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

İş Finansal Kiralama Anonim Şirketi and Its Subsidiary

Consolidated Financial Statements and Footnotes
For the year ended
31 March 2011

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

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2011

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CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

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

	BALANCE SHEET - ASSETS		Unaudited Current Period 31 March 2011			Audited Prior Period 31 December 2010		
		Notes	TRY	FC	TOTAL	TRY	FC	TOTAL
I.	**CASH**		-	-	-	-	-	-
II.	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)**	**4**	**9.683**	**1.800**	**11.483**	**4.364**	**-**	**4.364**
2.1	Financial Assets Held for Trading		9.683	-	9.683	4.364	-	4.364
2.2	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-	-	-
2.3	Derivative Financial Assets Held for Trading		-	1.800	1.800	-	-	-
III.	**BANKS**	**5**	**316.372**	**175.714**	**492.086**	**554.284**	**137.000**	**691.284**
IV.	**RECEIVABLES FROM REVERSE REPURCHASE AGREEMENTS**		-	-	-	-	-	-
V.	**FINANCIAL ASSETS AVAILABLE FOR SALE (Net)**	**6**	**26.626**	**-**	**26.626**	**26.516**	**-**	**26.516**
VI.	**FACTORING RECEIVABLES**	**7**	**452.688**	**17.401**	**470.089**	**312.189**	**19.131**	**331.320**
6.1	Discounted Factoring Receivables		108.376	-	108.376	103.685	-	103.685
6.1.1	Domestic		110.174	-	110.174	105.268	-	105.268
6.1.2	Foreign		-	-	-	-	-	-
6.1.3	Unearned Income (-)		(1.798)	-	(1.798)	(1.583)	-	(1.583)
6.2	Other Factoring Receivables		344.312	17.401	361.713	208.504	19.131	227.635
6.2.1	Domestic		344.312	-	344.312	208.504	-	208.504
6.2.2	Foreign		-	17.401	17.401	-	19.131	19.131
VII.	**FINANCING LOANS**		-	-	-	-	-	-
7.1	Retail Loans		-	-	-	-	-	-
7.2	Credit Loans		-	-	-	-	-	-
7.3	Instalment Commercial Loans		-	-	-	-	-	-
VIII.	**LEASE RECEIVABLES**	**8**	**155.542**	**900.616**	**1.056.158**	**151.435**	**740.236**	**891.671**
8.1	Lease Receivables		152.325	848.020	1.000.345	148.223	703.200	851.423
8.1.1	Finance Lease Receivables		189.581	998.606	1.188.187	186.575	827.190	1.013.765
8.1.2	Operational Lease Receivables		-	-	-	-	-	-
8.1.3	Other		-	-	-	-	-	-
8.1.4	Unearned Income (-)		(37.256)	(150.586)	(187.842)	(38.352)	(123.990)	(162.342)
8.2	Leasing Contracts in Progress		2.610	4.500	7.110	2.614	5.245	7.859
8.3	Advances Given for Lease Transactions		607	48.096	48.703	598	31.791	32.389
IX.	**NON-PERFORMING RECEIVABLES**	**7, 8**	**26.529**	**13.154**	**39.683**	**26.327**	**17.623**	**43.950**
9.1	Non-Performing Factoring Receivables		2.596	-	2.596	2.651	-	2.651
9.2	Non-Performing Financing Loans		-	-	-	-	-	-
9.3	Non-Performing Lease Receivables		57.537	29.451	86.988	54.446	34.111	88.557
9.4	Specific Provisions (-)		(33.604)	(16.297)	(49.901)	(30.770)	(16.488)	(47.258)
X.	**DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT**		-	-	-	-	-	-
10.1	Fair Value Hedges		-	-	-	-	-	-
10.2	Cash Flow Hedges		-	-	-	-	-	-
10.3	Net Foreign Investment Hedges		-	-	-	-	-	-
XI.	**INVESTMENTS HELD TO MATURITY (Net)**		-	-	-	-	-	-
XII.	**INVESTMENT IN SUBSIDIARIES (Net)**		-	-	-	-	-	-
XIII.	**INVESTMENT IN ASSOCIATES (Net)**		-	-	-	-	-	-
XIV.	**INVESTMENT IN JOINT VENTURES (Net)**		-	-	-	-	-	-
XV.	**TANGIBLE ASSETS (Net)**	**10**	**437**	**-**	**437**	**448**	**-**	**448**
XVI.	**INTANGIBLE ASSETS (Net)**		**872**	**-**	**872**	**806**	**-**	**806**
16.1	Goodwill	**12**	166	-	166	166	-	166
16.2	Other Intangibles	**11**	706	-	706	640	-	640
XVII.	**DEFERRED TAX ASSETS**	**13**	**82.408**	-	**82.408**	**78.615**	-	**78.615**
XVIII.	**ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)**	**14**	**278**	-	**278**	**278**	-	**278**
18.1	Assets Held For Sale		278	-	278	278	-	278
18.2	Assets of Discontinued Operations		-	-	-	-	-	-
XIX.	**OTHER ASSETS**	**15**	**21.404**	**2.199**	**23.603**	**21.970**	**2.176**	**24.146**
	TOTAL ASSETS		**1.092.839**	**1.110.884**	**2.203.723**	**1.177.232**	**916.166**	**2.093.398**

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

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

	BALANCE SHEET - LIABILITIES		**Unaudited Current Period 31 March 2011**			**Audited Prior Period 31 December 2010**		
		Notes	**TRY**	**FC**	**TOTAL**	**TRY**	**FC**	**TOTAL**
I.	**DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING**	**4**	**-**	**2.697**	**2.697**	**-**	**1.201**	**1.201**
II.	**FUNDS BORROWED**	**16**	**675.831**	**1.007.595**	**1.683.426**	**717.310**	**869.590**	**1.586.900**
III.	**FACTORING PAYABLES**		-	-	-	-	-	-
IV.	**LEASE OBLIGATIONS**	**18**	-	-	-	-	-	-
4.1	Finance Lease Obligations		-	-	-	-	-	-
4.2	Operational Lease Obligations		-	-	-	-	-	-
4.3	Other		-	-	-	-	-	-
4.4	Deferred Finance Lease Expenses (-)		-	-	-	-	-	-
V.	**SECURITIES ISSUED (Net)**		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset-Backed Securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	**MISCELLANEOUS PAYABLES**	**17**	**1.608**	**7.786**	**9.394**	**2.472**	**12.008**	**14.480**
VII.	**OTHER LIABILITIES**	**17**	**2.841**	**9.471**	**12.312**	**2.568**	**6.020**	**8.588**
VIII.	**DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT**		-	-	-	-	-	-
8.1	Fair Value Hedges		-	-	-	-	-	-
8.2	Cash Flow Hedges		-	-	-	-	-	-
8.3	Net Foreign Investment Hedges		-	-	-	-	-	-
IX.	**TAXES AND DUTIES PAYABLE**	**19**	**2.977**	**-**	**2.977**	**3.186**	**-**	**3.186**
X.	**PROVISIONS**		**2.048**	**174**	**2.222**	**2.908**	**174**	**3.082**
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserves For Employee Benefits	**21**	1.543	-	1.543	2.218	-	2.218
10.3	Other Provisions	**20**	505	174	679	690	174	864
XI.	**DEFERRED TAX LIABILITY**		-	-	-	-	-	-
XII.	**PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS**		-	-	-	-	-	-
12.1	Held For Sale		-	-	-	-	-	-
12.2	Discontinued Operations		-	-	-	-	-	-
XIII.	**SUBORDINATED LOANS**		-	-	-	-	-	-
XIV.	**SHAREHOLDERS' EQUITY**		**490.695**	**-**	**490.695**	**475.961**	**-**	**475.961**
14.1	Paid-in Capital	**23**	295.000	-	295.000	295.000	-	295.000
14.2	Capital Reserves	**23**	14.872	-	14.872	15.666	-	15.666
14.2.1	Share Premium		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Securities Value Increase Fund		12.934	-	12.934	13.728	-	13.728
14.2.4	Revaluation Surplus on Tangible and Intangible Assets		-	-	-	-	-	-
14.2.5	Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Entities		1.938	-	1.938	1.938	-	1.938
14.2.6	Hedging Reserves (Effective Portion)		-	-	-	-	-	-
14.2.7	Revaluation Surplus on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
14.2.8	Other Capital Reserves		-	-	-	-	-	-
14.3	Profit Reserves	**24**	154.868	-	154.868	91.166	-	91.166
14.3.1	Legal Reserves		16.627	-	16.627	13.442	-	13.442
14.3.2	Statutory Reserves		-	-	-	-	-	-
14.3.3	Extraordinary Reserves		118.241	-	118.241	77.724	-	77.724
14.3.4	Other Profit Reserves		20.000	-	20.000	-	-	-
14.4	Profit or Loss		14.987	-	14.987	63.268	-	63.268
14.4.1	Prior Periods Profit/Loss	**25**	(434)	-	(434)	(434)	-	(434)
14.4.2	Current Period Profit/Loss		15.421	-	15.421	63.702	-	63.702
14.5	Non-Controlling Interest	**22**	10.968	-	10.968	10.861	-	10.861
	TOTAL LIABILITIES AND EQUITY		**1.176.000**	**1.027.723**	**2.203.723**	**1.204.405**	**888.993**	**2.093.398**

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

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED OFF-BALANCE SHEET ITEMS AT 31 MARCH 2011

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

	STATEMENT OF OFF-BALANCE SHEET ITEMS		Unaudited Current Period 31 March 2011			Audited Prior Period 31 December 2010		
		Notes	TRY	FC	TOTAL	TRY	FC	TOTAL
I.	**IRREVOCABLE FACTORING TRANSACTIONS**		**16.754**	**2.133**	**18.887**	**18.785**	**1.893**	**20.678**
II.	**REVOCABLE FACTORING TRANSACTIONS**		**17.883**	**4.586**	**22.469**	**21.849**	**3.060**	**24.909**
III.	**COLLETERALS RECEIVED**	**38**	**441.052**	**164.485**	**605.537**	**438.565**	**137.129**	**575.694**
IV.	**COLLETERALS GIVEN**	**26**	**493**	**-**	**493**	**493**	**-**	**493**
V.	**COMMITMENTS**		**-**	**60.039**	**60.039**	**-**	**14.135**	**14.135**
5.1	Irrevocable Commitments		-	60.039	60.039	-	14.135	14.135
5.2	Revocable Commitments		-	-	-	-	-	-
5.2.1	Lease Commitments		-	-	-	-	-	-
5.2.1.1	Finance Lease Commitments		-	-	-	-	-	-
5.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
5.2.2	Other Revocable Commitments		-	-	-	-	-	-
VI.	**DERIVATIVE FINANCIAL INSTRUMENTS**		**84.088**	**127.189**	**211.277**	**-**	**48.147**	**48.147**
6.1	Derivative Financial Instruments for Risk Management		-	-	-	-	-	-
6.1.1	Fair Value Hedges		-	-	-	-	-	-
6.1.2	Cash Flow Hedges		-	-	-	-	-	-
6.1.3	Net Foreign Investment Hedges		-	-	-	-	-	-
6.2	Derivative Financial Instruments Held For Trading	**26**	**84.088**	**127.189**	**211.277**	**-**	**48.147**	**48.147**
6.2.1	Forward Foreign Currency Purchases/Sales		-	-	-	-	-	-
6.2.2	Swap Purchases/Sales	**26**	84.088	127.189	211.127	-	48.147	48.147
6.2.3	Put/call options		-	-	-	-	-	-
6.2.4	Futures purchases/sales		-	-	-	-	-	-
6.2.5	Others		-	-	-	-	-	-
VII.	**ITEMS HELD IN CUSTODY**		**81.065**	**8.582**	**89.647**	**71.991**	**7.159**	**79.150**
	TOTAL OFF-BALANCE SHEET ITEMS		**641.335**	**367.014**	**1.008.349**	**551.683**	**211.523**	**763.206**

