A&T Finansal Kiralama

Anonim Şirketi

Financial Statements
As at 31 December 2009With Independent Auditors'
Report Thereon

22 January 2010

This report includes "independent auditors' report" comprising 1 page and; "financial statements together with their explanatory notes" comprising 35 pages.

A&T Finansal Kiralama Anonim Şirketi

Table of contents:

KPMG

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Yapı Kredi Plaza C Blok Kat 17
Büyükdere Caddesi
Levent 34330 İstanbul

Telephone +90 (212) 317 74 00
Fax +90 (212) 317 73 00
Internet www.kpmg.com.tr

Independent Auditors' Report

To the Board of Directors of
A&T Finansal Kiralama Anonim Şirketi:

We have audited the accompanying financial statements of A&T Finansal Kiralama Anonim Şirketi ("the Company"), which comprise the statement of financial position as at 31 December 2009, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of A&T Finansal Kiralama Anonim Şirketi as at 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Istanbul,
22 January 2010

KPMG Akis Bağımsız Denetim ve SMMM AŞ

A&T Finansal Kiralama Anonim Şirketi

Statement of Financial Position

As at 31 December 2009

(Currency: Turkish Lira ("TL") unless otherwise stated)

	Note	31 December 2009	31 December 2008
ASSETS			
Cash and cash equivalents	10	35,955,370	24,405,418
Minimum financial lease receivable, net	11	53,903,203	71,026,980
Other assets	12	2,751,280	2,756,172
Tangible assets, net	13	128,722	133,760
Intangible assets, net	14	20,255	10,490
Deferred tax asset	9	2,217,150	-
Total assets		**94,975,980**	**98,332,820**
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Bank borrowings	15	52,942,077	62,810,972
Trade payables	16	593,075	835,114
Other liabilities and accrued expenses	17	191,961	176,654
Reserve for employee severance payments	18	273,810	197,627
Deferred tax liability	9	-	69,908
Total liabilities		**54,000,923**	**64,090,275**
EQUITY			
Share capital	19	33,576,274	28,776,274
Legal reserves	19	1,111,840	985,985
Retained earnings		6,286,943	4,480,286
Total shareholders' equity		**40,975,057**	**34,242,545**
Total liabilities and shareholders' equity		**94,975,980**	**98,332,820**
Commitments and Contingencies	21		

The notes on pages 5 to 35 are an integral part of these financial statements.

A&T Finansal Kiralama Anonim Şirketi

Statement of Comprehensive Income

For the Year Ended 31 December 2009

(Currency: Turkish Lira ("TL") unless otherwise stated)

	Note	31 December 2009	31 December 2008
Financial lease interest income		6,402,974	6,897,362
Interest income on bank deposits		3,073,122	3,848,557
Income from financing leases		**9,476,096**	**10,745,919**
Interest expense on borrowings		(2,094,766)	(3,395,542)
Net interest income		**7,381,330**	**7,350,377**
Foreign exchange gain, net		7,172	93,953
Other operating income	*7*	351,158	485,013
		358,330	**578,966**
Marketing, general and administrative expenses	*5*	(628,796)	(653,311)
Salaries and employee benefits	*6*	(2,160,527)	(2,056,863)
Net impairment on finance leases	*11*	98,388	(148,499)
Depreciation and amortization		(49,751)	(47,608)
Other operating expenses	*8*	(553,419)	(655,028)
Profit before taxes		**4,445,555**	**4,368,034**
Income taxes	*9*	2,286,957	(1,841,815)
Net profit for the period		**6,732,512**	**2,526,219**
Other comprehensive income			
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the period		**6,732,512**	**2,526,219**

The notes on pages 5 to 35 are an integral part of these financial statements.

A&T Finansal Kiralama Anonim Şirketi
Statement of Changes in Equity
For the Year Ended 31 December 2009
(Currency:Turkish Lira ("TL") unless otherwise stated)

	Share capital	Legal reserves	Retained earnings	Total
Balances at 1 January 2008	27,276,274	906,346	3,533,706	31,716,326
Total comprehensive income for the period:				
Profit or loss	-	-	2,526,219	2,526,219
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	2,526,219	2,526,219
Transactions with owners, recorded directly in equity:				
Transfer from retained earnings	1,500,000	-	(1,500,000)	-
Transfer to legal reserves	-	79,639	(79,639)	-
Total transactions with owners	1,500,000	76,639	(1,579,639)	-
Balances at 31 December 2008	28,776,274	985,985	4,480,286	34,242,545
Balances at 1 January 2009	28,776,274	985,985	4,480,286	34,242,545
Total comprehensive income for the period:				
Profit or loss	-	-	6,732,512	6,732,512
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	6,732,512	6,732,512
Transactions with owners, recorded directly in equity:				
Transfer from retained earnings	4,800,000	-	(4,800,000)	-
Transfer to other reserves	-	125,855	(125,855)	-
Total transactions with owners	4,800,000	125,855	(4,925,855)	-
Balances at 31 December 2009	33,576,274	1,111,840	6,286,943	40,975,057

The notes on pages 5 to 35 are an integral part of these financial statements.

