financial statements and footnotes.

Preparation of Financial Statements in Hyperinflationary Periods

The CMB declared with a decision taken dated 17 March 2005 that hyperinflationary period is over. Therefore, the CMB declared that; for the companies operated in Turkey and subject to CMB rules, the inflation accounting has been ceased starting from 1 January 2005. Accordingly, the Group did not apply inflation accounting starting from 1 January 2005.

2. BASIS OF PRESANTATION OF THE FINANCIAL STATEMENTS (cont'd)

Consolidation Principles:

The detail of the Group's subsidiary as of 31 December 2007 is as follows:

Subsidiary	Incorporation and operation location	Ownership rate %	Voting right rate %	Core business
İş Factoring Finansman Hizmetleri A.Ş.	İstanbul	78,23	78,23	Factoring operations

The consolidated financial statements incorporate the financial statements of the Company and entities controlled or jointly controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

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

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Adoption of New and Revised International Financial Reporting Standards :

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("the IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2007. The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies in the following areas:

- IFRS 7, "Financial instruments: Disclosures"

- IAS 1, "Presentation of financial statements"

2. BASIS OF PRESANTATION OF THE FINANCIAL STATEMENTS (cont'd)

Adoption of New and Revised International Financial Reporting Standards (cont'd):

IFRS 7, "Financial Instruments: Disclosures"

This standard comprises the explanations related to the significance of the financial instruments of the Group, nature and the scope of the risks caused by those financial instruments. New explanations are incorporated. Although there is not an effect of those standards on the financial results, compared data of previous periods are revised.

IAS 1, "Presentation of financial statements"
This amendment requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

Standards, amendments and interpretations effective in 2007 but not relevant to the operations of the Group.

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group's operations:

- IFRS 4, "Insurance contracts",
- IFRIC 7, "Applying the restatement approach under IAS 29, Financial reporting in hyperinflationary economies",
- IFRIC 8, "Scope of IFRS 2",
- IFRIC 9, "Reassessment of embedded derivatives",
- IFRIC 10, "Interim financial reporting and impairment".

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESANTATION OF THE FINANCIAL STATEMENTS (cont'd)

Adoption of New and Revised International Financial Reporting Standards (cont'd):

• IFRIC 11, "IFRS 2 – Group and treasury share transactions"	Effective for annual periods beginning on or after 1 March 2007
• IAS 23, "(Amendment) Borrowing costs"	Effective for annual periods beginning on or after 1 January 2009
• IFRS 8, "Operating segments"	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 12, "Service concession arrangements"	Effective for annual periods beginning on or after 1 January 2008
• IFRIC 13, "Customer loyalty programmes"	Effective for annual periods beginning on or after 1 January 2008
• IFRIC 14, "IAS 19- The limit on a defined benefit asset, minimum funding requirements and their interaction"	Effective for annual periods beginning on or after 1 January 2008

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

Comparative information and adjustments made in previous periods' consolidated financial statements:

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classification of the financial statements is changed, in order to maintain consistency, financial statements of the prior periods are also reclassified in line with the related changes. The reclassifications made to the financial statements as of 31 December 2006 in order to maintain consistency with financial statements as of 31 December 2007 are as follows:

In the balance sheet, the cross currency transactions have been presented in net amounts and an amount of TRY 37.335 thousand in liquid assets have been netted off with short-term borrowings of TRY 365 thousand and long-term borrowings of TRY 37.700 thousand. Unpaid vacation provision amounting to TRY 59 thousand and legal case provision amounting to TRY 41 thousand have been classified from other liabilities to provisions.

In the income statement, foreign exchange gain / (losses) amounting TRY 49.829 thousand to on finance lease receivables has been classified from operating income to finance expenses. Allowance for doubtful finance lease receivables amounting to TRY 1.442 thousand has been classified from other operating expenses and losses to operating expenses. Interest income amounting to TRY 6.423 thousand has also been classified from finance expenses to other income and profit account.

Offsetting

Financial assets and liabilities are offset and the net amount 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 realize the asset and settle the liability simultaneously.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and valuation principles used to prepare the accompanying financial statements are as follows:

a. Revenue recognition

Leasing Receivables: The initial value at the beginning of the leasing period of the assets that are subject to leasing under the Leasing Law are represented as leasing receivables in the balance sheet. Financial revenues that are the spread between the total leasing receivables and the real value of the assets subject to leasing are recorded in the related period with the receivables of each accounting period distributed over the related period via the fixed interest rate throughout the duration of the leasing agreement.

Other interest income is accrued based on 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 payment.

b. Inventory

None.

c. Tangible Assets:

Tangible and intangible assets purchased before 1 January 2005 are carried at indexed historical cost and purchases in subsequent periods are carried at historical cost, less accumulated depreciation and impairment.

Tangible assets are depreciated principally on a straight-line basis considering expected useful lives, acquisition and assembly dates. Expected useful lives which have been used by the Group are summarized below:

Vehicles	5 years
Furniture and fittings	5 years
Leasehold improvement	5 years
Computer software	5 years

Expenses for the repair of tangible assets are normally charged against income.

The gain or loss arising on the disposal or retirement of an item of tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

d. Intangible Assets

Intangible assets that are acquired before 1 January 2005 are carried with their restated cost and intangible assets that are acquired in subsequent periods are carried with their cost, less accumulated amortization and impairment.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. Intangible Assets (cont'd)

Intangible assets are amortized principally on a straight-line basis considering expected useful lives. Related intangible assets are depreciated when they are ready to use. The amortization rate used for intangible assets is 20%.

e. Impairment of Tangible and Intangible Assets except Goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

f. Borrowing Costs

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

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g. Financial Instruments:

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Finance lease receivables and other receivables

Finance lease receivables and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the possible collection amount. The possible collection amount is the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The Group's management considers that the carrying amount of finance lease and other receivables approximates their fair value.

Due to / from related parties

In the accompanying financial statements, shareholders of the Group, related companies, their directors and key management personnel and any groups to which they are known to be related, are considered and referred to as related companies. The carrying value of due to and due from related parties at financial statements are estimated to be their fair value.

Financial Assets

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

Financial assets are classified into the following specified categories financial assets as 'at fair value through profit or loss' , 'held to maturity investments', 'available for sale" 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 the initial recognition.

Financial assets at fair value through profit or loss :

Financial assets are classified as financial assets at fair value through profit or loss where the Group acquires the financial asset principally for the purpose of selling in the near term, the financial asset is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short term profit taking as well as derivatives that are not designated and effective hedging instruments. A gain or loss from valuation of a financial asset or financial liability classified as at fair value through profit or loss shall be recognized in profit or loss. Net gain / loss recognized in profit or loss includes interest and dividend income earned on the financial asset.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g. Financial Instruments (cont'd)

Effective interest rate:

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.

Income on debt instruments that are held to maturity, are available for sale, or on loans and receivables is recognized in income by using effective interest rate method.

Held-to-maturity investments:

Policies and bonds with fixed or determinable payments and fixed maturity where the Group has both the intent and the ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are recognized at amortized cost using the effective interest method, less any impairment in value.

Available for sale financial assets:

Available for sale investments consist of (a) other than held-to-maturity debt securities or (b) held for trading securities. Available for sale investments are measured at subsequent reporting dates at fair value as long as fair values can be reliably measured and whose fair values cannot be reliably measured are stated at cost. Gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Dividends on available for sale equity instruments are recognized in profit and loss when the Companies right to receive payments is established.

The fair value of available for sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortized cost of the asset is recognized in profit or loss, and other changes are recognized in equity.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g. Financial Instruments (cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is an objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For loans and receivables the amount of the 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 the impairment loss directly for all financial assets with the exception trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Changes in allowance accounts are recognized in profit or loss.

