İŞ FACTORING FİNANSMAN HİZMETLERİ ANONİM ŞİRKETİ

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

(Translated into English from the Original Turkish Report)

Deloitte.

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CONVENIENCE TRANSLATION OF REPORT AND FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

1. We have audited the accompanying balance sheet of İş Factoring Finansman Hizmetleri A.Ş. ("the Company") as at 31 December 2009, and the related statements of 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

2. The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with the communiqué on 'Application of Uniform Chart of Accounts and Guide Book for Financial Leasing, Factoring and Financing Companies' and "Format of Publicly Disclosed Financial Statements" published in the Official Gazette dated 17 May 2007 and numbered 26525, Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, communiqués, and circulars announced by the Banking Regulation and Supervision Board with respect to accounting and financial reporting, and pronouncements made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette No: 26333 on 1 November 2006 and the International Standards on Auditing. We planned and performed our 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 and the procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion stated below.

Deloitte.

Independent Auditor's Opinion

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of İş Factoring Finansman Hizmetleri A.Ş as at 31 December 2009 and the results of its operations and its cash flows for the year then ended in accordance with the regulations, communiqués, and circulars announced by the Banking Regulation and Supervision Board in respect of accounting and financial reporting, and pronouncements made by the Banking Regulation and Supervision Agency.

Without qualifying our opinion, we draw attention to the following matter:

The Company's records have been reviewed through an overall tax inspection operating in Turkey conducted by the Department of Revenue Administration of Turkish Republic of Ministry of Finance in connection with the accounting period of 2008, for all factoring companies. The Company has not received any tax assessment notices as of the reporting date and there is uncertainty about the tax fine which may be charged as a consequence of the said tax inspection. Therefore, the Company management did not provide any provision in regards to the related tax inspection in the accompanying financial statements.

İstanbul, 8 March 2010

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU**

Sibel Türker
Partner

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İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

BALANCE SHEET AT 31 DECEMBER 2009

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

	I. BALANCE SHEET-ASSETS	Footnote	Audited Current Period 31 December 2009 TRY	FC	TOTAL	Audited Prior Period 31 December 2008 TRY	FC	TOTAL
I.	**LIQUID ASSETS**		**-**	**-**	**-**	**-**	**-**	**-**
II.	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)**	**4**	**139**	**-**	**139**	**90**	**-**	**90**
2.1	Financial Assets Held for Trading		139	-	139	90	-	90
2.2	Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.3	Derivative Financial Assets Held for Trading		-	-	-	-	-	-
III.	**BANKS**	**5**	**122.981**	**290**	**123.271**	**4.445**	**538**	**4.983**
IV.	**RECEIVABLES FROM REVERSE REPURCHASE AGREEMENTS**		-	-	-	-	-	-
V.	**FINANCIAL ASSETS AVAILABLE FOR SALE (Net)**	**6**	**9.546**	**-**	**9.546**	**3.082**	**-**	**3.082**
VI.	**FACTORING RECEIVABLES**	**7**	**142.498**	**294**	**142.792**	**66.264**	**834**	**67.098**
6.1	A) Discount Factoring Receivables		55.277	-	55.277	29.034	-	29.034
6.1.1	a) Domestic		56.357	-	56.357	29.880	-	29.880
6.1.2	b) Foreign		-	-	-	-	-	-
6.1.3	c) Unearned Income (-)		(1.080)	-	(1.080)	(846)	-	(846)
6.2	B) Other Factoring Receivables		87.221	294	87.515	37.230	834	38.064
6.2.1	a) Domestic		87.221	-	87.221	37.230	-	37.230
6.2.2	b) Foreign		-	294	294	-	834	834
VII.	**FINANCING LOANS**		-	-	-	-	-	-
7.1	A) Retail Loans		-	-	-	-	-	-
7.2	B) Credit Loans		-	-	-	-	-	-
7.3	C) Installment Commercial Loans		-	-	-	-	-	-
VIII.	**LEASE RECEIVABLES**		-	-	-	-	-	-
8.1	A) Lease Receivables		-	-	-	-	-	-
8.1.1	a) Financial Lease Receivables		-	-	-	-	-	-
8.1.2	b) Operational Lease Receivables		-	-	-	-	-	-
8.1.3	c) Other		-	-	-	-	-	-
8.1.4	d) Unearned Income (-)		-	-	-	-	-	-
8.2	B) Ongoing Leasing Contracts		-	-	-	-	-	-
8.3	C) Advances Given		-	-	-	-	-	-
IX.	**NON-PERFORMING RECEIVABLES**	**7**	**107**	**-**	**107**	**-**	**-**	**-**
9.1	A) Non-Performing Factoring Receivables		3.078	-	3.078	3.049	8	3.057
9.2	B) Non-Performing Financial Loans		-	-	-	-	-	-
9.3	C) Non-Performing Lease Receivables		-	-	-	-	-	-
9.4	D) Specific Provisions (-)		(2.971)	-	(2.971)	(3.049)	(8)	(3.057)
X.	**DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES**		-	-	**-**	-	-	**-**
10.1	A) Fair Value Hedging		-	-	-	-	-	-
10.2	B) Cash Flow Hedging		-	-	-	-	-	-
10.3	C) Net Foreign Investment Hedging		-	-	-	-	-	-
XI.	**INVESTMENTS HELD TO MATURITY (Net)**		-	-	**-**	-	-	**-**
XII.	**SUBSIDIARIES (Net)**		-	-	**-**	-	-	**-**
XIII.	**ASSOCIATES (Net)**		**-**	**-**	**-**	**-**	**-**	**-**
XIV.	**JOINT VENTURES (Net)**		**-**	-	**-**	**-**	-	**-**
XV.	**TANGIBLE ASSETS (Net)**	**9**	**30**	-	**30**	**44**	-	**44**
XVI.	**INTANGIBLE ASSETS (Net)**	**10**	**74**	-	**74**	**96**	-	**96**
16.1	A) Goodwill		-	-	-	-	-	-
16.2	B) Other		74	-	74	96	-	96
XVII.	**DEFERRED TAX ASSETS**	**12**	**70**	-	**70**	**239**	-	**239**
XVIII.	**ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)**	**13**	**-**	**-**	**-**	**3**	**-**	**3**
18.1	A) Held For Sale		-	-	-	3	-	3
18.2	B) Discontinued Operations		-	-	-	-	-	-
XIX.	**OTHER ASSETS**	**14**	**70**	-	**70**	**94**	-	**94**
	TOTAL ASSETS		**275.515**	**584**	**276.099**	**74.357**	**1.372**	**75.729**

THOUSAND TURKISH LIRA

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

BALANCE SHEET AT 31 DECEMBER 2009

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

			THOUSAND TURKISH LIRA					
	I. BALANCE SHEET – LIABILITIES		Audited Current Period 31 December 2009			Audited Prior Period 31 December 2008		
		Footnote	TRY	FC	TOTAL	TRY	FC	TOTAL
I.	**DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING**		-	-	-	-	-	-
II.	**FUNDS BORROWED**	**15**	**233.821**	**290**	**234.111**	**45.226**	**1.134**	**46.360**
III.	**FACTORING PAYABLES**		-	-	-	-	-	-
IV.	**LEASE PAYABLES**		-	-	-	-	-	-
4.1	A) Financial Lease Payables		-	-	-	-	-	-
4.2	B) Operational Lease Payables		-	-	-	-	-	-
4.3	C) Other		-	-	-	-	-	-
4.4	D) Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
V.	**MARKETABLE SECURITIES ISSUED (Net)**		-	-	-	-	-	-
V.1	A) Bills		-	-	-	-	-	-
V.2	B) Asset-backed Securities		-	-	-	-	-	-
V.3	C) Bonds		-	-	-	-	-	-
VI.	**SUNDRY CREDITORS**	**16**	**15**	**117**	**132**	**20**	**397**	**417**
VII.	**OTHER LIABILITIES**		-	-	-	-	-	-
VIII.	**DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES**		-	-	-	-	-	-
8.1	A) Fair Value Hedging		-	-	-	-	-	-
8.2	B) Cash Flow Hedging		-	-	-	-	-	-
8.3	C) Net Foreign Investment Hedging		-	-	-	-	-	-
IX.	**TAXES PAYABLE AND OTHER LIABILITIES**	**19**	**169**	**-**	**169**	**102**	**-**	**102**
X.	**PROVISIONS**		**619**	**-**	**619**	**1.414**	**-**	**1.414**
10.1	A) Reserves for Restructuring		-	-	-	-	-	-
10.2	B) Reserves For Employee Benefits	**21**	231	-	231	208	-	208
10.3	C) Other Provisions	**20**	388	-	388	1.206	-	1.206
XI.	**DEFERRED TAX LIABILITY**		**-**	**-**	**-**	**-**	**-**	**-**
XII.	**PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS**		-	-	-	-	-	-
12.1	A) Held For Sale		-	-	-	-	-	-
12.2	B) Discontinued Operations		-	-	-	-	-	-
XIII.	**SUBORDINATED LOANS**		-	-	-	-	-	-
XIV.	**SHAREHOLDERS' EQUITY**		**41.068**	**-**	**41.068**	**27.436**	**-**	**27.436**
14.1	A) Paid-in Capital	**23**	16.000	-	16.000	16.000	-	16.000
14.2	B) Capital Reserves	**23**	9.447	-	9.447	3.009	-	3.009
14.2.1	a) Share Premium		-	-	-	-	-	-
14.2.2	b) Share Cancellation Profits		-	-	-	-	-	-
14.2.3	c) Marketable Securities Revaluation Reserve		5.383	-	5.383	(1.055)	-	(1.055)
14.2.4	d) Tangible and Intangible Assets Revaluation Reserve		-	-	-	-	-	-
14.2.5	e) Bonus Shares Obtained From Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
14.2.6	f) Hedging Funds (Effective Portion)		-	-	-	-	-	-
14.2.7	g) Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
14.2.8	h) Other Capital Reserves		4.064	-	4.064	4.064	-	4.064
14.3	C) Profit Reserves	**24**	8.427	-	8.427	622	-	622
14.3.1	a) Legal Reserves		671	-	671	281	-	281
14.3.2	b) Statutory Reserves		-	-	-	-	-	-
14.3.3	c) Extraordinary Reserves		7.756	-	7.756	341	-	341
14.3.4	d) Other Profit Reserves		-	-	-	-	-	-
14.4	D) Profit or Loss		7.194	-	7.194	7.805	-	7.805
14.4.1	a) Prior Years' Profits/Losses	**25**	-	-	-	(12.211)	-	(12.211)
14.4.2	b) Current Year Profit/Loss		7.194	-	7.194	20.016	-	20.016
	TOTAL LIABILITIES AND EQUITY		**275.692**	**407**	**276.099**	**74.198**	**1.531**	**75.729**