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

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2011

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

	INCOME STATEMENT	Notes	Unaudited Current Period 01.01. - 31.03.2011	Unaudited Prior Period 01.01. 31.03.2010
I.	**OPERATING INCOME**	**29**	**27.675**	**24.870**
	FACTORING INCOME		**5.895**	**3.273**
1.1	Factoring Interest Income		5.488	3.055
1.1.1	Discounted		1.953	1.149
1.1.2	Other		3.535	1.906
1.2	Factoring Commission Income		407	218
1.2.1	Discounted		197	83
1.2.2	Other		210	135
	INCOME FROM FINANCING LOANS		-	-
1.1	Interest Income From Financing Loans		-	-
1.2	Commission Income From Financing Loans		-	-
	LEASE INCOME		**21.780**	**21.597**
1.1	Finance Lease Income		21.780	21.597
1.2	Operational Lease Income		-	-
1.3	Fees and Commission Income on Lease Operations		-	-
II.	**OPERATING EXPENSES (-)**	**30**	**(4.843)**	**(4.301)**
2.1	Personal Expenses		(3.311)	(2.903)
2.2	Employee Severance Indemnity Expense		(56)	(40)
2.3	Research and Development Expense		-	-
2.4	General Administration Expense		(1.476)	(1.358)
2.5	Other		-	-
III.	**OTHER OPERATING INCOME**	**31**	**89.002**	**80.860**
3.1	Interest Income on Bank Deposits		9.964	7.107
3.2	Interest Income on Reverse Repurchase Agreements		-	-
3.3	Interest Income on Securities Portfolio		209	67
3.3.1	Interest Income on Financial Assets Held for Trading		209	67
3.3.2	Interest Income on Financial Assets at Fair Value Through Profit or Loss		-	-
3.3.3	Interest Income on Financial Assets Available For Sale		-	-
3.3.4	Interest Income on Financial Assets Held to Maturity		-	-
3.4	Dividend Income		21	21
3.5	Trading Account Income		1.800	16
3.5.1	Income From Derivative Financial Instruments		1.800	16
3.5.2	Other		-	-
3.6	Foreign Exchange Gains		75.129	68.322
3.7	Others		1.879	5.327
IV.	**FINANCIAL EXPENSES (-)**	**32**	**(18.140)**	**(12.156)**
4.1	Interest Expense on Funds Borrowed		(17.994)	(11.945)
4.2	Interest Expense on Factoring Payables		-	-
4.3	Interest Expense of Finance Leases		-	-
4.4	Interest Expense on Securities Issued		-	-
4.5	Other Interest Expenses		-	-
4.6	Fees and Commissions Paid		(146)	(211)
V.	**PROVISION FOR LOSSES ON NON-PERFORMING RECEIVABLES (-)**	**33**	**(2.918)**	**(3.093)**
VI.	**OTHER OPERATING EXPENSES (-)**	**34**	**(76.499)**	**(68.669)**
6.1	Impairment Losses on Securities Portfolio		-	-
6.1.1	Impairment Losses on Financial Assets at Fair Value Through Profit or Loss		-	-
6.1.2	Impairment Losses on Financial Assets Available For Sale		-	-
6.1.3	Impairment Losses on Financial Assets Held to Maturity		-	-
6.2	Impairment Losses on Non-Current Assets		-	-
6.2.1	Impairment Losses on Tangible Assets		-	-
6.2.2	Impairment Losses on Assets Held for Sale and Discontinued Operations		-	-
6.2.3	Impairment Losses on Goodwill		-	-
6.2.4	Impairment Losses on Other Intangible Assets		-	-
6.2.5	Impairment Losses on Subsidiaries, Associates and Joint Ventures		-	-
6.3	Losses From Derivative Financial Instruments		(1.519)	-
6.4	Foreign Exchange Losses		(74.373)	(68.413)
6.5	Other		(607)	(256)
VII.	**NET OPERATING PROFIT / LOSS**		**14.277**	**17.511**
VIII.	**INCOME RESULTED FROM MERGES**		-	-
IX.	**GAIN/LOSS ON NET MONETARY POSITION**		-	-
X.	**PROFIT FROM CONTINUING OPERATIONS BEFORE TAX**		**14.277**	**17.511**
XI.	**INCOME TAX EXPENSE FROM CONTINUING OPERATIONS (±)**	**35**	**1.351**	(1.410)
11.1	Current Tax Charge		(2.442)	(276)
11.2	Deferred Tax Charge (-)		-	(1.134)
11.3	Deferred Tax Benefit (+)		3.793	-
XII.	**NET PROFIT FROM CONTINUING OPERATIONS**		**15.628**	**16.101**
XIII.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-
13.1	Income from Assets Held for Sale		-	-
13.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
13.3	Other Income from Discontinued Operations		-	-
XIV.	**EXPENSES FROM DISCONTINUED OPERATIONS (-)**		-	-
14.1	Expense on Assets Held for Sale		-	-
14.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
14.3	Other Expenses from Discontinued Operations		-	-
XV.	**PROFIT FROM DISCONTINUED OPERATIONS BEFORE TAX**		-	-
XVI.	**INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS (±)**		-	-
16.1	Current Tax Charge		-	-
16.2	Deferred Tax Charge (-)		-	-
16.3	Deferred Tax Benefit (+)		-	-
XVII.	**NET PROFIT FROM DISCONTINUED OPERATIONS**		-	-
XVIII.	**NON-CONTROLLING INTEREST (INCOME) / EXPENSE**	**22**	(207)	(249)
XIX.	**NET PROFIT FOR THE PERIOD**		**15.421**	**15.852**
	Earnings Per Share	36	0,05	0.05

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

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY FOR THE PERIOD ENDED 31 MARCH 2011

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

	PROFIT/LOSS ITEMS RECOGNISED DIRECTLY IN EQUITY	**Unaudited Current Period**	**Unaudited Prior Period**
		31 March 2011	**31 March 2010**
I.	**ADDITIONS TO MARKETABLE SECURITIES VALUE INCREASE FUND FROM FINANCIAL ASSETS AVAILABLE FOR SALE**	**(794)**	**2.447**
1.1	Change in the Fair Value of the Financial Assets Available For Sale, Net	(794)	2.447
1.2	Change in the Fair Value of the Financial Assets Available For Sale, Net (Transfer to Profit/Loss)	-	-
II.	**REVALUATION SURPLUS ON TANGIBLE ASSETS**	-	-
III.	**REVALUATION SURPLUS ON INTANGIBLE ASSETS**	-	-
IV.	**FOREIGN EXCHANGE DIFFERENCES ON FOREIGN CURRENCY TRANSACTIONS**	-	-
V.	**PROFIT/LOSS ON DERIVATIVE FINANCIAL ASSETS FOR CASH FLOW HEDGES**	-	-
5.1	Profit/Loss on Derivative Financial Assets for Cash Flow Hedges (Effective Portion of the Changes in Fair Value)	-	-
5.2	The Portion of Derivative Financial Assets Held for Cash Flow Hedges Reclassified in and Transferred to Income Statement	-	-
VI.	**PROFIT/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR NET FOREIGN INVESTMENT HEDGES**	-	-
6.1	Profit/Loss from Derivative Financial Assets for Net Investment Hedges (Effective Portion of Fair Value Differences)	-	-
6.2	The Portion of Derivative Financial Assets Held for Net Foreign Investment Hedges Reclassified in and Transferred to Income Statement	-	-
VII.	**EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN THE ACCOUNTING POLICIES**	-	-
VIII.	**OTHER INCOME AND EXPENSES RECOGNISED UNDER EQUITY IN ACCORDANCE WITH TAS**	-	-
IX.	**DEFERRED TAXES ON REVALUATION DIFFERENCES**	-	-
X.	**NET PROFIT/LOSS RECOGNIZED DIRECTLY IN EQUITY (I+II+…+IX)**	**(794)**	**2.447**
XI.	**PROFIT/LOSS FOR THE PERIOD**	15.421	15.852
XII.	**TOTAL PROFIT/LOSS RECOGNISED FOR THE PERIOD**	**14.627**	**18.299**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2011