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

Increase in fair value of available for sale financial assets 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 which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.

Financial liabilities

Interest-bearing financial liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (less transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. The Group management considers that the carrying amount of trade and other payables approximates their fair value.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g. Financial Instruments (cont'd):

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 interest rate derivative 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 to fair value at subsequent reporting dates. The Group does not use hedge accounting therefore, changes in the fair value of derivative financial instruments are recognized in profit or loss as they arise.

h. Business Combinations and Goodwill

The acquisition of subsidiaries and businesses are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 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. If, after reassessment, 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, the excess is recognized immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gain and losses arising from monetary items' translation, collection or disbursements are recognized in profit or losses.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;

- Exchange differences on effective portions of transactions entered into in order to hedge certain foreign currency; and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

j. Earnings per Share

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

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

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k. Subsequent Events

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Group (should any evidence come about events that were prior to the balance sheet date or should new events come about) they will be explained in the relevant footnote.

The Group; restates its financial statements if such subsequent events arise.

l. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Change in Accounting Policies, Accounting Estimates and Errors:

Changes in accounting policies or fundamental accounting errors are applied retrospectively and the consolidated financial statements for the prior periods are restated. If changes in accounting estimates relate only for one period, changes are applied in the current period but if changes in estimates relate more than one period, changes are applied both in the current and following periods prospectively.

n. Finance Lease

- the Group as Lessor

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.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n. Finance Lease (cont'd)

- the 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, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (see above).

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

The Group does not have operating lease as of the balance sheet date.

o. Related Parties

In the accompanying financial statements, shareholders of the Group, related companies, their directors and key management personnel and any groups to which they are known to be related, are considered and referred to as related companies.

The carrying value of due to and due from related parties are estimated to be their fair value.

p. Segmental Information

The Group is operating in both leasing and factoring businesses. (Please see Note 33)

q. Construction Agreements:

None.

r. Discontinued Operations

None.

s. Government Grant and Incentives:

None.

t. Investment Properties

None.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

u. Taxation 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 financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

u. Taxation on Income (cont'd)

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

v. Retirement Pay Provision

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) "Employee Benefits" ("IAS 19").

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

w. Retirement Plans

None.

x. Agricultural Operations

None

y. Statement of Cash Flows

The Group prepares its cash flows to inform financial statement users about the changes in Group's net assets, financial situation and the ability to manage the amount and timing of cash flows in accordance with changes in circumstances.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

4. LIQUID ASSETS

	31 December 2007	31 December 2006
Demand deposits	5.692	2.362
Time deposits (1-3 months)	157.741	78.647
Interest accrual	575	245
	164.008	81.254

The details of time deposits as of 31 December 2007 are as follows:

Currency	Interest Rate	Maturity	31 December 2007
TRY	18,20%-19,00%	07.01.2008-28.01.2008	95.564
US$	2,76%-4,25%	02.01.2008	11.696
EURO	1,70%-5,25%	02.01.2008-28.01.2008	51.056
			158.316

As of 31 December 2007, TRY 55.258 thousand of total foreign currency deposits (31 December 2006: TRY 39.149 thousand) and TRY 37.819 thousand (31 December 2006: TRY 36.958 thousand) of total TRY deposits consist of accounts at its main shareholders, Türkiye İş Bankası A.Ş..

The details of time deposit as of 31 December 2006 are as follows:

Currency	Interest Rate	Maturity	31 December 2006
TRY	21,00%-21,25%	04.01.2007-29.01.2007	35.928
US$	4,25%-5,10%	04.01.2007	13.737
EURO	2,55%-3,81%	04.01.2007	29.227
			78.892

Reconciliation of carrying value of liquid assets in the accompanying financial statements with the cash flow statement:

	31 December 2007	31 December 2006
Demand deposit	5.692	2.362
Time deposit (1-3 month)	157.741	78.647
Liquid assets per cash flow statement	163.433	81.009

5. MARKETABLE SECURITIES

Trading Securities:

	31 December 2007	31 December 2006
Mutual funds	25	750

The Group has Türkiye İş Bankası A.Ş.'s mutual funds amounting to TRY 25 thousand. (31 December 2006: TRY 750 thousand)

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

6. BORROWINGS

	31 December 2007	31 December 2006
Short-term borrowings		
Short-term borrowings	512.220	325.879
Short-term portions of long-term borrowings	28.525	30.898
Total short-term borrowing	540.745	356.777
Long-term borrowings		
Long-term portions of long-term borrowings	260.477	318.022
Total long-term borrowings	260.477	318.022
Total borrowings	801.222	674.799

Maturity analysis of borrowings	31 December 2007	31 December 2006
Within 1 year	540.745	356.777
Within 1-2 years	242.820	307.179
Within 2-3 years	17.657	8.122
Within 3-4 years	-	2.721
Total	801.222	674.799

The details of short-term borrowings are as follows:

Currency	Interest rate	Currency amount	31 December 2007
TRY	17,46%-18,97%	-	123.259
US$	3,95%-8,34%	151.327.313	176.251
EURO	5,18%-6,33%	115.732.024	197.925
GBP	6,50%	961.788	2.237
Interest accruals			12.548
Total			512.220

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

6. BORROWINGS (cont'd)

Currency	Interest rate	Currency amount	31 December 2006
TRY	18,60%-19,00%	-	19.700
US$	5,45%-8,82%	87.994.867	123.686
EURO	4,18%-6,21%	93.166.069	172.497
Interest accrual			9.996
Total			325.879

The details of short-term portions of long-term borrowings are as follows:

Currency	Interest rate	Currency amount	31 December 2007
US$	5,93%-7,01%	2.843.389	3.311
EURO	4,63%-6,05%	14.743.332	25.214
Total			28.525

Currency	Interest rate	Currency amount	31 December 2006
US$	3,95%-8,55%	7.843.979	11.025
EURO	4,63%-5,31%	10.733.333	19.873
Total			30.898

The details of long-term borrowing are as follows:

Currency	Interest rate	Currency amount	31 December 2007
US$	5,35%-7,01%	71.873.555	83.711
EURO	4,63%-6,05%	103.359.781	176.766
Total			260.477

Currency	Interest rate	Currency amount	31 December 2006
US$	3,95%-8,55%	87.205.601	122.576
EURO	4,03%-5,31%	105.561.112	195.446
Total			318.022

Credit interest rate is implied compoundly.

The Group's financial borrowings amounting to US $ 72.131.250, EUR 6.511.115 and TRY 123.259 thousand (2006: US $ 52.000.000, EUR 35.574 and TRY 19.700 thousand) have fixed interest rates exposing the Group to the fair value interest rate risk. Other borrowings with variable interest rates exposes the Group to the cash flow interest rate risk.

The Group's borrowing's fair value is given in note 45.

