ALTERNATİF FİNANSAL KİRALAMA A.Ş.

FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT

AT 31 DECEMBER 2011

pwc

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Alternatif Finansal Kiralama A.Ş.

We have audited the accompanying financial statements of Alternatif Finansal Kiralama A.Ş. ("the Company") which comprise the balance sheet as of 31 December 2011 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Talar Gül, SMMM
Partner

Istanbul, 29 February 2012

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BALANCE SHEET AT 31 DECEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Notes	2011	2010
ASSETS			
Cash and cash equivalents	5	44,628	16,567
Available for sale investment securities	7	17	17
Investment in direct finance leases	8	283,179	252,604
Other assets and prepaid expenses	11	10,678	11,718
Property and equipment, net	9	958	779
Intangible assets, net	10	529	131
Deferred income tax assets, net	15	25,277	22,351
Total assets		**365,266**	**304,167**
LIABILITIES AND EQUITY			
Funds borrowed	12	283,648	224,059
Accounts payable	13	1,430	3,189
Derivative financial instruments	6	1,471	-
Current income tax payable	15	675	721
Other liabilities	14	5,329	6,077
Other provisions	16	176	-
Reserve for employment termination benefits	17	186	200
Total liabilities		**292,915**	**234,246**
Equity			
Share capital	18	14,940	14,940
Legal reserves	19	2,082	1,973
Retained earnings	19	55,329	53,008
Total equity		**72,351**	**69,921**
Total liabilities and equity		**365,266**	**304,167**

The accompanying notes set out on pages 5 to 39 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Notes	2011	2010
Interest income from direct finance leases		28,062	28,818
Interest income on placements and transactions with banks		276	176
Total interest income		**28,338**	**28,994**
Interest expense on funds borrowed		(11,426)	(10,533)
Net interest income		**16,912**	**18,461**
Impairment loss on finance lease receivables	8	(12,131)	(14,103)
Foreign exchange gains and (losses), net		1,983	399
Other income/(expense), net	23	2,934	3,282
Operating profit		**9,698**	**8,039**
Marketing, general and administrative expenses	20	(2,546)	(2,043)
Salaries and employee benefits	21	(5,670)	(4,052)
Depreciation and amortisation expenses	9,10	(139)	(97)
Profit before income tax		**1,343**	**1,847**
Taxation on income	15	1,087	725
Net profit for the year		**2,430**	**2,572**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,430**	**2,572**

The accompanying notes set out on pages 5 to 39 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Notes	Share capital	Legal reserves	Retained earnings	Total
Balance at 1 January 2010		**14,940**	**1,009**	**51,400**	**67,349**
Transfers		-	964	(964)	-
Total comprehensive income for the year		-	-	2,572	2,572
Balance at 31 December 2010	**18,19**	**14,940**	**1,973**	**53,008**	**69,921**
Balance at 1 January 2011		**14,940**	**1,973**	**53,008**	**69,921**
Transfers		-	109	(109)	-
Total comprehensive income for the year		-	-	2,430	2,430
Balance at 31 December 2011	**18,19**	**14,940**	**2,082**	**55,329**	**72,351**

The accompanying notes set out on pages 5 to 39 form an integral part of these financial statements.

ALTERNATİF FİNANSAL KİRALAMA A.Ş.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

	Notes	2011	2010
Cash flows from operating activities			
Net profit for the year		2,430	2,572
Adjustments for:			
Depreciation and amortisation	9,10	139	97
Provision for employment termination benefits	17	214	76
Provision reversal of unused vacation		(18)	(10)
Provision for personnel bonus		677	406
Provision for impaired receivables	8	12,131	14,103
Provision for income taxes	15	1,839	1,783
Deferred tax income		(2,926)	(2,508)
Interest income, net		(16,912)	(18,461)
Interest received		28,774	29,122
Interest paid		(10,376)	(13,206)
Unrealised foreign currency losses		2,619	1,028
Measurement of derivative financial instrument of fair value	6	1,471	-
Net cash provided by/(used in) operating activities before changes in operating assets and liabilities		**20,062**	**15,002**
Net increase in investment in direct finance leases		(43,142)	(3,353)
Net decrease in other assets		1,040	3,676
Net (increase)/decrease in accounts payable		(1,759)	1,641
Net (increase)/decrease in other liabilities		(664)	1,247
Employment termination benefits paid	17	(228)	(27)
Unused vacation paid		(18)	(13)
Personnel bonus paid		(406)	(418)
Income taxes paid	15	(1,164)	(1,062)
Net cash provided by operating activities		**(46,341)**	**1,691**
Cash flows from investing activities			
Purchase of property and equipment	9	(583)	(639)
Purchase of intangible assets	10	(495)	(60)
Proceedings from sale of property and equipment	9	(298)	-
Net cash (used in) investing activities		**(1,376)**	**(699)**
Cash flows from financing activities			
Proceeds from funds borrowed		161,812	216,966
Repayments of funds borrowed		(103,420)	(234,373)
Net cash (used in) financing activities		**58,392**	**(17,407)**
Net decrease/(increase) in cash and cash equivalents		30,609	(1,413)
Effect of exchange rate changes on cash and cash equivalents		(2,619)	(1,028)
Cash and cash equivalents at beginning of year	5	16,567	19,008
Cash and cash equivalents at end of year	**5**	**44,557**	**16,567**

The accompanying notes set out on pages 5 to 39 form an integral part of these financial statements.

NOTE 1 - GENERAL INFORMATION

Alternatif Finansal Kiralama A.Ş. (a Turkish joint stock company - "the Company") was established in February 1997, in order to operate in Turkey pursuant to the licence obtained from the Undersecretariat of Treasury for the purpose of financial leasing as permitted by the law number 3226. The Company started leasing operations in 1997 and its head office is located at 19 Mayıs Caddesi, Golden Plaza No: 3 Kat: 5, Şişli, Istanbul, Turkey.

The financial statements of the Company are authorized for issue by the Board of Directors on 27 February 2012.

The Company's major shareholder is Anadolu Endüstri Holding A.Ş., and the ultimate parent enterprises of the Company are Yazıcılar Holding A.Ş. and Özilhan Sınai Yatırım A.Ş. (together referred to Anadolu Group).

As of 31 December 2011, the Company employs 61 persons (2010: 56).

