A&T Finansal Kiralama A.Ş.

Financial Statements
As at and for the year ended 31 December 2010
With Independent Auditor's Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

28 February 2011

This report includes "independent auditors' report" comprising 1 page and; "financial statements together with their explanatory notes" comprising 26 pages.

A&T Finansal Kiralama Anonim Şirketi

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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 2010, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Istanbul,
28 February 2011

KPMG Akis Bağımsız Denetim ve SMMM AŞ

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A&T Finansal Kiralama Anonim Şirketi
Statement of Financial Position
As at 31 December 2010
(Currency: Turkish Lira (TL), unless otherwise stated)

	Notes	31 December 2010	31 December 2009
ASSETS:			
Cash and cash equivalents	*10*	31,430,529	35,955,370
Finance lease receivables	*11*	56,866,504	53,903,203
Tangible assets, net	*13*	88,968	128,722
Intangible assets, net	*14*	13,785	20,255
Deferred tax assets	*9*	2,990,716	2,217,150
Other assets	*12*	3,964,705	2,751,280
Total assets		**95,355,207**	**94,975,980**
LIABILITIES:			
Bank borrowings	*15*	49,250,376	52,942,077
Trade payables	*16*	822,175	593,075
Other liabilities	*17*	1,039,017	191,961
Reserve for employee severance payments	*18*	383,945	273,810
Total liabilities		**51,495,513**	**54,000,923**
EQUITY:			
Share capital	*19*	36,776,274	33,576,274
Legal reserves	*19*	1,448,245	1,111,840
Retained earnings		5,635,175	6,286,943
Total equity		**43,859,694**	**40,975,057**
Total liabilities and equity		**95,355,207**	**94,975,980**

The notes on pages 5 to 26 are an integral part of these financial statements.

A&T Finansal Kiralama Anonim Şirketi

Statement of Comprehensive Income
For the Year Ended 31 December
(Currency: Turkish Lira (TL), unless otherwise stated)

	Notes	2010	2009
Finance lease interest income		4,838,988	6,402,974
Interest income on bank deposits		2,612,129	3,073,122
Income from financing leases		**7,451,117**	**9,476,096**
Interest expense on borrowings		(1,121,332)	(2,094,766)
Net interest income		**6,329,785**	**7,381,330**
Foreign exchange gain / (loss), net		(36,063)	7,172
Other operating income	*7*	589,295	351,158
Operating income		**553,232**	**358,330**
Marketing, general and administrative expenses	*5*	(707,292)	(628,796)
Salaries and employee benefits	*6*	(2,937,953)	(2,160,527)
Net impairment on finance leases	*11*	(62,873)	98,388
Depreciation and amortization	*13*	(50,559)	(49,751)
Other operating expense	*8*	(505,416)	(553,419)
Profit before income tax		**2,618,924**	**4,445,555**
Income tax credit	*9*	265,713	2,286,957
Net profit for the period		**2,884,637**	**6,732,512**
Other comprehensive income			
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the period		**2,884,637**	**6,732,512**

The notes on pages 5 to 26 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 2010

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

	Share capital	Legal reserves	Retained earnings	Total
Balances at 1 January 2009	**28,776,274**	**985,985**	**4,480,286**	**34,242,545**
Total comprehensive income for the period:				
Net profit for the period	-	-	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 legal 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**
Balances at 1 January 2010	**33,576,274**	**1,111,840**	**6,286,943**	**40,975,057**
Total comprehensive income for the period:				
Net profit for the period	-	-	2,884,637	2,884,637
Other comprehensive income	-	-	-	-
Total comprehensive income for the period			**2,884,637**	**2,884,637**
Transactions with owners, recorded directly in equity:				
Transfer from retained earnings	3,200,000		(3,200,000)	
Transfer to legal reserves	-	336,405	(336,405)	-
Total transactions with owners	**3,200,000**	**336,405**	**(3,536,405)**	**-**
Balances at 31 December 2010	**36,776,274**	**1,448,245**	**5,635,175**	**43,859,694**

The notes on pages 5 to 26 are an integral part of these financial statements.