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

STATEMENT OF OFF-BALANCE SHEET ITEMS AT 31 DECEMBER 2009

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

			THOUSAND TURKISH LIRA					
	STATEMENT OF OFF-BALANCE SHEET		Audited Current Period 31 December 2009			Audited Prior Period 31 December 2008		
		Footnote	TRY	FC	TOTAL	TRY	FC	TOTAL
I.	**IRREVOCABLE FACTORING OPERATIONS**		**18.114**	**4.612**	**22.726**	**17.301**	**-**	**17.301**
II.	**REVOCABLE FACTORING OPERATIONS**		**134.724**	**1.252**	**135.976**	**48.963**	**834**	**49.797**
III.	**GUARANTEES TAKEN**	**7**	**7.515**	**-**	**7.515**	**1.515**	**-**	**1.515**
IV.	**GUARANTEES GIVEN**	**27**	**1.164**	**-**	**1.164**	**1.135**	**-**	**1.135**
V.	**COMMITMENTS**	**27**	**-**	**-**	**-**	**300**	**-**	**300**
5.1	Irrevocable Commitments		-	-	-	300	-	300
5.2	Revocable Commitments		-	-	-	-	-	-
5.2.1	Lease Commitments		-	-	-	-	-	-
5.2.1.1	Financial Lease Commitments		-	-	-	-	-	-
5.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
5.2.2	Other Revocable Commitments		-	-	-	-	-	-
VI.	**DERIVATIVE FINANCIAL INSTRUMENTS**		-	-	-	-	-	-
6.1	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
6.1.1	Fair Value Hedges		-	-	-	-	-	-
6.1.2	Cash Flow Hedges		-	-	-	-	-	-
6.1.3	Net Investment Hedges		-	-	-	-	-	-
6.2	Derivative Financial Instruments Held For Trading		-	-	-	-	-	-
6.2.1	Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
6.2.2	Currency and Interest Rate Swaps		-	-	-	-	-	-
6.2.3	Currency, Interest Rate and Security Options		-	-	-	-	-	-
6.2.4	Currency, Interest Rate Futures		-	-	-	-	-	-
6.2.5	Other		-	-	-	-	-	-
VII.	**ITEMS HELD IN CUSTODY**		**66.653**	**7.636**	**74.289**	**45.844**	**6.852**	**52.696**
	TOTAL		**228.170**	**13.500**	**241.670**	**115.358**	**7.686**	**123.044**

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

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

			THOUSAND TURKISH LIRA	
	II. INCOME STATEMENT	**Footnote**	**Audited Current Period 1 January-31 December 2009**	**Audited Prior Period 1 January-31 December 2008**
I.	**OPERATING INCOME**		**14.147**	**16.502**
1.1	**FACTORING INCOME**	**30**	**14.147**	**16.502**
1.1.1	A) Factoring Interest Income		13.260	15.215
1.1.1.1	a) Discount		5.844	10.497
1.1.1.2	b) Other		7.416	4.718
1.1.2	B) Factoring Commission Income		887	1.287
1.1.2.1	a) Discount		418	746
1.1.2.2	b) Other		469	541
1.2	**INCOME FROM FINANCIAL LOANS**		**-**	**-**
1.2.1	A) Interest Income From Financial Loans		-	-
1.2.2	B) Commission Income From Financial Loans		-	-
1.3	**LEASE INCOME**		**-**	**-**
1.3.1	A) Finance Lease Income		-	-
1.3.2	B) Operational Lease Income		-	-
1.3.3	C) Commission Income From Lease Operations		-	-
II.	**OPERATING EXPENSES (-)**	**31**	**(2.672)**	**(2.358)**
2.1	A) Personal Expenses		(1.789)	(1.534)
2.2	B) Retirement Pay Provision Expenses		(37)	(33)
2.3	C) Research and Development Expenses		-	-
2.4	D) General Administrative Expenses		(846)	(791)
2.5	E) Other		-	-
III.	**OTHER OPERATING INCOME**	**32**	**9.068**	**20.368**
3.1	A) Interest income from Deposits		6.842	2.323
3.2	B) Interest income from Reverse Repurchase Agreements		-	-
3.3	C) Interest income from Marketable Securities		5	9
3.3.1	a) Interest Income from Financial Assets Held for Trading		5	9
3.3.2	b) Interest Income from Financial Assets at Fair Value Through Profit and Loss		-	-
3.3.3	c) Interest Income from Financial Assets Available For Sale		-	-
3.3.4	d) Interest Income from Financial Assets Held to Maturity		-	-
3.4	D) Dividend Income		377	277
3.5	E) Interest Received from Money Market Placements		-	-
3.5.1	a) Derivative Financial Transactions		-	-
3.5.2	b) Other		-	-
3.6	F) Foreign Exchange Gains		435	634
3.7	G) Other		1.409	17.125
IV.	**FINANCIAL EXPENSES (-)**	**33**	**(11.005)**	**(10.674)**
4.1	A) Interest Expenses on Borrowings		(10.807)	(10.405)
4.2	B) Interest Expenses on Factoring Payables		-	-
4.3	C) Finance Lease Expenses		-	-
4.4	D) Interest Expenses on Securities Issued		-	-
4.5	E) Other Interest Expenses		-	-
4.6	F) Other Fees and Commissions		(198)	(269)
V.	**SPECIFIC PROVISION FOR NON-PERFORMING RECEIVABLES (-)**	**34**	**(196)**	**(2.363)**
VI.	**OTHER OPERATING EXPENSES (-)**	**35**	**(404)**	**(625)**
6.1	A) Impairment on Marketable Securities (-)		-	-
6.1.1	a) Financial Assets at Fair Value Through Profit and Loss		-	-
6.1.2	b) Financial Assets Available For Sale		-	-
6.1.3	c) Financial Assets Held to Maturity		-	-
6.2	B) Expenses from Impairment on Tangible and Intangible Assets		-	-
6.2.1	a) Impairment on Tangible Assets		-	-
6.2.2	b) Impairment on Assets Held for Sale and Discontinued Operations		-	-
6.2.3	c) Impairment on Goodwill		-	-
6.2.4	d) Impairment on Intangible Assets		-	-
6.2.5	e) Impairment on Subsidiaries, Associates and Joint Ventures		-	-
6.3	C) Losses from Derivative Financial Transactions		-	-
6.4	D) Foreign Exchange Losses		(404)	(625)
6.5	E) Other		-	-
VII.	**NET OPERATING INCOME**		**8.938**	**20.850**
VIII.	**AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER**		**-**	**-**
IX.	**NET MONETARY POSITION GAIN/LOSS**		**-**	**-**
X.	**PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX**		**-**	**-**
XI.	**TAX PROVISION FOR CONTINUING OPERATIONS (±)**	**36**	**(1.744)**	**(834)**
11.1	A) Current Tax Charge		(1.575)	(1.053)
11.2	B) Deferred Tax Charge (+)		(169)	-
11.3	C) Deferred Tax Benefit (-)		-	219
XII.	**NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS**		**7.194**	**20.016**
XIII.	**INCOME ON DISCONTINUED OPERATIONS**		**-**	**-**
13.1	A) Income on Assets Held for Sale		-	-
13.2	B) Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
13.3	C) Other Income on Discontinued Operations		-	-
XIV.	**EXPENSE ON DISCONTINUED OPERATIONS (-)**		**-**	**-**
14.1	A) Expenses on Assets Held for Sale		-	-
14.2	B) Losses on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
14.3	C) Other Expenses on Discontinued Operations		-	-
XV.	**PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX**		**-**	**-**
XVI.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		**-**	**-**
16.1	A) Current Tax Charge		-	-
16.2	B) Deferred Tax Charge (+)		-	-
16.3	C) Deferred Tax Benefit (-)		-	-
XVII.	**NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS**		**-**	**-**
XVIII.	**NET PERIOD PROFIT/LOSS**		**7.194**	**20.016**
	Earnings Per Share		-	-