The Company is mainly engaged in leasing of various equipment including industrial machinery and office equipment. The Company operates predominantly in one geographical region, Turkey.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adapted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation of financial statements

These financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS"), including the International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The Company maintains its books of account and prepares its statutory financial statements in thousand of Turkish Lira ("TL") which is the Company's functional and presentation currency, in accordance with Turkish Commercial Code, Leasing Law and tax legislation. Turkish tax legislation required all leased assets be capitalised on the balance sheet of the lessor whether the lease is operating or finance lease until 1 July 2003. In accordance with amendments in Turkish tax law dated 24 April 2003, the lessors started to apply rules similar to IAS 17: "Leases" for the leasing transactions they entered after 1 July 2003 in their statutory financial statements.

The financial statements have been prepared on the historical cost convention except for the measurement at fair value of financial instruments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for the effects of hyperinflation

Prior to 1 January 2006, the adjustments and reclassifications made to the statutory records for the purpose of fair presentation in accordance with IFRS included the restatement of balances and transactions for the changes in the general purchasing power of the TL in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date. As the characteristics of the economic environment of the Turkey indicate that hyperinflation has ceased, effective from 1 January 2006, the Company no longer applies the provisions of IAS 29. Accordingly, the amounts expressed in the measuring unit current at 31 December 2005 are treated as the basis for the carrying amounts in these financial statements.

Changes in standards and interpretations

(a) New standards and amendments

- IAS 32 (amendment), "Financial instruments: Presentation", is effective for annual periods beginning on or after 1 February 2010. The amendment recognizes that the previous requirement to classify foreign-currency-denominated rights issued to all existing shareholders on a pro rata basis as derivative liabilities is not consistent with the substance of the transaction, which represents a transaction with owners acting in their capacity as such. The amendment therefore creates an exception to the 'fixed for fixed' rule in IAS 32 and requires rights issues within the scope of the amendment to be classified as equity. The amendment should be applied retrospectively. Early adoption is permitted.

- IFRIC 19, "Extinguishing financial liabilities with equity instruments", is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (referred to as a 'debt for equity swap'). Early adoption is permitted. The interpretation should be applied retrospectively from the beginning of the earliest comparative period presented, as adoption in earlier periods would result only in a reclassification of amounts within equity.

- IFRS 1 (amendment), "First-time adoption of IFRS", is effective for annual periods beginning on or after 1 July 2010. The amendment Provides the same relief to first-time adopters as was given to current users of IFRSs upon adoption of the amendments to IFRS 7. Also clarifies the transition provisions of the amendments to IFRS 7. Earlier adoption is permitted. Early adoption is required for a first-time adopter that has a first reporting period that begins earlier than 1 July 2010 in order to benefit from the disclosure relief.

- IAS 24 (revised), "Related party disclosures", is effective for annual periods beginning on or after 1 January 2011. The revised standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party. Earlier adoption is permitted either for the entire standard or for the reduced disclosures for government-related entities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- IFRIC 14 (amendment), "IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction", is effective for annual periods beginning on or after 1 January 2011. The amendment removes unintended consequences arising from the treatment of pre-payments where there is a minimum funding requirement. The amendment also results in pre-payments of contributions in certain circumstances being recognised as an asset rather than an expense. It will apply from the beginning of the earliest comparative period presented. Earlier adoption is permitted.

  Annual Improvements to IFRSs 2010. Amendments effect six standards and one IFRIC: IFRS 1, IFRS 3, IFRS 7, IAS 27, IAS 34 and IFRIC 13.

(b) Forthcoming requirements

- IFRS 7 (amendment), "Financial instruments: Disclosures", is effective for annual periods beginning on or after 1 July 2011. This amendment will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. Comparative information is not needed in the first year of adoption. Earlier adoption is permitted.

- IFRS 1 (amendment), "First-time adoption of IFRS", is effective for annual periods beginning on or after 1 July 2011. These amendments include two changes to IFRS 1. The first replaces references to a fixed date of 1 January 2004 with 'the date of transition to IFRSs', thus eliminating the need for entities adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. Earlier adoption is permitted.

- IAS 12 (amendment), "Income taxes", is effective for annual periods beginning on or after 1 January 2012. This amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, "Income taxes - recovery of revalued non-depreciable assets", will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn. Early adoption is permitted.

- IAS 1 (amendment), "Presentation of financial statements", is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. Early adoption is permitted.

- IAS 19 (amendment), "Employee benefits", is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. Early adoption is permitted.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- IFRS 9, "Financial instruments", is effective for annual periods beginning on or after 1 January 2015. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

- IFRS 10, "Consolidated financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- IFRS 11, "Joint arrangements", is effective for annual periods beginning on or after 1 January 2013. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

- IFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013. The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- IFRS 13, "Fair value measurement", is effective for annual periods beginning on or after 1 January 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

- IAS 27 (revised), "Separate financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.

- IAS 28 (revised), "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013. The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Prepayments of a minimum funding requirement' (amendments to IFRIC 14), the amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented.

- IFRIC 20, Stripping costs in the production phase of a surface mine.

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. If changes in accounting estimates relate only for one period, changes are applied in the current period but if changes in estimates related to more than one period, changes are applied both in the current and following periods prospectively. Any material accounting error detected is applied retrospectively and prior year financial statements are restated, accordingly.

Related parties

For the purpose of these financial statements, the shareholders, key management personnel and Board members, Anadolu Group and Yazıcılar Holding Group and the companies controlled by or affiliated with them are considered and referred to as related parties (Note 22).

Due from other banks

Amounts due from other banks are recorded when the Company advances money to counterparty banks with no intention of trading the resulting receivable, due on fixed or determinable dates. Amounts due from other banks are carried at amortised cost.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. The fair values of derivative financial instruments that are quoted in active markets are determined from quoted market prices in active markets including recent market transactions. The fair values of financial derivatives that are not quoted in active markets are determined by using valuation techniques, including discounted cash flow models. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed. Fair values of derivatives are carried as assets when positive and as liabilities when negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Derivative financial instruments are classified as held for trading (Note 6).

Investment securities

Investment securities are classified into the following two categories: held-to-maturity and available-for-sale assets. Investment securities with fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, are classified as available-for-sale. Management determines the appropriate classification of its investments at the time of the purchase.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment securities are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of it. Available-for-sale investment securities are subsequently remeasured at fair value based on quoted bid prices, or amounts derived from cash flow models. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in the equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity should be transferred to income statement. Unlisted equity securities for which fair values cannot be measured reliably are recognised at cost after deductions for any impairment (Note 7)

Interest earned whilst holding investment securities is reported as interest income. Dividends on available for sale equity instruments are recognized in profit and loss when the Company has the right to receive any payment.