A&T Finansal Kiralama Anonim Şirketi

Statement of Cash Flows

For the Year Ended 31 December

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

	Notes	2010	2009
Cash Flows From Operating Activities :			
Interest received		4,777,693	6,304,645
Interest paid		(1,121,332)	(2,094,766)
Fees and commissions received		537,673	504,682
Fees and commissions paid		(32,069)	(38,603)
Cash payments to employees and other parties		(2,448,088)	(1,997,426)
Cash received from other operating activities		2,630,252	2,465,095
Cash paid for other operating activities		(505,416)	(553,419)
Taxes paid		332,615	(147,493)
Cash flows from operating activities before changes in operating assets and liabilities		**4,171,328**	**4,442,715**
Changes in operating assets and liabilities			
Net (increase) decrease in minimum lease payments receivable		(3,066,977)	16,973,478
Net (increase) decrease in other assets		(2,111,063)	(545,144)
Net (increase) decrease in other liabilities		(3,322,614)	(9,407,568)
Net cash (used in)/ provided by operating activities		**(4,329,326)**	**11,463,481**
Cash flows from investing activities:			
Purchases of tangible assets	*13*	(9,557)	(32,549)
Purchases of intangibles	*14*	-	-
Proceeds from the sale of premises and equipment		322,394	7,291
Net cash used in investing activities		**312,837**	**(25,258)**
Cash flows from financing Activities :			
Proceeds from funds borrowed		-	-
Repayments of funds borrowed		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		**(4,016,489)**	**11,438,223**
Effect of net foreign exchange difference on cash and cash equivalents		(451,000)	260,665
Cash and cash equivalents at 1 January		35,856,571	24,157,683
Cash and cash equivalents at 31 December	*10*	**31,389,082**	**35,856,571**

The notes on pages 5 to 26 are an integral part of these financial statements.

1 Reporting entity

A&T Finansal Kiralama Anonim Şirketi ("the Company") was established on 4 July 1997, pursuant to the license 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 2010 is 19 (31 December 2009: 19).

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 except for derivative financial instruments which are carried at fair value.

The methods used to measure fair values are discussed further in Note 4.

(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.

(d) Use of estimates and judgments

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.

Information about significant areas of estimation uncertainty that have the most significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 9 – taxation (utilization of investment incentives)
- Note 18 – measurement of reserve for employee severance payments
- Note 11– impairment in finance lease receivables

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

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

Certain comparative amounts in the statements of cash flows have been reclassified to conform with the current year's presentation.

(a) Accounting in hyperinflationary economies

Turkey was a hyperinflationary economy until 31 December 2005. 2005 was a monitoring year for the inflation in Turkey. Due to the decreasing trend in inflation rate and the sustained positive trends in qualitative factors such as the economic growth for the last three years, financial and economic stabilization, and the decreasing interest rates, Turkey is considered non-hyperinflationary economy under International Accounting standard ("IAS") No 29 starting from 1 January 2006. Therefore, the application of IAS 29 was ceased in 2006.

(b) 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 reporting 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 year.

Foreign exchange rates used by the Company as at 31 December are as follows:

	2010	**2009**
USD	1.5460	1.5057
EUR	2.0491	2.1603
GBP	2.3886	2.3892

(c) Financial Instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise minimum finance 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 finance 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.

3 Significant accounting policies *(continued)*

(c) Financial Instruments *(continued)*

(i) Non-derivative financial instruments *(continued)*

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

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

Time deposits are measured at amortized cost using the effective interest method, less any impairment losses. Demand deposits are measured at cost.

Minimum finance lease receivables

Leases where the entire risks and rewards incident to ownership of an asset are substantially transferred to the lessee are classified as minimum finance lease receivables. A receivable at an amount equal to the present value of the lease payments, including any guaranteed residual value, is recognized. The difference between the gross receivable and the present value of the receivable is unearned interest income and is recognized over the term of the lease using the effective interest rate method.

Loans and borrowings

Loans and borrowings are recognized initially at cost, net of any transaction costs incurred. Subsequent to initial recognition, loans and 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.

Other

Other assets and payables are measured at cost due to their short term nature.

(ii) Derivative financial instruments

The Company holds derivative financial instruments to manage its foreign currency risk exposure.