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

SHAREHOLDER’S EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

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

	THOUSAND TURKISH LIRA TOTAL SHAREHOLDER’S EQUITY	Paid-in Capital	Capital Reserve from Inf. Adjustment to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Profit Reserves	Current Period Profit/ Loss	Prior Period’s Profits/ Losses	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares Obtained From Associates, Subsidiaries and Joint Ventures	Hedging Funds	Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations	Total Shareholders’ Equity
	Prior period (01.01-31.12.2008) (Audited)																
I.	**Balances at beginning of the period(31.12.2007)**	**16.000**	**4.064**	-	-	**281**	-	**341**	-	**1.174**	**(13.385)**	**4.641**	-	-	-	-	**13.116**
II.	**Correction made as per TAS 8**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted balances at the beginning of the period (I+II)**	**16.000**	**4.064**	-	-	**281**	-	**341**	-	**1.174**	**(13.385)**	**4.641**	-	-	-	-	**13.116**
	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	**Mergers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	**Hedging Reserves**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Revaluation reserve on marketable securities**	-	-	-	-	-	-	-	-	-	-	**(5.696)**	-	-	-	-	**(5.696)**
VII.	**Revaluation surplus on tangible assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Bonus shares of associates, subsidiaries and joint-ventures**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Revaluation reserve on marketable securities**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Translation differences**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Changes resulted from disposal of assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	**Changes resulted from reclassification of assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	**Capital increase**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	**Share issuance**																
XV.	**Capital reserves from inflation adjustments to paid-in capital**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	**Convertible bonds**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	**Subordinated loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	**Current period net profit/loss**	-	-	-	-	-	-	-	-	**20.016**	-	-	-	-	-	-	**20.016**
XIV.	**Profit distribution**	-	-	-	-	-	-	-	-	**(1.174)**	**1.174**	-	-	-	-	-	-
19.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.2	Transfers to reserves																
19.3	Other	-	-	-	-	-	-	-	-	(1.174)	1.174	-	-	-	-	-	-
	Balances at the end of the period (31.12.2008)	**16.000**	**4.064**	-	-	**281**	-	**341**	-	**20.016**	**(12.211)**	**(1.055)**	-	-	-	-	**27.436**
	Current Period (01.01. – 31.12.2009) (Audited)																
I.	**Balances at the beginning of the prior period (31.12.2008)**	**16.000**	**4.064**	-	-	**281**	-	**341**	-	**20.016**	**(12.211)**	**(1.055)**	-	-	-	-	**27.436**
	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	**Mergers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Hedging Reserves**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	**Revaluation reserve on marketable securities**	-	-	-	-	-	-	-	-	-	-	**6.438**	-	-	-	-	**6.438**
V.	**Revaluation surplus on tangible assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Bonus shares of associates, subsidiaries and joint-ventures**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII	**Revaluation reserve on marketable securities**																
VIII.	**Translation differences**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Changes resulted from disposal of assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Changes resulted from reclassification of assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Capital increase**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	**Share issuance**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	**Capital reserves from inflation adjustments to paid-in capital**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	**Convertible bonds**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	**Subordinated loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	**Current period net profit/loss**									**7.194**	-	-	-	-	-	-	**7.194**
XVII.	**Profit distribution**	-	-	-	-	**390**	-	**7.415**	-	**(20.016)**	**12.211**	-	-	-	-	-	-
17.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17.2	Transfers to reserves	-	-	-	-	390	-	7.415	-		(7.805)	-	-	-	-	-	-
17.3	Other	-	-	-	-	-	-	-	-	(20.016)	20.016	-	-	-	-	-	-
	Balances at the end of the period (31.12.2009)	**16.000**	**4.064**	-	-	**671**	-	**7.756**	-	**7.194**	-	**5.383**	-	-	-	-	**41.068**

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2009

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

			THOUSAND TURKISH LIRA	
			Audited Current Period	**Audited Prior Period**
		Footnote	**1 January - 31 December 2009**	**1 January - 31 December 2008**
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
1.1	**Operating profit before changes in operating assets and liabilities**		**7.661**	**14.549**
1.1.1	Interest/leasing income received		20.920	18.607
1.1.2	Leasing expenses		-	-
1.1.3	Dividends received		351	272
1.1.4	Fees and commissions received		-	-
1.1.5	Other income		1.132	8.835
1.1.6	Collections from previously written off receivables		282	330
1.1.7	Payments to personnel and service suppliers		(1.771)	(1.442)
1.1.8	Taxes paid		(1.493)	(661)
1.1.9	Other		(11.760)	(11.392)
1.2	**Changes in operating assets and liabilities**		**110.043**	**(62.242)**
1.2.1	Net (increase) decrease in factoring receivables		(76.514)	(11.909)
1.2.1	Net (increase) decrease in loans		-	-
1.2.1	Net (increase) decrease in leasing receivables		-	-
1.2.2	Net (increase) decrease in other assets		(22)	(280)
1.2.3	Net increase (decrease) in factoring payables		-	-
1.2.3	Net increase (decrease) in leasing receivables		-	-
1.2.4	Net increase (decrease) in funds borrowed		187.730	(50.603)
1.2.5	Net increase (decrease) in due payables		-	-
1.2.6	Net increase (decrease) in other liabilities		(1.151)	550
I.	**Net cash provided from / (used in) operating activities**		**117.704**	**(47.693)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		**(2)**	**(7)**
2.1	Cash paid for purchase of joint ventures, associates and subsidiaries		-	-
2.2	Cash obtained from sale of joint ventures, associates and subsidiaries		-	-
2.3	Fixed assets purchases	**9**	(2)	(7)
2.4	Fixed assets sales		-	-
2.5	Cash paid for purchase of financial assets available for sale		-	-
2.6	Cash obtained from sale of financial assets available for sale		-	-
2.7	Cash paid for purchase of financial assets held to maturity		-	-
2.8	Cash obtained from sale of financial assets held to maturity		-	-
2.9	Other		-	-
II.	**Net cash provided from / (used in) investing activities**		**(2)**	**(7)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
3.1	Cash obtained from funds borrowed and securities issued		-	-
3.2	Cash used for repayment of funds borrowed and securities issued		-	-
3.3	Capital increase		-	-
3.4	Dividends paid		-	-
3.5	Payments for finance leases		-	-
3.6	Other		-	-
III.	**Net cash provided from / (used in) financing activities**		-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		-	-
V.	Net increase in cash and cash equivalents		117.702	(47.700)
VI.	**Cash and cash equivalents at the beginning of the year**	**5**	**4.981**	**52.681**
VII.	**Cash and cash equivalents at the end of the year**	**5**	**122.683**	**4.981**

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED FOR UNDER EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

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

		THOUSAND TURKISH LIRA	
STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED FOR UNDER EQUITY		**Audited Current Period 31 December 2009**	**Audited Prior Period 31 December 2008**
I.	**ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS**		
1.1	Net change in fair value of available for sale investments	6.438	(5.696)
1.2	Net change in fair value of available for sale investments (Transfer to Profit/Loss)	-	-
II.	**TANGIBLE ASSETS REVALUATION DIFFERENCES**	-	-
III.	**INTANGIBLE ASSETS REVALUATION DIFFERENCES**	-	-
IV.	**FOREIGN EXCHANGE DIFFERENCES ON FOREIGN CURRENCY TRANSACTIONS**	-	-
V.	**PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES**	-	-
5.1	Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
5.2	The portion reclassified and presented in the income statement	-	-
VI.	**PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS**	-	-
6.1	Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
6.2	The portion reclassified and presented in the income statement	-	-
VII.	**THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES**	-	-
VIII.	**OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS**	-	-
IX.	**DEFERRED TAX OF VALUATION DIFFERENCES**	-	-
X.	**TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+…+IX)**	6.438	(5.696)
XI.	**PROFIT/LOSS**	-	-
XII.	**TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)**	6.438	(5.696)

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş. PROFIT DISTRIBUTION TABLE (*)

		THOUSAND TURKISH LIRA	
		Current Period (31/12/2009)	Prior Period (31/12/2008)
I.	**DISTRIBUTION OF CURRENT PERIOD PROFIT**		
1.1	CURRENT PERIOD PROFIT	8.938	20.850
1.2	TAXES AND DUES PAYABLE (-)	(1.744)	(834)
1.2.1	Corporate Tax (Income Tax)	(1.575)	(1.053)
1.2.2	Withholding Tax	-	-
1.2.3	Other taxes and dues	(169)	219
A.	**NET PERIOD PROFIT (1.1 - 1.2)**	**7.194**	**20.016**
1.3	PRIOR YEARS' LOSSES (-)	-	(12.211)
1.4	FIRST LEGAL RESERVE (-)	(360)	(390)
1.5	OTHER STATUTORY RESERVES TO BE RETAINED IN THE COMPANY (-)	-	-
B	**DISTRIBUTABLE NET PERIOD PROFIT [(A-1.3+1.4+1.5)]**	**6.834**	**7.415**
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To Owners of Ordinary Shares	-	-
1.6.2	To Owners of Preferred Stocks	-	-
1.6.3	To Owners of Preferred Stocks (Preemptive Rights)	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Owners of the profit /loss Sharing Certificates	-	-
1.7	DIVIDEND TO PERSONNEL (-)	-	-
1.8	DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To Owners of Ordinary Shares	-	-
1.9.2	To Owners of Preferred Stocks	-	-
1.9.3	To Owners of Preferred Stocks (Preemptive Rights)	-	
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Owners of the profit /loss Sharing Certificates	-	-
1.10	SECOND LEGAL RESERVE (-)	-	-
1.11	STATUS RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	(6.834)	(7.415)
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	**DISTRIBUTION FROM RESERVES**		
2.1	DISTRIBUTED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	SHARE TO SHAREHOLDERS (-)	-	-
2.3.1	To Owners of Ordinary Shares	-	-
2.3.2	To Owners of Preferred Stocks	-	-
2.3.3	To Owners of Preferred Stocks (Preemptive Rights)	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Owners of the profit /loss Sharing Certificates	-	-
2.4	SHARE TO PERSONNEL (-)	-	-
2.5	SHARE TO BOARD OF DIRECTORS (-)	-	-
III.	**EARNINGS PER SHARE**		
3.1	TO OWNERS OF ORDINARY STOCKS (TRY)	-	-
3.2	TO OWNERS OF ORDINARY STOCKS (%)	-	-
3.3	TO OWNERS OF PREFERRED STOCKS (TRY)	-	-
3.4	TO OWNERS OF PREFERRED STOCKS (%)	-	-
IV.	**DIVIDEND PER SHARE**		
4.1	TO OWNERS OF ORDINARY STOCKS (TRY)	-	-
4.2	TO OWNERS OF ORDINARY STOCKS (%)	-	-
4.3	TO OWNERS OF PREFERRED STOCKS (TRY)	-	-
4.4	TO OWNERS OF PREFERRED STOCKS (%)	-	-

(*) Decision related with profit distribution for the year ended 2009 is approved by the Board of Directors as of 8 March 2010.