All regular way purchases and sales of investment securities are recognised at the settlement date, which is the date that the asset is delivered to/from the Company.

Accounting for leases (where the Company is a lessor)

When assets are sold under a finance lease, the present value of the lease payments is recognised as a receivable. All costs that are directly attributable to the investment in direct finance lease are capitalised at initial recognition as part of the investment in direct finance lease and amortised via effective interest rate method. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. The profit recognised on sale of leased assets is recorded as gain on liquidation of investments.

Future gross lease rentals receivable, net of unearned future lease income, are classified as the net investment in direct financing leases.

Gross rentals due but not received at the balance sheet date are classified as receivables from outstanding lease payments. Receivables from outstanding lease payments are carried at net realisable value.

Accounting for leases (where the Company is a lessee)

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

Allowance for impairment of lease receivables

A credit risk provision for impairment of the investment in direct finance leases and accounts receivables is established if there is objective evidence that the Company will not be able to collect all amounts due as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the receivables.

Objective evidence that a financial lease receivable is impaired includes observable data that comes to the attention of the Company about the following loss events:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) significant financial difficulty of the issuer or obligor;
(b) a breach of contract, such as a default or delinquency in interest or principal payments by more than 90 days;
(c) the Company granting to the borrower, for economic or legal reasons relating to the borrower’s financial difficulty, a concession that the lender would not otherwise consider;
(d) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
(e) the disappearance of an active market for that financial lease receivable because of financial difficulties; or
(f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial lease receivable since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial lease receivable in the Company, including:
    (i) adverse changes in the payment status of borrowers in the; or
    (ii) national or local economic conditions that correlate with defaults on the assets in the Company.

If there is objective evidence that an impairment loss on financial lease receivable carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial lease receivable’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the financial lease receivable is reduced through use of an allowance account. The amount of the loss is recognized in income statement. Impairment and uncollectibility are measured and recognized individually for receivables that are individually significant and on a portfolio basis for a group of similar receivables that are not individually identified as impaired.

A write off is made when all or part of a receivable is deemed uncollectible or in the case of debt forgiveness. Write offs are charged against previously established allowances and reduce the principle amount of a receivable. Recoveries of receivables written off in earlier period are included in income.

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 by adjusting the allowance account. Any subsequent reversal of impairment loss is recognized in income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Property and equipment

All property and equipment is carried at cost, restated equivalent to purchasing power of TL at 31 December 2005 less accumulated depreciation. Depreciation is calculated over the restated amounts of property and equipment by using the straight-line method to write down the restated cost of each asset to their residual values over their estimated useful life as follows:

Buildings	50 years
Equipment, furniture and fixtures	5 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount ("higher of net selling price" and "value in use"), it is written down immediately to its recoverable amount. The recoverable amount of the impaired property and equipment represents the net selling price.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Intangible assets

Intangible assets are capitalized at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets mainly comprise of rights and amortised by using the straight-line method over their useful lives of 5 years.

Financial liabilities

Financial liabilities including borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, financial liabilities are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the financial liability using the effective yield method. All borrowing costs are recorded in the income statement in the period in which they are incurred.

Income taxes

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

a. Income taxes currently payable

Income taxes ("corporation tax") currently payable are calculated based in accordance with the Turkish tax legislation (Note 15).

Taxes other than on income are recorded within other income / (expense) (Note 23).

b. Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred income tax.

The principal temporary differences arise from the provision for impaired lease receivables, reserve for annual leave provision, unused investment allowances and provision for employment termination benefits (Note 15).

Deferred tax liabilities and assets are recognised when it is probable that the future economic benefit resulting from the reversal of temporary differences will flow to or from the Company. Deferred tax assets resulting from temporary differences in the recognition of expense for income tax, and for financial reporting purposes are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provision is not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Reserve for employment termination benefits

Provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labour Law. In accordance with existing social legislation and Turkish Labour Law in Turkey, the Company is required to make lump-sum termination indemnities to each employee whose employment is terminated due to retirement or for reasons other than resignation or misconduct and who has completed at least one year of service (Note 17).

Accounts payable

Accounts payable are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. The Company management considers that the carrying amount of accounts payable approximates their fair value.

Revenue recognition

Direct financing leases consist of full-payout leases for various types of equipment. The excess of aggregate contract lease rentals, plus the nominal residual value, over the original cost of the related equipment represents the total revenue to be recognised over the term of the lease. The revenue is recognised in order to provide a constant periodic rate of return on the net investment remaining in each lease.

Future gross lease rentals receivable, net of unearned future lease income, are classified as the net investment in direct financing leases. Gross rentals due, but not received at the balance sheet date are classified as receivable lease payments outstanding.

Interest income and expense

Interest income and expense are recognised in the income statement for all instruments measured at amortised cost using the effective interest method.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Turkish lira at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Reporting of cash flows

For the purposes of statement of cash flows, cash and cash equivalents include balances of cash and due from banks with original maturity periods of less than three months (Note 5).

Offsetting

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

Share capital

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividends for the year that are declared after the balance sheet date are dealt with in the post balance sheet events note.

Subsequent Events

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Company (should any evidence come about events that were prior to the balance sheet date or should new events come about) they will be explained in the relevant footnote. The Company restates its financial statements if such subsequent events arise.

Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year so that the reclassification will result in a more appropriate presentation of events or transactions.

The Company's activities expose to a variety of financial risks including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT

a. Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates including credit spreads, foreign exchange rates, equity prices and commodity prices. The Company manages liquidity risk, foreign exchange risk and interest rate risk by considering market risk.

The core business of the Company is to serve clients' financial needs; therefore typically the Company acts as a commercial institution, an activity which could expose the Company to risks such as foreign exchange risk, interest rate risk and liquidity risk.

b. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location.

The Company seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentrations of risks with individuals or Company's of customers in specific locations or businesses. It also obtains security when appropriate.

The table below summaries the geographic distribution of the Company's assets and liabilities:

2011	**Assets**	**%**	**Liabilities**	**%**
Turkey	364,771	100	218,512	75
European countries	291	-	74,403	25
Other	204	-	-	-
	365,266	**100**	**292,915**	**100**

2010	**Assets**	**%**	**Liabilities**	**%**
Turkey	303,620	99	181,550	78
European countries	547	1	52,696	22
Other	-	-	-	-
	304,167	**100**	**234,246**	**100**

Maximum exposure to credit risk

	2011	**2010**
Credit risk exposures relating to balance sheet items:		
Due from banks	44,628	16,567
Investment in direct finance leases, net	283,179	252,604
Insurance receivables	596	369

The above table represents a worst case scenario of credit risk exposures.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

c. Currency risk

Foreign currency risk is a result of the Company's assets and liabilities denominated in foreign currencies. The Company has a foreign currency position as a result of its operations. The table below summaries the Company's exposure to foreign currency exchange rate risk.