Derivatives are recognized initially at fair value; attributable transaction costs are recognised in the statement of comprehensive income when incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

Economic hedges

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in the statement of comprehensive income as part of foreign currency gains and losses.

(iii) 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)*

(d) Tangible assets

(i) Recognition and measurement

Items of tangible assets 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 Standard ("IAS 29") "Financial Reporting in Hyper Inflationary Economies" less accumulated depreciation and impairment losses. Tangible assets 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 tangible assets have different useful lives, they are accounted for as separate items (major components) of tangible assets.

(ii) Subsequent costs

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 Company and its cost can be measured reliably. The costs of the day-to-day servicing of tangible assets 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 tangible assets.

The estimated useful lives are as follows:

	Years
Machinery and equipment	5
Office equipment	5
Furniture, fixture and vehicles	5

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

(e) Intangible assets

Intangible assets represent computer software licenses and rights. 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.

(f) 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.

3 Significant accounting policies *(continued)*

(g) Impairment

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.

(h) 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.

	31 December 2010	31 December 2009
Discount rate	4.66%	5.92%
Expected rate of salary / limit increase	5.1%	4.8%

(i) 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.

(j) 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.

(k) 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.

3 Significant accounting policies *(continued)*

(l) Revenue and Cost recognition

(i) Interest income from direct finance leases

The Company's finance 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.

(m) 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.

(n) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except for IFRS 9 Financial Instruments, which becomes mandatory for the Company's 2013 financial statements and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

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. If a market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

As at 31 December, the carrying amounts and fair values of financial instruments are as follows:

	2010		2009	
	Fair Value	**Carrying Amount**	**Fair Value**	**Carrying Amount**
Financial assets				
Minimum finance lease receivables	56,725,678	56,866,504	53,968,761	53,903,203
Cash and cash equivalents	31,430,529	31,430,529	35,955,370	35,955,370
Financial liabilities				
Bank borrowings	49,262,077	49,250,376	52,939,688	52,942,077
Trade payables	822,175	822,175	593,075	593,075

5 Marketing, general and administrative expenses

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

	2010	2009
Office expenses	231,963	205,738
Service from third parties	132,775	132,851
Rent expense	129,490	117,076
Insurance expenses	84,176	81,647
Taxes and duties	70,928	45,060
Marketing expenses	28,618	31,279
Others	29,342	15,145
Total	**707,292**	**628,796**

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

6 Salaries and employee benefits

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

	2010	2009
Wages and salaries	2,115,112	1,672,408
Other fringe benefits	542,595	258,249
Social security premiums	164,368	133,221
Employee termination benefits	115,878	96,649
Total	**2,937,953**	**2,160,527**

7 Other operating income

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

	2010	2009
Income from costs charged to customers	314,230	212,221
Income from derivative financial instruments	55,658	46,430
Gain on sale of tangible assets	219,407	92,507
Total	**589,295**	**351,158**

8 Other operating expense

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

	2010	2009
Other expenses related to lease contracts	370,921	419,151
Insurance expenses related to lease contracts	102,426	95,665
Fees and commission expense	32,069	38,603
Total	**505,416**	**553,419**

9 Taxation

As of 31 December 2010, corporate income tax is levied at the rate of 20% (31 December 2009 : 20%). But the Companies, using the investment incentives explained below, are 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.

Between 24 April 2003 and 31 December 2005, 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: 6,000 TL) 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.

9 Taxation *(continued)*

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). However, phrase denoting "... only related to years; 2006, 2007 and 2008" of temporary Article 69 as amended in No. 193 of the Code of Income Tax by the law 5479 which states that taxpayers can deduct investment incentives determined in line with regulation applicable as of 31 December 2005, from the income related to years 2006, 2007 and 2008; has been cancelled by Constitutional Court with the decision taken at the meeting on 15 October 2009 as it is against the Constitution. Decision of the Constitutional Court has been enacted with Official Gazette numbered 27456 dated 8 January 2010.

According to this Decision, investment incentives which are carried over to 2006 due to inadequate taxable profit and incentives related to investments started before 2006 and continued after this year in line with technological and economic integrity can be utilized not only in the years; 2006, 2007 and 2008, but also in the following years. With the cancellation of the above mentioned decision, the Company can deduct the unused amounts subject to investment incentive rules from future taxable profits without any timing restriction therefrom.