At 31 December 2007, the Group had available TRY 571.673 thousand of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

7. TRADE RECEIVABLES AND PAYABLES

Trade payables	31 December 2007	31 December 2006
Payables to finance lease suppliers	9.819	10.203
Other trade payables (*)	4.462	6.017
	14.281	16.220

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

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

8. FINANCE LEASE RECEIVABLES AND PAYABLES

Finance lease receivables

31 December 2007	Short-term	Long-term	Total
Invoiced finance lease receivables	17.347	-	17.347
Doubtful finance lease receivables	62.976	8.039	71.015
Less: Doubtful finance lease receivables unearned interest income	(2.293)	(946)	(3.239)
Uninvoiced finance lease receivables	393.826	457.777	851.603
Less: Unearned interest income	(74.483)	(66.204)	(140.687)
Less: Allowance for doubtful receivables	(30.685)	(2.967)	(33.652)
Net finance lease receivables	366.688	395.699	762.387

31 December 2006	Short-term	Long-term	Total
Invoiced finance lease receivables	22.047	-	22.047
Doubtful finance lease receivables	39.495	6.135	45.630
Less: Doubtful finance lease receivables unearned interest income	(1.530)	(648)	(2.178)
Uninvoiced finance lease receivables	395.519	414.543	810.062
Less: Unearned interest income	(73.067)	(53.452)	(126.519)
Less: Allowance for doubtful receivables	(22.904)	(4.337)	(27.241)
Net finance lease receivables	359.560	362.241	721.801

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

8. FINANCE LEASE RECEIVABLES AND PAYABLES (cont'd)

The allocation of finance lease receivables according to their maturities as of 31 December 2007 is as follows:

	2008	2009	2010	2011	2012	2013 and after	Total
Financial lease receivables (gross)	441.171	245.455	120.034	55.551	21.672	19.191	903.074
Unearned Interest	(74.483)	(38.566)	(16.065)	(6.684)	(2.573)	(2.316)	(140.687)
Finance lease receivables (net)	366.688	206.889	103.969	48.867	19.099	16.875	762.387

The allocation of finance lease receivables according to their maturities as of 31 December 2006 is as follows:

	2007	2008	2009	2010	2011	2012 and after	Total
Finance lease receivables (gross)	432.627	251.467	116.855	35.719	8.771	2.881	848.320
Unearned interest	(73.067)	(35.872)	(12.982)	(3.649)	(679)	(270)	(126.519)
Finance lease receivables (net)	359.560	215.595	103.873	32.070	8.092	2.611	721.801

As of 31 December 2007, the compound interest rate that applies for finance lease receivables is; 26,22% for TRY, 9,69 % for US$, and 9,45% for EURO. (31 December 2006: for TRY 25,07%, for US$ 9,91% and for EURO 9,85%).

As of 31 December 2007, the distribution of uninvoiced rental receivables according to foreign currency types is as follows:

Currency	Principal in foreign currency	Principle (Net)	Unearned interest in foreign currency	Unearned interest
US$	208.285.508	242.590	35.998.952	41.928
EURO	174.929.303	299.164	25.765.493	44.064
TRY	-	220.633	-	54.695
Total		762.387		140.687

As of 31 December 2006, the distribution of uninvoiced finance lease receivables according to foreign currency types is as follows:

Currency	Principal in foreign currency	Principle (Net)	Unearned interest in foreign currency	Unearned interest
US$	151.681.529	213.204	20.933.013	29.423
EURO	159.961.272	296.168	21.376.019	39.578
TRY	-	212.429	-	57.518
Total		721.801		126.519

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

8. FINANCE LEASE RECEIVABLES AND PAYABLES (cont'd)

The Group's finance lease receivables amounting to US $ 27.648.300, EUR 2.271.042 have floating interest rates (2006: USD $ 63.147.970, EUR 2.545.954) and amounting to USD $ 180.637.208, and EUR 172.658.261 have fixed interest rates. (2006: US $ 88.533.559, EUR 157.415.318)

The Group's guarantees for all finance lease receivables are as follows:

Guarantee type :	31 December 2007	31 December 2006
Ship mortgages	-	4.217
Other mortgages	564.726	560.485
Guarantors	7.477	7.746
Cash blockages	17.793	18.546
Letter of guarantees	10.865	10.299
	600.861	601.293

As of balance sheet date, the Group's finance lease receivables which are overdue less than 90 days is amounting to TRY 6.957 thousand. The Group does not recognize allowance considering the fact that there is no substantial risk regarding the recoverability of such finance lease receivables. The uninvoiced portion of such overdue receivables is TRY 71.808 thousand and aging of the total amount is as follows:

	31 December 2007
Up to 30 days	4.237
Between 30 – 60 days	1.766
Between 60 – 90 days	954
Uninvoiced	71.808
	78.765

Guarantee type :	31 December 2007
Mortgages	70.268
Guarantors	1.027
Cash blockages	206
Letter of guarantees	1.481
	72.982

In determining the recoverability of the finance lease receivables, the Group considers any change in the credit quality of receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to working with a great many customers. Accordingly, the Group management believes that there is no further credit allowance need in excess of the allowance for doubtful receivables in the accompanying financial statements.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

8. FINANCE LEASE RECEIVABLES AND PAYABLES (cont'd)

The aging of the doubtful finance lease receivables as of 31 December 2007 is as follows:

	31 December 2007
Up to 90 days	7.704
Between 90 – 180 days	4.776
Between180 – 360 days	4.413
Over 360 days	10.498
Uninvoiced doubtful finance lease receivables	43.624
Less: Doubtful finance lease receivables unearned interest income	(3.239)
	67.776

The guarantees taken for doubtful finance lease receivables as of 31 December are as follows:

Guarantee type :	31 December 2007
Mortgages	52.868
Guarantors	105
Cash blockages	846
Letter of guarantees	674
Equipment of finance leases	7.249
	61.742

Movement of provision for doubtful receivables	31 December 2007	31 December 2006
Provision at the beginning of the period	27.241	32.392
Additions	29.373	10.249
Write offs	(1.503)	(6.593)
Collections	(21.459)	(8.807)
Provision at the end of the period	33.652	27.241

Finance lease payables	31 December 2007	31 December 2006
Finance lease payables	17	95
Less: Cost of deferred finance lease payable	(-)	(4)
Finance lease payables (Net)	17	91

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

9. DUE FROM / TO RELATED PARTIES

Finance lease receivables	31 December 2007	31 December 2006
Türkiye İş Bankası A.Ş.	72.480	92.584
Gemport Gemlik Liman İşletmeleri A.Ş.	3.966	712
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	2.304	694
Avea İletişim Hizmetleri A.Ş.	3.200	-
Anadolu Anonim Türk Sigorta Şirketi	238	662
Beyaz Filo Oto Kiralama A.Ş.	10.157	5.127
Other	352	982
	92.697	100.761

Factoring receivables		
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	351	-
Nevotek Bilişim Ses Ve İletişim Sist.San.Ve Tic.A.Ş	317	-
	668	-

Payables to related parties		
Anadolu Anonim Türk Sigorta Şirketi	4.298	5.728
Türkiye İş Bankası A.Ş.	9	382
Türkiye Sınai Kalkınma Bankası A.Ş.	227	14
Gemport Gemlik Liman İşletmeleri A.Ş.	229	18
Other	4	104
	4.767	6.246

Borrowings

Türkiye İş Bankası A.Ş.

Currency	Interest Rate	Maturity	31 December 2007
TRY	16,70%	Revolving	24.592
US $	5,84%-8,18%	07.04.2008-18.05.2010	25.231
EURO	5,17%-6,89%	23.09.2008-31.05.2010	186.078
GBP	6,50%	01.01.2008	2.237
			238.138

Currency	Interest Rate	Maturity	31 December 2006
TRY	19,75%	Revolving	310
US $	6,39%-8,37%	08.03.2007 – 18.11.2008	55.526
EURO	4,06%-6,11%	04.05.2007 – 18.11.2008	132.922
			188.758

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

9. DUE FROM / TO RELATED PARTIES (cont'd)

Türkiye Sınai Kalkınma Bankası A.Ş.