			Foreign Currency		
2011	**USD**	**EUR**	**Total**	**TL**	**Total**
Assets					
Cash and cash equivalents	9,152	35,172	44,324	304	44,628
Available for sale investment securities	-	-	-	17	17
Investment in direct finance leases	82,383	137,774	220,157	63,022	283,179
Other assets and prepaid expenses	429	2,872	3,301	7,377	10,678
Property and equipment, net	-	-	-	958	958
Intangible assets, net	-	-	-	529	529
Deferred income tax assets, net	-	-	-	25,277	25,277
Total assets	**91,964**	**175,818**	**267,782**	**97,484**	**365,266**
Liabilities					
Funds borrowed	69,619	192,326	261,945	21,703	283,648
Account payable	55	126	181	1,249	1,430
Derivative financial instruments	1,471	-	1,471	-	1,471
Current income tax payable	-	-	-	675	675
Other liabilities	363	2,565	2,928	2,401	5,329
Other provisions	-	176	176	-	176
Reserve for employment termination benefits	-	-	-	186	186
Total liabilities	**71,508**	**195,193**	**266,701**	**26,214**	**292,915**
Net balance sheet position	**20,456**	**(19,375)**	**1,081**	**71,270**	**72,351**
Net off-balance sheet position	**(21,846)**	**20,406**	**(1,440)**	**-**	**(1,440)**
Financial derivative assets	-	20,406	20,406	-	20,406
Financial derivative liabilities	21,846	-	21,846	-	21,846

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

	Foreign Currency				
2010	**USD**	**EUR**	**Total**	**TL**	**Total**
Assets					
Cash and cash equivalents	5,624	10,764	16,388	179	16,567
Available for sale investment securities	-	-	-	17	17
Investment in direct finance leases	69,493	130,177	199,670	52,934	252,604
Other assets and prepaid expenses	119	553	672	11,046	11,718
Property and equipment, net	-	-	-	779	779
Intangible assets, net	-	-	-	131	131
Deferred income tax assets, net	-	-	-	22,351	22,351
Total assets	**75,236**	**141,494**	**216,730**	**87,437**	**304,167**
Liabilities					
Funds borrowed	73,085	137,648	210,733	13,326	224,059
Account payable	28	1,005	1,033	2,156	3,189
Derivative financial instruments	-	-	-	-	-
Current income tax payable	-	-	-	721	721
Other liabilities	2,215	2,157	4,372	1,705	6,077
Other provisions	-	-	-	-	-
Reserve for employment termination benefits	-	-	-	200	200
Total liabilities	**75,328**	**140,810**	**216,138**	**18,108**	**234,246**
Net balance sheet position	**(92)**	**684**	**592**	**69,329**	**69,921**
Net off-balance sheet position	**-**	**-**	**-**	**-**	**-**
Financial derivative assets	-	-	-	-	-
Financial derivative liabilities	-	-	-	-	-

At 31 December 2011, assets, liabilities and off-balance sheet derivative financial instruments denominated in foreign currency were translated into TL by using a foreign exchange rate of and TL1.8889=USD1 and TL2.4438=EUR1 (2010: TL1.5460=USD1 and TL2.0491=EUR1).

The table below shows the Company's sensitivity against 10% changes in USD and EUR rates against TL in the income statement. In this analysis it has been assumed that all other variables, especially interest rates, are being held constant.

	2011		**2010**	
	Profit and loss	**Equity**	**Profit and loss**	**Equity**
USD impact	2,046	2,046	(9)	(9)
EUR impact	(1,938)	(1,938)	68	68
Total	**108**	**108**	**59**	**59**

In the case of appreciation of TL against USD and EUR 10%, totals shown above has equal or opposite effect on the income statement.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

d. Liquidity risk

Liquidity risk is the possibility that the Company will be unable to fund its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. The Company's policy is to match cash outflow mainly arising from repayments of the funds borrowed and cash inflow mainly arising from lease receivables maintained in the portfolio. Repayment schedules of leasing contracts made with the customers are structured considering the funding and equity base of the Company.

In addition, the Company maintains reasonable amount of cash at bank in order to protect itself against the risk of deviation from the expected in and out cash flows in an unfavorable manner.

The following table presents the cash flows payable by the Company under non-derivative financial liabilities remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Company manages the inherent liquidity risk based on expected undiscounted cash inflows.

2011	Up to 3 months	3 to 12 months	Over 1 year	No definite maturity	Total
Funds borrowed	99,169	137,240	55,994	-	292,403
Total liabilities	**99,169**	**137,240**	**55,994**	**-**	**292,403**
Cash and cash equivalents	43,659	-	-	1,003	44,662
Investment in direct finance leases, net	34,810	31,058	219,002	37,323	322,193
Assets held for managing liquidity risk (contractual maturity dates)	**73,469**	**31,058**	**219,002**	**38,326**	**366.855**

2010	Up to 3 months	3 to 12 months	Over 1 year	No definite maturity	Total
Funds borrowed	70,796	68,288	91,152	-	230,236
Total liabilities	**70,796**	**68,288**	**91,152**	**-**	**230,236**
Cash and cash equivalents	15,732	-	-	837	16,569
Investment in direct finance leases, net	29,296	69,987	136,274	52,867	288,424
Assets held for managing liquidity risk (contractual maturity dates)	**45,028**	**69,987**	**136,274**	**53,704**	**304,993**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

e. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value or future cash flows of financial instruments. The Company is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or re-price in a given period. The Company manages this risk by matching the re-pricing of assets and liabilities through risk management strategies. The table below summaries the average year-end interest rates by major currencies for monetary financial instruments:

		2011 (%)			2010 (%)	
Assets	**USD**	**EUR**	**TL**	**USD**	**EUR**	**TL**
Cash and cash equivalents	2.88	3.48	10.25	1.00	1.25	-
Investment in direct finance leases	8.73	9.59	16.46	10.46	9.89	21.72
Liabilities						
Funds borrowed	4.28	4.46	13.41	3.76	4.18	7.28

The table below summaries the Company's exposure to interest rate risk on the basis of the remaining period at the balance sheet to the re-pricing or contractual dates whichever is earlier.