Law No. 6009 Article 5 was amended and published in the Official Gazette No. 27659, dated 1 August 2010. This new legislation enabled utilization of investment allowances, which are carried forward due to insufficient current year earnings. However, the amount of investment allowance to be utilized 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 Company has TL 2,772,724 of deferred tax assets comprising of unused investment allowances which is amounting to TL 14,708,106, which may be offset against future profits. Future profit projections and potential tax planning strategies have been taken into consideration during assessment of the recoverability of the deferred tax asset.

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 tax 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.

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

9 Taxation *(continued)*

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.

In accordance with IAS 12 "Income taxes", 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.

Income tax credit comprised the following taxes for the years ended 31 December 2010 and 2009:

	2010	2009
Current corporation and income taxes	(506,691)	-
Deferred taxes on taxable temporary differences	772,404	2,286,957
Income tax credit	**265,713**	**2,286,957**

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:

	2010	2009
Deferred income tax liabilities		
Leasing income accruals	79,437	99,768
	79,437	**99,768**
Deferred income tax asset		
Transition effect of finance lease adjustment	4,102	9,934
Tax credits of unused investment incentive allowances	2,772,724	2,112,198
Bad debt allowance	159,597	147,022
Employment termination benefits	156,393	29,328
Others	(22,663)	18,436
	3,070,153	**2,316,918**
Net deferred tax asset/(liability)	**2,990,716**	**2,217,150**

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:

	2010		2009	
	Amount	**%**	**Amount**	**%**
Reported profit before income taxes	2,618,924		4,445,555	
Taxes on reported profit per statutory tax rate	(523,785)	(20.0)	(889,111)	(20.0)
Permanent differences:				
Non-deductible expenses	(52,524)	(2.0)	(51,412)	(1.2)
Effect of investment incentive	844,485	32.2	2,974,691	66.9
Other	(2,463)	(0.1)	252,789	5.7
Income tax credit	**265,713**	**10.1**	**2,286,957**	**51.4**

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

10 Cash and cash equivalents

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

	2010	2009
Cash at banks-demand	348,956	837,309
Cash at banks-time	31,081,573	35,117,710
Cash on hand	-	351
Cash and cash equivalents at the statement of financial position	31,430,529	35,955,370
Less: Accrued interest income	41,447	98,799
Cash and cash equivalences at the statement of cash flows	**31,389,082**	**35,856,571**

At 31 December 2010, maturities of time deposits vary between two months (31 December 2009: 90 days). At 31 December 2010, interest rates applied to these time deposits ranged between 6% and 9% (31 December 2009: 9.25%-10.60%) for domestic currency deposits and 0.25% and 1% (31 December 2009: 0.25%- 3.25%) for foreign currency deposits.

11 Minimum finance lease receivable

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

	2010	2009
Finance lease receivable	59,878,890	56,938,825
Invoiced lease receivables	1,531,973	1,778,627
Total lease receivables	**61,410,863**	**58,717,452**
Impaired finance lease receivables	2,289,760	2,800,747
Gross finance lease receivables	**63,700,623**	**61,518,199**
Reserve for impaired finance lease receivables	(797,984)	(735,111)
Unearned interest income	(6,036,135)	(6,879,885)
Minimum finance lease receivable, net	**56,866,504**	**53,903,203**

Minimum finance 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 finance lease receivable is as follows:

	31.Dec.10	31.Dec.09
2010	-	27,688,306
2011	27,380,556	16,067,226
2012	17,417,968	7,868,860
2013	8,914,150	2,202,826
2014	2,701,440	75,985
2015	452,390	-
Total payments	**56,866,504**	**53,903,203**

The Company provides specific loss provision for its minimum finance lease receivables. Specific bad debt provision includes individually identified finance 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 finance lease receivables during the years ended 31 December are as follows:

	2010	2009
Opening balance	735,111	833,499
Reserve for the year	395,619	492,939
Reversal	(332,746)	(591,327)
Ending balance	**797,984**	**735,111**

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

12 Other assets

At 31 December, other assets comprised the following:

	2010	2009
VAT receivable	2,969,929	1,819,161
Prepaid taxes	646,560	599,395
Prepaid expenses	91,920	114,569
Personnel advances	77,953	55,729
Others	178,342	162,426
Total	**3,964,705**	**2,751,280**

13 Tangible assets, net

For the year ended 31 December 2010, the movement in tangible assets is as follows:

	Furniture and Equipment	Motor Vehicles	Leasehold Improvements	Total
Cost:				
At 1 January 2010	407,135	321,413	136,616	865,164
Additions	10,127	-	-	10,127
Disposals	(303,178)	(33,871)	-	(337,049)
At 31 December 2010	114,084	287,542	136,616	538,242
Accumulated Depreciation				
At 1 January 2010	393,819	206,877	135,746	736,442
Charge for the year	7,236	35,983	870	44,089
Disposals	(303,178)	(28,079)	-	(331,257)
At 31 December 2010	97,877	214,781	136,616	449,274
Net book value:				
At 31 December 2010	**16,207**	**72,761**	**-**	**88,968**

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

	Furniture and Equipment	Motor Vehicles	Leasehold Improvements	Total
Cost:				
At 1 January 2009	410,368	286,663	136,616	833,647
Additions	4,388	34,750	-	39,138
Disposals	(7,621)	-	-	(7,621)
At 31 December 2009	407,135	321,413	136,616	865,164
Accumulated Depreciation				
At 1 January 2009	391,108	177,844	130,935	699,887
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	736,442
Net book value:				
At 31 December 2009	**13,316**	**114,536**	**870**	**128,722**

Tangible assets were insured to the extent of TL 547,750 (31 December 2009: TL 277,045).

The Company has written-off fully depreciated tangible assets of which gross value is TL 220,105.

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

14 Intangibles, net

For the year ended 31 December 2010, the movement of intangible assets is as follows:

Cost:	
At 1 January 2010	99,703
Additions	-
Disposals	(3,259)
At 31 December 2010	96,444
Accumulated Depreciation	
At 1 January 2010	(79,448)
Charge for the year	(6,470)
Disposals	3,259
At 31 December 2010	(82,659)
Net book value:	
At 31 December 2010	**13,785**

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

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

15 Bank borrowings

At 31 December 2010, bank borrowings comprised the following:

	Balance in Original	Interest rates range	Up to 3 months	3 months to 1 year	Over 1 year	Total
Fixed rate borrowings:						
EUR	1,010,381	4.5-5%	-	-	2,070,371	2,070,371
Floating rate borrowings:						
USD	5,207,178	1.79-2.14%	-	4,661,109	3,389,189	8,050,298
EUR	19,096,046	2.10-4.01%	14,571,120	4,624,301	19,934,286	39,129,707
Total bank borrowings			**14,571,120**	**9,285,410**	**25,393,846**	**49,250,376**

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

15 Bank borrowings *(continued)*

At 31 December 2009, bank borrowings comprised the following:

	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	5-6%	-	-	2,285,119	2,285,119
EUR	1,515,992	4.5-5.5%	-	-	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**

As of 31 December 2010, no guarantees were given to lending institutions as collateral against loans obtained (31 December 2009: Nil). The repayment terms of the bank borrowings are as follows:

	2010	2009
2010	-	18,120,609
2011	23,856,530	25,048,293
2012	25,393,846	9,773,175
Total	**49,250,376**	**52,942,077**

16 Trade and other payables

At 31 December 2010 and 2009, trade payables comprised of the following:

	2010	2009
Advances received	538,265	276,020
Payables to suppliers	246,241	279,663
Other payables	37,669	37,392
Total	**822,175**	**593,075**

17 Other liabilities and accrued expenses

At 31 December 2010 and 2009, other liabilities comprised of the following:

	2010	2009
Tax provision	506,691	-
Vacation pay liability	398,022	86,713
Taxes payable	131,404	103,148
Other	2,900	2,100
Total	**1,039,017**	**191,961**

(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 2,517 at 31 December 2010 (31 December 2009: TL 2,365) 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:

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

	2010	**2009**
Opening balance	273,810	197,627
Paid during the year	(3,177)	(10,233)
Increase during the year	113,312	86,416
Ending balance	**383,945**	**273,810**

The reserve above includes the reserve for severance payments of expatriates as of 31 December 2010 amounting to TL 192,415 (31 December 2009: TL 127,170).