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

	CHANGES IN EQUITY	Notes	Paid-in Capital	Paid-in Capital Inflation Adjustment	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Profit/ Loss	Prior Period Profit/ Loss	Fair Value Changes Of Marketable Securities	Revaluation Reserve on Tangible and Intangible Assets	Bonus Shares Obtained From Subs., Assoc., and Jointly Contr. Ent.	HedgeReserves (Effective Portion)	Revaluation Reserves on Assets Held for Sale and Discontinued Operations	Non-Controlling Interest	Total Equity
	Prior Period (01.01 – 31.03.2010)																		
	(Audited)																		
I.	**Beginning Balance (31.12.2009)**		**250.000**	-	-	-	**8.151**	-	**10.857**	-	**105.388**	**11.336**	**9.825**	-	-	-	-	**8.945**	**404.502**
II.	**Correction Made According to TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**		**250.000**	-	-	-	**8.151**	-	**10.857**	-	**105.388**	**11.336**	**9.825**	-	-	-	-	**8.945**	**404.502**
	Changes During the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	**Increase/Decrease Due to Merges**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	**Hedge Reserves**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2	Net Foreign Investment Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Fair Value Changes on Securities**	**23**	-	-	-	-	-	-	-	-	-	-	**2.447**	-	-	-	-	**331**	**2.778**
VII.	**Revaluation Surplus on Tangible Assets**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Bonus Shares of Associates, Subsidiaries and Joint-Ventures**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Translation Differences**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Changes Resulted from Disposal of Assets**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Changes Resulted from Reclassification of Assets**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	**Capital Increase**	**23**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	**Issuances of Share Certificates**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	**Paid-in-Capital Inflation Adjustment**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	**Convertible Bonds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	**Subordinated Loans**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Non-controlling Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**249**	**249**
XVII.	**Profit for the Period**		-	-	-	-	-	-	-	-	**15.852**	-	-	-	-	-	-	-	**15.852**
XVIII.	**Profit Distribution**		-	-	-	-	**5.291**	-	**70.412**	**30.119**	**(105.388)**	**(434)**	-	-	-	-	-	-	-
19.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.2	Transfer to Reserves		-	-	-	-	5.291	-	70.412	30.119	(105.388)	(434)	-	-	-	-	-	-	-
19.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ending Balance (31.03.2010)		**250.000**	-	-	-	**13.442**	-	**81.269**	**30.119**	**15.852**	**10.902**	**12.272**	-	-	-	-	**9.525**	**423.381**
	Current Period (01.01. –31.03.2011)																		
	(Audited)																		
I.	**Beginning Balance (31.12.2010)**		**295.000**	-	-	-	**13.442**	-	**77.724**	-	**63.702**	**(434)**	**13.728**	-	**1.938**	-	-	**10.861**	**475.961**
	Changes During the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	**Increase/Decrease Due to Merges**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Hedge Reserves**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Net Foreign Investment Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	**Fair Value Changes on Securities**	**23**	-	-	-	-	-	-	-	-	-	-	**(794)**	-	-	-	-	**(100)**	**(894)**
V.	**Revaluation Surplus on Tangible Assets**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Bonus Shares of Associates, Subsidiaries and Joint-Ventures**	**23**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Translation Differences**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Changes Resulted from Disposal of Assets**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Changes Resulted from Reclassification of Assets**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Capital Increase**	**23**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Issuances of Share Certificates**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	**Capital reserves from inflation adjustments to paid-in capital**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	**Convertible Bonds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	**Subordinated Loans**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Non-controlling Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**207**	**207**
XV.	**Profit for the Period**		-	-	-	-	-	-	-	-	**15.421**	-	-	-	-	-	-	-	**15.421**
XVI.	**Profit Distribution**		-	-	-	-	**3.185**	-	**40.517**	**20.000**	**(63.702)**	-	-	-	-	-	-	-	-
16.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16.2	Transfer to Reserves		-	-	-	-	3.185	-	40.517	20.000	(63.702)	-	-	-	-	-	-	-	-
16.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ending Balance (31.03.2011)		**295.000**	-	-	-	**16.627**	-	**118.241**	**20.000**	**15.421**	**(434)**	**12.934**	-	**1.938**	-	-	**10.968**	**490.695**

İŞ FİNANSAL KİRALAMA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2011

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

			Unaudited Current Period	**Unaudited Prior Period**
		Notes	**31 March 2011**	**31 March 2010**
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
1.1	**Operating Profit Before Changes İn Operating Assets And Liabilities**		**13.043**	**18.553**
1.1.1	Interests Received/Lease Income		38.913	31.011
1.1.2	Lease Expenses		-	-
1.1.3	Dividends Received		21	12
1.1.4	Fees and Commissions Received		-	-
1.1.5	Other Income		3.309	1.050
1.1.6	Collections from Non-performing Receivables	31	275	4.344
1.1.7	Payments to Personnel and Service Suppliers		(3.574)	(2.686)
1.1.8	Taxes Paid		(2.599)	(3.552)
1.1.9	Others		(23.302)	(11.626)
1.2	**Changes in Operating Assets and Liabilities**		**(207.803)**	**25.847**
1.2.1	Net (Increase) Decrease in Factoring Receivables		(138.080)	14.181
1.2.2	Net (Increase) Decrease in Financing Loans		-	-
1.2.3	Net (Increase) Decrease in Lease Receivables		(184.429)	19.451
1.2.4	Net (Increase) Decrease in Other Assets		(6.272)	(2.587)
1.2.5	Net Increase (Decrease) in Factoring Payables		-	-
1.2.6	Net Increase (Decrease) in Lease Payables		-	-
1.2.7	Net Increase (Decrease) in Funds Borrowed		121.654	(1.427)
1.2.8	Net Increase (Decrease) in Due Payables		-	-
1.2.9	Net Increase (Decrease) in Other Liabilities		(676)	(3.771)
I.	**Net Cash Provided from Operating Activities**		**(194.760)**	**44.400**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
2.1	Cash Paid for Purchase Of Associates, Subsidiaries and Joint-ventures		-	-
2.2	Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3	Purchases of Tangible and Intangible Assets	10, 11	(161)	(150)
2.4	Proceeds From Sale of Tangible and Intangible Assets	10	5	1
2.5	Cash Paid for Purchase of Financial Assets Available for Sale		-	-
2.6	Proceeds From Sale of Financial Assets Available for Sale		-	-
2.7	Cash Paid for Purchase of Held-to-Maturity Investment Securities		-	-
2.8	Proceeds from Sale of Held-to-Maturity Investment Securities		-	-
2.9	Other		-	-
II.	**Net cash used in investing activities**		**(156)**	**(149)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
3.1	Cash obtained from funds borrowed and securities issued		-	-
3.2	Cash used for repayment of funds borrowed and securities issued		-	-
3.3	Equity instruments issued		-	-
3.4	Dividends paid		-	-
3.5	Payments for finance leases		-	-
3.6	Other		(1.004)	-
III.	**Net Cash Used in Financing Activities**		**(1.004)**	**-**
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**		**(266)**	**(261)**
V.	**Net Increase in Cash and Cash Equivalents**		**(196.186)**	**43.990**
VI.	**Cash and Cash Equivalents at the Beginning of the Period**	**5**	**686.906**	**362.397**
VII.	**Cash and Cash Equivalents at the End of the Period**	**5**	**490.720**	**406.387**

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

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

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

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

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

As at 31 March 2011, the Company and it's subsidiary ("Group") employ 128 employees (31 December 2010: 121 employees).

<u>Dividend Payable</u>

As at 31 March 2011, the Company does not have any dividend payable.

<u>Approval of the Financial Statements</u>

The consolidated financial statements as at 31 March 2011 have been approved by the Board of Directors of the Company and authorized for issue as at 12 May 2011. General Assembly and / or legal authorities has the discretion of making changes in the accompanying consolidated financial statements after their issuance.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of the Presentation

<u>Accounting Standards Applied</u>

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

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

2.1 Basis of the Presentation (Continued)

In terms of accounting of 2010 operations, the Group has applied the requirements of the communiqué on the "Regulation on Procedures and Principles for Establishment and Operations of Financial Leasing, Factoring and Consumer Financing Companies " published on the Official Gazette no. 26315 dated 10 October 2006 and the communiqué on the "Communiqué on Procedures and Principles for the Provisions to be set aside by Financial Leasing, Factoring and Financing Companies for their Receivables" published on the Official Gazette no. 26588 dated 20 July 2007.

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

Additional Paragraph for Convenience Translation to English

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

Functional and Reporting Currency

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

Preparation of Financial Statements in Hyperinflationary Periods

The consolidated financial statements of the Group have been adjusted for the effects of inflation in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies" until 31 December 2004. By a circular issued on 28 April 2005, BRSA declared that the application of inflation accounting has been ceased to be applied for the companies operating in Turkey starting from 1 January 2005, since the provisions of hyperinflationary economy do not exist anymore. Accordingly, non-monetary assets and liabilities, and components of equity as at 31 December 2010 were adjusted for the effects of inflation that lasted till 31 December 2004 for the items acquired before 31 December 2004 and the items which were acquired after 1 January 2005 were accounted for at their respective nominal amounts.

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

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

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

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

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

2.1 Basis of the Presentation (Continued)

Accounting estimates

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

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

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

Basis of Consolidation

The details of the Group's subsidiary as at 31 December 2010 and 2009 are as follows:

Subsidiary	Incorporation and operation location	Shareholding rate %	Voting right rate %	Core business
İş Factoring	İstanbul	78,23	78,23	Factoring operations

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

(i) Subsidiaries

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

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

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

2.1 Basis of the Presentation (Continued)

Basis of Consolidation (Continued)

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

(ii) Transactions eliminated on consolidation

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

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

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

(iii) Non-controlling interest

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

(iv) Offsetting

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

2.2 Changes in Accounting Policies

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

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

2.3 Changes in Accounting Estimates and Errors

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

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

2.4 Standards and Interpretations

The Group applied all of the relevant and required standards promulgated by TASB as at 31 March 2011.

Standards and Interpretations are effective from 01 January 2011.

TFRS 7 Financial Instruments is amended to add an explicit statement that the interaction between qualitative and quantitative disclosures better enables users to evaluate an entity's exposure to risks arising from financial instruments. The amendment is effective for annual periods beginning on or after 1 January 2011.

TAS 34 Interim Financial Reporting - Significant Events and Transactions; a number of examples have been added to the list of events or transactions that require disclosure under TAS 34. The amendment is effective for annual periods beginning on or after 1 January 2011.

The revised TAS 24 "Related Party Disclosures" amends the definition of a related party and modifies certain related party disclosure requirements government-related entities. The main changes to TAS 24 are: a partial exemption from the disclosure requirements for transactions between a government-controlled reporting entity and that government or other entities controlled by that government; and amendments to the definition of a related party. TASB agreed that the partial exemption from the disclosure requirements should be required to be made retrospectively, because this should result in a reduction of 'clutter' in the footnotes and an identification of better information about the nature and extent of significant transactions with the government. In addition, TASB agreed that the definition of a related party should also be applied retrospectively from the effective date. Moreover, TASB agreed that an entity should be permitted to adopt the partial exemption for government-controlled entities before the effective date even if it does not adopt the amended definition of related party until a later date.

TASB issued interpretations about prepayments of a minimum funding (interpretations for TFRIC 14) on 26 November 2009. The amendments to TFRIC 14, which is itself an interpretation of TAS 19 applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment, "Prepayments of a Minimum Funding Requirement", has an effective date for mandatory adoption of 1 January 2011, with early adoption permitted.

Amendments to TFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability.

2.4 Standards and Interpretations

Standards and Interpretations are effective from 01 January 2011 (Continued)

TAS 27 Consolidated and Separate Financial Statements – Transition requirements for amendments made as a result of TAS 27 (2008) to TAS 21, TAS 28 and TAS 31; consequential amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates, TAS 28 Investments in Associates and TAS 31 Interests in Joint Ventures (as a result of prior amendments to TAS 27) to be applied prospectively, except for the amendments to TAS 28 and TAS 31 that solely are the result of renumbering in TAS 27 (2008). The amendment is effective for annual periods beginning on or after 1 January 2011.