2011	**Up to 3 months**	**3 to 12 months**	**Over 1 year**	**Non-interest bearing**	**Total**
Assets					
Cash and cash equivalents	43,625	-	-	1,003	44,628
Available for sale investment securities	-	-	-	17	17
Investment in direct finance leases	46,997	68,476	150,270	17,436	283,179
Other assets and prepaid expenses	-	-	-	10,678	10,678
Property and equipment, net	-	-	-	958	958
Intangible assets, net	-	-	-	529	529
Deferred income tax assets, net	-	-	-	25,277	25,277
Total assets	**90,622**	**68,476**	**150,270**	**55,898**	**365,266**
Liabilities					
Funds borrowed	168,028	110,692	4,928	-	283,648
Accounts payable	-	-	-	1,430	1,430
Derivative financial instruments	-	-	-	1,471	1,471
Current income tax payable	-	-	-	675	675
Other liabilities	-	-	-	5,329	5,329
Other provisions	-	-	-	176	176
Reserve for employment termination benefits	-	-	-	186	186
Total liabilities	**168,028**	**110,692**	**4,928**	**9,267**	**292,915**
Net re-pricing gap	**(77,406)**	**(42,216)**	**145,342**	**46,631**	**72,351**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

2010	Up to 3 months	3 to 12 months	Over 1 year	Non-interest bearing	Total
Assets					
Cash and cash equivalents	15,730	-	-	837	16,567
Available for sale investment securities	-	-	-	17	17
Investment in direct finance leases	23,964	56,359	119,414	52,867	252,604
Other assets and prepaid expenses	-	-	-	11,718	11,718
Property and equipment, net	-	-	-	779	779
Intangible assets, net	-	-	-	131	131
Deferred income tax assets, net	-	-	-	22,351	22,351
Total assets	**39,694**	**56,359**	**119,414**	**88,700**	**304,167**
Liabilities					
Funds borrowed	135,771	71,715	16,573	-	224,059
Accounts payable	-	-	-	3,189	3,189
Derivative financial instruments	-	-	-	-	-
Current income tax payable	-	-	-	721	721
Other liabilities	-	-	-	6,077	6,077
Other provisions	-	-	-	-	-
Reserve for employment termination benefits	-	-	-	200	200
Total liabilities	**135,771**	**71,715**	**16,573**	**10,187**	**234,246**
Net re-pricing gap	**(96,077)**	**(15,356)**	**102,841**	**78,513**	**69,921**

Interest Rate Sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both non-derivatives and derivative instruments, if any, at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's profit for the year ended 31 December 2011 would decrease/increase by TL140 (2010: decrease/increase by TL130). This is mainly attributable to the Company's exposure to interest rates on its variable rate funds borrowed.

f. Operational risk

The most comprehensive meaning of operational risk is considered to be any risk which is not classified as market and credit risk. In managing operational risk, increasing the skills of the staff, improving the job technology and job definitions, establishing the necessary internal controls and various insurances are employed as main methods.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 3 - FINANCIAL RISK MANAGEMENT (Continued)

g. Fair value of financial instruments

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

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realise in a current market exchange.

Fair value of financial assets is measured according to the assumptions based on quoted bid prices of similar assets, or amounts derived from cash flow models.

The fair values of certain financial assets excluding finance lease receivables and funds borrowed are considered to approximate their respective carrying values due to their short-term nature.

The table below indicates the fair value of the financial assets which are stated at their carrying amounts:

	2011	2010
Financial Assets		
Net investment in direct finance leases - Carrying amount	283,179	252,604
Net investment in direct finance leases - Fair value	278,288	247,808
Financial Liabilities		
Funds borrowed - Carrying amount	283,648	224,059
Funds borrowed - Fair value	274,615	228,264

Since available for sale share certificates are not quoted in a stock exchange, they are carried at cost and are not included in the table above.

Since the Company does not have any financial assets carried at fair value, no additional disclosure of fair value measurements by level of fair value hierarchy has been presented.

h. Capital management

According to 23rd article of "regulation on the Establishment and Operations of Factoring, Leasing and Consumer Finance Companies" which was published in the Official Gazette dated 10 October 2006, total volume of finance lease receivables granted by finance lease companies cannot exceed 30 times of the statutory equity.

As of 31 December 2011, the finance lease receivables granted by the Company in its records were 4.10 (2010: 3.66) times of statutory equity at 30 September 2011.

	2011	2010
Finance lease receivables from customers (A)	**292,302**	**259,687**
Total statutory equity of the previous quarter end (B)	**71,220**	**70,932**
Finance lease receivable / statutory equity ratio (A/B)	**4.10**	**3.66**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on Management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. These disclosures supplement the commentary significant accounting policies (Note 2) and financial risk management (Note 3). Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Allowance for impairment of finance lease receivables

A credit risk provision for impairment of the investment in finance leases and accounts receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The estimates used in evaluating the adequacy of the provision for impairment of finance lease receivables are based on the aging of these receivable balances and the trend of collection performance.

Deferred income tax asset recognition

Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on medium term business plan prepared by Management and extrapolated results thereafter. The business plan is based on Management expectations that are believed to be reasonable under the circumstances.

NOTE 5 - CASH AND CASH EQUIVALENTS

	2011	**2010**
Demand deposits	240	179
Time deposits	65	-
Total TL denominated demand and time deposits at banks	305	179
Foreign currency denominated demand deposits at banks	763	658
Foreign currency denominated time deposits at banks	43,560	15,730
Total foreign currency denominated demand and time deposit at banks	44,323	16,388
Total demand and time deposits at banks	**44,628**	**16,567**

For the purposes of cash flow statements, cash and cash equivalents amounting to TL44,557 (2010: TL16,567) and comprised from due from banks excluding accrued interest.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 6 - DERIVATIVE FINANCIAL INSTRUMENTS

The Company utilizes the following derivative instruments:

"Currency forwards" represent commitments to purchase or sell foreign and domestic currency, including undelivered spot transactions.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments, and therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in foreign exchange rates and interest rates relative to their terms.