(Currency: Turkish Lira ("TL") unless otherwise stated)

	Note	31 December 2009	31 December 2008
Cash Flows From Operating Activities :			
Interest received		6,992,832	10,666,307
Interest paid		(1,776,773)	(3,137,980)
Fees and commissions received		504,682	51,469
Fees and commissions paid		(99,272)	(38,819)
Cash payments to employees and other parties		(1,997,426)	(1,990,751)
Cash received from other operating activities		286,755	365,452
Cash paid for other operating activities		(454,147)	(324,212)
Cash flows from operating activities before changes in operating assets and liabilites		**3,456,651**	**5,591,466**
Changes in operating assets and liabilities			
Net (increase)/ decrease in minimum lease payments receivable		17,123,777	(14,009,790)
Net (increase)/ decrease in other assets		(545,144)	(1,773,650)
Net increase/ (decrease) in other liabilities		(282,305)	297,255
Net cash (used in)/ provided by operating activities		**19,752,979**	**(9,894,719)**
Cash flows from investing activities:			
Purchases of premises and equipments	*13*	(39,137)	(46,618)
Purchases of intangibles	*14*	(15,340)	-
Proceeds from the sale of premises and equipment		92,507	-
Net cash (used in)/provided by investing activities		**38,030**	**(46,618)**
Cash flows from financing Activities :			
Proceeds from funds borrowed		18,713,882	19,846,868
Repayments of funds borrowed		(26,806,003)	(7,956,012)
Net cash provided by/(used in) financing activities		**(8,092,121)**	**11,890,856**
Net increase in cash and cash equivalents		11,698,888	1,949,519
Cash and cash equivalents at 1 January		24,157,683	22,208,164
Cash and cash equivalents at 31 December	*10*	**35,856,571**	**24,157,683**

Notes to the financial statements

1 Reporting entity

A&T Finansal Kiralama Anonim Şirketi ("the Company") was established on 4 July 1997, pursuant to the licence obtained from the Under secretariat of Treasury and Foreign Trade for the purpose of financial leasing as permitted by the law number 3226. The main shareholder of the Company is Arap Türk Bankası A.Ş with 99 % of the shares.

The Company's leasing operations principally focused on machinery and equipment, medical tools, construction, and office equipment.

The number of personnel working for the Company as of 31 December 2009 is 19 (31 December 2008: 20).

2 Basis of preparation

(a) Statement of compliance

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Accounting Standards, Turkish Financial Reporting Standards and the regulations issued by the Banking Regulation and Supervision Agency ("BRSA").

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in TL, which is the Company's functional currency. All financial information presented in TL is rounded to the nearest digit.

2 Basis of preparation *(continued)*

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, 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 areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- Note 4 – fair value measurement of financial instruments
- Note 9 – taxation
- Note 18 – measurement of reserve for employee severance payments
- Note 20– financial risk management

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into TL at the exchange rates ruling at financial position date with the resulting exchange differences recognized in the statement of comprehensive income as foreign exchange gain or loss. Gains and losses arising from foreign currency transactions are reflected in the statement of comprehensive income as realized during the course of the period.

(b) Financial Instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise minimum lease receivables and other receivables, cash and cash equivalents, borrowings, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus at any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments including minimum lease receivables and time deposits at banks are measured at amortized cost using the effective interest method, less any impairment losses. Demand deposits and trade and other payables are measured at cost.

A financial instrument is recognized if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances, demand and time deposits with a maturity period of three months or less.

Borrowings

Borrowings are recognized initially at cost, net of any transaction costs incurred. Subsequent to initial recognition, bank borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of comprehensive income over the period of the borrowings.

(ii) Share capital

Ordinary shares

Incremental costs directly attributable to issue of ordinary shares and share options are recognized as a deduction from equity.

Share capital increased pro-rata to existing shareholders is accounted for at par value as approved at the annual meeting of shareholders.

3 Significant accounting policies *(continued)*

(c) Property and equipment

(i) Recognition and measurement

Items of property and equipment acquired before 1 January 2006 are measured at cost restated for the effects of inflation in TL units' current at 31 December 2005 pursuant to International Accounting Standart ("IAS 29") "Financial Reporting in Hyper Inflationary Economies" less accumulated depreciation and impairment losses. Property and equipment acquired after 31 December 2005 are measured at cost, less accumulated depreciation, and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment 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 Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in the statement of comprehensive income as incurred.

(iii) Depreciation

Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives are as follows:

Machinery and equipment	5 years
Office equipment	5 years
Furniture, fixtures and vehicles	5 years

Leasehold improvements are amortized over the periods of the respective leases on a straight-line basis.

(d) Intangibles, net

Intangible assets represent computer software licenses. Intangible assets are measured at cost, less accumulated amortization, and impairment losses. Amortization is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets.

3 Significant accounting policies *(continued)*

(e) Leased assets

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments for operating leasing are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

(f) Impairment

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in statement of comprehensive income.

All impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of comprehensive income.

(g) Employee benefits

Reserve for employee severance payments

In accordance with the existing social legislation in Turkey, the Company 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 calculated on the basis of an agreed formula, are subject to certain upper limits and are recognized in the accompanying financial statements as accrued. The reserve has been calculated by estimating the present value of the future obligation of the Company that may arise from the retirement of the employees.

3 Significant accounting policies *(continued)*

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

(i) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position 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.

(j) Related Parties

For the purpose of this report, the shareholders of the Company and the companies controlled by/associated with them are referred to as related parties. Related parties also include individual that are principal owners, management and members of the Board of Directors and their families.

(k) Revenue and Cost recognition

(i) Interest income from direct finance leases

The Company's financial leases consist of leases of vehicles and various equipments, including industrial machinery and office equipment. The excess of aggregate lease rentals plus the residual value over the cost of the leased asset constitutes the unearned lease income to be taken into income over the term of the lease and produce a constant periodic rate of return on the net cash investment remaining in each lease.

Fee and commission income is recognized when the corresponding service is provided.

(ii) Interest income and expense

Interest income and expense is recognized in the accompanying statement of comprehensive income as it accrues, taking into account the effective yield of the asset or an applicable floating rate. Interest income and expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

3 Significant accounting policies *(continued)*

(l) Income tax

Taxes on income comprise current tax and the change in the deferred taxes. Current tax is the expected tax payable on the taxable income for the period/year, using tax rates enacted or substantially enacted at the financial position date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the balance sheet liability method, on all taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities and assets are recognized when it is probable that the future economic benefits resulting from the reversal of taxable temporary differences will flow to or from the Company. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Currently enacted tax rates are used to determine deferred taxes on income.