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

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

İş Factoring Finansman Hizmetleri A.Ş. ("the Company"), was incorporated on 6 July 1993 in Turkey and started its operations in October 1993. The core business of the Company is factoring operations, both domestic and abroad. The Company operates under Türkiye İş Bankası A.Ş. Group. The main shareholder of the Company is İş Finansal Kiralama A.Ş. with 78,23% shareholding. Türkiye Sınai Kalkınma Bankası A.Ş. is also shareholder of the Company with 21,75% shareholding. Participation rates and information regarding financial assets available for sale by the Company in its balance sheet, are as follows:

Investment	Company head office	Core business	Participation rate
İş Yatırım Menkul Değerler A.Ş.	4. Levent / İstanbul	Intermediary of Capital Market instruments	2,43%
Yatırım Finansman Menkul Değerler A.Ş.	Etiler / İstanbul	Intermediary of Capital Market instruments	0,06%
İş Girişim Sermayesi Yatırım Ort. A.Ş.	4. Levent / İstanbul	Private equity	0,89%
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İletişim Hiz. A.Ş.	Esentepe / İstanbul	Internet service provider	1,00%

As of 31 December 2009,the Company employs 19 persons. (31 December 2008: 19)

The head office of the Company is located at:

İş Kuleleri, Kule 2 Kat: 10 34330 Levent / İstanbul Turkey

Dividend Payable:

As of the date of this report, the General Assembly did not have any decision to pay dividends to shareholders. (31 December 2008: No dividend distribution).

Approval of Financial Statements:

The financial statements are approved and authorized by the Board of Directors for publication on 8 March 2010. The General Assembly has authority to change the financial statements.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The Company has accounted for its 2009 operations in accordance with the Turkish Accounting Standards based on the Communiqué on "The Application of Uniform Chart of Accounts and Guide Book in Connection to the Establishment and Main Activities of Finance Leasing, Factoring and Financing Companies" and "The Format of the Publicly Disclosed Financial Statements" published in the Official Gazette No: 26525 on 17 May 2007.

In accounting of 2009 operations, the Company has applied the requirements of the Communiqué on the "The Establishment and Main Activities of Finance Leasing, Factoring and Financing Companies" published in the Official Gazette No: 26315 on 10 October 2006 and the Communiqué on the "Principles and Procedures of Receivable Allowances to be Provided by Finance Leasing, Factoring and Financing Companies" published in the Official Gazette No: 26588 on 20 July 2007.

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

The financial statements have been prepared on the historical cost basis except for the revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Preparation of Financial Statements in Hyperinflationary Periods

Restatement adjustments have been made to compensate for the effect of changes in the general purchasing power of the Turkish Lira, in accordance with Turkish Accounting Standards on "Preparation of Financial Statements in Hyperinflationary Periods" ("TAS 29") for the financial statements prepared before 31 December 2004. BRSA issued a circular on 28 April 2005 stating that the indicators requiring the application of inflation accounting ceased to exist; consequently inflation accounting has not been applied in the financial statements after 1 January 2005.

Changes in Accounting Policies

Changes in accounting policies are applied retrospectively and the prior period financial statements are restated accordingly. There is no major change in the accounting policies of the Company in the current year.

Change in Accounting Estimates and Errors

The effect of a change in an accounting estimate is recognized prospectively in the period of the change, if the change affects that period only; or the period of the change and future periods, if the change affects both. There has not been any significant change in the accounting estimates of the Company in the current period.

Accounting errors are corrected retrospectively in the financial statements after their discovery by restating the comparative amounts for the prior periods.

Adoption of New and Revised International Financial Reporting Standards:

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported and disclosures in these financial statements. Details of other standards and interpretations adopted in these financial statements but that have had no impact on the financial statements is explained in the following parts.

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

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

Standards affecting presentation and disclosures in 2009 financial statements

- IAS 1 (Revised) "Presentation of Financial Statements"

The revised standard prohibits the presentation of changes in equity, other than ownership transactions (other comprehensive income and expenses) in the statement of changes in equity. Non-owner changes in equity are to be presented separately from owner changes in equity and are required to be disclosed in a Statement of Comprehensive Income. Entities have the option of either presenting one statement (comprehensive income statement) or two statements (income statement and comprehensive income statement). The Group has applied IAS 1 (Revised) as of 1 January 2009 and chosen to present two statements in compliance with the financial statement requirements of BRSA .

IAS 1 (Revised) also requires an entity to present the earliest balance sheet comparable with the current and prior periods when financial statements of prior period are restated or reclassified in the current period. Since prior period financial statements are not restated in the current period, opening balance sheet for 1 January 2008 is not presented separately in the accompanying financial statements.

- IFRS 7 (Amendment), "Financial Instruments: Disclosures"

Amendments to IFRS 7 which was issued in March 2009 is applicable to the Company beginning on 1 January 2009. The amendments require enhanced disclosure on fair value measurements as well as on liquidity risks. Specifically, the amendments require the Company to disclose changes in valuation techniques for classes of financial instruments where valuation techniques were used to determine fair values. In addition for each class of financial instrument, the Company is required to disclose the level in the fair value hierarchy into which the fair value measurements are categorized. When valuation techniques used to determine fair values of financial instrument changes, the transfers between levels of the fair value hierarchy are required to be disclosed. Furthermore, the Company is required to provide a reconciliation of fair value measurements that are determined based on unobservable inputs. Sensitivity analysis on changes in assumptions related to unobservable inputs should also be presented if such changes would result in significant fair value changes.

IFRS 7 further clarifies that the current maturity analysis for non-derivative financial instruments should include issued financial guarantee contracts, and requires the Company to add disclosure of a maturity analysis for derivative financial liabilities.

The Company has implemented the amendments to IFRS 7 in 2009 and has disclosed fair value hierarchy information in note 39 to the financial statements. In the current year, the Company did not make significant transfers between fair value hierarchy levels.

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

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

Standards and Interpretations that are effective in 2009 with no impact on the 2009 financial statements

Standards and interpretations stated below is applied on financial statements. Application of these standards and interpretations have no material effect on current year's financial statements but has an impact on accounting of future operations in following years..

- IFRS 1, "First Time Adoption of International Financial Reporting Standards" and IAS 27, "Consolidated and Separate Financial Statements"
- IFRS 8, "Operating Segments"
- IAS 23 (Revised), "Borrowing Costs"
- IAS 38, "Intangible Assets"
- IAS 40, "Investment Property"
- IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance"
- IFRIC 13, "Customer Royalty Programmes"
- IFRS 2, "Share-based Payment"
- IFRS 5, "Non-current Assets Held for Sale and Discontinued Operation"
- IAS 1 "Presentation of Financial Statements" and IAS 32 "Financial Instruments – Presentation" (Amendments relating to disclosure of puttable instruments and obligations arising on liquidation)
- IAS 39 "Financial Instruments: Recognition and Measurement-Eligible Hedged Items"
- 2008 Improvements (IAS 1, "Presentation of Financial Statements", IAS 16, "Property, Plant and Equipment", IAS 19, "Employee Benefits", IAS 20, "Government Grants", IAS 23, "Borrowing Costs", IAS 27, "Consolidated and Separate Financial Statements ", IAS 28, "Investment in Associates", IAS 31, "Interests in Joint Ventures", IAS 29 "Financial Reporting in Hyperinflationary Economies", IAS 36, "Impairment of Assets", IAS 39, "Financial Instruments: Recognition and Measurement", IAS 40, "Investment Property", IAS 41, "Agriculture")
- IFRIC 15, "Agreements for the Construction of Real Estate"
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"
- IFRIC 18, "Transfers of Assets from Customers"

Standards and Interpretations that are issued but not yet effective in 2009 and have not been early adopted

- IFRS 3, "Business Combinations", IAS 27, "Consolidated and Separate Financial Statements", IAS 28, "Investment in Associates", IAS 31, "Interests in Joint Ventures"
- IFRS 9, "Financial Instruments: Classification and Measurement"
- IFRIC 17 "Distributions of Non-cash Assets to Owners"
- IAS 24 (Revised 2009) "Related Party Disclosures"
- IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments"

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

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

Improvements to IFRS (2009)

As part of the Annual Improvement project, in addition to the amendments mentioned above, other amendments were made to various standards and interpretations. These amendments are effective for annual periods beginning on or after 1 January 2010. According to the Company's directors, the standards and interpretations mentioned above have no material effect on future period's financial statements.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES

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

a. Revenue:

Factoring service income is composed of collected or accrued interest income and commission income earned from advance payments made to customers.

A specific percentage amount, obtained from invoice total subject to factoring transactions, constitutes commission income.

Dividend income earned from equity investments is recorded when shareholders' right to earn dividends arises.

Other interest income is accrued based on the effective interest which equals the estimated cash flows to net book value of the related asset.

All income and expenses are accounted for on accrual basis.

b. Tangible Assets:

Tangible assets are carried at historical cost, less accumulated depreciation and accumulated impairment losses.

Tangible assets are depreciated principally on a straight-line basis considering the expected useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Expenses for the maintenance of tangible assets are normally recorded in profit and loss statement. Gain or loss arising on the disposal or retirement of an item of tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

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

c. Intangible Assets:

Intangible Fixed Assets Acquired:

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their useful lives.

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible fixed assets. Costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding three years).

d. Impairment of Assets:

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

e. Borrowing Costs:

All borrowing costs are recognized in profit and loss in the period in which they are incurred.

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

f. Financial Instruments :

Financial Assets

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

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

Effective interest method

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

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

Financial assets at FVTPL

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

Held-to-maturity investments

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

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

f. Financial Instruments (cont'd):

Financial Assets (cont'd)

Available for sale financial assets:

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

Dividends on available for sale equity instruments are recognized in profit and loss when the Company has the right to receive any payment.

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

Factoring Receivables and Other Receivables

Factoring receivables and other receivables are carried at fair value at initial recognition. Subsequent to initial recognition, all receivables except for factoring receivables, are carried at amortized cost using the effective interest method. Factoring transactions are accounted for at carrying amounts in subsequent reporting periods. The Company management believes that carrying amounts of factoring receivables approximate to their fair values since amortization is taken into account at initial recognition.