2011			
	Contract/ notional	**Fair values**	
	Amount	**Assets**	**Liabilities**
Derivatives held for trading			
Currency forwards	42,252	-	1,471
Total derivative assets/ (liabilities) held for trading	**42,252**	**-**	**1,471**

NOTE 7 - AVAILABLE FOR SALE INVESTMENT SECURITIES

	2011		**2010**	
	Share	**Amount**	**Share**	**Amount**
Unlisted equity securities				
Anadolu Varlık Yönetim A.Ş.	< 1%	15	< 1%	15
Listed equity securities				
Alternatif Yatırım Ortaklığı A.Ş.	< 1%	2	< 1%	2
Total		**17**		**17**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 8 - INVESTMENT IN DIRECT FINANCE LEASES

	2011	2010
Gross investment in direct finance leases	281,028	232,222
Invoiced lease receivables	3,842	3,335
Gross finance lease receivables	**284,870**	**235,557**
Unearned finance income	(39,014)	(35,820)
Finance lease receivables	**245,856**	**199,737**
Impaired lease receivables	59,961	68,202
Provision for impaired lease receivables	(22,638)	(15,335)
Finance lease receivables, net	**283,179**	**252,604**

At 31 December 2011 and 2010, the finance lease receivables have fixed interest rates.

At 31 December 2011 and 2010, the leasing receivables have the following collection schedules:

Period end	**2011 Gross**	**2011 Net**
31 December 2012	121,182	99,734
31 December 2013	85,920	74,399
31 December 2014	53,405	48,780
31 December 2015	20,035	18,781
31 December 2016 and after	4,328	4,162
	284,870	**245,856**

Period end	**2010 Gross**	**2010 Net**
31 December 2011	94,959	76,001
31 December 2012	66,567	55,952
31 December 2013	42,750	37,960
31 December 2014	24,635	23,346
31 December 2015 and after	6,646	6,478
	235,557	**199,737**

Finance lease receivables can be analysed as follows:

	2011	2010
Neither past due nor impaired	242,014	196,402
Past due but not impaired	3,842	3,335
Impaired	59,961	68,202
Gross	**305,817**	**267,939**
Less: allowances for impairment	(22,638)	(15,335)
Net finance lease receivables	**283,179**	**252,604**

As at 31 December 2011, TL334,250 of the total collaterals (2010: TL315,917) are related with the impaired finance lease receivables amounting to TL98,249 (2010: TL96,028).

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 8 - INVESTMENT IN DIRECT FINANCE LEASES (Continued)

The ageing of past due but not impaired finance lease receivables are as follows:

	2011		2010	
	Invoiced Amount	**Remaining Principal**	**Invoiced Amount**	**Remaining Principal**
0-30 days	946	17,860	1,034	44,299
31-60 days	1,553	13,864	721	6,812
61-90 days	1,343	5,511	1,580	8,645
	3,842	**37,235**	**3,335**	**59,756**

The ageing of impaired finance lease receivables is as follows:

	2011	2010
91-150 days	3,796	6,089
151-240 days	7,122	6,420
241-365 days	5,339	4,538
366 days and over	43,704	51,155
	59,961	**68,202**

Movements in provision for impaired finance lease receivables are as follows:

	2011	2010
At 1 January	**15,335**	**12,099**
Impairment expense during the year	15,140	14,808
Recoveries of amounts previously provided for (including foreign exchange differences)	(3,009)	(705)
Write-off	(4,828)	(10,867)
At 31 December	**22,638**	**15,335**

Economic sector risk concentrations for the net investment in direct finance leases are as follows:

	2011	%	2010	%
Production	65,629	27	45,980	23
Construction	52,720	21	39,851	20
Transportation	25,619	10	35,277	18
Services	24,309	10	12,279	6
Textile	18,604	8	10,842	5
Office Equipment	14,878	6	12,903	6
Food and beverage	15,007	6	12,252	6
Health	10,154	4	10,978	5
Press	10,380	4	11,258	6
Marketing	4,905	4	3,021	2
Other	3,651	2	5,096	3
	245,856	**100**	**199,737**	**100**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 8 - INVESTMENT IN DIRECT FINANCE LEASES (Continued)

Minimum financial lease receivables consist of rentals receivable over the terms of leases. As per the lease agreements made with lessees, the ownership of the items leased is transferred to the lessees at the end of the lease term.

As of 31 December 2011 neither past due nor impaired finance lease receivables amounting to TL8,071 (2010: TL40,463) and past due but not impaired receivables amounting to TL869 (2010: TL4,179) have been renegotiated, rescheduled or revised.

Depending on the customers' inability to repay its obligations arising from financial leases or other similar economic factors, the Company cancelled some of the lease contracts signed with its customers. These related assets may be re-leased to the same customer or to the other customers or; may be sold to the third parties, depending upon circumstances.

As of 31 December 2011 and 2010, the Company obtained the following collaterals from its customers except the goods subjected to finance lease agreements:

	2011	**2010**
Mortgages	247,207	241,519
Transfer of rights of receivables	51,847	41,797
Pledged assets	21,850	18,528
Buyback guarantees	9,856	11,350
Insurance	1,124	-
Cheques received	1,099	1,356
Guarantee notes	719	1,006
Guarantee letters	294	352
Cash blockage	254	9
	334,250	**315,917**

Investment in direct finance leases are further analysed as a part of the balance sheet in the notes: related party transactions (Note 22) and financial risk management (Note 3).

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.)

NOTE 9 - PROPERTY AND EQUIPMENT

	Land and Buildings	Equipment, Furniture and Fixtures	Total
1 January 2011, net book value	714	65	779
Additions	511	72	583
Disposals	(359)	(3)	(362)
Depreciation charge for the year	(6)	(36)	(42)
31 December 2011	**860**	**98**	**958**
31 December 2010			
Cost	720	632	1,352
Accumulated depreciation	(6)	(567)	(573)
Net book value	**714**	**65**	**779**
31 December 2011			
Cost	870	678	1.548
Accumulated depreciation	(10)	(580)	(590)
Net book value	**860**	**98**	**958**

	Land and Buildings	Equipment, Furniture and Fixtures	Total
1 January 2010, net book value	101	78	179
Additions	618	21	639
Disposals	-	-	-
Depreciation charge for the year	(5)	(34)	(39)
31 December 2010	**714**	**65**	**779**
31 December 2009			
Cost	102	611	713
Accumulated depreciation	(1)	(533)	(534)
Net book value	**101**	**78**	**179**
31 December 2010			
Cost	720	632	1,352
Accumulated depreciation	(6)	(567)	(573)
Net book value	**714**	**65**	**779**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 10 - INTANGIBLE ASSETS