Standards and Interpretations not yet effective as at 31 March 2011

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

a. Revenue

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

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

Commission income is a certain percentage of the total amount of invoices subject to factoring.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Tangible Assets

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

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

Leasehold improvements are depreciated over their respective lease periods.

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

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

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

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

c. Intangible Assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Impairment of Non-Financial Assets

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

e. Borrowing Costs

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

f. Financial Assets Held For Sale

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

g. Financial Instruments

Financial assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Financial Instruments (Continued)

Financial assets (Continued)

Effective interest method

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

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

Financial assets at FVTPL

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

Held-to-maturity investments

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

Available for sale financial assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial Instruments (Continued)

Financial assets (Continued)

Available for sale financial assets (Continued)

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

Finance lease receivables, factoring receivables and other receivables

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial Instruments (Continued)

Financial assets (Continued)

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

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

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

Impairment of financial assets

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

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

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

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

Cash and cash equivalents

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial Instruments (Continued)

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

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

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

Derivative financial instruments and hedge accounting

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Business Combinations

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

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

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

i. Effects of Changes in Exchange Rates

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

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

	31 March 2011	31 December 2010
USD	1,5486	1,5460
Euro	2.1816	2,0491

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Earnings Per Share

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

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

k. Subsequent Events

Subsequent events means the events occurred between the reporting date and the authorization date for the announcement of the financial statements. In accordance with TAS 10 "Events After the Balance Sheet Date"; post-balance sheet events that provide additional information about the Group's position at the balance sheet dates (adjusting events) are reflected in the consolidated financial statements. Post-balance sheet events that are not adjusting events are disclosed in the notes when material.

l. Provisions, Contingent Liabilities and Contingent Assets:

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Leases

- 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.

- Group as Lessee

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

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

n. Segment Reporting

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Taxes on Income

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Employee Benefits / Reserve for Employee Termination Benefits

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

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

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

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

r. Statement of Cash Flows

In statement of cash flows, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows mainly generated from leasing and factoring operations of the Group.

Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group.

Cash flows relating to finance activities express sources of financial activities and payment schedules of the Group.

s. Share Capital and Dividends

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Related Parties

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

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

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

Financial assets held for trading:

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

	31 March 2011		31 December 2010	
	TRY	FC	TRY	FC
Debt securities issued by private sector	3.175	-	3.259	-
Public debt securities	5.164	-	-	-
Equities	1.146	-	-	-
Investment funds	102	-	1.105	-
Repos	96	-	-	-
	9.683	-	4.364	-

31 March 2011	Nominal Value TRY	Fair Value TRY
Debt securities issued by private sector	3.127	3.175
Public debt securities	5.800	5.164
	8.927	8.339

Debt securities issued by private sector are matured on 2 March 2012 and 1 June 2012.

Public Debt securities are matured on 25 April 2012 and 07 November 2012.

The Group has investments in Türkiye İş Bankası A.Ş. funds amounting to TRY 102 (31 December 2010: TRY 1.105).

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

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

Derivative Financial Liabilities Held For Trading:

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

	31 March 2011		31 December 2010	
	TRY	FC	TRY	FC
Derivative Financial Assets Held For Trading	-	1.800	-	-
	-	1.800	-	-

	31 March 2011		31 December 2010	
	TRY	FC	TRY	FC
Derivative Financial Liabilities Held For Trading	-	2.697	-	1.201
	-	2.697	-	1.201

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

5. BANKS

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

	31 March 2011		31 December 2010	
	TRY	FC	TRY	FC
Demand deposits	763	3.858	1.597	5.099
Time deposits	314.309	171.790	548.331	131.879
Interest accrual	1.300	66	4.356	22
	316.372	175.714	554.284	137.000

The details of the time deposits as at 31 March 2011 are as follows:

Currency	Interest Rate %	Maturity	31 March 2011
TRY	6,00-8,90	01.04.2011-03.05.2011	315.609
USD	0,50-4,25	01.04.2011-29.04.2011	53.422
Euro	0,50-4,25	01.04.2011-09.05.2011	118.434
			487.465

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

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

As at 31 March 2011, TRY 4.935 portion of total foreign currency deposits (31 December 2010: TRY 21.278) and TRY 264.941 portion of total TRY deposits (31 December 2010: TRY 379.538) consist of accounts at the Company's main shareholders, Türkiye İş Bankası A.Ş.

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

	31 March 2011	31 December 2010
Demand deposits	4.621	6.696
Time deposits (1-3 months) (without accrual)	496.099	680.210
Cash and cash equivalents	490.720	686.906

As at 31 March 2011 and 31 December 2010, there is no any blockage on cash and cash equivalents.

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

6. FINANCIAL ASSETS AVAILABLE FOR SALE

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

Name of the investment	Core business	Incorporation and location	Voting right (%)	Ownership rate (%) 31 March 2011	Ownership rate (%) 31 December 2010	Carrying Amount 31 March 2011	Carrying Amount 31 December 2010
Quoted Investments:							
İş Yatırım Menkul Değerler A.Ş. (İş Yatırım)	Investment and Securities Services	İstanbul	4,86	4,86	4,86	24.421	25.298
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Private Equity	İstanbul	0,89	0,89	0,89	941	959
Unquoted investments:							
Camiş Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0,05	0,05	0,05	3	3
Yatırım Finansman Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0,06	0,06	0,06	34	29
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İletişim Hiz. A.Ş. (İş Net)	Inf. Comm. and Techn. Services	İstanbul	1,00	1,00	1,00	227	227
Efes Varlık Yönetimi A.Ş.		İstanbul	0,05	0,05	-	1.000	-
TOTAL						26.626	26.516

7. FACTORING RECEIVABLES

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

	31 March 2011	31 December 2010
Short-term factoring receivables (*)		
Domestic factoring receivables (net)	453.385	313.352
Export and import factoring receivables	17.392	19.130
Factoring interest income accrual	1.110	421
Unearned interest income	(1.798)	(1.583)
	470.089	331.320
Non-performing factoring receivables (**)	2.596	2.651
Provision for non-performing factoring receivables (**)	(2.596)	(2.651)
	470.089	331.320

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

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

Euro 3.375.408, USD 6.282.705, GBP 124.486 and TRY 344.312 of factoring receivables have variable rates (31 December 2010: 1.372.353, GBP 179.354 and TRY 208.504) while TRY 108.376 of factoring receivables have fixed rate (31 December 2010: Euro 2.701.380, USD 6.698.152 and TRY 103.685).

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

7. FACTORING RECEIVABLES (Continued)

As at 31 March 2011, the average interest rate applicable for the factoring receivables is; 8,53% for TRY, 5,82% for USD, 4,73% for Euro and 4,75% for GBP (31 December 2010: 8,56% for TRY, 4,62% for USD and 4,65% for Euro and 4.55% for GBP).

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

	31 March 2011	31 December 2010
Domestic irrevocable	170.123	121.789
Foreign irrevocable	16.093	15.460
Domestic revocable	282.565	190.399
Foreign revocable	1.308	3.672
	470.089	331.320

Except for its non-performing receivables for which 100% provision provided, the Group does not have overdue factoring receivables as at the balance sheet date. The carrying amount of the Group's restructured factoring receivables amounts to TRY 33 (31 December 2010: TRY 41). If such receivables were not restructured, they would be classified as overdue or doubtful receivables. The Group has contractual securities as collateral for such receivables.

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

Collateral type	31 March 2011	31 December 2010
Mortgage	1.500	1.500
	1.500	1.500

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

	31 March 2011	31 December 2010
Up to 90 days	-	-
Between 90 – 180 days	-	-
Between 180 – 360 days	-	-
Over 360 days	2.596	2.651
	2.596	2.651

The Group has contractual securities as collateral for the above non-performing factoring receivables.

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

	1 January- 31 March 2011	1 January- 31 March 2010
Provision at the beginning of the period	(2.651)	(2.971)
Provision set during the period	-	(6)
Collections	55	166
Provision at the end of the period	(2.596)	(2.811)

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

8. LEASE RECEIVABLES

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

31 March 2011	Short Term	Long Term	Total
Invoiced finance lease receivables	28.384	-	28.384
Uninvoiced finance lease receivables	354.587	805.216	1.159.803
Less: Unearned interest income	(75.280)	(112.562)	(187.842)
Leasing contracts in progress (**)	-	7.110	7.110
Advances given for lease transactions	-	48.703	48.703
Gross finance lease receivables	307.691	748.467	1.056.158
Non-performing finance lease receivables(*)	73.556	13.432	76.988
Specific provisions (*)	(40.001)	(7.304)	(47.305)
Net finance lease receivables	341.246	754.595	1.095.841

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

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

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

As at 31 March 2011, analysis of finance lease receivables according to their maturities is as follows:

	2011	2012	2013	2014	2015	2016 and after	Total
Finance lease receivables (gross) (*)	331.088	298.059	242.742	156.153	88.627	111.201	1.227.870
Unearned interest	(58.482)	(56.089)	(37.215)	(18.049)	(9.202)	(8.805)	(187.842)
Finance lease receivables (net)	272.606	241.970	205.527	138.104	79.425	102.396	1.040.028

(*) Leasing contracts in progress and advances given balances are not included in the maturity analysis as they have not been scheduled by the payment plans yet. Moreover, non-performing finance lease receivables are not included in the maturity analyses as related collection dates are not specified.

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

8. LEASE RECEIVABLES (Continued)

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

	2011	2012	2013	2014	2015	2016 and after	Total
Finance lease receivables (gross) (*)	349.088	250.662	195.935	117.276	58.698	42.106	1.013.765
Unearned Interest	(69.508)	(43.990)	(28.562)	(12.152)	(5.046)	(3.084)	(162.342)
Finance lease receivables (net)	279.580	206.672	167.373	105.124	53.652	39.022	851.423

(*) Leasing contracts in progress and advances given balances are not included in the maturity analysis as they have not been scheduled by the payment plans yet. Moreover, non-performing finance lease receivables are not included in the maturity analyses as related collection dates are not specified

As at 31 March 2011, the average compound interest rate applicable for the finance lease receivables is; 17,37% for TRY, 7,04% for USD, and 8,11% for Euro (31 December 2010: 18,57 % for TRY, 7,86% for USD and 8,52% for Euro).