19 Shareholders' Equity

Share capital

At 31 December 2010, the Company's statutory nominal value of authorized and paid-in share capital is TL 30,000,000 comprising of 30.000.000 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 2010 and 2009 are as follows:

	2010		**2009**	
	Shares (%)	**Nominal amount**	**Shares (%)**	**Nominal amount**
Arap Türk Bankası A.Ş.	99.98	29,994,000	99.98	26,794,640
Other	0.02	6,000	0.02	5,360
Historical share capital	100	30,000,000	100	26,800,000
Adjustment to share capital		6,776,274		6,776,274
Total paid-in share capital		**36,776,274**		**33,576,274**

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 2010, the Company's statutory legal reserves amounted to TL 1,448,245 (31 December 2009: TL 1,111,840).

20 Financial risk management

The Company has exposure to the following risks during the course of its operations:

Credit risk

Liquidity risk

Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Company management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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 finance lease contract. In new lease transactions the credibility 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.

(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 2010 and 2009 are as follows:

	2010	2009
Promissory notes	176,001,922	167,015,033
Pledges	40,629,288	43,925,845
Guaranty cheques	176,250	109,546
Pledges on vehicles	171,228	174,008
Assignation	261,260	267,661
Pledges on deposits	36,718	35,760
Letters of guarantees received	869,971	228,391
Total	**218,146,637**	**211,756,245**

As at 31 December 2010 and 2009, sectoral distribution for the minimum finance lease receivable is as follows:

	2010	%	2009	%
Production	21,213,292	37%	21,311,295	40%
Agriculture	11,744,628	21%	12,989,832	24%
Press	7,196,908	13%	7,565,476	14%
Construction	7,381,412	13%	6,408,205	12%
Textile	1,377,038	2%	1,236,967	2%
Food and beverage	1,191,270	2%	979,920	2%
Other	6,761,956	12%	3,411,508	6%
Total	**56,866,504**	**100%**	**53,903,203**	**100%**

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 2010, the Company's foreign currency assets and liabilities may be analysed as follows (TL equivalents):

	USD	EUR	Total
Assets			
Cash and cash equivalents	73,119	3,282,934	3,356,053
Finance lease receivable	8,226,020	37,072,156	45,298,176
Other assets	30,508	62,832	93,340
Total assets	**8,329,647**	**40,417,922**	**48,747,569**
Liabilities			
Bank borrowings	8,050,297	41,200,079	49,250,376
Trade payables	130,136	452,445	582,581
Provisions	192,415		192,415
Total liabilities	**8,372,848**	**41,652,524**	**50,025,372**
Net balance sheet position	**(43,201)**	**(1,234,602)**	**(1,277,803)**

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

20 Financial risk management *(continued)*

Foreign currency risk (continued)

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

	USD	EUR	Total
Assets			
Cash and cash equivalents	1,588,984	5,430,944	7,019,928
Finance 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
Provisions	127,170	-	127,170
Total liabilities	**11,154,017**	**42,229,342**	**53,383,359**
Net balance sheet position	**(440,758)**	**(1,513,093)**	**(1,953,851)**

Currency risk sensitivity analysis

A 1 percent devaluation of the TL against the following currencies as at 31 December 2010 and 2009 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.

	2010	2009
	Profit or loss	**Profit or loss**
USD	(432)	(4,408)
EUR	(12,346)	(15,131)
Total	**(12,778)**	**(19,539)**