Effective from 1 January 2008, in accordance with the Communiqué (No: 26588) on the "Principles and Procedures of Receivable Allowances To Be Provided By Financial Leasing, Factoring and Financing Companies" issued on 20 July 2007, special provision rate allocated for the factoring receivables considering their guarantees are as follows: 20%, at a minimum, for factoring receivables overdue more than 90 days not exceeding 180 days; 50%, at a minimum, for factoring receivables overdue more than 180 days not exceeding 360 days; and 100%, at a minimum, for factoring receivables overdue more than 1 year. The Company allocates 100% provision for all doubtful factoring receivables which do not have strong collaterals without considering the time intervals above.

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

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

f. Financial Instruments (cont'd):

Financial Assets (cont'd)

Impairment of financial assets

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

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of the assets approximates their fair value.

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

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

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

f. Financial Instruments (cont'd):

Financial Assets (cont'd)

Other financial liabilities

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

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

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

g. Business Combinations

None.

h. Effects of Changes in Exchange Rates

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the Company is expressed in TRY, which is the functional currency of the Company, and the presentation currency for the financial statements.

The foreign currency exchange rates used by the Company as of 31 December 2009 and 31 December 2008 are as follows:

	31 December 2009	31 December 2008
USD	1,5057	1,5123
EURO	2,1603	2,1408

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

ı. Earnings per Share:

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

The Company's shares are not traded on the stock exchange, therefore, earnings per share is not disclosed in the accompanying financial statements.

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

i. Subsequent Events:

Events after balance sheet date comprise any event between the balance sheet date and the date of authorization of the financial statements for publication, even if any event after balance sheet date occurred subsequent to an announcement on the Company's profit or following any financial information disclosed to public.

The Company adjusts the amounts recognized in its financial statements to reflect adjusting events after the balance sheet date if such subsequent events arise.

j. Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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

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

Changes in accounting policies or fundamental accounting errors are applied retrospectively and the financial statements for the prior periods are restated. There is no major change in accounting policies in the current year.

If changes in accounting estimates relate only for one period, changes are applied in the current period but if changes in estimates relate more than one period, changes are applied both in the current and following periods prospectively. There is no major change in accounting estimates in the current year. Any material accounting error detected is applied retrospectively and prior year financial statements are restated, accordingly.

l. Finance Lease

Lease- The Company as Lessee

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

Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged to the profit or loss in accordance with the Company's general policy on borrowing costs as detailed above.

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

l. Finance Lease (cont'd):

Lease- The Company as Lessee (cont'd)

Rental payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant leases.

m. Segmental Information:

No segmental information is disclosed as the Company provides factoring services only in Turkey.

n. Taxation on Income:

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

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

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

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

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

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

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

n. Taxation on Income (cont'd):

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

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

o. Employee Benefits / Retirement Pay Provision:

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

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation. All actuarial gains and losses calculated are recognized in the income statement.

p. Statement of Cash Flows

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

Cash flows from operating activities reflect cash flows mainly generated from factoring operations of the Company.

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

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

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

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial assets held for trading:

	31 December 2009		31 December 2008	
	TRY	FC	TRY	FC
Mutual funds	139	-	90	-
	139	-	90	-

The Company has Türkiye İş Bankası A.Ş.'s mutual funds amounting to TRY 139 thousand. (31 December 2008: TRY 90 thousand).

5. BANKS

	31 December 2009		31 December 2008	
	TRY	FC	TRY	FC
Demand Deposit	2.393	290	1.443	467
Time Deposit	120.000	-	3.000	71
Interest Accrual	588	-	2	-
	122.981	290	4.445	538

The details of time deposits as of 31 December 2009 are as follows:

Currency	Interest Rate	Maturity	31 December 2009
TRY	9,25%	04.01.2010	20.157
TRY	10,00%	22.01.2010	10.066
TRY	10,00%	11.01.2010	20.115
TRY	9,90%	13.01.2010	10.049
TRY	10,50%	18.01.2010	20.086
TRY	10,50%	01.02.2010	10.040
TRY	10,50%	04.02.2010	20.063
TRY	10,50%	11.02.2010	10.012
			120.588

Included in the balances above, the Company has Turkish Lira deposits at Türkiye İş Bankası A.Ş. amounting to TRY 30.808 thousand (31 December 2008: TRY 317 thousand) and foreign currency deposits amounting to TRY 189 thousand (31 December 2008: TRY 536 thousand), and the Company has foreign currency deposit amounting to TRY 1 thousand at 31 December 2008.

The details of time deposits as of 31 December 2008 are as follows:

Currency	Interest Rate	Maturity	31 December 2008
TRY	20,00%	30.01.2009	3.002
USD	2,55%	15.01.2009	71
			3.073

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

5. BANKS (cont'd)

Reconciliation of carrying value of liquid assets in the accompanying financial statements and the cash flow statement is as follows:

	31 December 2009	31 December 2008
Demand Deposit	2.683	1.910
Time deposit (1-3 month)(without accrual)	120.000	3.071
Cash and cash equivalents	122.683	4.981

6. FINANCIAL ASSETS AVAILABLE FOR SALE

				Ownership Percentage (%)		Fair Value	
Name of the investment	Core business	Incorporation and operation location	Voting Right (%)	31 December 2009	31 December 2008	31 December 2009	31 December 2008
İş Yatırım Menkul Değerler A.Ş. - (İş Yatırım)	Investment and Securities Services	İstanbul	2,43%	2,43%	2,43%	8.538	2.411
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Private Equity	İstanbul	0,89%	0,89%	0,89%	646	318
Yatırım Finansman Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0,06%	0,06%	0,06%	25	25
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İletişim Hiz. A.Ş. – (İş Net)	Inf. Comm. and Techn. Services	İstanbul	1,00%	1,00%	1,00%	337	328
						9.546	3.082

7. FACTORING RECEIVABLES

	31 December 2009		31 December 2008	
	TRY	FC	TRY	FC
Domestic factoring receivables	143.414	-	66.448	-
Export and import factoring receivables	-	294	-	815
Factoring interest income accrual	164	-	662	19
Unearned interest income	(1.080)	-	(846)	-
Factoring receivables under follow-up (*)	3.078	-	3.049	8
Gross factoring receivables	145.576	294	69.313	842
Specific provisions(-)	(2.971)	-	(3.049)	(8)
	142.605	294	66.264	834

(*) The item is classified under the non-performing loans in the balance sheet.

EUR 136 thousand and TRY 87.080 thousand of factoring receivables have floating interest rates (31 December 2008: EUR 389 thousand and TRY 17.512 thousand) while TRY 55.524 thousand of factoring receivables have a fixed interest rate (31 December 2008: TRY 48.752 thousand).

The Company has contractual guarantees for factoring receivables.

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

7. FACTORING RECEIVABLES (cont'd)

Types of factoring transactions are as follows:

	31 December 2009	31 December 2008
Domestic irrevocable	13.048	17.301
Domestic revocable	129.557	48.963
Foreign revocable	294	834
	142.899	67.098

Except for its 100% provision allocated doubtful receivables, the Company has 50% provision allocated overdue factoring receivables amounts to TRY 214 thousand as of the balance sheet date. The carrying value of the Company's restructured factoring receivables amounts to TRY 266 thousand (31 December 2008: TRY 231 thousand). If such receivables were not restructured, they would be classified as overdue or doubtful receivables. The Company has contractual guarantees for such receivables.

The Company's guarantees for factoring receivables are as follows and if the amount of guarantees exceeds the amount of receivables during the calculation of guarantees, only the corresponding portion capped with the receivable amount is included in the below table.

Guarantee Type:	31 December 2009	31 December 2008
Pledges	6.000	-
Mortgage	1.515	1.515
	7.515	1.515

The aging of the factoring receivables under follow-up is as follows:

	31 December 2009	31 December 2008
Up to 90 days	119	566
Between 90 – 180 days	-	727
Between 180 – 360 days	94	-
Over 360 days	2.865	1.764
	3.078	3.057

The Company has contractual guarantees for the above non-performing factoring receivables.

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

	1 January-31 December 2009	1 January-31 December 2008
Provision at the beginning of the period	3.057	2.128
Additions	196	1.463
Collections	(282)	(330)
Write off	-	(204)
Provision at the end of the period	2.971	3.057

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

8. RELATED PARTY EXPLANATIONS

Factoring receivables from related parties	31 December 2009	31 December 2008
Ant Gıda Tarım ve Turizm Enerji Demir Çelik San ve Tic. A.Ş.	9.050	-
Bayek Tedavi ve Sağlık Hizmetleri İşletmeciliği A.Ş.	3.301	6.500
Kültür Yayınları İş-Türk Ltd. Şti.	725	359
Nevotek Bilişim Ses ve İletişim Sist. San. Ve Tic. A.Ş.	290	277
	13.366	7.136

Payables to related parties		
İş Merkezleri Yönetim ve İşletim A.Ş.	3	3
Anadolu Anonim Türk Sigorta Şirketi	1	1
	4	4

Borrowings from related parties

Türkiye İş Bankası A.Ş.