As at 31 March 2011, details of finance lease receivables in terms of currency types are as follows:

Currency	Principal in foreign currency	Principal (*) (Net)	Unearned interest in foreign currency	Unearned interest
USD	276.947.072	428.798	48.134.621	74.527
Euro	198.192.338	432.376	34.863.983	76.059
TRY	-	178.854	-	37.256
Total		1.040.028		187.842

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

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

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

USD 39.601.292 and Euro 21.065.140 portion of the Group's finance lease receivables have variable rates (31 December 2010: USD 30.877.584 and Euro 20.464.686) while USD 237.345.780, Euro 177.127.198, and TRY 178.854 portion of its finance lease receivables have fixed rates (31 December 2010: USD 184.431.058, Euro 168.865.272, and TRY 174.550).

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

8. LEASE RECEIVABLES (Continued)

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

Collateral type	31 March 2011	31 December 2010
Mortgages	96.207	111.180
Mortgage on ship	70	136
Guarantors	1.582	2.228
Cash blockages	1.639	1.918
Letters of guarantee	2.450	-
	101.948	115.462

As at the balance sheet date, the Group did not book provision for uninvoiced finance lease receivables overdue less than 150 days classified under the finance lease receivables amounting to TRY 11.334 (31 December 2010: TRY 13.290) since the Group management assessed that there is no deterioration in the collection capacity and therefore these receivables are recoverable. The aging analysis of such receivables is as follows:

	31 March 2011	31 December 2010
Up to 30 days	8.246	10.078
Between 30 – 60 days	1.393	1.234
Between 60 – 90 days	809	905
Between 90 – 150 days	886	1.073
Total overdue	11.334	13.290
Not due amount	135.783	180.829
	147.117	194.119

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

Collateral type	31 March 2011	31 December 2010
Mortgages	21.381	33.679
Guarantors	15	45
Cash blockages	-	25
Letters of guarantee	251	305
	21.647	34.054

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

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

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

8. LEASE RECEIVABLES (Continued)

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

	31 March 2011	31 December 2010
Between 150 – 240 days	1.367	1.651
Between 240 – 360 days	2.696	3.475
Over 360 days	40.985	38.721
Uninvoiced non-performing finance lease receivables	47.627	50.448
Unearned interest of non-performing finance lease receivables	(5.687)	(5.738)
	86.988	88.557

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

Guarantee type:	31 March 2011	31 December 2010
Mortgages	9.788	10.174
Cash blockages	106	107
Letter of guarantee	-	6
	9.894	10.287

In addition to the above collaterals, leased equipments amounting to TRY 26.470 and pledged assets (vehicles) amounting to TRY 234 are considered in the provision calculation (31 December 2010: leased equipments amounting to TRY 29.143and pledged assets (vehicles) amounting to TRY 279).

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

Movement of specific provisions:	1 January- 31 March 2011	1 January- 31 March 2010
Provision at the beginning of the period	(44.607)	(39.629)
Provision set during the period	(2.918)	(3.087)
Collections	220	4.178
Provision at the end of the period	(47.305)	(38.538)

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

9. RELATED PARTIES

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

Finance lease receivables	31 March 2011	31 December 2010
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	37.042	37.254
Gemport Gemlik Liman İşletmeleri A.Ş.	3.814	4.741
Türkiye İş Bankası A.Ş.	3.223	3.207
Avea İletişim Hizmetleri A.Ş.	2.871	3.094
Ortopro Tıbbi Aletler San.ve Tic.A.Ş.	1.008	888
İş Merkezleri Yönetim Ve İşletim A.Ş.	372	442
Dr. Feridun Frik İlaç San.Tic. A.Ş.	106	124
TSKB Gayrimenkul Aracılık Hizm. A.Ş.	29	32
	48.465	49.782

Factoring receivables		
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	31.550	28.250
Dr. Feridun Frik İlaç San. Tic. A.Ş.	3.131	2.759
Kültür Yayınları İş-Türk Ltd. Şti.	334	618
	35.015	31.627

Payables to related parties		
Anadolu Anonim Türk Sigorta Şirketi (Insurance Premium)	4.726	4.571
	4.726	4.571

Deposits placed to related parties		
Türkiye İş Bankası A.Ş. Demand Deposit	4.597	6.678
Türkiye İş Bankası A.Ş. Time Deposit	265.279	394.138
	269.876	400.816

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

9. RELATED PARTIES (Continued)

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

Türkiye İş Bankası A.Ş.

Currency	Interest Rate %	Maturity	31 March 2011
TRY	7,45-7,60	05.04.2011	159.929
USD	3,02-4,14	27.04.2011-30.09.2016	199.990
Euro	3,10-4,25	27.05.2011-06.04.2012	125.702
			485.621

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

İş Bank GmbH

Currency	Interest Rate %	Maturity	31 March 2011
Euro	3,00-3,05	Overdraft-26.10.2011	33.293
			33.293

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

Türkiye Sınai Kalkınma Bankası A.Ş.

Currency	Interest Rate %	Maturity	31 March 2011
USD	2,46-2,48	15.07.2014-15.05.2015	43.183
Euro	3,21	15.07.2014	9.312
			52.495

Currency	Interest Rate %	Maturity	31 December 2010
USD	2,24-2,46	15.07.2014-15.05.2015	45.376
Euro	2,58	15.07.2014	10.051
			55.427

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

9. RELATED PARTIES (Continued)

For the period ended 31 March 2011 and 31 December 2010, income and expenses from related parties is as follows:

	1 January- 31 March 2011	1 January- 31 March 2010
Finance lease interest income from related parties		
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	436	440
Gemport Gemlik Liman İşletmeleri A.Ş.	95	181
Türkiye İş Bankası A.Ş.	71	315
Ortopro Tıbbi Aletler San.ve Tic.A.Ş.	24	16
Avea İletişim Hizmetleri A.Ş.	24	(25)
İş Merkezleri Yönetim ve İşletim A.Ş.	20	33
Dr. Feridun Frik İlaç San. Tic. A.Ş.	6	8
Other	1	-
Total	677	968
Interest income from related parties		
Türkiye İş Bankası A.Ş.	6.770	4.859
Total	6.770	4.859
Dividend income from related parties		
İş Net Elekt.Bilgi Ür.Dağ.Tic.ve İlet.Hiz.A.Ş	17	17
Yatırım Finansman Menkul Değerler A.Ş	4	4
Total	21	21
Finance expense		
Türkiye İş Bankası A.Ş	3.335	1.149
TSKB	4	20
İşbank Gmbh	183	1
Total	3.522	1.170
Rent expense		
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	267	253
Total	267	253
Commission income		
Anadolu Anonim Türk Sigorta Şirketi	434	380
Total	434	380
Factoring commission income		
Şişe Cam Dış Tic.AŞ.	17	20
Kültür Yayınları İş-Türk Ltd.Şti.	2	3
Total	19	23

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

9. RELATED PARTIES (Continued)

	1 January- 31 March 2011	1 January- 31 March 2010
Factoring interest income from related parties		
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	642	134
Ant Gıda Tarım Turizm Enerji ve Demir Çelik San. Tic. A.Ş.	-	129
Dr. Feridun Frik İlaç San. Tic. A.Ş.	74	-
Kültür Yayınları İş-Türk Ltd. Şti.	14	33
Nevotek Bil.Ses ve İlet. Sist. San.ve Tic. A.Ş	-	15
Total	730	311
Investment fund income		
Türkiye İş Bankası A.Ş	1	1
	1	1

The remuneration of the key management during year comprised the following:

Key management personnel compensation (*)

	1 January- 31 March 2011	1 January- 31 March 2010
Salaries and other short-term benefits (**)	794	711
	794	711

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

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

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

10. TANGIBLE ASSETS

For the period ended 31 March 2011 and 31 December 2010, the movement in tangible assets is as follows:

	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Cost					
Opening balance at 1 January 2011	29	3.010	1.902	2.107	7.048
Additions	-	17	-	19	36
Disposals	-	(515)	-	(48)	(563)
Closing balance at 31 March 2011	29	2.512	1.902	2.078	6.521
Accumulated depreciation					
Opening balance at 1 January 2011	(29)	(2.653)	(1.886)	(2.032)	(6.600)
Depreciation for the year	-	(30)	(5)	(7)	(42)
Disposals	-	512	-	46	558
Closing balance at 31 March 2011	(29)	(2.171)	(1.891)	(1.993)	(6.084)
Carrying amounts at 31 March 2011	-	341	11	85	437

	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Cost					
Opening balance 1 January 2010	29	3.458	1.905	3.093	8.485
Additions	-	115	-	35	150
Disposals	-	-	(3)	-	(3)
Closing balance 31 March 2010	29	3.573	1.902	3.128	8.632
Accumulated depreciation					
Opening balance 1 January 2010	(26)	(3.096)	(1.856)	(2.729)	(7.707)
Depreciation for the year	(1)	(17)	(10)	(36)	(64)
Disposals	-	-	2	-	2
Closing balance 31 March 2010	(27)	(3.113)	(1.864)	(2.765)	(7.769)
Carrying amounts at 31 March 2010	2	460	38	363	863

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

As at 31 March 2011 and 31 March 2010, there is no restriction on the tangible assets of the Group.

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

11. INTANGIBLE ASSETS

For the period ended 31 March 2011 and 31 December 2010, the movement in intangible assets is as follows:

	31 March 2011	31 March 2010
Opening balance at 1 January	1.374	272
Transfer (*)	125	-
Additions	(156)	-
Closing balance at the end of the period	1.343	272
Amortisation		
Opening balance at 1 January	(734)	(198)
Transfer (*)	(58)	(6)
Amortisation for the year	155	-
Closing balance at the end of the period	(637)	(204)
Carrying amounts	706	68

(*) Please refer to Note 10.

12. GOODWILL

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

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

13. DEFERRED TAX ASSETS AND LIABILITIES

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

	31 March 2011	31 December 2010
Temporary differences subject to deferred tax:		
Investment incentive – without witholding tax	389.054	371.305
Investment incentive – with witholding tax	147.846	145.383
Allowance for doubtful finance lease receivables	37.301	34.061
Valuation differences on financial instruments	898	1.201
Employee bonus accrual	408	1.045
Reserve for employee benefits	923	921
Provision for lawsuit	679	864
Unused vacation	357	252
Finance lease adjustment	(181)	(137)
Prepaid expenses	(455)	(512)
Tax base differences in tangible and intangible assets	(547)	(553)
Finance lease income accruals	(17.987)	(16.938)
Other	114	115
	558.410	537.007

	31 March 2011	31 December 2010
Deferred tax assets / (liabilities)		
Investment incentive – without witholding tax	77.811	74.261
Investment incentive – with witholding tax	296	6.812
Allowance for doubtful finance lease receivables	7.460	291
Valuation differences on financial instruments	179	240
Employee bonus accrual	82	209
Reserve for employee benefits	185	184
Provision for lawsuit	136	173
Unused vacation provision	71	50
Finance lease adjustment	(36)	(27)
Prepaid expenses	(91)	(102)
Tax base difference in tangible and intangible assets	(109)	(111)
Finance lease income accruals	(3.598)	(3.388)
Other	22	23
Deferred tax asset	82.408	78.615

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

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

13. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Investment Incentive:

The statement "limited to 2006, 2007 and 2008 only" in the 69th Article of the Income Tax Law No. 193, which was cancelled by the Constitutional Court decision No. 2009/144 and published in the Official Gazette on 8 January 2010, was re-regulated by the Law No. 6009 Article 5, published in the Official Gazette No. 27659, dated 1 August 2010. This new legislation enabled without any year limitation the continued utilization of investment allowances, which are carried forward due to insufficient current year earnings. However, the amount of investment allowance to be utilised may not exceed 25% of earnings for the year. With this change, corporation tax rate adopted for corporations benefiting from investment allowance is determined at the current rate (20%) instead of the previous rate of 30%. The Group may utilise TRY 536.900 of its unused investment allowances as offset against its future profits. The Group has TRY 78.107 of deferred tax assets comprising of unused investment allowances and other temporary differences, which may be offset against future profits. Partial or whole recoverable amounts of deferred tax asset are estimated based on current conditions. Future profit projections and potential tax planning strategies have been taken into consideration for valuation purposes.