(m) New standards and interpretations not yet adopted

The Company applied all of the relevant and required standards promulgated by International Accounting Standards Board ("IASB") and the interpretations of IASB as at 31 December 2009, except for the below which will be effective after 31 December 2009.

Revised IFRS 3 "Business Combinations" made changes to the scope of IFRS 3, revised the definition of business, made some revisions at recognition principles of acquired assets and enhanced the disclosure requirements. The revised IFRS 3 is effective for annual financial periods beginning on or after 1 January 2010 with early adoption permitted and it is not expected to have any impact on the Company's financial statements.

Revised IAS 27 "*Consolidated and Separate Financial Statements*" mainly changes the accounting for non-controlling interest and the loss of control of a subsidiary. The revised standard is effective for annual financial periods beginning on or after 1 January 2010. It is not expected to have any impact on the Company's financial statements.

IFRIC 17, "*Distributions of Non-cash Assets to Owners*", requires entities to recognise certain distributions of non-cash assets at fair value, and to recognise in profit or loss the difference between the fair value of the assets distributed and their carrying amounts. TFRIC 17 provides guidance on when and how a liability for certain distributions of non-cash assets is recognised and measured, and how to account for settlement of that liability. Transactions within its scope will need to be measured at fair value. IFRIC 17 is effective for annual periods beginning on or after 1 January 2010. It is not expected to have any significant impact on the financial statements of the Company.

IFRIC 18 – "*Transfers of Assets from Customers*" clarifies the accounting requirements for property, plant, and equipment, cash to be used in construction and alike assets transferred from customers. The amendment is effective for annual periods beginning on or after 1 January 2010, will be adopted prospectively. It is not expected to have any significant impact on the financial statements of the Company.

3 Significant accounting policies *(continued)*

(m) New standards and interpretations not yet adopted *(continued)*

IAS 39 – "*Financial Instruments*": Recognition and Measurement: clarify that derivatives can be reclassified into or out of the fair value through profit or loss category, when they are designated as hedging instruments or when they are de-designated as hedging instruments respectively. The amendment is effective for annual periods beginning on or after 1 January 2010, will be adopted prospectively. It is not expected to have any significant impact on the financial statements of the Company.

The revised IAS 24 "Related Party Disclosures" amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. An entity shall apply that amendment for annual periods beginning on or after 1 February 2010. Earlier application is permitted. If an entity applies the amendment for an earlier period, it shall disclose that fact. The amendments to IAS 24 are not expected to have a significant impact on the financial statements of the Company.

IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of its financial assets. The guidance in IAS 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, and entities are permitted to adopt them earlier Prior periods need not be restated if an entity adopts the standard for reporting periods beginning before 1 January 2012.

4 Determination of fair values

A number of the Company's disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price.

(Currency: Turkish Lira ("TL") unless otherwise stated)

4 Determination of fair values *(continued)*

The estimated fair values of financial instruments have been determined using available market information by the Company, and where it exists, appropriate valuation methodologies. However, judgment is necessary required to interpret market data to determine the estimated fair value. While management has used available market information in estimating the fair values of financial instruments, the market information may not be fully reflective of the value that could be realized in the current circumstances. Fair value has been determined by discounting the relevant cash flows using current interest rates for financial lease receivables. The carrying amounts of the cash at banks-time, and trade payables approximate their fair values due to their short-term maturities. For bank borrowings, fair value is estimated to approximate carrying value, since bank borrowings are floating rate are repriced at the market.

At 31 December 2009 and 2008, the carrying amounts and fair values of financial instruments are as follows:

	31 December 2009		**31 December 2008**	
	Fair Value	**Carrying Amount**	**Fair Value**	**Carrying Amount**
Financial assets				
Minimum financial lease receivables	53,968,761	53,903,203	70,166,405	71,026,980
Cash and cash equivalents	35,955,370	35,955,370	24,405,418	24,405,418
Financial liabilities				
Bank borrowings	52,939,688	52,942,077	62,728,076	62,810,972
Trade payables	593,075	593,075	835,114	835,114

(Currency:Turkish Lira ("TL") unless otherwise stated)

5 Marketing, general and administrative expenses

For the years ended 31 December, marketing, general and administrative expenses comprised the following:

	2009	2008
Office expenses	205,738	258,027
Services from third parties	132,851	79,351
Rent expense	117,076	91,021
Insurance expenses	81,647	78,994
Taxes and duties	45,060	64,418
Marketing expenses	31,279	47,663
Others	15,145	33,837
	628,796	**653,311**

6 Salaries and employee benefits

For the years ended 31 December, salaries and employee benefits comprised the following:

	2009	2008
Wages and salaries	1,672,408	1,606,733
Other fringe benefits	258,249	229,598
Social security premiums	133,221	154,420
Employee termination benefits	96,649	66,112
	2,160,527	**2,056,863**

7 Other operating income

For the years ended 31 December, other operating income comprised the following:

	2009	2008
Income from costs charged to customers	212,221	332,488
Fees and commission income	46,430	117,948
Gain on transfer of leased assets	92,507	34,577
	351,158	**485,013**

8 Other operating expense

For the years ended 31 December, other operating expense comprised the following:

	2009	2008
Other expenses related to lease contracts	419,151	535,104
Insurance expenses related to lease contracts	95,665	81,106
Fees and commission expense	38,603	38,818
	553,419	**655,028**

9 Taxation

As of 31 December 2009, corporate income tax is levied at the rate of 20%. But the Companies, using the investment incentives explained below, is subject to a corporate tax rate of 30%. Corporate income tax rate is applied on the statutory corporate income tax base, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes. There is also a withholding tax levied at a certain rate on the dividends paid and is accrued only at the time of such payments.