Currency	Interest Rate	Maturity	31 December 2009
TRY	7,60%	Revolving	8.374
USD	3,25%-6,00%	04.02.2010-12.08.2010	1.188
			9.562

Currency	Interest Rate	Maturity	31 December 2008
TRY	17%	Revolving	5.930
USD	5,90%-11%	29.01.2009-24.04.2009	179
			6.109

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

8. RELATED PARTY EXPLANATIONS (cont'd)

Borrowings from related parties (cont'd)

İş Bank GmbH

Currency	Interest Rate	Maturity	31 December 2009
EUR	5,00%	Overdraft	290
			290

Currency	Interest Rate	Maturity	31 December 2008
EUR	6,24%	Overdraft	1.134
			1.134

Deposits at related parties

	31 December 2009	31 December 2008
Türkiye İş Bankası A.Ş Time Deposit	30.169	71
Türkiye İş Bankası A.Ş. Demand Deposit	828	782
İş Bank GmbH Demand Deposit	-	1
	30.997	854

	01.01.2009-31.12.2009	01.01.2008-31.12.2008
Factoring Interest Income From Related Parties		
Bayek Tedavi ve Sağlık Hizmetleri İşletmeciliği A.Ş.	887	280
Nevotek Bilişim Ses ve İletişim Sistemleri San. ve Tic. A.Ş.	52	79
Ant Gıda Tarım Turizm Enerji ve Demir Çelik San. Tic. A.Ş.	69	-
Kültür Yayınları İş-Türk Ltd. Şti.	107	60
İş Koray Turizm Orm. Mad. A.Ş.	-	43
	1.115	462
Factoring Commission Income From Related Parties		
Şişecam Dış Ticaret A.Ş.	97	155
Kültür Yayınları İş-Türk Ltd. Şti.	10	7
Nevotek Bilişim Ses ve İletişim Sistemleri San ve Tic. A.Ş.	3	1
Türkiye Şişe ve Cam Fabrikaları A.Ş.	-	1
	110	164
Mutual Fund Income		
Türkiye İş Bankası A.Ş.	5	9
Interest Income From Related Parties		
Türkiye İş Bankası A.Ş.	4.193	585

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

8. RELATED PARTY EXPLANATIONS (cont'd)

Dividend Income From Related Parties	01.01.2009-31.12.2009	01.01.2008-31.12.2008
İş Yatırım Menkul Değerler A.Ş	315	231
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş	46	38
İş Net Elekt. Bilgi Ür. Dağ. Tic. ve İlet. Hiz. A.Ş	16	3
Yatırım Finansman Menkul Değerler A.Ş	-	5
	377	277

Finance Expenses		
Türkiye İş Bankası A.Ş.	31	2.099
İş Bank GmbH	23	78
	54	2.177

Rent Expenses	01.01.2009-31.12.2009	01.01.2008-31.12.2008
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	183	160
İş Finansal Kiralama A.Ş.	5	7
	188	167

General Administration Expenses	01.01.2009-31.12.2009	01.01.2008-31.12.2008
İş Merkezleri Yönetim ve İşletim A.Ş.	95	59
Anadolu Anonim Türk Sigorta A.Ş.	60	36
Anadolu Hayat Emeklilik A.Ş.	14	12
İş Finansal Kiralama A.Ş.	7	9
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	5	5
	181	121

Compensation to Key Management Personnel	01.01.2009-31.12.2009	01.01.2008-31.12.2008
Short Term Benefits (*)	631	576

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

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

9. TANGIBLE ASSETS

	Furniture and Fixtures	Leasehold Improvements	Total
Acquisition Cost			
Opening balance 1 January 2009	906	563	1.469
Additions	2	-	2
Disposals	-	-	-
Closing balance 31 December 2009	908	563	1.471
Accumulated depreciation			
Opening balance 1 January 2009	(875)	(550)	(1.425)
Charge for period	(10)	(6)	(16)
Disposals	-	-	-
Closing balance 31 December 2009	(885)	(556)	(1.441)
Net book value as of 31 December 2009	23	7	30

	Furniture and Fixtures	Leasehold Improvements	Total
Acquisition Cost			
Opening balance 1 January 2008	899	563	1.462
Additions	7	-	7
Disposals	906	563	1.469
Closing balance 31 December 2008			
Accumulated depreciation			
Opening balance 1 January 2008	(861)	(545)	(1.406)
Charge for period	(14)	(5)	(19)
Closing balance 31 December 2008	(875)	(550)	(1.425)
Net book value as of 31 December 2008	31	13	44

Useful lives of tangible assets are as follows:

Furniture and Fixtures	5 years
Leasehold Improvements	5 years

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

10. INTANGIBLE ASSETS

	31 December 2009	31 December 2008
Acquisition cost (Rights)		
Opening balance 1 January	272	207
Additions	-	65
Closing balance	272	272
Amortization		
Opening balance 1 January	(176)	(162)
Charge for the year	(22)	(14)
Closing balance	(198)	(176)
Net Book Value	74	96

Useful life of intangible assets is determined as 5 years.

11. GOODWILL

None.

12. DEFERRED TAX ASSETS AND LIABILITIES

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

	31 December 2009	31 December 2008
Deferred Tax Asset	70	239

	31 December 2009	31 December 2008
Temporary differences subject to deferred tax:		
Tax base difference in tangible and intangible assets	64	67
Retirement pay provision	(100)	(96)
Unused vacation accrual	(21)	(20)
Allowance for doubtful factoring receivables	(186)	(1.056)
Personnel bonus accrual	(110)	(92)
	(353)	(1.197)

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

12. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

	31 December 2009	31 December 2008
Deferred Tax (Assets) / Liabilities		
Tax base difference in tangible and intangible assets	13	14
Retirement pay provision	(20)	(20)
Unused vacation accrual	(4)	(4)
Allowance for doubtful factoring receivables	(37)	(211)
Personnel bonus accrual	(22)	(18)
Deferred tax asset (net)	(70)	(239)

Deferred tax (assets) movement for the year ended as of 31 December 2009 is as follows:

	31 December 2009	31 December 2008
Opening balance 1 January	(239)	(20)
Deferred tax (benefit) / charge	169	(219)
Closing balance	(70)	(239)

13. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

	31 December 2009		31 December 2008	
	TRY	FC	TRY	FC
Assets held for sale (*)	-	-	3	-
	-	-	3	-

(*) Consists of immovables held by the Company as a result of the legal foreclosure proceedings in relation to its receivables under follow-up.

14. OTHER ASSETS

	31 December 2009		31 December 2008	
	TRY	FC	TRY	FC
Prepaid expenses	41	-	58	-
Other	29	-	36	-
	70	-	94	-

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

15. FUNDS BORROWED

Short-term borrowings	31 December 2009	31 December 2008
Short-term borrowings	234.111	46.360
Short-term portions of long-term borrowings	-	-
Total short-term borrowings	234.111	46.360
Long-term borrowings		
Long-term portions of long-term borrowings	-	-
Total long-term borrowings	-	-
Total borrowings	234.111	46.360

Maturity analysis of borrowings:	31 December 2009	31 December 2008
Within 1 year	234.111	46.360
Within 1-2 years	-	-
Within 2-3 years	-	-
Within 3-4 years	-	-
TOTAL	234.111	46.360

The details of short-term borrowings are as follows:

Currency	Interest rate %	Currency amount	31 December 2009
TRY	7,10-7,75	-	232.590
USD (*)	3,25-6,00	786	1.183
EUR	5,00	134	290
Interest accruals			48
TOTAL			234.111

Currency	Interest rate %	Currency amount	31 December 2008
TRY	16,90-18,20	-	45.020
USD (*)	5,00-11,00	118	179
EUR	6,24	530	1.134
Interest accruals			27
TOTAL			46.360

(*) It includes foreign currency indexed loans and they have been classified as TRY in the accompanying balance sheet.

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

15. FUNDS BORROWED (cont'd)

Interest rates for borrowings are implied as compounded.

	31 December 2009		31 December 2008	
	TRY	FC	TRY	FC
Fixed rate	198.821	-	15.456	-
Variable rate	35.000	290	29.770	1.134
	233.821	290	45.226	1.134

Fair value of the Company's borrowings are presented in Note 39.

As at 31 December 2009, the Company had available TRY 418.725 thousand of undrawn committed borrowing facilities in respect of which all conditions precedent have been met (31 December 2008: TRY 251.480 thousand).

16. SUNDRY CREDITORS AND OTHER LIABILITIES

Sundry Creditors

	31 December 2009		31 December 2008	
	TRY	FC	TRY	FC
Payables to suppliers	15	-	20	-
Other	-	117	-	397
	15	117	20	397

17. FINANCE LEASE PAYABLES

None (31 December 2008: None.).

18. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING

None (31 December 2008: None.).

19. TAXES PAYABLE AND OTHER LIABILITIES

	31 December 2009		31 December 2008	
	TRY	FC	TRY	FC
Taxes payable and liabilities	169	-	102	-
	169	-	102	-

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

20. PROVISIONS FOR LIABILITIES

Other Provisions:

	31 December 2009	31 December 2008
Corporate tax provision (net)	388	306
General provision for factoring receivables (*)	-	900
	388	1.206

	31 December 2009	31 December 2008
Corporate tax provision	1.575	1.053
Advance taxes	(1.187)	(747)
Corporate tax provision (net)	388	306

(*) In addition to the provision for doubtful receivables, the Company management allocated a general provision for its risky factoring receivables in prior period.

21. EMPLOYEE BENEFITS

Provision for Employee Benefits

	31 December 2009	31 December 2008
Retirement pay provision	100	96
Bonus Provision	110	92
Unused vacation accrual	21	20
	231	208

Retirement Pay Provision	31 December 2009	31 December 2008
Balance at the beginning of the period	96	129
Increase during the period	37	33
Amounts paid/cancelled	(33)	(66)
Balance at the end of the period	100	96

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

21. EMPLOYEE BENEFITS (cont'd)

Retirement Pay Provision:

Under the Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified for such amount at the end of its employee termination contract. Also, employees who are entitled to a retirement are required to be paid retirement pay in accordance with the requirements of Act No: 2422 dated 6 March 1981, Act No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506, Some transitional provisions related to the pre-retirement service term was excluded from the scope of the Law since the related law was amended as of 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 2.365,16 (full TRY) (31 December 2008: TRY 2.173,18) for each period of service at 31 December 2009.

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

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2009, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 4,8% and a discount rate of 11%, resulting in a real discount rate of approximately 5,92% (31 December 2008: with 5,4% inflation rate and 12% discount rate approximately 6,26%). The anticipated rate of forfeitures is considered and taken into account as 0% (2008: 0%). As the maximum liability is revised semi annually, the maximum amount of TRY 2.427,04 effective from 1 January 2010 has been taken into consideration in calculation of provision from employment termination benefits.

22. MINORITY SHARE

None.