Currency	Interest Rate	Maturity	31 December 2007
US $	6,89%	15.07.2010	13.416
EURO	4,35%-5,86%	15.04.2010-15.10.2010	2.697
			16.113

Currency	Interest Rate	Maturity	31 December 2006
US $	7,1%	15.10.2009-15.10.2010	5.561
EURO	4,35%-4,78%	15.04.2010-15.10.2010	4.291
			9.852

Deposits

	31 December 2007	31 December 2006
Türkiye İş Bankası A.Ş. Time Deposit	5.254	1.692
Türkiye İş Bankası A.Ş Demand Deposit (1-3 Months)	87.823	74.415

	01.01.2007- 31.12.2007	01.01.2006- 31.12.2006
Finance lease interest income		
Türkiye İş Bankası A.Ş.	8.523	8.954
Gemport Gemlik Liman. İşl. A.Ş.	204	239
İş-Koray Tur. Orm. Mad.İnş.Taah. ve Tic. A.Ş.	3	166
Bayek Tedavi Sağlık Hizm. ve İşlet.A.Ş.	58	129
Anadolu Anonim Türk Sigorta Şti. A.Ş.	25	48
Türkiye Sınai Kalkınma Bankası A.Ş.	14	-
Other	163	228
	8.990	9.764
Dividend income		
Yatırım Finansman Menkul Değerler A.Ş	3	5
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	12	-
	15	5
Interest Income		
Türkiye İş Bankası A.Ş.	2.271	2.237
Türkiye Sınai Kalkınma Bankası A.Ş.	-	48
	2.271	2.285

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

9. DUE FROM / TO RELATED PARTIES (cont'd)

	01.01.2007-31.12.2007	01.01.2006-31.12.2006
Finance expense		
Türkiye İş Bankası A.Ş.	11.596	14.396
Türkiye Sınai Kalkınma Bankası A.Ş.	943	510
	12.539	14.906
Rent expense		
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	820	865
Factoring income		
Cam Pazarlama A.Ş.	123	143
Şişe Cam Dış Tic.A.Ş.	48	-
Nevotek Bilişim Ses Ve İletişim Sist.San.Ve Tic.A.Ş	4	-
	175	143
Commission income		
Anadolu Anonim Türk Sigorta Şirketi	2.027	2.065
Compensation of Key Client Personnel		
Short-term benefits	1.536	1.646

10. OTHER RECEIVABLES AND PAYABLES

	31 December 2007	31 December 2006
Short-term factoring receivables (*)		
Domestic factoring receivables (net)	52.574	25.888
Export and import factoring receivables (net)	3.267	544
Factoring interest income accrual	119	196
Unearned interest income	(1.467)	(646)
Doubtful factoring receivables	2.128	859
Gross factoring receivables	56.621	26.841
Provision for doubtful factoring receivables	(2.128)	(859)
	54.493	25.982
Long-term factoring receivables		
Domestic factoring receivables (net)	1.597	-

(*) The balance consists of factoring receivables of the subsidiary İş Factoring Finansman Hizmetleri A.Ş. which is owned by the Group with the ownership percentage of 78,23 %.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

10. OTHER RECEIVABLES AND PAYABLES(cont'd)

Movement of provision for doubtful factoring receivables	31 December 2007	31 December 2006
Provision at the beginning of the period	859	1.257
Additions	1.323	-
Write offs	(54)	(122)
Collections	-	(276)
Provision at the end of the period	2.128	859

11. BIOLOGICAL ASSETS

None.

12. INVENTORIES

None.

13. RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS (NET)

None.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

14. DEFERRED TAX ASSETS AND LIABILITIES (NET)

The Group recognizes deferred tax assets and liabilities based upon the temporary differences arising between its financial statements as reported for IFRS purposes and financials prepared according to the Turkish tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IFRS and tax legislation and represented below. It is provided provision for deferred tax assets that will not be realized in future.

	31 December 2007	31 December 2006
Deferred tax asset	20	19

	31 December 2007	31 December 2006
Temporary differences subject to deferred tax:		
Finance lease adjustment	(8.914)	20.427
Tax base difference in tangible and intangible assets	6.255	7.847
Retirement pay provision	545	461
Finance lease income accruals	(10.084)	(9.875)
Allowance for doubtful finance lease receivables	18.056	11.841
Forward / swap accrual	3.056	2.148
Unreal finance expense	9.654	19.308
Tax losses carried forward	-	4.697
Unused investment incentives	410.688	388.124
Other	(134)	(269)
	429.122	444.709

The effective tax rate has been applied as 30% except investment incentives since the Company has decided to use investment incentive option in case the Company has taxable income in the following years. On the other hand, the Company's subsidiary İş Factoring Finansman Hizmetleri A.Ş. does not have investment incentive to be used for the following years, thus the effective tax rate has been determined as 20%. Investment incentive certificates are revoked commencing from 1 January 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years as of 31 December 2005 so as to be deducted from taxable income of subsequent profitable years. However, the companies can deduct the carried forward outstanding allowance from 2006, 2007 and 2008 taxable income. While the investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years, legally, there is still uncertainty about the future. Therefore, a provision has been provided for the deferred tax asset of the Group in the accompanying financial statements.

Unrecognized tax losses will expire as follows:

	31 December 2007	31 December 2006
Ending as of 2011	-	4.697
	-	4.697

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

14. DEFERRED TAX ASSETS AND LIABILITIES (NET) (cont'd)

Deferred Tax Assets / (Liabilities)	31 December 2007	31 December 2006
Finance lease adjustment	(2.674)	6.127
Tax base difference in tangible and intangible assets	1.881	2.357
Retirement pay provision	151	127
Finance lease income accruals	(3.025)	(2.962)
Allowance for doubtful finance lease receivables	5.416	3.553
Forward / swap accrual	917	645
Unreal finance expense	2.896	5.792
Tax losses carried forward	-	2.270
Unused investment incentives	100.006	95.221
Other	(40)	(81)
Deferred tax asset	105.528	113.049
Provision	(105.508)	(113.030)
Deferred tax asset (net)	20	19

Deferred tax assets/ (liabilities) movement for the period ended as of 31 December 2007 is as follows:

	31 December 2007	31 December 2006
Opening balance 1 January	19	23
Deferred tax benefit / (expense)	1	(4)
Closing balance	20	19

15. OTHER CURRENT / NON-CURRENT ASSETS AND OTHER CURRENT/ NON-CURRENT LIABILITIES

Other current assets	31 December 2007	31 December 2006
Ongoing leasing contracts (*)	17.453	18.762
Advances given	19.481	4.419
VAT deductible and other VAT	6.198	5.478
Insurance premium receivables	4.715	4.694
Assets held for sale	2.865	2.917
Other	1.229	1.895
	51.941	38.165

(*) The Company purchases machinery and equipment from domestic and foreign suppliers on behalf of the lessees on the basis of the leasing contract terms. The balance includes the total amount paid for these machinery and equipment but not charged to the lessees yet, as of 31 December 2007 and 31 December 2006

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

15. OTHER CURRENT / NON-CURRENT ASSETS AND OTHER CURRENT/ NON-CURRENT LIABILITIES (cont'd)

Other current/ non-current liabilities	31 December 2007	31 December 2006
Social security premiums payable	368	353
Forward accrual	1.776	771
Payable to Tax Offices (*)	7.904	12.055
Other	93	532
	10.141	13.711