Effective from 24 April 2003, investment allowances provide a deduction from the corporate tax base of 40% of the purchases of the brand-new fixed assets having economic useful life and exceeding TL 10,000 (2004: TL 6,000) and directly related with the production of goods and services. Investments allowance that arose prior to 24 April 2003 is taxed at 19.8% (withholding tax) unless they are converted to new type at the will of the companies.

Change in "investment incentives on commercial and agricultural gains" 19 article of Code of Income Tax is terminated as of January 2007. The regulation effective from 24 April 2003, investment allowances provide a deduction from the corporate tax base of 40% of the purchases of the brand-new fixed assets having economic useful life and directly related with the production of goods and services, is terminated as of January 2007. The investment incentive amounts calculated with the regulation effective as of 31 December 2005 could only be deducted from the profits of 2006, 2007 and 2008 with the guidance of the regulations effective as of the period (including the regulations over tax rates). In accordance with the decision taken by the Turkish Constitutional Court on 15 October 2009, "2006, 2007 and 2008 ..." clause of the provisional Article no. 69 of Income Tax Law mentioned above, is repealed related to investment incentive is enacted and issued in the 8 January 2010 dated and 27456 numbered Official Gazette. As at 31 December 2009, total investment incentive amounted to TL 10,560,990.

The Companies are subject to withholding tax liability on dividend payments which are made to the companies except those are settled in Turkey or generate income in Turkey via a business or a regular agent with the taxe rate of 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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.

(Currency:Turkish Lira ("TL") unless otherwise stated)

9 Taxation *(continued)*

The carrying amounts of the deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized and deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Taxation charge comprised the following taxes for the years ended 31 December 2009 and 2008:

	2009	2008
Current corporation and income taxes	-	-
Deferred taxes on taxable temporary differences	2,286,957	(1,841,815)
Income taxes	**2,286,957**	**(1,841,815)**

The breakdown of deductible and taxable temporary differences for which either deferred tax asset or deferred tax liability have been provided at 31 December are as follows:

	31 December 2009	31 December 2008
Deferred income tax liabilities		
Leasing income accruals	99,768	129,589
Others	-	217,223
	99,768	**346,812**
Deferred income tax asset		
Tax credits of unused investment incentive allowances	2,112,198	-
Bad debt allowance	147,022	166,700
Employment termination benefits	29,328	24,738
Others	28,370	85,466
	2,316,918	**276,904**
Net deferred tax asset/(liability)	**2,217,150**	**(69,908)**

The reported tax expense for the years ended 31 December are different than the amounts computed by applying the statutory tax rate to profit before tax as shown in the following reconciliation:

	2009		2008	
	Amount	*%*	*Amount*	*%*
Reported profit before income taxes	4,445,557		4,368,034	
Taxes on reported profit per statutory tax rate	(889,111)	(20%)	(873,607)	(20%)
Permanent differences:				
Non-deductible expenses	(51,412)	(1%)	(147,540)	(3%)
Effect of unused investment allowances	2,974,691	67%	(766,255)	(18%)
Effect of change in tax rate	-		23,269	1%
Other permanent differences	252,789	6%	(77,682)	(2%)
Income tax	**2,286,957**	51%	**(1,841,815)**	(42%)

(Currency:Turkish Lira ("TL") unless otherwise stated)

10 Cash and cash equivalents

At 31 December, cash and cash equivalents comprised the following:

	31 December 2009	31 December 2008
Cash at banks-demand	837,309	384,930
Cash at banks-time	35,117,710	24,020,263
Cash on hand	351	225
Cash and cash equivalents at the statement of financial position	35,955,370	24,405,418
Less:Accrued interest income	98,799	247,735
Cash and cash equivalences at the cash flow statement	**35,856,571**	**24,157,683**

At 31 December 2009, maturities of time deposits vary between three months (31 December 2008: 60 days). At 31 December 2009, interest rates applied to these time deposits ranged between 9.25% and 10.60% (31 December 2008: 18.50%-19.50%) for domestic currency deposits and 0.25% and 3.25% (31 December 2008: 2.50%- 4%) for foreign currency deposits.

11 Minimum financial lease receivable

At 31 December, minimum financial lease receivable comprised of the following:

	31 December 2009	31 December 2008
Financial lease receivable	58,377,804	77,771,045
Invoiced lease receivables	2,248,177	2,813,419
Subtotal	60,625,981	80,584,464
Impaired financial lease receivables	735,111	833,499
Gross financial lease receivable	61,361,092	81,417,963
Reserve for impaired financial lease receivables	(735,111)	(833,499)
Subtotal	60,625,981	80,584,464
Unearned interest income	(6,722,778)	(9,557,484)
Minimum financial lease receivable, net	**53,903,203**	**71,026,980**

Minimum financial lease receivable consists of rentals receivable over the terms of leases. Per the lease agreements made with lessees, there is an insignificant residual value guaranteed to the lessor and the ownership of the items leased is transferred to the lessees at the end of the lease term.