23. PAID-IN CAPITAL AND CAPITAL RESERVES

As of 31 December 2009 and 31 December 2008, share capital held is as follows:

CAPITAL

Shareholders	(%)	31 December 2009	(%)	31 December 2008
İş Finansal Kiralama A.Ş.	78,2311	12.517	78,2311	12.517
Türkiye Sınai Kalkınma Bankası A.Ş.	21,7500	3.480	21,7500	3.480
Türkiye Şişe ve Cam Fab. A.Ş.	0,0063	1	0,0063	1
Camiş Madencilik A.Ş.	0,0063	1	0,0063	1
TSKB Gayrimenkul Değerleme A.Ş.	0,0063	1	0,0063	1
TOTAL	100,0000	16.000	100,0000	16.000

The Company does not have preferred shares.

23. PAID-IN CAPITAL AND CAPITAL RESERVES (cont'd)

CAPITAL RESERVES

	31 December 2009	31 December 2008
Other Capital Reserves:		
- Shareholders' equity inflation restatement differences:	4.064	4.064
Marketable securities revaluation reserve (*)	5.383	(1.055)
TOTAL	9.447	3.009

(*) Resulted from valuation of the Company's available for sale financial assets which are publicly traded.

24. PROFIT RESERVES

	31 December 2009	31 December 2008
Legal reserves	671	281
Extraordinary reserves	7.756	341
TOTAL	8.427	622

The legal reserves consist of the first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

25. PRIOR YEARS' PROFITS/LOSSES

	31 December 2009	31 December 2008
Prior year profits/(losses)	-	(12.211)

26. FOREIGN CURRENCY POSITION

31 December 2009	USD 000	EUR 000	GBP 000	DKK 000	AUD 000	TRY Equivalent
Banks	80	66	11			290
Factoring receivables	884	136	-	-	-	1.625
Other assets	-	-	-	-	-	-
Funds borrowed	(789)	(134)	-	-	-	(1.478)
Sundry creditors and other liabilities	(1)	(54)	-	-	-	(117)
Balance sheet position	174	14	11	-	-	320
Off balance sheet position	-	-	-	-	-	
Net foreign currency position	174	14	11	-	-	320

26. FOREIGN CURRENCY POSITION (cont'd)

31 December 2008	USD 000	EUR 000	GBP 000	DKK 000	AUD 000	TRY Equivalent
Banks	48	194	22	-	-	538
Factoring receivables	209	390	-	-	-	1.150
Other assets	-	-	-	-	-	-
Funds borrowed	(120)	(530)	(12)	-	-	(1.316)
Sundry creditors and other liabilities	(1)	(173)	-	-	-	(397)
Balance sheet position	136	(119)	10	-	-	(25)
Off balance sheet position	-	-	-	-	-	-
Net foreign currency position	136	(119)	10	-	-	(25)

As of 31 December 2009, foreign currency indexed loans amounting to USD 789 thousand (Total TRY 1.188 thousand) and foreign currency indexed factoring receivables amounting to USD 884 thousand (Total TRY 1.331 thousand) are classified in TRY column of the balance sheet. As of 31 December 2008, foreign currency indexed loans amounting to USD 120 thousand (Total TRY 182 thousand) and foreign currency indexed factoring receivables USD 209 thousand (Total TRY 316 thousand) are classified in TRY column of balance sheet.

27. COMMITMENTS AND CONTINGENCIES

As of 31 December 2009, TRY 1.164 thousand letters of guarantees are given to customs authorities and banks (31 December 2008: TRY 1.135 thousand).

As of 31 December 2009, the Company has no commitments in connection with irrevocable transactions. (31 December 2008: TRY 300 thousand).

As of the balance sheet date, the Company does not have any guarantees, pledges or mortgages given for the purpose of guaranteeing any third party payables (31 December 2008: None).

The Company's records have been reviewed through an overall tax inspection for all factoring companies operating in Turkey conducted by the Department of Revenue Administration of Turkish Republic of Ministry of Finance in connection with the accounting period of 2008. Amounts that are recognized as income when they are realized based on periodicity principle and followed under the "Unearned income" account of factoring companies and the principle of doubtful factoring receivables under legal follow up which are not being recognized as income in prior periods are subject to criticism in the related tax assessment. The Company has not received any tax assessment notices as of the reporting date and there is uncertainty about the tax fine which might be charged as a consequence of the said tax inspection. Therefore, the Company management did not provide any provision in regards to the related tax inspection in the accompanying financial statements.

28. SEGMENTAL INFORMATION

No segmental information is disclosed as the Company provides factoring services only in Turkey.

29. SUBSEQUENT EVENTS

As of 22 January 2010, the Department of Revenue Administration of Turkish Republic of Ministry of Finance has started to perform a review on the Company's records for 2008 and the Company has not received any tax assessment notices as of the reporting date.

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

30. OPERATING INCOME

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Factoring Income	14.147	16.502
	14.147	16.502

31. OPERATING EXPENSES

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Personnel Expenses	(1.789)	(1.534)
Retirement Pay Provision Expense	(37)	(33)
Unused Vacation Pay Provision Expense	(1)	(5)
Depreciation and Amortization Charges	(38)	(33)
Office Rent Expenses	(205)	(168)
Consultancy Expenses	(97)	(84)
Vehicle Expenses	(103)	(86)
Information Technology Expenses	(53)	(8)
Other General Administrative Expenses	(349)	(407)
	(2.672)	(2.358)

32. OTHER OPERATING INCOME

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Interest Income	6.842	2.323
Foreign Exchange Gains	435	634
Dividend Income	377	277
Collections from Doubtful Receivables	282	330
Redemption of legal case proceedings and reversal of litigation provision (*)	-	16.662
Other	1.132	142
	9.068	20.368

(*) TRY 7.904 thousand of this balance is in connection with the reversal of the provision allocated in prior years detailed in Note 20 and TRY 8.758 thousand relates to collection of previously paid legal case proceedings.

33. FINANCE EXPENSES

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Interest Expenses	(10.807)	(10.405)
Fees and Commissions	(198)	(269)
	(11.005)	(10.674)

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

34. PROVISIONS FOR NON-PERFORMING RECEIVABLES

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Specific provisions for non-performing receivables	(196)	(1.463)
General provision expenses (*)	-	(900)
	(196)	(2.363)

(*) In addition to the provision for doubtful receivables, the Company management allocated a general provision for its risky factoring receivables prior year.

35. OTHER OPERATING EXPENSES

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Foreign exchange losses	(404)	(625)
	(404)	(625)

36. TAXATION

Provision for taxes on income	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Corporate tax provision	(1.575)	(1.053)
Deferred tax benefit / (charge)	(169)	219
	(1.744)	(834)

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

36. TAXATION (cont'd)

Reconciliation of tax charge with the net income for the year is as follows;	1 January-31 December 2009	1 January-31 December 2008
Profit before taxation	8.938	20.850
Effective tax rate	%20	%20
Calculated taxation	(1.788)	(4.170)
Tax reconciliation:		
- Nondeductible expenses	(4)	(57)
- Dividend and other non-taxable income	48	3.393
Tax charge in the income statement	(1.744)	(834)

Corporate Tax

The Company is subject to the Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the year.

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

The effective tax rate in 2009 is 20% (2008: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2009 is 20% (2008: 20%).

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

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

36. TAXATION (cont'd)

Income Withholding Tax:

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21 June 2006. However until the resolution of Council of Ministers, it has been used as 10%. With the resolution of Council of Ministers, effective from 23 July 2006, income withholding tax rate has been changed to 15%. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the company. The investments without investment incentive certificates do not qualify for tax allowance.

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

However, upon the resolution made by the Constitutional Court on 15 October 2009, the legal arrangement, which proposes to eliminate the vested rights, was revoked on the basis of being contradictory to the constitution. The related court decree was published in the Official Gazette as at 8 January 2010.

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

The Company does not have investment incentive to be used for the following years, thus the effective tax rate has been determined as 20%.

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

37. EARNINGS PER SHARE

The Company's shares are not traded on the stock exchange market, therefore, earnings per share is not calculated in the accompanying financial statements.

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

None (31 December 2008: None.).

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

(a) Capital risk management

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

There is no change in the capital risk management strategy in 2009, and the leverage ratio is 37%. (31 December 2008: 66%). As of 31 December 2009 and 2008, the leverage ratios are as follows;

	2009	2008
Total liabilities	234.243	46.777
Less: Cash and cash equivalents	(123.410)	(5.073)
Net liabilities	110.833	41.704
Total shareholders' equity	41.068	27.436
Shareholders' equity / liabilities	37%	66%

b) Significant Accounting Policies

The Company's accounting policies on the financial instruments are disclosed in Note 3 "Summary of valuation principles / significant accounting policies" to the financial statements.

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

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

(c) Categories of financial instruments

	31 December 2009	31 December 2008
Financial assets:		
Banks	123.271	4.983
Financial assets at fair value through profit and loss:		
-Financial assets held for trading	139	90
Factoring receivables and non-performing		
Factoring receivables	142.899	67.098
Financial assets available for sale	9.546	3.082
Financial Liabilities:		
Sundry creditors and other liabilities	(132)	(417)
Funds borrowed	(234.111)	(46.360)

(d) Financial risk management objectives

The Company is responsible for coordinating access to domestic and international markets, monitoring and managing the financial risks relating to the operations of the Company. Such risks include market risk (including currency risk, fair value interest rate risk and price risk), liquidity risk, cash flow and interest rate risk.

(e) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates (refer to section f) and interest rates (refer to section g). At the Company level, market risk exposures are measured by sensitivity analysis.

There has been no change in the Company's exposure to market risks or the method used in order to manage and measure such risks.

(f) Foreign currency risk management

Foreign currency risks result from foreign currency transactions. The Company manages its foreign currency risk arising from its operations and cash flows of financial contracts by monitoring in a timely manner.

The Company's monetary assets and monetary liabilities denominated in foreign currencies are disclosed in Note 26.