(*) The Company's subsidiary, İş Factoring Finansman Hizmetleri A.Ş., had a tax audit and tax penalty notifications were sent to İş Factoring Finansman Hizmetleri A.Ş. within the context of article 16 in Corporate Tax Law. İş Factoring A.Ş has brought a lawsuit against the relevant authorities concerning the cancellation of the given tax penalty notifications and on condition of keeping a right to bring a lawsuit in 2005 and given blocked cheques amounting to TRY 4.265 thousand to the tax office regarding the amounts claimed for the notifications. Subsequently, İş Factoring Finansman Hizmetleri A.Ş. has lost the pending lawsuits against the tax authorities with a right to appeal to the Supreme Court for the suspension of the execution of the decisions. Furthermore, İş Factoring applied to Ministry of Finance on the condition of saving all its legal rights, to postpone its liability and to structure a repayment plan and subsequently, started to pay based on the notified repayment schedule. On August 1, 2007 the 4th Chamber of Council of State has notified İş Factoring Finansman Hizmetleri A.Ş. that according to the Council's decree dated April 10, 2007 it has been decided on the reversal of judicial order taken by the 3rd Tax Court in Istanbul regarding the realization of installment plan payments of İş Factoring Finansman Hizmetleri A.Ş. to the related Tax Office. The remaining liability is TRY 7.904 thousand in accordance with the repayment schedule notified by the Tax Offices and due to the fact that the court decision has not been certified, yet, the Group management has decided to keep such amount in the accompanying financial statements

16. FINANCIAL ASSETS (NET)

				Ownership percentage (%)		Fair value	
Name of the investment	Core business	Incorporation and operation location	Voting right (%)	31 December 2007	31 December 2006	31 December 2007	31 December 2006
İş Yatırım Menkul Değerler A.Ş. - (İş Yatırım)	Investment and Securities Services	İstanbul	4,86	4,86	6,00	15.682	5.990
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Investment Services	İstanbul	0,89	0,89	0,90	584	768
Camiş Menkul Değerler A.Ş.	Commerce	İstanbul	0,05	0,05	0,05	2	2
Yatırım Finansman Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0,06	0,06	0,06	21	18
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	328	328
TOTAL						16.617	7.106

(*) Due to public offering of İş Yatırım Menkul Değerler A.Ş. in May 2007, the Group has started to account its shares in İş Yatırım Menkul Değerler A.Ş. at fair value.

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17. POSITIVE / (NEGATIVE) GOODWILL

The Company has purchased nominal shares of İş Factoring Finansman Hizmetleri A.Ş. amounting to TRY 12.517 thousand with a price of US $ 10.952.375 as of 11 August 2004. The shareholding rate on this subsidiary is 78,23 %. Positive goodwill has been occurred amounting to TRY 169 thousand on purchased equity of TRY 16.603 thousand. The net amount of goodwill as of 31 December 2007 is TRY 166 thousand. (31 December 2006: TRY 166 thousand) Within the framework of IFRS 3 "Mergers and Acquisitions" which is effective from 1 January 2005, no amortization is applied to goodwill realized out of the acquisitions after December 31, 2004 for the annual periods beginning on or after 31 March 2004, and analysis of provision for impairment is performed as of each balance sheet date for goodwill

18. INVESTMENT PROPERTIES

None.

19. TANGIBLE ASSETS

	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Acquisition cost					
Opening balance 1 January 2007	466	3.113	1.819	2.848	8.246
Additions	-	276	8	4	288
Closing balance 31 December 2007	466	3.389	1.827	2.852	8.534
Accumulated depreciation					
Opening balance 1 January 2007	(225)	(2.806)	(1.637)	(2.402)	(7.070)
Charge for the period	(94)	(129)	(85)	(112)	(420)
Closing balance 31 December 2007	(319)	(2.935)	(1.722)	(2.514)	(7.490)
Net book value as of 31 December 2007	147	454	105	338	1.044

	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Acquisition cost					
Opening balance 1 January 2006	743	2.998	1.724	2.459	7.924
Additions	17	115	95	389	616
Disposals	(294)	-	-	-	(294)
Closing balance 31 December 2006	466	3.113	1.819	2.848	8.246
Accumulated depreciation					
Opening balance 1 January 2006	(375)	(2.664)	(1.528)	(2.249)	(6.816)
Charge for the period	(110)	(142)	(109)	(153)	(514)
Disposals	260	-	-	-	260
Closing balance 31 December 2006	(225)	(2.806)	(1.637)	(2.402)	(7.070)
Net book value as of 31 December 2006	241	307	182	446	1.176

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

20. INTANGIBLE ASSETS

	31 December 2007	31 December 2006
Acquisition cost		
Opening balance 1 January	170	159
Additions	37	11
Disposals	-	-
Closing balance 31 December	207	170
Amortization		
Opening balance 1 January	(158)	(156)
Charge for the period	(4)	(2)
Disposals	-	-
Closing balance 31 December	(162)	(158)
Net book value	45	12

21. ADVANCES RECEIVED

	31 December 2007	31 December 2006
Advances received (*)	10.576	11.952

(*) Advances received consist of the leasing advances received from lessees for the machinery and equipment which are not in use of the lessees, yet.

22. RETIREMENT BENEFITS

None.

23. PROVISIONS

Short term provisions:

	31 December 2007	31 December 2006
Corporate tax provision (net)	-	129
Unused vacation provision	81	59
Provision for lawsuit	41	41
	122	229

	31 December 2007	31 December 2006
Corporate tax provision	406	472
Prepaid taxes	(492)	(343)
Corporate tax provision	(86)	129

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

23. PROVISIONS (cont'd)

Long term provisions:

Retirement pay provision:	31 December 2007	31 December 2006
1 January	461	379
Increase during the year	118	102
Amounts paid	(34)	(20)
Period End	545	461

Retirement Pay Provision:

Under Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified. Also, employees are required to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to current 506 numbered Social Insurance Law's 6 March 1981 dated, 2422 numbered, 25 August 1999 dated and 4447 numbered with 60^{th} article that has been changed. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was changed as of 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 2.087,92 (2006: TRY 1,857.44) for each period of service at 31 December 2007.

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2007, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 5% and a discount rate of 11%, resulting in a real discount rate of approximately 5,71% (31 December 2006: with 5% inflation rate and 11% discount rate approximately 5,71%). The anticipated rate of forfeitures is considered and taken into account as 0%. (2006: 0%) As the maximum liability is revised semi annually, the maximum amount of TRY 2.087,92 effective from 1 January 2008 has been taken into consideration in calculation of provision from employment termination benefits.

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24. MINORITY SHARE

The Company owns 78,23% of İş Factoring Finansman Hizmetleri A.Ş. Therefore, minority share is calculated from balance sheet and income statement of the subsidiary amounting to TRY 2.857 thousand (31 December 2006: TRY 1.603 thousand) and TRY 256 thousand gain, respectively as of 31 December 2007 (31 December 2006: TRY 3.135 thousand-loss).

25. TREASURY STOCK

The Company consolidates its subsidiaries with a full consolidation method. The carrying value of the subsidiaries is eliminated with the corresponding share capital amounts in the accompanying consolidated financial statements.

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26. CAPITAL RESERVES

As of 31 December 2007 and 31 December 2006 share capital held is as follows:

CAPITAL

Shareholders	(%)	31 December 2007	(%)	31December 2006
Türkiye İş Bankası A.Ş.	27,79	38.773	27,79	27.794
Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB)	28,56	39.841	28,56	28.560
Publicly traded	42,30	59.003	42,30	42.296
Türkiye Şişe ve Cam Fab. A.Ş. (*)	0,45	628	0,45	450
Nemtaş Nemrut Liman İşletmeleri A.Ş.	0,90	1.255	0,90	900
TOTAL	100,00	139.500	100,00	100.000

(*) Türkiye Şişe ve Cam Fabrikaları AŞ. has merged with Cam Pazarlama A.Ş. via takeover.

CAPITAL RESERVES

	31 December 2007	31 December 2006
Increase / (decrease) in fair value reserve of financial assets	8.547	46
Shareholders' equity inflation restatement differences	12.581	12.581
-Capital	12.581	12.581
-Legal reserves	-	-
-Extraordinary reserves	-	-
TOTAL	21.128	12.627

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

27. PROFIT RESERVES

	31 December 2007	31 December 2006
Legal reserves	3.360	3.186
Extraordinary reserves	296	12.513
TOTAL	3.656	15.699

The legal reserves consist of the 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.