The maturity profile of the minimum financial lease receivable is as follows:

	31 December 2009	31 December 2008
2009	-	33,756,442
2010	27,688,306	20,811,081
2011	16,067,226	11,489,963
2012	7,868,860	4,255,689
2013	2,202,826	713,805
2014	75,985	-
Total payments	**53,903,203**	**71,026,980**

(Currency: Turkish Lira ("TL") unless otherwise stated)

11 Minimum financial lease receivable *(continued)*

The Company provides specific loss provision for its minimum financial lease receivables. Specific bad debt provision includes individually identified financial lease receivable balances of customers which may ultimately be uncollectible due to customers' inability to repay and/or shortfall in the realizable value of collaterals. The movements of reserve for impaired financial lease receivables during the years ended 31 December are as follows:

	31 December 2009	31 December 2008
Opening balance	833,499	685,000
Reserve for the year	492,939	542,332
Reversal	(591,327)	(393,833)
Ending balance	**735,111**	**833,499**

12 Other assets

At 31 December, other assets comprised the following:

	31 December 2009	31 December 2008
VAT receivable	1,819,161	2,356,605
Prepaid taxes	599,395	164,883
Prepaid expenses	114,569	53,078
Personnel advances	55,729	5,947
Others	162,426	175,659
	2,751,280	**2,756,172**

(Currency: Turkish Lira ("TL") unless otherwise stated)

13 Property and equipment, net

For the year ended 31 December 2009, the movement in tangible assets is as follows:

	Furniture and Equipment	Motor Vehicles	Leasehold Improvements	Other Fixed Assets	Total
Cost:					
At 1 January 2009	410,368	286,663	136,616	220,105	1,053,752
Additions	4,388	34,750	-	-	39,138
Disposals	(7,621)	-	-	-	(7,621)
At 31 December 2009	407,135	321,413	136,616	220,105	1,085,269
Accumulated Depreciation					
At 1 January 2009	391,108	177,844	130,935	220,105	919,992
Charge for the year	10,332	29,033	4,811	-	44,176
Disposals	(7,621)	-	-	-	(7,621)
At 31 December 2009	393,819	206,877	135,746	220,105	956,547
Net book value:					
At 31 December 2009	**13,316**	**114,536**	**870**	**-**	**128,722**

For the year ended 31 December 2008, the movement in tangible assets is as follows:

	Furniture and Equipment	Motor Vehicles	Leasehold Improvements	Other Fixed Assets	Total
Cost:					
At 1 January 2008	410,368	240,045	136,616	220,105	1,007,134
Additions	-	46,618	-	-	46,618
Disposals	-	-	-	-	-
At 31 December 2008	410,368	286,663	136,616	220,105	1,053,752
Accumulated Depreciation					
At 1 January 2008	379,680	149,874	126,125	220,105	875,784
Charge for the year	11,428	27,970	4,810	-	44,208
Disposals	-	-	-	-	-
At 31 December 2008	391,108	177,844	130,935	220,105	919,992
Net book value:					
At 31 December 2008	**19,260**	**108,819**	**5,681**	**-**	**133,760**

(Currency: Turkish Lira ("TL") unless otherwise stated)

14 Intangibles, net

For the year ended 31 December 2009, the movement of intangible assets is as follows:

	Rights	Total
Cost:		
At 1 January 2009	84,363	84,363
Additions	15,340	15,340
Disposals	-	-
At 31 December 2009	**99,703**	**99,703**
Accumulated Depreciation		
At 1 January 2009	(73,873)	(73,873)
Charge for the year	(5,575)	(5,575)
Disposals	-	-
At 31 December 2009	**(79,448)**	**(79,448)**
Net book value:		
At 31 December 2009	**20,255**	**20,255**

For the year ended 31 December 2008, the movement of intangible assets is as follows:

	Rights	Total
Cost:		
At 1 January 2008	84,363	84,363
Additions	-	-
Disposals	-	-
At 31 December 2008	**84,363**	**84,363**
Accumulated Depreciation		
At 1 January 2008	(70,471)	(70,471)
Charge for the year	(3,402)	(3,402)
Disposals	-	-
At 31 December 2008	**(73,873)**	**(73,873)**
Net book value:		
At 31 December 2008	**10,490**	**10,490**

(Currency: Turkish Lira ("TL") unless otherwise stated)

15 Bank borrowings

At 31 December 2009, bank borrowings comprised the following:

			Balance in TL			
	Balance in Original	Interest rates range	Up to 3 months	3 months to 1 year	Over 1 year	Total
Fixed rate borrowings:						
USD	1,517,646	5.50%	-	-	2,285,119	2,285,119
EUR	1,515,992	5.10%	-	-	3,274,997	3,274,997
Floating rate borrowings:						
USD	5,737,769	1.44%-2.98%	1,517,200	2,578,013	4,544,146	8,639,359
EUR	17,933,899	1.99%-3.99%	8,963,502	5,061,894	24,717,206	38,742,602
Total bank borrowings			**10,480,702**	**7,639,907**	**34,821,468**	**52,942,077**

At 31 December 2008, bank borrowings comprised the following:

			Balance in TL			
	Balance in Original	Interest rates range	Up to 3 months	3 months to 1 year	Over 1 year	Total
Fixed rate borrowings:						
EUR	4,374,393	6.25%-6.55%	-	9,364,700	-	9,364,700
USD	600,724	5.40% -5.80%	529,158	379,317	-	908,475
Floating rate borrowings:						
EUR	19,544,501	3.93%-6.93%	8,155,267	9,298,911	24,386,689	41,840,867
USD	7,073,285	4.13%-6.73%	-	2,289,980	8,406,950	10,696,930
Total bank borrowings			**8,684,425**	**21,332,908**	**32,793,639**	**62,810,972**

(Currency: Turkish Lira ("TL") unless otherwise stated)

15 Bank borrowings *(continued)*

As of 31 December 2009, no guarantees were given to lending institutions as collateral against loans obtained (31 December 2008:Nil). The repayment terms of the bank borrowings are as follows:

	31 December 2009	31 December 2008
2009	-	30,017,333
2010	18,120,609	15,028,165
2011	25,048,293	17,765,474
2012	9,773,175	-
	52,942,077	**62,810,972**

16 Trade payables

At 31 December 2009 and 2008, trade payables comprised of the following:

	31 December 2009	31 December 2008
Advances received	313,323	519,157
Payables to suppliers	208,082	301,732
Payables to insurance companies	71,670	14,225
	593,075	**835,114**

17 Other liabilities and accrued expenses

At 31 December 2009 and 2008, other liabilities comprised of the following:

	31 December 2009	31 December 2008
Taxes payable	103,148	102,433
Vacation pay liability	86,713	71,590
Other	2,100	2,631
	191,961	**176,654**

(Currency:Turkish Lira ("TL") unless otherwise stated)

18 Reserve for employee severance payments

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay, maximum of TL 2,365 at 31 December 2009 (31 December 2008: TL 2,173) per year of employment at the rate of pay applicable at the date of retirement or termination. The principal assumption used in the calculation of the total liability is that the maximum liability for each year of service will increase in line with inflation semi-annually.