	Total
1 January 2011, net book value	131
Additions	495
Amortisation charge for the year	(97)
31 December 2011	**529**
31 December 2010	
Cost	557
Accumulated amortisation	(426)
Net book value	**131**
31 December 2011	
Cost	**1,043**
Accumulated amortisation	**(514)**
Net book value	**529**

	Total
1 January 2010, net book value	129
Additions	60
Amortisation charge for the year	(58)
31 December 2010	**131**
31 December 2009	
Cost	497
Accumulated amortisation	(368)
Net book value	**129**
31 December 2010	
Cost	**557**
Accumulated amortisation	**(426)**
Net book value	**131**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 11 - OTHER ASSETS AND PREPAID EXPENSES

	2011	2010
Value Added Tax ("VAT") deductible	5,653	10,079
Equipments to be leased	3,766	879
Receivables from insurance policies	596	369
Prepaid expenses	244	167
Prepaid taxes	11	7
Other	408	217
Total	**10,678**	**11,718**

Equipments to be leased consist of assets purchased for the financial lease agreements signed in the current period, which will be transferred to lessees in the subsequent period.

NOTE 12 - FUNDS BORROWED

		2011			2010		
		Original Amount	**TL Equivalent**	**Interest Rate (%)**	**Original Amount**	**TL Equivalent**	**Interest Rate (%)**
Short-term			**232,092**			**137,660**	
Fixed interest	EUR	61,899	151,269	4.22	28,657	58,721	4.81
	USD	29,044	54,862	4.36	13,145	20,322	3.40
	TL	21,703	21,703	13.41	13,326	13,326	7.28
Floating interest	EUR	-	-	-	12,625	25,870	3.78
	USD	2,254	4,258	2.71	12,562	19,421	4.27
Medium/long - term			**51,556**			**86,399**	
Fixed interest	EUR	7,731	18,892	5.19	25,893	53,057	3.70
	USD	5,558	10,499	4.48	19,314	29,860	3.77
Floating interest	EUR	9,070	22,165	5.48	-	-	-
	USD	-	-	-	2,252	3,482	3.03
Total			**283,648**			**224,059**	

Floating rate funds borrowed bear interest at rates fixed in advance for periods of three and six months. Repayments of medium/long-term funds borrowed are as follows:

	2011		2010	
	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate
2012	-	-	80,809	3,482
2013	29,392	13,430	2,108	-
2014	-	2,496	-	-
2015	-	2,496	-	-
2016	-	2,496	-	-
2017	-	1,246	-	-
Total	**29,392**	**22,164**	**82,917**	**3,482**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 13 - ACCOUNTS PAYABLE

	2011	2010
Insurance policy payables	1,141	966
Payables to suppliers	97	2,091
Other	192	132
Total	**1,430**	**3,189**

NOTE 14 - OTHER LIABILITIES

	2011	2010
Advances received	2,854	1,745
Prepayments from customers	1,521	3,476
Provision for personnel performance bonus	677	406
Social security premiums payable	180	248
Provision for unused annual vacation	47	29
Other	50	173
Total	**5,329**	**6,077**

Advances received are related with the amounts received from customers regarding the financial leasing agreements.

NOTE 15 - TAXATION

	2011	2010
Current corporate tax provision	(1,839)	(1,783)
Less: prepaid taxes	1,164	1,062
Current income taxes payable	**(675)**	**(721)**

Components of income tax expenses for the years ended 31 December 2011 and 2010 are as follows:

	2011	2010
Current income tax charge	(1,839)	(1,783)
Deferred tax income	2,926	2,508
	1,087	**725**

Corporate Tax Law numbered 5422 was altered by Law No.5520 on 13 June 2006 which is published at the Official Gazette numbered 26205 and dated 21 June 2006 and many of its articles have become effective retrospectively starting from 1 January 2006. Corporation tax rate in Turkey starting from 1 January 2006 is 20% (2010: 20%). Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19.8% on an investment incentive allowance utilised within the scope of Income Tax Law transitional article 61).

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 15 - TAXATION (Continued)

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital is not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax declaration is made by the 14th day of the following month and payable by the 17th day of the second month following each calendar quarter end by companies. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offsetting, there remains a paid advance tax amount, it may be refunded or offset against other liabilities to the government.

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities according to inflation adjustments. In accordance with the aforementioned law's provisions, in order to apply inflation adjustment, the cumulative inflation rate (State Institute of Statistics-Wholesale Price Indices) over the last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not met for the years ended 31 December 2011 and 2010.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

Reconciliation of current year tax expense and calculated theoretical tax expense with statutory tax rate by the Company:

	2011	**2010**
Net income from ordinary activities before income tax	1,279	1,847
At Turkish statutory income tax rate of 20% (2010: 20%)	256	369
Expenditure not allowable for income tax purposes and additions	3,578	3,383
Income exempt from taxation	(4,317)	(3,883)
Investment incentives used	(604)	(594)
Income tax charge / (benefit) reported in the statement of income	**(1,087)**	**(725)**

NOTE 15 - TAXATION (Continued)

Exemption for investment allowance

Investment allowance applied for several years and calculated as 40% of fixed asset acquisitions exceeding a certain amount, was abolished with law no. 5479 dated 8 April 2006. However, in accordance with temporary law no. 69 added to the Income Tax Law, as of 31 December 2005 corporate and income taxpayers can offset the investment allowance amounts which they could not offset against income in 2005.

a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No. 193, with Law No.4842, dated 9 April 2003.

b) Investment allowance amounts to be calculated in accordance with legislation effective on 31 December 2005 in relation to investments which exhibit an integrity technically and economically and which were started prior to 1 January 2006 within the scope of repealed Article 19 of the Income Tax Law numbered 193, could solely be offset against income related to the years 2006, 2007 and 2008, in accordance with the legislation current as of 31 December 2005 (including provisions related to tax rate).

   Within the scope of Temporary Article 69 of the Income Tax Law (for the years of 2006, 2007 and 2008) income tax payers, and corporate taxpayers who are benefiting from investment allowance practice, had calculated their income or corporate tax base related to the aforementioned years by applying to their income for the year in which the allowance was requested the tax rate applicable as of 31 December 2005, and the tax rate of 30% stated in the Article 25 of the annulled Corporate Tax Law No. 5422, respectively.

However, it was no longer possible to benefit from the carried-forward investment allowance amount left unused as of 31 December 2008.In this respect, a lawsuit is filed against the Constitutional Court on the basis that it is against the equality and certainty in taxation which are guaranteed by the Constitution.