28. RETAINED EARNINGS

	31 December 2007	31 December 2006
Retained earnings	1.582	1.593

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

29. FOREIGN CURRENCY POSITION

31 December 2007	US$ 000	EURO 000	CHF 000	GBP 000	JPY 000	DKK 000	AUD 000	TRY Equivalent
Liquid assets	11.597	30.313	11	69	27	15	2	65.525
Finance lease receivables	208.286	174.929	-	-	-	-	-	541.755
Factoring receivables	229	707	-	1.019	-	-	-	3.848
Advances given	6.200	5.704	200	-	-	-	-	17.181
Equipment to be leased	5.942	2.643	-	-	-	-	-	11.441
Other current assets	63	-	-	-	-	-	-	73
Financial liabilities	(229.507)	(235.903)	-	(962)	-	-	-	(672.987)
Advances received	(1.878)	(2.948)	-	-	-	-	-	(7.228)
Trade payables	(2.290)	(3.499)	(200)	-	237	-	-	(8.854)
Other liabilities	(260)	(37)	-	-	-	-	-	(366)
Finance lease payables	(15)	-	-	-	-	-	-	(17)
Balance sheet position								(49.629)
Off Balance Sheet Position (Forward-Swap)	-	25.500	-	-	-	-	-	43.610
Accrual expense	-	(1.038)	-	-	-	-	-	(1.776)
Net Foreign Currency Position								(7.795)

31 December 2006	US$ 000	EURO 000	CHF 000	AUD 000	JPY 000	DKK 000	AUD 000	TRY Equivalent
Liquid assets	10.240	16.329	11	2	27	-	-	44.643
Finance lease receivables	151.681	159.961	-	-	-	-	-	509.372
Factoring receivables	431	300	-	-	-	-	-	1.162
Advances given	681	1.622	-	-	-	-	-	3.961
Equipment to be leased	6.368	2.411	-	-	-	-	-	13.415
Financial liabilities	(185.545)	(212.113)	-	-	-	-	-	(653.530)
Advances received	(2.806)	(3.093)	-	-	-	-	-	(9.671)
Other liabilities	(21)	(3)	-	-	-	-	-	(36)
Trade payables	(958)	(2.499)	(360)	-	(65.405)	-	-	(7.161)
Finance lease payables	(65)	-	-	-	-	-	-	(91)
Balance sheet position								(97.936)
Off balance sheet position (Forward-Swap)	25.000	32.000	-	-	-	-	-	94.388
Accrual expense	(363)	(141)	-	-	-	-	-	(771)
Net Foreign Currency Position								(4.319)

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

30. GOVERNMENT GRANTS AND INCENTIVES

None.

31. COMMITMENTS AND CONTINGENCIES

As of 31 December 2007, letter of guarantees amounting to TRY 1.351 thousand (31 December 2006: TRY 1.586 thousand) are given to customs, authorities and banks.

As of 31 December 2007, the total risk of court cases opened and currently pending against the Group amounts to approximately TRY 429 thousand (31 December 2006: TRY 256 thousand). The Group provided a provision amounting to TRY 41 thousand (31 December 2006: TRY 41 thousand). Besides, the accompanying financial statements include a provision of TRY 7.904 thousand in connection with the court case explained in note 15 (31 December 2006: TRY 16.259 thousand).

Forward Contracts:

	31 December 2007		31 December 2006	
	Currency Amount	TRY	Currency Amount	TRY
Purchases				
US$	-	-	25.000.000	35.140
EURO	5.500.000	9.406	12.000.000	22.218
		9.406		57.358
Sales				
TRY	11.317.100	11.317	58.911.446	58.911
		11.317		58.911

	31 December 2007	31 December 2006
Maturity Analysis:		
Short-term	9.406	57.358
Long-term	-	-
	9.406	57.358
Maturity Analysis:		
Short-term	11.317	58.911
Long-term	-	-
	11.317	58.911

Besides, the Group has cross currency swap amounting to EURO 20.000.000 having maturities of 09.10.2008 and 16.10.2008. The Group earns an interest of Libor per annum for the receivable amounting to EURO 20.000.000 and pays an interest of 19,90% -20,45% for the payable amounting to TRY 37.700 thousand per annum.

32. MERGERS AND ACQUISITIONS

During the current period, the Group does not have any merger and acquisition activities.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

33. SEGMENTAL INFORMATION

As of 31 December 2007 :

	Leasing	Factoring	Consolidation Eliminations	Consolidated
Total assets	950.729	118.221	(16.607)	1.052.343
Total liabilities	731.800	105.104	-	836.904
Net profit	45.797	1.175	(256)	46.716

As of 31 December 2006:

	Leasing	Factoring	Consolidation Eliminations	Consolidated
Total assets	855.509	37.529	(16.607)	876.431
Total liabilities	687.295	30.168	-	717.463
Net profit	38.707	(14.396)	3.135	27.446

Segmental Income Statement as of 31 December 2007:

	Leasing	Factoring	Consolidation Eliminations	Consolidated
OPERATING INCOME	101.650	8.888	-	110.538
Operating Expenses (-)	(18.475)	(3.030)	-	(21.505)
NET OPERATING PROFIT	83.175	5.858	-	89.033
Other Operating Profit / (Loss) (Net)	7.876	45	-	7.921
Finance Income / (Expense) (net)	(45.254)	(4.323)	-	(49.577)
OPERATING PROFIT	45.797	1.580	-	47.377
Minority Interest	-	-	(256)	(256)
PROFIT BEFORE TAXATON	45.797	1.580	(256)	47.121
Taxation	-	(405)	-	(405)
NET PROFT	45.797	1.175	(256)	46.716

	Leasing	Factoring	Consolidation Eliminations	Consolidated
Capital Increase (*)	39.500	-	-	39.500
Fixed Asset Additions	274	14	-	288
Depreciation and Amortization	(400)	(20)	-	(420)

(*) Capital increase has been made through issuing bonus shares.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

33. SEGMENTAL INFORMATION (cont'd)

Segmental Income Statement as of 31 December 2006:

	Leasing	Factoring	Consolidation Eliminations	Consolidated
OPERATING INCOME	94.485	4.426	-	98.911
Operating Expenses (-)	(10.550)	(1.610)	-	(12.160)
NET OPERATING PROFIT	83.935	2.816	-	86.751
Other Operating Profit / (Loss) (Net)	7.364	(15.611)	-	(8.247)
Finance Income / (Expense) (net)	(52.592)	(1.125)	-	(53.717)
OPERATING PROFIT	38.707	(13.920)	-	24.787
Minority Interest	-	-	3.135	3.135
PROFIT BEFORE TAXATON	38.707	(13.920)	3.135	27.922
Taxation	-	(476)	-	(476)
NET PROFIT	38.707	(14.396)	3.135	27.446

	Leasing	Factoring	Consolidation Eliminations	Consolidated
Capital Increase	50.000	-	-	50.000
Fixed Asset Additions	547	69	-	616
Depreciation and Amortization	(476)	(38)	-	(514)

(*) Capital increase has been made through issuing bonus shares.

34. SUBSEQUENT EVENTS

Based on the decision of the Council of Ministers dated 30 December 2007 published in the Official Gazette numbered 26742, the value added tax ("VAT") advantage on finance lease transactions has been revoked, the execution has been changed and the VAT rate to be used in finance lease transaction becomes same with the rate applicable to equipment itself which is subject to finance lease. Application of the new VAT rates is enforced for all new finance lease agreements signed subsequent to the date which the decision of the Council of Ministers' decision has been published in the Official Gazete. In the mean time, there are various public announcements made by the Ministry of Finance regarding possible reductions in VAT rates for some specific group of equipments which are subject to finance lease transactions.