There is no unused tax losses carried forward.

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

	31 March 2011	31 March 2010
Opening balance at 1 January	78.615	64.981
Deferred tax benefit / (expense)	3.793	(1.134)
Closing balance	82.408	63.847

14. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

	31 March 2011		31 December 2010	
	TRY	FC	TRY	FC
Assets held for sale (*)	278	-	278	-
	278	-	278	-

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

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

15. OTHER ASSETS

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

	31 March 2011		31 December 2010	
	TRY	FC	TRY	FC
Deductible value added tax	20.127	-	20.277	-
Insurance premium receivables	169	2.057	325	1.998
Others	1.108	142	1.368	178
	21.404	2.199	21.970	2.176

16. FUNDS BORROWED

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

Short-term borrowings	31 March 2011		31 December 2010	
	TRY	FC (*)	TRY	FC (*)
Short-term borrowings	650.410	785.127	688.927	706.793
Short-term portion of long-term borrowings	7.263	59.278	7.096	13.583
Total short-term borrowings	657.673	844.405	696.023	720.376
Long-term borrowings	18.158	163.190	21.287	149.214
Total long-term borrowings	18.158	163.190	21.287	149.214
Total borrowings	675.831	1.007.595	717.310	869.590

(*) Total TRY 25.561 foreign currency indexed borrowings have been presented in TRY column in the accompanying consolidated balance sheet (31 December 2010 – TRY 28.707).

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

Maturity analysis of borrowings	31 March 2011	31 December 2010
Within 1 year	1.502.078	1.416.399
Within 1-2 years	77.616	97.841
Within 2-3 years	53.046	30.948
Within 3-4 years	36.807	23.989
Within 4-5 years	10.782	17.723
Over 5 year	3.097	-
TOTAL	1.683.426	1.586.900

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

16. FUNDS BORROWED (Continued)

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

Currency	Interest rate %	Original currency amount	31 March 2011
TRY(*)	%7,45-%8,73	-	649.511
USD	%2,26-%4,00	179.998.612	278.692
Euro	%2,51-%4,81	227.885.135	497.154
GBP	%3,48	119.458	297
Interest accruals			9.883
TOTAL			1.435.537

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

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

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

Currency	Interest rate %	Original currency amount	31 March 2011
USD	%1,66-%4,14	134.401.710	208.094
Euro	%3,21-%4,17	18.241.203	39.795
TOTAL			247.889

Currency	Interest rate %	Original currency amount	31 December 2010
USD	1,66-4,14	86.752.267	134.119
Euro	2,58-3,40	27.847.090	57.061
TOTAL			191.180

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

16. FUNDS BORROWED (Continued)

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

	31 March 2011		31 December 2010	
	TRY	FC (*)	TRY	FC (*)
Fixed rate	485.270	721.474	600.733	581.401
Variable rate	165.000	311.682	87.870	316.896
	650.270	1.033.156	688.603	898.297

(*) Foreign currency indexed borrowings have been presented in TRY column in the accompanying consolidated balance sheet.
Fair values of the funds borrowed are presented in Note 38.

As at 31 March 2011, the Group has available TRY 1.897.630 of unused credit lines for which all precedent conditions were met (31 December 2010: TRY 1.745.674)

17. MISCELLANEOUS PAYABLES AND OTHER LIABILITIES

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

	31 March 2011		31 December 2010	
	TRY	FC	TRY	FC
Payables to suppliers for lease transactions	273	4.196	796	8.790
Other trade payables (*)	1.335	3.590	1.676	3.218
	1.608	7.786	2.472	12.008

(*) 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 payables and payables to suppliers resulting from daily operations of the Group.

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

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

	31 March 2011		31 December 2010	
	TRY	FC	TRY	FC
Advances received (**)	2.752	9.471	1.972	5.870
Others	89	-	596	150
	2.841	9.471	2.568	6.020

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

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

18. FINANCE LEASE OBLIGATIONS

None.

19. TAXES AND DUTIES PAYABLE

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

	31 March 2011		31 December 2010	
	TRY	FC	TRY	FC
Corporate tax provision	2.442	-	2.599	-
Taxes and duties payable	535	-	587	-
	2.977	-	3.186	-

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

	31 March 2011	31 December 2010
Current period corporate tax provision	2.442	11.212
Corporation taxes paid in advance during the year	-	(8.613)
Corporate tax provision (net)	2.442	2.599

	31 March 2011	31 March 2010
Corporate tax provision at the beginning of the period	2.599	3.552
Total income tax expense	2.442	276
Corporation taxes paid during the year	(2.599)	(3.552)
Corporate tax provision (net)	2.442	276

20. PROVISIONS

For the period ended 31 March 2011 and 31 December 2010, other provisions are as follows:

	31 March 2011	31 December 2010
Provision for lawsuit	679	864
	679	864

For the period ended 31 March 2011 and 31 December 2010, movements in provisions for lawsuit are as follows:

	31 March 2011	31 March 2010
Provision for lawsuit at the beginning of the period	864	630
Additions	143	-
Cancellations	(328)	-
Corporate tax provision (net)	679	630

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

21. EMPLOYEE BENEFITS

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

	31 March 2011	31 December 2010
Reserve for employee severance indemnity	923	921
Unused vacation provision	357	252
Employee bonus accrual	263	1.045
	1.543	2.218

Under the Turkish Labor Law, the companies are required to pay termination benefits to each employee who has qualified for such amount at the end of its employment contract. Also, employees who are entitled to retirement are required to be paid retirement pay in accordance with the requirements of Act no. 2422 dated 6 March 1981, Act no. 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code no. 506. Some transitional provisions related to the pre-retirement service term were excluded from the scope of the Law since the related law was amended on 23 May 2002. As the retirement pay ceiling is revised semi annually, the ceiling amount of TRY full 2.623,23 effective from 1 January 2011 has been taken into consideration in calculation of provision for employee termination benefits.

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

	31 March 2011	31 December 2010
Discount rate	4.66%	4.66%
Probability of retirement	100%	100%

For the period ended 31 March 2011 and 31 March 2010, movements in retirement pay provision are as follows:

	31 March 2011	31 March 2010
Balance at the beginning of the year	921	718
Charge for the period	56	40
Amounts paid	(54)	(50)
Balance at the end of the period	923	708

The movement of the provision for unused vacation during the periods ended 31 March 2011 and 31 March 2010 are as follows:

	31 March 2011	31 March 2010
Balance at the beginning of the period	252	170
Provision set during the year (net)	105	114
Balance at the end of the period	357	284

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

21. EMPLOYEE BENEFITS (Continued)

The movement of the provision for employee bonus accrual during the periods ended 31 March 2011 and 31 March 2010 are as follows:

	31 March 2011	31 March 2010
Balance at the beginning of the period	1.045	675
Provision set during the period	174	225
Payment made during the period	(956)	(534)
Balance at the end of the period	263	366

22. NON-CONTROLLING INTEREST

The Company owns 78,23% of İş Factoring. As at 31 March 2011, the minority interest amounted to TRY 10.968 (31 December 2010: TRY 10.861) calculated on the total equity of the subsidiary and TRY 207 (31 December 2010: TRY 249) calculated on the net profit of the subsidiary.

23. PAID-IN CAPITAL AND CAPITAL RESERVES

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

Shareholders	(%)	31 March 2011	(%)	31 December 2010
Türkiye İş Bankası A.Ş.	27,79	81.993	27,79	81.993
TSKB	28,56	84.252	28,56	84.252
Türkiye Şişe ve Cam Fab. A.Ş.	0,08	225	0,45	225
Nemtaş Nemrut Liman İşletmeleri A.Ş.	0,90	2.655	0,90	2.655
Publicly traded	42,67	125.875	42,30	125.875
TOTAL	100,00	295.000	100,00	295.000

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

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

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

Shareholders	31 March 2011	31 December 2010
Türkiye İş Bankası A.Ş.	300.000.000	300.000.000
TSKB	255.000.000	255.000.000
Türkiye Şişe ve Cam Fab. A.Ş.	22.500.000	22.500.000
Nemtaş Nemrut Liman İşletmeleri A.Ş.	22.500.000	22.500.000
Total	600.000.000	600.000.000

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

CAPITAL RESERVES

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

	31 March 2011	31 December 2010
Marketable securities revaluation reserve	12.934	13.728
Bonus shares obtained from associates, subsidiaries and jointly controlled entities	1.938	1.938
Total	14.872	15.666

Marketable Securities Revaluation Reserve:

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

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

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

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

24. PROFIT RESERVES

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

	31 March 2011	31 December 2010
Legal reserves	16.627	13.442
Other profit reserves	20.000	-
Extraordinary reserves (*)	118.241	77.724
TOTAL	154.868	91.166

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

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

25. PRIOR YEARS' PROFIT/LOSS

As at 31 March 2011 prior years' profit/loss is TRY 434 (31 December 2010: TRY 434).

26. COMMITMENTS AND CONTINGENCIES

As at 31 March 2011, TRY 493 of letters of guarantee are given to customs, authorities and banks (31 December 2010: TRY 493).

As at 31 March 2011, the total risk of litigations filed and currently pending against the Group amounting to approximately TRY 2.952 (31 December 2010: TRY 2.900). The Group has provided a provision amounting to TRY 679 for litigations (31 December 2010: TRY 864) in the accompanying consolidated financial statements (Note 20). The Group management does not anticipate any further provision for the remaining litigations.