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

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

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

Foreign currency sensitivity

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

	31 December 2009			
	Profit / Loss		Shareholders' Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
15% change of USD against TRY				
1 – Net USD Asset/Liability	39	(39)	-	-
2 – USD hedging	-	-	-	-
3 – USD, net effect (1+2)	39	(39)	-	-
15% change of EUR against TRY				
4 – Net EUR Asset/Liability	5	(5)	-	-
5 – EUR hedging	-	-	-	-
6 – EUR, net effect (4+5)	5	(5)	-	-
15% change of other currencies against TRY				
7 – Net other currency Asset/Liability	4	(4)	-	-
8 – Other Currency hedging	-	-	-	-
9 – Other currency, net effect (7+8)	4	(4)	-	-
TOTAL (3 + 6 +9)	48	(48)	-	-

	31 December 2008			
	Profit / Loss		Shareholders' Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
15% change of USD against TRY				
1 – Net USD Asset/Liability	31	(31)	-	-
2 – USD hedging	-	-	-	-
3 – USD, net effect (1+2)	31	(31)	-	-
15% change of EUR against TRY				
4 – Net EUR Asset/Liability	(38)	38	-	-
5 – EUR hedging	-	-	-	-
6 – EUR, net effect (4+5)	(38)	38	-	-
15% change of other currencies against TRY				
7 – Net other currency Asset/Liability	4	(4)	-	-
8 – Other Currency hedging	-	-	-	-
9 – Other currency, net effect (7+8)	4	(4)	-	-
TOTAL (3 + 6 +9)	(3)	3	-	-

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

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

(g) Interest risk management

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

Interest rate sensitivity

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

Interest Position Table

	31 December 2009	31 December 2008
Fixed interest rate financial instruments		
Financial assets:		
Banks	123.271	4.983
Factoring receivables	55.524	48.752
Financial liabilities:		
Borrowings	198.821	15.456
Floating interest rate financial instruments		
Financial assets:		
Factoring receivables	87.375	18.346
Financial liabilities:		
Borrowings	35.290	30.904

If interest rates were 100 basis point higher at the balance sheet date and all other variables were constant:

Interest income from floating interest rate factoring contracts would increase by TRY 853 thousand (31 December 2008: TRY 217 thousand), and interest income from fixed interest rate factoring contracts would increase by TRY 573 thousand (31 December 2008: TRY 543 thousand).

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

(h) Other price risks

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

Equity price sensitivity

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

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

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

- Funds under other equity would increase/decrease by TRY 1.377 thousand (31 December 2008: TRY 409 thousand). It is mainly because of changes in fair value of the available for sale equity shares.

(ı) Credit risk management

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

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

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

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

(ı) Credit risk management (cont'd)

Sectoral allocation of factoring receivables is as follows:

	31 December 2009 %	31 December 2008 %
Food and beverage	14,89	5,28
Metal industry	12,97	12,76
Energy, gas and water resources	11,08	-
Computer systems	10,72	-
Household appliance	9,12	-
Glass, tile and cement	8,64	1,42
Health	7,46	9,66
Chemical, plastic and pharmacy	4,81	8,81
Forestry products	4,47	8,70
Rubber products manufacturing	3,40	7,67
Textile	2,59	1,35
Printing industry	1,71	3,11
Wholesale trading and brokerage	1,11	2,48
Other vehicles	0,45	2,76
Motor vehicles	-	19,61
Mining	-	3,86
Other manufacturing industry	-	3,78
Transportation	-	1,45
Other	6,58	7,30
	100,00	100,00

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

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

(ı) Credit risk management (cont'd)

Credit risks based on categories of financial instruments:

	Factoring Receivables				
31 December 2009	Related Party	Third Party	Deposits	Fair value through profit/loss financial instruments	Available for sale financial assets
Maximum net credit risk as of balance sheet date (*)	13.366	129.533	123.271	139	9.546
	-	-	-	-	-
- The part of maximum is under guarantee with collateral etc.	-	7.515	-	-	-
A. Carrying value of financial assets that are not past due nor impaired	13.366	129.160	123.271	139	9.546
- The part under guarantee with collateral etc.	-	-	-	-	-
B. Net book value of financial assets whose terms are reassessed, if not accepted as past due or impaired	-	266	-	-	-
C. Carrying value of financial assets that are past due not impaired	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-
D. Net book value of impaired assets	-	107	-	-	-
- Past due (gross carrying value)	-	3.078	-	-	-
- Impairment (-)	-	(2.971)	-	-	-
- The part of net value under guarantee with collateral etc. (**)	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The part of net value under guarantee with collateral etc. (**)	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-

(*) No credit enhancing item such as; guarantees received, is taken into account in the calculation.
(**) Includes guarantees of assets impaired but not overdue.

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

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

(ı) Credit risk management (cont'd)

Credit risks based on categories of financial instruments:

	Factoring Receivables				
31 December 2008	Third Party	Deposits	Fair value through profit/loss financial instruments	Third Party	Deposits
Maximum net credit risk as of balance sheet date (*)	7.136	59.962	4.983	90	3.082
- The part of maximum is under guarantee with collateral etc.	-	1.515	-	-	-
A. Carrying value of financial assets that are not past due nor impaired	7.136	59.731	4.983	90	3.082
- The part under guarantee with collateral etc.	-	1.515	-	-	-
B. Net book value of financial assets whose terms are reassessed, if not accepted as past due or impaired	-	231	-	-	-
C. Carrying value of financial assets that are past due not impaired	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying value)	-	3.057	-	-	-
- Impairment (-)	-	(3.057)	-	-	-
- The part of net value under guarantee with collateral etc. (**)	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The part of net value under guarantee with collateral etc. (**)	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-

(*) No credit enhancing item such as; guarantees received, is taken into account in the calculation.
(**) Includes guarantees of assets impaired but not overdue.

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

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

(ı) Credit risk management (cont'd)

Guarantees taken for all factoring receivables including past dues and non-performing receivables are as follows:

	31 December 2009		31 December 2008	
	Nominal Value	Fair Value	Nominal Value	Fair Value
Pledges	6.000	6.000	-	-
Mortgages	1.515	1.515	1.515	1.515
	7.515	7.515	1.515	1.515

(i) Liquidity risk management

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

Liquidity risk table

The following table details the Company's expected maturity for its non derivative financial assets and liabilities. The tables below have been prepared based on the earliest dates for collections and disbursements of the Company's assets and liabilities. Interest amounts to be collected and disbursed on the Company's assets and liabilities have also been included in the table below.

31 December 2009

Contractual maturities	Book Value	Contractual cash inflow/outflow (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative Financial Assets:						
Banks	123.271	124.552	124.552	-	-	-
Factoring receivables	142.899	142.899	104.586	38.313	-	-
	266.170	267.451	229.138	38.313	-	-
Non-derivative Financial Liabilities						
Funds Borrowed	234.111	234.948	234.422	526	-	-
Sundry Creditors and Other Liabilities	132	132	132	-	-	-
	234.243	235.080	234.554	526	-	-

The Company makes payments based on contractual maturities.

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

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

(i) Liquidity risk management (cont'd)

31 December 2008

Contractual maturities	Book Value	Contractual cash inflow/outflow (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative Financial Assets:						
Banks	4.983	5.030	5.030	-	-	-
Factoring Receivables	67.098	67.098	62.763	4.335	-	-
	72.081	72.128	67.793	4.335	-	-
Non-derivative Financial Liabilities:						
Funds Borrowed	46.360	46.381	46.381	-	-	-
Sundry Creditors and Other Liabilities	417	417	417	-	-	-
	46.777	46.798	46.798	-	-	-

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

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

(j) Fair Value of Financial Instruments

Except for the items below, the Company management estimates that the carrying value of the financial assets and liabilities approximates their fair value.

31 December 2009	Financial assets held for trading	Financial assets at amortized cost	Loans and receivables	Financial liabilities at amortized cost	Book value	Fair value
Financial assets						
Banks	-	123.271	-	-	123.271	123.271
Fair value through profit and loss financial assets						
-Financial assets held for trading	139	-	-	-	139	139
Factoring Receivables and Non-Performing Receivables	-	-	142.899	-	142.899	142.899
Financial liabilities						
Sundry creditors	-	-	-	132	132	132
Funds borrowed	-	-	-	234.111	234.111	234.111

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

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

(j) Fair Value of Financial Instruments

31 December 2008	Financial assets held for trading	Financial assets at amortized cost	Loans and receivables	Financial liabilities at amortized cost	Book value	Fair value
Financial assets						
Banks	-	4.983	-	-	4.983	4.983
Fair value through profit and loss financial assets						
-Financial assets held for trading	90	-	-	-	90	90
Factoring Receivables and Non-Performing Receivables	-	-	67.098	-	67.098	67.098
Financial liabilities						
Sundry creditors	-	-	-	417	417	417
Funds borrowed	-	-	-	46.360	46.360	46.360

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

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

(k) Fair Value Level of Financial Instruments (cont'd)

Fair Value Level as of 31 December 2009

Financial Instruments	31 December 2009	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss				
Financial assets at fair value through profit and loss				
Forward fair value differences	-	-	-	-
Mutual fund	139	139	-	-
Available for sale financial assets				
Equity securities	9.546	9.184	-	362
Total	9.685	9.323	-	362

Fair value of financial assets determined as follows:

First Degree : Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.

Second Degree : Implies that in determining the fair values of assets and liabilities, should other market price be observed other than first degree market prices, then observed market price is used for valuation purposes.

Third Degree : Implies that in determining the fair values of assets and liabilities, data not based on market observation is used for valuation purposes.

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

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

(k) Fair Value Level of Financial Instruments (cont'd)

Fair Value Level as of 31 December 2008

Financial Instruments	31 December 2008	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss				
Financial assets at fair value through profit and loss				
Forward fair value differences	-	-	-	-
Mutual fund	90	90	-	-
Available for sale financial assets				
Equity securities	3.082	2.729	-	353
Total	3.172	2.819	-	353

Fair value of financial assets determined as follows:

First Degree : Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.

Second Degree : Implies that in determining the fair values of assets and liabilities, should other market price be observed other than first degree market prices, then observed market price is used for valuation purposes.

Third Degree : Implies that in determining the fair values of assets and liabilities, data not based on market observation is used for valuation purposes.