35. DISCONTINUED OPERATIONS

None

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

36. OPERATING INCOME

Finance Lease Income	01.01.2007 - 31.12.2007	01.01.2006 - 31.12.2006
Finance lease interest income	101.650	94.485
Factoring income	8.888	4.426
	110.538	98.911

37. OPERATING EXPENSES

	01.01.2007 - 31.12.2007	01.01.2006 - 31.12.2006
Personnel expenses	(7.139)	(5.933)
Depreciation expense	(424)	(516)
Doubtful receivables provision expense (*)	(9.237)	(1.442)
Office rent expenses	(820)	(865)
Other general administrative expenses	(3.885)	(3.404)
	(21.505)	(12.160)

(*) The current year provision expense of TRY 29.373 thousand for doubtful finance lease receivables is netted off with the collections amounting to TRY 21.459 thousand. The amount above also includes doubtful factoring receivables' provision expense amounting to TRY 1.323 thousand.

38. OTHER OPERATING INCOME / EXPENSE AND PROFIT / LOSSES

Other operating income / profit

	01.01.2007 - 31.12.2007	01.01.2006 - 31.12.2006
Dividend income	15	5
Commission income	2.049	2.095
Interest income	5.921	6.423
Other	442	5
	8.427	8.528

Other operating expense / losses

	01.01.2007 - 31.12.2007	01.01.2006 - 31.12.2006
Tax case deferral interest charge / provision expense	(422)	(16.259)
Other	(84)	(516)
	(506)	(16.775)

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

39. FINANCE EXPENSES

	01.01.2007 - 31.12.2007	01.01.2006 - 31.12.2006
Foreign exchange gain / (loss)	64.584	(61.661)
Finance lease foreign exchange gain / (loss)	(66.955)	49.829
Interest expense	(47.206)	(41.885)
	(49.577)	(53.717)

40. NET MONETARY GAIN / (LOSS)

Since the Group did not apply inflation accounting in 2007, there is no monetary gain or loss in the accompanying statement of income.

41. TAXATION

	01.01.2007 - 31.12.2007	01.01.2006 - 31.12.2006
Provisions for taxes on income		
Corporate tax provision	406	472
Deferred tax income / (expense)	(1)	4
	405	476

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 year.

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

The effective tax rate in 2007 is 20%. (2006: 20%)

In Turkey, advance tax returns are filed on a quarterly basis The advance corporate income tax rate was decreased to 20% for 2006. (2005: 30%). The excess income tax paid of corporate income that was calculated at the rate of 30% during the first quarter will be deducted from tax returns in following periods.

Losses can be carried forward for offset against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods.

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

41. TAXATION (cont'd)

Income Withholding Tax:

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21 June 2006. However until the resolution of Council of Ministers, it has been used as 10%. With the resolution of Council of Ministers, effective from 23 July 2006, income withholding tax rate has been changed to 15%. 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. Subsequent to 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 company. The investments without investment incentive certificates do not qualify for tax allowance.

Investment incentive certificates are revoked commencing from 1 January 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years as of 31 December 2005 so as to be deducted from taxable income of subsequent profitable years. However the companies can deduct the carried forward outstanding allowance from 2006, 2007 and 2008 taxable income. The investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years.

The tax rate that the companies can use in the case of deducting the tax investment incentive amount in 2006, 2007 and 2008 is 30%. If the Company cannot use the investment incentive carried forward, the effective tax rate will be 20% and the unused investment incentive will be cancelled.

The Company has chosen to use investment incentive for the following years, thus the effective tax rate of the Company is 30%. On the other hand, the Company's subsidiary İş Factoring A.Ş. does not have investment incentive to be used for the following years, thus the effective tax rate has been determined as 20%.

Inflation adjusted tax calculation:

In 2003 and the previous years, profit for the period on which taxation was being calculated, used to be uninflated balances except for the effect of the annual revaluation of the fixed assets and the depreciation calculated thereon. The Law 5024 published in the Official Gazette of 30 December 2003 numbered 25332 requires the application of inflation accounting in 2004 and the following periods provided that the inflation rate reaches the limits set out by the Law. The Turkish Tax Law is similar to IAS 29. As the conditions outlined in the Turkish Tax Law occurred the Group adjusted its financial statements according to the regulations and calculated current period tax base over these financial statements as of 31 December 2004. These financial statements constituted the opening balances for 2005. In accordance with the Law 5024, such threshold has not been met in 2005, thus the Group did not apply inflation accounting for the periods then ended.

42. EARNINGS PER SHARE

The weighted average number of shares of the Group and earnings per share are as follows:

	1 January 2007- 31 December 2007	1 January 2006- 31 December 2006
Number of outstanding shares	12.304.166.667	12.304.166.667
Net period profit (thousand TRY)	46.716	27.446
Earning per share (TRY)	0,38	0,22

43. STATEMENT OF CASH FLOW

Statements of cash flows are presented in the accompanying financial statements.

44. OTHER ISSUES

None.

45. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and the equity balance.

The capital structure of the Group consists of equity comprising issued capital, reserves and retained earnings as disclosed in note 26, 27 and 28 respectively.

(b) Significant accounting policies

The Group's accounting policies about financial instruments are disclosed in note 3 "Summary of valuation principles / significant accounting policies" to the financial statements.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

45. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(c) Categories of financial instruments

	31 December 2007	31 December 2006
Financial assets:		
Liquid assets	164.008	81.254
Financial assets at fair value through profit and loss:		
-Held for trading	25	750
-Other	-	-
Finance lease receivables	762.387	721.801
Factoring receivables	56.090	25.982
Insurance premium receivables	4.715	4.694
Financial assets available for sale	16.617	7.106
Financial liabilities:		
Fair value difference of derivative instruments	(1.776)	(771)
Finance lease payables (net)	(17)	(91)
Trade payables	(14.281)	(16.220)
Borrowings	(801.222)	(674.799)

(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. These risks include market risk (including currency risk, fair value interest rate risk and price risk) credit risk, liquidity risk and cash flow interest rate risk.

The Group uses derivative instruments to decrease the effects of and hedge from financial risk against those risks. The Group does not enter into or trade financial instruments (including derivative financial instruments) for speculative purposes.

In order to decrease possible risks, the Group reports monthly to the risk management committee who monitors the risks and applied policies.

(Amounts are expressed in thousand of New Turkish Lira (“TRY”) unless otherwise indicated.)

45. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont’d)

(e) Market risk

The Group’s activities expose it primarily to the financial risks of changes in foreign exchange rates (refer to section f) and interest rates (refer to section g). To manage risks relating to exchange rate and interest rate, the Group uses various derivative financial instruments including expressed below:

“Forward foreign exchange contracts” to hedge from exchange rate risk stems from operations ,
“Currency swaps” to control exchange rate risk of foreign currency denominated liabilities, and
“Cross currency swaps” to decrease risks stem from interest rate and exchange rate fluctuations of 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 manner which it manages and measures the risk.

(f) Foreign currency risk management

Foreign currency transactions causes foreign currency risk. The Group controls foreign currency risk coming from its operations and cash flows of finance contracts by using “forward foreign exchange contracts”.

The Group’s assets and liabilities denominated in foreign currencies are disclosed in Note 29.

Foreign currency sensitivity

The Group mainly is exposed to US$ and EURO exchange rate risks.

The statement below shows the sensitivity of the Group to US$ and EURO when a 15% change occurs at those currencies’ exchange rates. 15% change in rates is used when reporting foreign currency risk to the top management and stands for expected fluctuation in exchange rates by the top management. Foreign currency sensitivity analysis for the reporting period of the Group is determined based on the change at the beginning of the fiscal year and fixed during the reporting period. Positive amount refers to increase in net profit.