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 2010, 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	Not Distributed	Total
Assets:							
Cash and cash equivalents	16,115,212	14,966,361	-	-	-	348,956	31,430,529
Finance lease receivables	8,830,671	3,897,779	5,529,104	13,066,790	25,542,160	-	56,866,504
Other assets	77,953	-	-		-	3,886,752	3,964,705
Total Assets	**25,023,836**	**18,864,140**	**5,529,104**	**13,066,790**	**25,542,160**	**4,235,708**	**92,261,738**
Liabilities:							
Bank borrowings	-	23,962,469	23,741,319	1,546,588		-	49,250,376
Trade payables	-	-	-	-	-	822,175	822,175
Other liabilities	134,304	-	506,691	-	398,022	-	1,039,017
Reserve for employee severance payment	-	-	-	-	383,945	-	383,945
Total Liabilities	**134,304**	**23,962,469**	**24,248,010**	**1,546,588**	**781,967**	**822,175**	**51,495,513**
Net liquidity position	**24,889,532**	**(5,098,329)**	**(18,718,906)**	**11,520,202**	**24,760,193**	**3,413,533**	**40,766,225**

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

20 Financial risk management *(continued)*

Interest rate risk (continued)

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
Finance 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**

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 2010. The other variables, especially exchanges rates, are assumed to be fixed in this analysis. The same method is applied for 31 December 2009.

	2010		2009	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
Floating rate finance lease receivables	70,780	(71,831)	23,348	(23,348)
Floating rate financial liabilities	(94,448)	94,448	(43,686)	43,686
Total, net	**(23,668)**	**22,617**	**(20,338)**	**20,338**

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 2010	Book Value	Gross Nominal Outflow	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years
Bank borrowings	49,250,376	50,475,112	-	15,889,950	8,143,560	26,441,602
Trade payables	822,175	822,175	822,175	-	-	-
Total	**50,072,551**	**51,297,287**	**822,175**	**15,889,950**	**8,143,560**	**26,441,602**

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**

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

20 Financial risk management *(continued)*

Liquidity risk: (continued)

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

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 2010 and 2009.

31 December 2010	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	16,115,212	14,966,361	-	-	-	348,956	31,430,529
Finance lease receivables	8,369,894	3,940,992	5,529,104	11,972,264	27,054,250	-	56,866,504
Other assets	77,953	-	-		-	3,886,752	3,964,705
Total Assets	**24,563,059**	**18,907,353**	**5,529,104**	**11,972,264**	**27,054,250**	**4,235,708**	**92,261,738**
Liabilities:							
Bank borrowings	-	14,571,121	7,377,087	1,908,322	25,393,846	-	49,250,376
Trade payables	-	-	-	-	-	822,175	822,175
Other liabilities	134,304	-	506,691	-	398,022	-	1,039,017
Reserve for emp. sev. pymnt	-	-	-	-	383,945	-	383,945
Total Liabilities	**134,304**	**14,571,121**	**7,883,778**	**1,908,322**	**26,175,813**	**822,175**	**51,495,513**
Net liquidity position	**24,428,755**	**4,336,232**	**(2,354,674)**	**10,063,942**	**878,437**	**3,413,533**	**40,766,225**

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
Finance 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 emp. sev. pymnt	-	-	-	-	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**

(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:

	2010	**2009**
EURO	6,634,474	97,214
USD	490,082	137,019

Letters of guarantee:

At 31 December 2009, letters of guarantee amounting to TL 2,882,790 (31 December 2009: TL 1,270,505) 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:

	2010	**2009**
T. İş Bankası A.Ş	7,340,343	9,614,317
Arap Türk Bankası AŞ	156,704	214,595
TC. Ziraat Bankası A.Ş.	6	-
Total	**7,497,053**	**9,828,912**

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

	2010	**2009**
Finance lease receivable	2,660,889	1,777,782
Bank borrowings	44,778,440	45,120,271
Total	**47,439,329**	**46,898,053**

As of 31 December 2010 maturity of the loans obtained from related banks vary between 7 March 2011 and 6 December 2012. (31 December 2009: 23 January 2010 and 16 October 2012). The interest rates of the loans vary between 1.96 % to 4.01 % (31 December 2009: between 1.45 % to 3.99 %).

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

22 Related parties *(continued)*

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

	2010	2009
Income		
Finance lease income	141,337	212,123
Interest income on time deposits	392,418	659,272
Expense		
Interest expense on bank borrowings	927,452	2,566,454
Off-balance sheet		
Letter of guarantee	2,553,829	1,270,505

For the year ended 31 December 2010, the Company paid to executive members and key management personnel amounting to TL 941,688 (31 December 2009: TL 864,223) as fringe benefit.

23 Subsequent events

None.