As at 31 March 2011, the Group has letter of credit commitments of USD 3.047.980, Euro 24.809.250, GBP 248.500 and CHF 345.000 (31 December 2010: USD 1.788.507, Euro 5.023.425, GBP 283.500, and JPY 21.060.000).

As at the balance sheet date, the Group does not have any guarantees, pledges or mortgages given for the purpose of guaranteeing any third party payables.

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

26. COMMITMENTS AND CONTINGENCIES (Continued)

As at 31 March 2011 and 31 December 2010, details of derivatives are as follows:

	31 March 2011	
	Amount as original currency	TRY
Currency Swap Purchases:		
USD	15.214.568	23.557
TRY	84.088.000	84.088
		107.645
Currency Swap Sales:		
USD	50.000.000	77.415
Euro	12.017.395	26.217
		103.632

	31 December 2010	
	Amount as original currency	TRY
Currency Swap Purchases:		
USD	15.214.568	23.522
		23.522
Currency Swap Sales:		
Euro	12.017.395	24.625
		24.625

All swap transactions are short-term. As at 31 March 2011, the Group has TRY 1.800 of unrealized profit and TRY 2.697 of unrealized loss in relation to the fair value changes of swap transactions designated at through profit or loss (Note 4) (31 December 2010: TRY 1.201 loss).

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

27. SEGMENT REPORTING

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

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

Business segments

The Group comprises the following main business segments:

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

As at 31 March 2011:	Leasing	Factoring	Total
Total assets	1.686.491	517.232	2.203.723
Total liabilities	1.229.566	483.462	1.713.028
Net profit	14.678	743	15.421

As at 31 December 2010:	Leasing	Factoring	Total
Total assets	1.615.894	477.504	2.093.398
Total liabilities	1.189.814	427.623	1.617.437
Net profit	59.508	4.194	63.702

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

27. SEGMENT REPORTING (Continued)

31 March 2011	Leasing	Factoring	Total
Operating Income	21.780	5.895	27.675
Operating Expense (-)	(3.902)	(941)	(4.843)
Other Operating Income	85.903	3.099	89.002
Financial Expenses (-)	(12.599)	(5.541)	(18.140)
Provision for Losses on Non-Performing Receivables (-)	(2.918)	-	(2.918)
Other Operating Expense (-)	(75.118)	(1.381)	(76.499)
Profit from Continuing Operations Before Tax	13.146	1.131	14.277
Provision for Taxes from Continuing Operations (±)	1.532	(181)	1.351
Net Profit from Continuing Operations	14.678	950	15.628
Non-Controlling Interest	-	(207)	(207)
Net Profit for the Period	14.678	743	15.421
Fixed Asset Additions	112	49	161
Depreciation and Amortisation	(95)	(5)	(100)

31 March 2010	Leasing	Factoring	Total
Operating Income	21.597	3.273	24.870
Operating Expense (-)	(3.575)	(726)	(4.301)
Other Operating Income	77.648	3.212	80.860
Financial Expenses (-)	(8.045)	(4.111)	(12.156)
Provision for Losses on Non-Performing Receivables (-)	(3.087)	(6)	(3.093)
Other Operating Expense (-)	(68.479)	(190)	(68.669)
Profit from Continuing Operations Before Tax	16.059	1.452	17.511
Provision for Taxes from Continuing Operations (±)	(1.101)	(309)	(1.410)
Net Profit from Continuing Operations	14.958	1.143	16.101
Non-Controlling Interest	-	(249)	(249)
Net Profit for the Period	14.958	894	15.852
Fixed Asset Additions	125	25	150
Depreciation and Amortisation	(60)	(10)	(70)

28. SUBSEQUENT EVENTS

None.

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

29. OPERATING INCOME

For the periods ended 31 March 2011 and 31 March 2010, details of operating income are as follows:

	1 January- 31 March 2011	1 January- 31 March 2010
Finance lease interest income	21.780	21.597
Factoring income	5.895	3.273
	27.675	24.870

30. OPERATING EXPENSES

For the periods ended 31 March 2011 and 31 March 2010, details of operating expenses are as follows:

	1 January- 31 March 2011	1 January- 31 March 2010
Personnel expenses	(3.311)	(2.903)
Office rent expenses	(323)	(320)
Travel and car expenses	(203)	(169)
Information technology expenses	(140)	(107)
Consultancy expenses	(136)	(120)
Depreciation and amortisation expense	(100)	(70)
Capital increase expense	(37)	(31)
Other general administrative expenses	(593)	(581)
	(4.843)	(4.301)

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

31. OTHER OPERATING INCOME

For the periods ended 31 March 2011 and 31 March 2010, details of other operating income are as follows:

	1 January- 31 March 2011	1 January- 31 March 2010
Foreign exchange gains	75.129	68.322
Interest income	10.173	7.174
Collections from non-performing receivables	1.800	16
Dividend income	434	380
Commission income	275	4.344
Income from derivative financial transactions	21	21
Others	1.170	603
	89.002	80.860

32. FINANCIAL EXPENSES

For the periods ended 31 March 2011 and 31 March 2010, details of financial expenses are as follows:

	1 January- 31 March 2011	1 January- 31 March 2010
Interest expense	(17.994)	(11.945)
Fees and commissions expense	(146)	(211)
	(18.140)	(12.156)

33. PROVISION FOR NON-PERFORMING RECEIVABLES

For the periods ended 31 March 2011 and 31 March 2010, details of provision for non-performing receivables are as follows:

	1 January- 31 March 2011	1 January- 31 March 2010
Specific provision expenses	(2.918)	(3.093)
	(2.918)	(3.093)

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

34. OTHER OPERATING EXPENSES

For the periods ended 31 March 2011 and 31 March 2010, details of other operating expenses are as follows:

	1 January- 31 March 2011	1 January- 31 March 2010
Foreign exchange losses	(74.373)	(68.413)
Losses from derivative financial transactions	(1.519)	-
Other	(607)	(256)
	(76.499)	(68.669)

35. TAXATION

For the periods ended 31 March 2011 and 31 March 2010, details of income tax expense are as follows:

Provision for taxes	1 January- 31 March 2011	1 January- 31 March 2010
Current tax charge	(2.442)	(276)
Deferred tax benefit	3.793	(1.134)
	1.351	(1.410)

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

	%	1 January- 31 March 2011	%	1 January- 31 March 2010
Net profit for the period		15.628		16.101
Total tax income		(1.351)		1.410
Profit before tax		14.277		17.511
Income tax using the Company's tax rate	20,00	2.855	20.00	3.502
- Non deductible expenses	0.88	126	2.07	363
- Tax exempt income	(0,34)	(49)	(0.02)	(4)
- Investment incentives	(28,31)	(4.042)	(18.84)	(3.299)
- Other	(1,69)	(241)	(4.84)	848
Total income tax expense	(9,46)	(1.351)	(8.05)	1.410

35. TAXATION (Continued)

Corporate Tax

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

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

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

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2010 is 20% (2009: 20%). Under the Turkish taxation system, tax losses can be carried forward up to five years. Tax losses can not be carried back to offset profit from previous periods.

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

Income Withholding Tax:

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

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

35. TAXATION (Continued)

Investment Incentives

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

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

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

Transfer Pricing

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

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

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

36. EARNINGS PER SHARE

The weighted average number of shares of the Group and earnings per share for the period ended 31 March 2011 and 31 March 2010 are as follows:

	1 January- 31 March 2011	1 January- 31 March 2010
Weighted average number of outstanding shares (*)	29.500.000.000	29.500.000.000
Net profit for the period (TRY)	15.421	15.852
Basic earnings per share (full Kurus) (**)	0,05	0,05

(*) As at 31 March 2011, the share capital of the Company consists of 29.500.000.000 shares having Kurus 1 nominal price.

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

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

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

None.

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

(a) Capital risk management

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

Although there is no change in the capital risk management strategy in 2011, the debt/equity ratio is 40% as at 31 March 2011 (31 December 2010:521%). As at 31 March 2011 and 31 December 2010, the leverage ratios are as follows;

	31 March 2011	31 December 2010
Funds borrowed	1.683.426	1.586.900
Miscellaneous payables	9.394	14.480
Other liabilities	12.312	8.588
Total liabilities	1.705.132	1.609.968
Banks (-)	(492.086)	(691.284)
Net liabilities	1.213.046	918.684
Total shareholders' equity	490.695	475.961
Shareholders' equity / liabilities	%40	%52

According to the credit rating report of Fitch issued at 27 July 2010, credit rating of the Company is as follows:

	2010
Foreign Currency	
Long term	BBB-
Short term	F3
Outlook	Stable
TRY	
Long term	BBB-
Short term	F3
Outlook	Stable
National	
Long term	AAA (tur)
Outlook	Stable
Support	2

(b) Significant accounting policies

The Group's accounting policies on the financial instruments are disclosed in Note 3 "Significant accounting policies".

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(c) Categories of financial instruments

	31 Mach 2011	31 December 2010
Financial assets:		
Banks	492.086	691.284
Financial assets at fair value through profit or loss:		
-Financial assets held for trading	9.683	4.364
-Derivative financial assets held for trading	1.800	-
Finance lease receivables and non-performing receivables, net	1.095.841	935.621
Factoring receivables and non-performing factoring receivables, net	470.089	331.320
Insurance premium receivables (*)	2.226	2.323
Financial assets available for sale	26.626	26.516
Financial Liabilities:		
Derivative financial liabilities held for trading	(2.697)	(1.201)
Miscellaneous payables and other liabilities	(21.706)	(23.068)
Funds borrowed	(1.683.426)	(1.586.900)

(*) Included in other assets.

(d) Financial risk management objectives

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

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

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(e) Market risk

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

- "Forward foreign exchange contracts" to hedge the exchange rate risk arising from operations,

- "Currency swaps" to control the exchange rate risk of foreign currency denominated liabilities.

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

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

(f) Currency risk management

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

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

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

31 March 2011 (*)	USD 000	Euro 000	CHF 000	GBP 000	JPY 000	TRY Equivalent
Banks	28.000	60.658	-	12	26	175.714
Finance lease receivables	276.947	198.192	-	-	-	861.174
Factoring receivables	27.628	3.413	-	124	-	50.531
Advances given for lease transactions	16.454	10.097	-	239	-	48.096
Leasing contracts in progress	2.109	566	-	-	-	4.500
Other assets	761	468	-	-	-	2.199
Total assets	351.899	273.394	-	375	26	1.142.214
Funds borrowed	(316.043)	(249.143)	-	(119)	-	(1.033.156)
Miscellaneous payables and other liabilities	(3.157)	(5.664)	(1)	(5)	74	(17.257)
Other provisions	(113)	-	-	-	-	(174)
Total liabilities (**)	(319.313)	(254.807)	(1)	(124)	74	(1.050.587)
Balance sheet position	32.586	18.587	(1)	251	100	91.627
Off balance sheet position (Forward & Swap)	(34.785)	(12.017)	-	-	-	(80.075)
Net foreign currency position	(2.199)	9.570	(1)	251	100	11.552

(*) Foreign currency indexed borrowings amounting to USD 10.494.810 and Euro 4.268.425 (Total: TRY 25.561) and foreign currency indexed factoring receivables amounting to USD 21.345.113 and Euro 37.537 (Total: TRY 33.130) are presented in TRY column in the accompanying consolidated balance sheet.