	US$ Effect		EURO Effect	
	2007	2006	2007	2006
Profit / (loss)	(285)	979	(931)	(1.451)

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

45. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(f) Foreign currency risk management (cont'd)

Forward contracts and currency swaps

The Group makes forward contracts and currency swaps to cover the risks of receipts and payments, expected sales and purchases in a certain foreign currency. When expected sale and purchase transactions occur, book values of the items hedged from non-financial risk are adjusted.

The statement below shows the maturity detail of the forward contracts and currency swaps as of the balance sheet date:

Purchase/Sale Contracts	Forward rate 2007	Forward rate 2006	Foreign currency 2007	Foreign currency 2006	Contract Amount 2007 Thousand TRY	Contract Amount 2006 Thousand TRY	Fair Value 2007 Thousand TRY	Fair Value 2006 Thousand TRY
US$ Purchase								
Between 0-3 months	-	1,443	-	5.000.000	-	7.215	-	7.028
Between 0-3 months	-	1,465	-	7.000.000	-	10.255	-	9.839
Between 0-3 months	-	1,445	-	8.000.000	-	11.560	-	11.245
Between 3-6 months		1,436		5.000.000		7.180		7.028
EURO Purchase								
Between 0-3 months	-	1,892	-	12.000.000	-	22.704	-	22.218
Between 0-3 months	2,0915	-	5.000.000	-	10.458	-	8.551	-
Between 0-3 months	1,7192	-	500.000	-	860	-	855	-

As of the balance sheet date, unrealized loss from changes in fair value of forward contracts recognized in profit and loss is amounting to TRY 1.776 thousand (2006: TRY 771 thousand).

45. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(g) Interest risk management

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

<u>Interest rate sensitivity</u>

The interest rate sensitivity analysis below is based on interest rate risk as of the balance sheet date and estimated interest rate fluctuations at the beginning of the fiscal year, and are fixed during the reporting period. The Group management makes its sensitivity analysis based on 100 base point interest rate fluctuation scenario. Such amount is also used in reporting to top management.

In the case of interest rates being 100 base points higher at balance sheet date and holding all other variables fixed :

- Interest income from floating interest rate finance lease contracts would increase by TRY 505 thousand (2006: TRY 911 thousand).

- Interest expense from floating interest rate borrowings would increase by TRY 5.523 thousand (2006: TRY 5.608 thousand).

(h) Other price risks

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

<u>Equity price sensitivity</u>

Sensitivity analysis below are determined based on equity shares price risk exposed as of the balance sheet date.

In the case of being data in valuation method 15% higher / lower and all other variables fixed:

- If equity investments are held in available for sale portfolio and not disposed, net profit/loss would not change

- Funds under other equity would increase/decrease as TRY 2.440 thousand (2006: TRY 115 thousand). It is mainly because of changes in fair value of available for sale equity shares.

Equity shares price sensitivity of the Group has not changed materially comparing to prior year.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

45. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(i) Credit risk management

Credit risks refer 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 and credit ratings of its counterparties are continuously monitored and the aggregate value of the transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

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:

	31 December 2007 %	31 December 2006 %
Construction	17,14	17,82
Finance	10,23	13,25
Transportation	9,61	9,08
Textile	9,37	8,46
Metal Industry	4,57	6,70
Health	5,06	4,49
Chemical, Plastic and Pharmacy	4,88	4,31
Forestry Products and Paper	4,44	3,91
Food	3,87	3,71
Mining	3,60	3,11
Tourism	3,45	1,94
Glass, Tile and Cement	2,17	2,54
Other	21,61	20,68
TOTAL	100,00	100,00

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

45. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

Leased equipment allocation of finance lease receivables is as follows:

	31 December 2007 %	31 December 2006 %
Machinery and Equipment	20,91	20,37
Building and Construction Machinery	19,87	23,60
Real Estate	14,15	7,71
Road Transport Vehicles	8,05	11,24
Office Equipment	7,98	7,76
Electronic Optical Instruments	7,36	10,05
Textile Machinery	6,62	6,88
Medical Equipment	5,65	5,58
Sea Transport Vessels	1,12	0,49
Printing Machinery	3,38	3,10
Tourism Equipment	2,59	1,84
Other	2,32	1,38
	100,00	100,00

(i) 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 liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

45. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk table

The following table details the Group's expected maturity for its non derivative financial assets and liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities.

	Up to 1 month	1-3 month	3 months –1 year	1-5 years	5 year +	Adjustments	Total
31 December 2007							
Liquid assets	165.011	-	-	-	-	(1.003)	164.008
Marketable Securities	25	-	-	-	-	-	25
Finance lease receivables	23.840	114.662	292.370	446.624	19.192	(134.301)	762.387
Factoring receivables	8.473	31.825	14.195	1.597	-	-	56.090
Insurance premium receivables	4.715	-	-	-	-	-	4.715
	202.064	146.487	306.565	448.221	19.192	(135.304)	987.225
Borrowings	127.469	49.086	389.731	273.309	-	(38.373)	801.222
Finance lease payables	-	16	1	-	-	-	17
Trade and other liabilities	12.684	1.062	535	-	-	-	14.281
	140.153	50.164	390.267	273.309	-	(38.373)	815.520

	Up to 1 month	1-3 month	3 months –1 year	1-5 years	5 year +	Adjustments	Total
31 December 2006							
Liquid assets	81.418	-	-	-	-	(164)	81.254
Marketable Securities	750	-	-	-	-	-	750
Finance lease receivables	15.022	115.169	289.858	417.798	2.880	(118.926)	721.801
Factoring receivables	4.947	11.428	9.607	-	-	-	25.982
Insurance premium receivables	4.694	-	-	-	-	-	4.694
	106.831	126.597	299.465	417.798	2.880	(119.090)	834.481
Borrowings	20.250	64.945	293.149	333.863	-	(37.408)	674.799
Finance lease payables	-	36	63	-	-	(8)	91
Trade and other liabilities	12.543	651	2.152	874	-	-	16.220
	32.793	65.632	295.364	334.737	-	(37.416)	691.110

(Amounts are expressed in thousand of New Turkish Lira ("TRY") unless otherwise indicated.)

45. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(j) Fair Value of Financial Instruments

Excluding items below on the table, the Group management estimates that the book value of the financial assets and liabilities approximates their fair value.

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

The table below refers to comparison of carrying amounts and fair values of financial instruments which have been presented other than their market values at financial statements.

31 December 2007	Carrying Amount	Fair Value
Financial Assets:		
Liquid assets	164.008	164.008
Financial assets at fair value through profit and loss		
-Held for trading	25	25
-Other	-	-
Finance lease receivables	762.387	866.618
Factoring receivables	56.090	56.090
Financial assets available for sale	16.617	16.617
Financial Liabilities:		
Fair value difference of derivative instruments	(1.776)	(1.776)
Finance lease payables (net)	(17)	(17)
Trade payables	(14.281)	(14.281)
Financial liabilities	(801.222)	(808.797)

31 December 2006	Carrying Amount	Fair Value
Financial Assets:		
Liquid assets	81.254	81.254
Financial assets at fair value through profit and loss		
-Held for trading	750	750
-Other	-	-
Fair value difference of derivative instruments	-	-
Finance lease receivables	721.801	772.911
Factoring receivables	25.982	25.982
Financial assets available for sale	7.106	7.106
Financial Liabilities:		
Fair value differences of derivative instruments	(771)	(771)
Finance lease payables (net)	(91)	(91)
Trade payables	(16.220)	(16.220)
Financial liabilities	(674.799)	(689.711)