The liability is not funded, as there is no funding requirement.

International Accounting Standard ("IAS 19") "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. The reserve has been calculated by estimating the present value of future probable obligation of the Company arising from the retirement of the employees. Accordingly, the following actuarial assumptions were used in the calculation of the following liability:

	31 December 2009	31 December 2008
Inflation rate	4.8%	5.4%
Discount rate	11%	12%

Movements in the reserve for employee severance payments are as follows:

	31 December 2009	31 December 2008
Opening balance	197,627	136,314
Paid during the year	(10,233)	(4,799)
Increase during the year	86,416	66,112
Ending balance	**273,810**	**197,627**

The reserve above includes the reserve for severance payments of expatriates as of 31 December 2009 amounting to TL 127,170 (31 December 2008: TL 73,935).

(Currency: Turkish Lira ("TL") unless otherwise stated)

19 Shareholders' Equity

Share capital

At 31 December 2009, the Company's statutory nominal value of authorized and paid-in share capital is TL 26,800,000 comprising of 26.800.000 registered shares having par value of 1 TL nominal each. Adjustment to share capital represents the restatement effect of the contributions to share capital due to the inflation accounting (IAS 29).

The shareholders of the Company and their ownership percentages at 31 December 2009 and 2008 are as follows:

	2009		2008	
	Shares (%)	**Nominal amount**	**Shares (%)**	**Nominal amount**
Arap Türk Bankası A.Ş.	99.980	26,794,640	99.980	21,995,600
Other	0.020	5,360	0.020	4,400
Historical share capital	100.000	26,800,000	100.000	22,000,000
Adjustment to share capital		6,776,274		6,776,274
Total paid-in share capital		**33,576,274**		**28,776,274**

Legal reserves

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital. As of 31 December 2009, the Company's statutory legal reserves amounted to TL 1,111,840 (31 December 2008: TL 985,985).

(Currency: Turkish Lira ("TL") unless otherwise stated)

20 Financial risk management

Credit Risk

The Company is subject to credit risk through its leasing operations. The Credit Analysis Department of the Company is responsible for the management of the credit risk. The limits are being allocated to the customers at an amount of the asset subject to the financial lease contract. In new lease transactions the creditability of the customers are reevaluated and the limits revised accordingly. Sectoral analysis and follow ups are being made periodically and the customers in the risky sectors are being monitored on an ongoing basis. The analysis of customers' creditworthiness is made in accordance with the qualitative and quantitative factors such as the firm's operations, shareholder structure, financial structure, the relations of the firm with other financial institutions.

The sectoral concentration of doubtful finance lease receivables is as follows:

	31 December 2009	31 December 2008
Agriculture	266,412	420,464
Production	325,713	413,035
Other	142,986	-
	735,111	**833,499**

As of the statement of financial position date TL 2,983,288 of the finance lease receivables where contractual interest or principal payments are past due but the Company management believes that impairment is not appropriate on the basis of the level of security, collateral available and or the stage of collection of amounts owed to the Company.

(Currency: Turkish Lira ("TL") unless otherwise stated)

20 Financial risk management *(continued)*

The collaterals other than the assets subject to finance lease contracts obtained for the finance lease receivables as of 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
Promissory notes	167,015,033	191,042,595
Pledges	43,925,845	44,605,758
Assignation	267,661	292,605
Letters of guarantees received	228,392	-
Guaranty cheques	109,546	198,364
Pledges on vehicles	174,008	194,320
Pledges on deposits	35,760	35,917
Total	**211,756,245**	**236,369,559**

As at 31 December 2009 and 2008, sectoral distribution for the minimum financial lease receivable is as follows:

	31 December 2009	%	31 December 2008	%
Production	21,311,295	40%	26,336,920	36%
Agriculture	12,989,832	24%	16,094,784	22%
Press	7,565,476	14%	14,631,622	20%
Construction	6,408,205	12%	6,584,230	9%
Textile	1,236,967	2%	2,194,744	5%
Food and beverage	979,920	2%	2,135,900	3%
Services	-	-	2,195,711	3%
Other	3,411,508	6%	853,069	2%
Total	**53,903,203**	**100%**	**71,026,980**	**100%**

(Currency: Turkish Lira ("TL") unless otherwise stated)

20 Financial risk management *(continued)*

Foreign currency risk:

The Company is exposed to currency risk through transactions (such as leasing operations and borrowings) in foreign currencies. The main measurement currencies of its foreign exchange operations are EUR and USD. As the currency in which the Company presents its financial statements is TL, the financial statements are affected by movements in the exchange rates against TL.