(**) Accruals related to derivative financial assets amounting to TRY 1.800 and derivative financial liabilities amounting to TRY 2.697 is not taken into consideration.

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

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

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

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

Foreign currency sensitivity

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

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

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

Foreign currency sensitivity (Continued)

31 March 2011	Profit / (Loss) Appreciation of foreign currency	Profit / (Loss) Depreciation of foreign currency	Equity(*) Appreciation of foreign currency	Equity(*) Depreciation of foreign currency
15% change of the USD against TRY				
1- Net USD asset/liability	7.568	(7.568)	7.568	(7.568)
2- Hedged portion of TRY against USD risk (-)	(8.079)	8.079	(8.079)	8.079
3- Net effect of USD (1+ 2)	(511)	511	(511)	511
15% change of the Euro against TRY				
4- Net Euro asset/liability	6.082	(6.082)	6.082	(6.082)
5- Hedged portion of TRY against Euro risk (-)	(3.933)	3.933	(3.933)	3.933
6- Net effect of Euro (4+5)	2.149	(2.149)	2.149	(2.149)
15% change of other foreign currencies against TRY				
7- Net other foreign currencies asset/liability	63	(63)	63	(63)
8- Hedged portion of TRY against other currencies risk (-)	-	-	-	-
9- Net effect of other foreign currencies (7+8)	63	(63)	63	(63)
TOTAL (3+6+9)	1.701	(1.701)	9.701	(1.701)

(*) Includes profit/loss effect.

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

(*) Includes profit/loss effect.

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

Forward foreign exchange contracts and currency swaps

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

(g) Interest risk management

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

Interest rate sensitivity

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

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

	31 March 2011	31 December 2010
Fixed rate instruments		
Financial assets:		
Banks	492.086	691.284
Finance lease receivables (*)	932.757	805.702
Factoring receivables	108.376	119.576
Financial liabilities		
Funds borrowed	1.206.744	1.182.134
Variable rate instruments		
Financial assets:		
Finance lease receivables(*)	107.271	89.671
Factoring receivables	361.713	211.744
Financial liabilities		
Borrowings	476.682	404.766

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(g) Interest risk management (Continued)

Interest rate sensitivity (Continued)

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

- Interest income from variable rate finance lease contracts would increase by TRY 265 (31 March 2010: TRY 221), and interest income from fixed rate finance lease contracts would increase by TRY 2.174 (31 March 2010: TRY 1.545).

- Interest income from variable rate factoring contracts would increase by TRY 853 (31 March 2010: TRY 855), and interest income from fixed rate factoring contracts would increase by TRY 306 (31 March 2010: TRY 432).

- Interest expense from variable rate funds borrowed (borrowings) would increase by TRY 1.166 (31 March 2010: TRY 854), and interest expense from fixed rate borrowings would increase by TRY 2.800 (31 March 2010: TRY 1.645).

(h) Other price risks

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

Equity price sensitivity

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

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

- There would not be any difference in the net profit/loss to the extent that equity investments are classified as available or are not disposed of or are not subject to impairment.

- Revaluation reserve under equity would increase/decrease by TRY 3.804 (for the period ended 31 March 2010: TRY 3.058). It is mainly because of changes in fair value of the available for sale equity securities.

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

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management

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

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

Sectoral allocation of finance lease receivables is as follows:

	31 March 2011 %	31 December 2010 %
Transportation	18,08	16,09
Forestry products and paper	11,65	6,85
Construction	9,61	11,20
Metal industry	9,15	10,25
Healthcare	9,07	10,80
Textile	5,99	5,99
Tourism	4,78	4,51
Finance	4,19	4,76
Agriculture and forestry	3,93	4,55
Food and beverage	3,72	3,22
Chemical and plastic	3,52	4,23
Machinery and equipment	3,42	3,29
Mining	2,50	2,40
Retail and wholesale	2,47	2,85
Other	7,92	9,01
	100,00	100,00

Leased equipment allocation of finance lease receivables is as follows:

	31 March 2011 %	31 December 2010 %
Machinery and equipment	23,97	25,61
Real estate	23,39	18,81
Building and construction machinery	12,65	13,52
Sea transport vessels	9,78	8,88
Medical equipment	6,03	7,12
Printing machinery	3,90	4,56
Textile machinery	3,80	3,77
Tourism equipment	3,31	3,60
Electronic and optical equipment	3,21	3,46
Road transportation equipments	3,12	3,62
Office equipments	2,65	3,06
Air transportation equipments	1,91	1,30
Other	2,28	2,69
	100,00	100,00

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management (Continued)

As at 31 March 2011, details of exposure to credit risk based on categories of financial instruments are as follows:

	Receivables							
	Finance Lease Receivables		Factoring Receivables					
31 March 2011	Related party	Third party	Related party	Third party	Deposits	Fair value through profit/loss financial assets	Available for sale financial assets	Insurance premium receivables
Exposure to maximum credit risk as at reporting date (*)	48.465	1.047.376	35.015	435.074	492.086	11.483	26.626	2.226
- The portion of maximum risk covered by guarantee	-	111.842	-	1.500	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	48.465	860.577	35.015	435.041	492.086	11.483	26.626	2.226
- The portion covered by guarantee	-	80.301	-	1.500	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	33	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	147.116	-	-	-	-	-	-
- The portion covered by guarantee	-	21.647	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	39.683	-	-	-	-	-	-
- Overdue (gross book value)	-	66.995	-	2.596	-	-	-	-
- Impairment (-)	-	(39.066)	-	(2.596)	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc) (**)	-	9.894	-	-	-	-	-	-
- Not past due (gross book value)	-	19.993	-	-	-	-	-	-
- Impairment (-)	-	(8.239)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.) (**)	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

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

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

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management (Continued)

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

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

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

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

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management (Continued)

		31 March 2011 %	31 December 2010 %
Internal rating results:			
A+	(Perfect)	-	0,32
A	(Very good)	3,99	4,06
A-	(Good)	1,63	3,71
B+	(Satisfactory)	25,18	16,92
B	(Close Monitoring)	16.36	15,29
B-	(Insufficient)	24,22	25,68
C+	(Doubtful)	14,02	14,12
C	(Loss)	6,53	6,88
Not rated		8,07	13,02
Total		100,00	100,00

Collaterals obtained for all finance lease receivables including past dues and non-performing receivables (Note 8) are as follows:

	31 March 2011		31 December 2010	
	Nominal Value	Fair Value(*)	Nominal Value	Fair Value(*)
Other mortgages	571.313	104.495	542.525	156.533
Ship mortgage	3.871	-	3.865	-
Guarantors	1.935	70	1.889	181
Cash blockages	2.572	1.688	3.557	2.360
Equities	2.450	2.450	-	-
Letters of guarantee	23.396	1.639	23.858	2.229
	605.537	110.342	575.694	161.303

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

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(j) Liquidity risk management

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

Liquidity risk table

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

31 March 2011

Contractual Maturities	Carrying Amount	Contractual Cash Flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
Non-derivative Financial Assets						
Banks	492.086	493.753	463.446	30.307	-	-
Financial Assets at Fair Value Through Profit or Loss	9.683	9.683	4.547	-	5.136	-
Derivative Financial Assets Held for Trading	1.800	1.800	-	1.800	-	-
Finance Lease Receivables (*)	1.040.028	1.209.882	127.153	264.081	720.165	98.483
Factoring Receivables	470.089	470.089	426.872	43.217	-	-
Insurance Premium Receivables	2.226	2.226	2.226	-	-	-
Total Assets	2.015.912	2.187.433	1.024.244	339.405	725.301	98.483
Non-derivative Financial Liabilities						
Funds Borrowed	1.683.426	1.718.820	854.082	669.756	191.758	3.224
Miscellaneous Payables And Other Liabilities	21.706	21.706	20.303	51	1.352	-
Derivative Financial Liabilites Held for Trading	2.697	2.697	610	2.087	-	-
Total Liabilities	1.707.829	1.743.223	874.995	671.894	193.110	3.224

The Group makes payments based on contractual maturities.

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

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(j) Liquidity risk management (Continued)

31 December 2010

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

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

31 March 2011 Contractual Maturities	Carrying Amount	Contractual Cash Flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
Cash inflows from derivatives	4.013	107.645	-	107.645	-	-
Cash outflows from derivatives	-	(103.632)	-	(103.632)	-	-

31 December 2010 Contractual Maturities	Carrying Amount	Contractual Cash Flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
Cash inflows from derivatives	-	23.522	-	23.522	-	-
Cash outflows from derivatives	(1.103)	(24.625)	-	(24.625)	-	-

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(k) Fair value of financial instruments

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

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

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

31 March 2011	Financial assets held for trading	Financial assets at amortized cost	Loans and receivables	Available for sale financial assets	Financial liabilities at amortized cost	Carrying amount	Fair value	Note
Financial Assets								
Banks	-	492.086	-	-	-	492.086	492.086	5
Financial assets at fair value through profit or loss	-							
- Financial assets held for trading	9.683		-	-	-	9.683	9.683	4
- Derivative financial assets held for trading	1.800	-	-	-	-			4
Finance lease receivables and non-performing lease receivables	-	-	1.095.841	-	-	1.095.841	1.153.729	8
Factoring receivables and non-performing factoring receivables	-	-	470.089	-	-	470.089	470.089	7
Insurance premium receivables	-	-	2.226	-	-	2.226	2.226	15
Available for sale financial assets	-	-	-	26.626	-	26.626	26.626	6
Financial liabilities								
Derivative financial assets held for trading	2.697	-	-	-	-	2.697	2.697	4
Miscellaneous payables and other liabilities	-	-	-	-	9.394	9.394	9.394	17
Funds borrowed	-	-	-	-	4.683.426	1.683.426	1.691.343	16

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(k) Fair value of financial instruments (Continued)

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

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

38. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (Continued)

(l) Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2011	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	9.485	198	-	9.683
Derivative financial assets held for trading	-	1.800	-	1.800
Available-for-sale financial assets (*)	25.362	-	227	25.589
Total financial assets carried at fair value	34.847	1.998	227	37.072

(*) As at 31 March 2011, securities that are not publicly traded amounting to TRY 1.037 have been measured at cost.

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

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