As at 31 December 2009, the Company's foreign currency assets and liabilities may be analysed as follows (TL equivalents):

	31 December 2009		
	USD (TL equivalents)	EUR (TL equivalents)	Total
Assets			
Cash and cash equivalents	1,588,984	5,430,944	7,019,928
Financial lease receivable	9,089,879	35,197,408	44,287,287
Other assets	34,396	87,897	122,293
Total assets	**10,713,259**	**40,716,249**	**51,429,508**
Liabilities			
Bank borrowings	10,924,479	42,017,598	52,942,077
Trade payables	102,368	211,744	314,112
Total liabilities	**11,026,847**	**42,229,342**	**53,256,189**
Net balance sheet position	**(313,588)**	**(1,513,093)**	**(1,826,681)**

(Currency: Turkish Lira ("TL") unless otherwise stated)

20 Financial risk management *(continued)*

31 December 2008	**USD** (TL equivalents)	**EUR** (TL equivalents)	**Total**
Assets			
Cash and cash equivalents	1,658,901	1,282,646	2,941,547
Financial lease receivable	11,357,598	50,024,049	61,381,647
Other assets	40,855	122,630	163,485
Total assets	**13,057,354**	**51,429,325**	**64,486,679**
Liabilities			
Bank borrowings	11,605,405	51,205,567	62,810,972
Trade payables	186,316	510,680	696,996
Total liabilities	**11,791,721**	**51,716,247**	**63,507,968**
Net balance sheet position	**1,265,633**	**(286,922)**	**978,711**

Currency risk sensitivity analysis

A 10 percent devaluation of the TL against the following currencies as at 31 December 2009 and 2008 would have increased equity and profit or loss (without tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	31 December 2009	**31 December 2008**
	Profit or loss	**Profit or loss**
USD	(31,358)	126,563
EUR	(151,309)	(28,692)
Total	**(182,667)**	**97,871**

(Currency: Turkish Lira ("TL") unless otherwise stated)

20 Financial risk management *(continued)*

Interest rate risk:

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities the Company is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Company's business strategies.

As of 31 December 2009, the interest rate sensitivity of the monetary items is as follows:

	Up to 1 month	*1 to 3 Months*	*3 to 6 months*	*6 to 12 months*	*Over 1 year*	*Non-Interest Bearing*	*Total*
Assets							
Cash and cash equivalents	16,276,630	18,841,080		-	-	837,660	35,955,370
Financial lease receivables	5,587,864	4,340,215	11,902,375	5,857,852	26,214,897	-	53,903,203
Other assets	-	-	-	-	-	2,751,280	2,751,280
Total assets	**21,864,494**	**23,181,295**	**11,902,375**	**5,857,852**	**26,214,897**	**3,588,940**	**92,609,853**
Liabilities							
Bank borrowings	6,544,303	3,936,399	2,331,627	5,308,280	34,788,468	-	52,942,077
Trade payables	208,363	-	-	-	-	384,712	593,075
Other liabilities	103,148	-	-	-	-	88,813	191,961
Reserve for employee severance payment	-	-	-	-	-	273,810	273,810
Total liabilities	**6,855,814**	**3,936,399**	**2,331,627**	**5,308,280**	**34,821,468**	**747,335**	**54,000,923**
Net liquidity position	**15,008,680**	**19,244,896**	**9,570,748**	**549,572**	**(8,606,571)**	**2,841,605**	**38,608,930**

(Currency: Turkish Lira ("TL") unless otherwise stated)

20 Financial risk management *(continued)*

As of 31 December 2008, the interest rate sensitivity of the monetary items is as follows:

	Up to 1 month	*1 to 3 Months*	*3 to 6 months*	*6 to 12 months*	*Over 1 year*	*Non-Interest Bearing*	*Total*
Assets							
Cash and cash equivalents	11,951,263	12,069,000	-	-	-	385,155	24,405,418
Financial lease receivables	5,204,262	4,865,997	6,937,491	14,701,658	37,270,538	2,047,034	71,026,980
Other assets	-	-	-	-	-	2,756,172	2,756,172
Total assets	**17,155,525**	**16,934,997**	**6,937,491**	**14,701,658**	**37,270,538**	**5,188,361**	**98,188,570**
Liabilities							
Bank borrowings	289,881	10,004,707	8,964,112	10,758,633	32,793,639	-	62,810,972
Trade payables	219,830	-	-	-	-	615,284	835,114
Other liabilities	102,433	-	-	-	-	74,221	176,654
Reserve for employee severance payment	-	-	-	-	-	197,627	197,627
Deferred tax liability	-	-	-	-	-	69,908	69,908
Total liabilities	612,144	**10,004,707**	**8,964,112**	**10,758,633**	**32,793,639**	**957,040**	**64,090,275**
Net liquidity position	**16,543,381**	**6,930,290**	**(2,026,621)**	**3,943,025**	**4,476,899**	**4,231,321**	**34,098,295**

The table below shows the effects of changes in interest rates on the financial statements of the Company. The sensitivity of the profit or loss is the effect of possible changes in the interest rates on the net interest income of floating rate financial assets and liabilities as of 31 December 2009. The other variables, especially exchanges rates, are assumed to be fixed in this analysis. The same method is applied for 31 December 2008.

	Profit or loss	
31 December 2009	**100 bp increase**	**100 bp decrease**
Floating rate finance lease receivables	23,348	(23,348)
Floating rate financial liabilities	(43,686)	43,686
Total, net	**(20,338)**	**20,338**

	Profit or loss	
31 December 2008	**100 bp increase**	**100 bp decrease**
Floating rate finance lease receivables	5,611	(5,083)
Floating rate financial liabilities	(56,594)	79,365
Total, net	**(50,983)**	**74,282**

(Currency:Turkish Lira ("TL") unless otherwise stated)

20 Financial risk management *(continued)*

Liquidity risk:

Liquidity risk arises in the general funding of the Company's activities and in the management of positions. It includes both risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Company has access to funding sources from banks, its suppliers and its shareholders. The Company continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Company strategy. In addition, a portfolio of liquid assets is held as a part of the Company's liquidity risk management strategy.

Presentation of contractual liabilities based on their outstanding maturities:

31 December 2009	Book Value	Gross nominal Outflow	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years
Bank borrowings	52,942,077	58,109,198	6,578,183	4,878,173	8,931,045	37,721,797
Trade payables	593,075	593,075	593,075	--	--	--
Total	**53,535,152**	**58,702,273**	**7,171,258**	**4,878,173**	**8,931,045**	**37,721,797**

31 December 2008	Book Value	Gross nominal Outflow	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years
Bank borrowings	62,810,972	66,815,156	45,180	9,232,047	22,720,122	34,817,807
Trade payables	835,114	835,114	835,114	--	--	--
Total	**63,646,086**	**67,650,270**	**880,294**	**9,232,047**	**22,720,122**	**34,817,807**

The table above represents the gross amount of un-discounted cash flows of financial liabilities to the nearest contract maturities.

(Currency: Turkish Lira ("TL") unless otherwise stated)

20 Financial risk management *(continued)*

The table below analyses the Company's monetary assets and liabilities into relevant maturity groupings according to the remaining period at financial position date as of 31 December 2009 and 2008.

	31 December 2009						
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Not Distributed	Total
Assets:							
Cash and cash equivalents	16,276,630	18,841,080	-	-	-	837,660	35,955,370
Minimum financial lease receivables	5,587,864	4,340,215	11,902,375	5,857,852	26,214,897		53,903,203
Other assets	55,230	-	-	-	-	2,696,050	2,751,280
Total Assets	**21,919,724**	**23,181,295**	**11,902,375**	**5,857,852**	**26,214,897**	**3,533,710**	**92,609,853**
Liabilities:							
Bank borrowings	6,544,303	3,936,399	2,331,627	5,308,280	34,821,468	-	52,942,077
Trade payables	208,363	-	-	-	-	384,712	593,075
Other liabilities	103,148	-	-	-	88,813	-	191,961
Reserve for employee severance payment	-	-	-	-	273,810	-	273,810
Total Liabilities	**6,855,814**	**3,936,399**	**2,331,627**	**5,308,280**	**35,184,091**	**384,712**	**54,000,923**
Net liquidity position	**15,063,910**	**19,244,896**	**9,590,748**	**549,572**	**(8,969,194)**	**3,148,998**	**38,628,930**

	31 December 2008						
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Not Distributed	Total
Assets:							
Cash and cash equivalents	11,951,263	12,069,000	-	-	-	385,155	24,405,418
Minimum financial lease receivables	5,204,262	4,865,997	6,937,491	14,701,658	37,270,538	2,047,034	71,026,980
Other assets	53,078	-	-	-	-	2,703,094	2,756,172
Total Assets	**17,208,603**	**16,934,997**	**6,937,491**	**14,701,658**	**37,270,538**	**5,135,283**	**98,188,570**
Liabilities:							
Bank borrowings	45,180	9,232,047	8,964,112	13,756,010	30,813,623	-	62,810,972
Trade payables	219,830	-	-	-	-	615,284	835,114
Deferred tax liability	-	-	-	-	-	69,908	69,908
Other liabilities	102,433	-	-	-	-	74,221	176,654
Reserve for employee severance payment	-	-	-	-	-	197,627	197,627
Total Liabilities	**367,443**	**9,232,047**	**8,964,112**	**13,756,010**	**30,813,623**	**957,040**	**64,090,275**
Net liquidity position	**16,841,160**	**7,702,950**	**(2,026,621)**	**945,648**	**6,456,915**	**4,178,243**	**34,098,295**

(Currency:Turkish Lira ("TL") unless otherwise stated)

21 Commitments and contingencies

Legal proceedings:

Due to the nature of its business the Company is involved in a number of claims and legal proceedings arising in the ordinary course of business. It is the opinion of the management and its professional advisors that such claims are either without merit can be successfully defended or will not have a material adverse effect on the Company's financial position.

Letters of credit:

At 31 December, contingent liabilities arising from letters of credit comprised of the following:

	31 December 2009	31 December 2008
EURO	97,214	652,944
USD	137,019	967,872

Letters of guarantee:

At 31 December 2009, letters of guarantee amounting to TL 1,270,505 (31 December 2008: TL 1,792,016) were given mainly to customs authorities and insurance companies.

22 Related parties

For the purpose of this report, the shareholders of the Company, Arap Türk Bankası A.Ş, the ultimate shareholder of the Company and the shareholders of Arap Türk Bankası A.Ş; Libyan Arab Foreign Bank, Türkiye İş Bankası A.Ş and T.C Ziraat Bankası A.Ş are referred to as related parties. A number of transactions are entered into with the related parties in the normal course of business. These transactions were carried out on an arms-length basis.

At 31 December, bank deposits at related parties were as follows:

	31 December 2009	31 December 2008
T. İş Bankası A.Ş	9,614,317	13,779,629
Arap Türk Bankası AŞ	214,595	188,000
	9,828,912	**13,967,629**

At 31 December, related party balances other than bank deposits are as follows:

	31 December 2009	31 December 2008
Financial lease receivable	512,622	925,541
Bank borrowings	45,120,271	55,527,217

As of 31 December 2009 maturity of the loans obtained from related banks vary between 23 January 2010 and 16 October 2012. (31 December 2008:6 June 2010 and 22 July 2011.). The interest rates of the loans vary between 1.45 % to 3.99 % (31 December 2008: between 3.93 % to 6.41 %).

(Currency:Turkish Lira ("TL") unless otherwise stated)

22 Related parties *(continued)*

For the year ended 31 December, related party transactions were as follows:

	31 December 2009	31 December 2008
Income		
Financial lease income	163,445	16,054
Interest income on time deposits	659,272	1,235,042
Expense		
Interest expense on bank borrowings	2,566,454	2,880,160
Off-balance sheet		
Letter of guarantee	1,270,505	1,792,016

For the year ended 31 December 2009, the Company paid to executive members and key management personnel amounting to TL 864,223 (31 December 2008: TL 757,647) as fringe benefit.

23 Subsequent events

None.