According to the decision of the Constitutional Court dated 15 October 2009, the phrase "comprising only the years 2006, 2007 and 2008" in the Provisional Article 69 of the Income Tax Law regarding the investment incentives is revoked. Therefore, the time limitation on the use of unused investment incentives was removed. The decision of the Constitutional Court has been published in the Official Gazette on 8 January 2010. Therefore, the cancellation went into effect with the publishing of the decision of the Constitutional Court at the Official Gazette.

A new arrangement in the application of investment allowance went into effect with the Law No. 6009 Article 5 which is published in Official Gazette No. 27659 dated 1 August 2010. With this new legislation in line with the decision of the Constitutional Court, the utilisation of investment allowances deferred from the year 2005 is not limited for a time period of limitation but limited to 25% of earnings. According to this, the remaining 75% of the earnings is subject to corporate tax at a rate of 20% after the utilisation of investment allowance of tax payers. Depending on this the Company did not paid corporate tax in the 1st and 2nd income tax period.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 15 - TAXATION (Continued)

According to the decision of the Constitutional Court dated 9 February 2012, the phrase that is added to the first paragraph of the 69th Provisional Article of Income Tax Law via 5th Clause of the Law No. 6009 including ''In so far, while assessing tax base, the amount that is subjected to investment allowance as an exemption shall not exceed 25 % of income" has been found unconstitutional and has been annulled by the Court. The Constitutional Court decision for stay of execution has been valid after announced in the Official Gazette No. 28208 dated 18 February 2012.

The company has not reflected prospective consequences of the application of the Constitutional Court decision into financial statements as of 31 December 2011 due to the assumption that there may be uncertainty whether the decision of Constitutional Court about stay of execution will be taken into account while making out Temporary Corporate Tax Declaration for 2011.

Deferred taxes:

Under IAS 12, which deals with income taxes, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized and deferred tax assets should be reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Based on the decision of the Constitutional Court mentioned above, the Company Management recognized deferred tax assets on the unused investment allowance amounting to TL19,105 which has been calculated based on its best estimates.

Details of cumulative timing differences and the resulting deferred income tax assets and liabilities provided as of 31 December 2011 and 2010 are as follows:

	Cumulative timing differences		**Deferred income tax assets**	
	2011	**2010**	**2011**	**2010**
Unused investment allowances without stoppage	95,332	95,254	19,066	19,051
Unused investment allowances with stoppage	19,377	17,574	39	35
Provision for impaired receivables	28,160	16,316	5,632	3,263
Accrued income on derivative transactions	1,471	-	294	-
Income accrual on lease receivables	233	-	47	-
Legal provision	176	-	35	-
Invoiced principal	115	-	23	-
Provision for personnel unused vacation, bonus provision, and employment termination benefits	910	635	182	127
Deferred income tax assets			**25,318**	**22,476**
Income accrual on lease receivables	-	(542)	-	(108)
Difference between carrying value and tax base of property and equipment and intangibles	(207)	(85)	(41)	(17)
Deferred income tax liabilities			**(41)**	**(125)**
Deferred tax assets, net			**25,277**	**22,351**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 16 - OTHER PROVISIONS

	2011	2010
Legal provision	176	-
Total	**176**	-

At 31 December 2011, the Company is involved in number of legal disputes, The Company's lawyer's advise that, owing the developments in some of these cases; it is probable that the company will be found liable. Therefore, the management has recognised a provision as the best estimate of the amount to settle these potential obligations.

NOTE 17 - RESERVE FOR EMPLOYMENT TERMINATION BENEFITS

	2011	2010
Reserve for employee termination benefits	186	200
	186	**200**

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age . Since the legislation was changed on 8 September 1999, there are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month's salary limited to a maximum of TL2,805.04 as of 31 December 2011 (2010: TL2,517.01) for each year of service.

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

IFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. In the financial statements, the Company reflected a liability calculated using the projected unit credit method and based upon the factors derived using their experience of personnel terminating their services and being eligible to receive employment termination benefits. 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.

Accordingly the following financial and demographical actuarial assumptions were used in the calculations of the provision:

	2011	2010
Discount rate (%)	4.66	4.66
Turnover rate to estimate the probability of retirement (%)	4.00	4.00

Additionally, the principal actuarial assumption is that the maximum liability of TL2,805.04 for each year of service would increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL2,805.04 (1 January 2011: TL2,623.23) which is effective from 1 January 2012, has been taken into consideration in calculating the reserve for employee benefits of the Company.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 17 - RESERVE FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

Movement of the reserve for employment termination benefits for the year is as follows:

	2011	2010
1 January	**200**	**151**
Service cost	181	6
Interest cost	9	7
Monetary (gain)/ loss	24	63
Paid during the year	(228)	(27)
31 December	**186**	**200**

NOTE 18 - SHARE CAPITAL

At 31 December 2011, the Company's authorised share capital consists of 2,846,250,000 shares with a par value of Kuruş1 each (2010: 2,846,250,000 shares with a par value of Kuruş1 each).

As of 31 December 2011 and 2010, the Company's historical subscribed and issued share capital was TL28,463 (historical terms). The composition of shareholders and their respective percentages of ownership can be summarized as follows:

	2011		2010	
	%	Amount	%	Amount
Anadolu Endüstri Holding A.Ş.	95.51	27,184	95.51	27,184
Other	4.49	1,279	4.49	1,279
Total in historical TL	100.00	28,463	100.00	28,463
Restatement effect		(13,523)		(13,523)
		14,940		**14,940**

Each shareholder has voting rights equivalent to their number of shares.

NOTE 19 - RETAINED EARNINGS AND LEGAL RESERVES

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Dividends Paid and Proposed:

Final dividends are not accounted for until they have been ratified at the Annual General Meeting.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 20 - MARKETING, GENERAL AND ADMINISTRATIVE EXPENSES

	2011	**2010**
Consultancy expenses	1,066	896
Transportation expenses	498	383
Rent expenses	364	316
Office expenses	210	163
Communication expenses	123	126
Information technology systems expenses	72	40
Representation expenses	41	40
Printing and stationary expenses	40	57
Other expenses	132	22
	2,546	**2,043**

NOTE 21 - SALARIES AND EMPLOYEE BENEFITS

	2011	**2010**
Wages and salaries	3,952	3,006
Bonuses	677	406
Employer's share of social security premiums	422	307
Provision for employee termination benefits	214	76
Other fringe benefits	405	257
	5,670	**4,052**

NOTE 22 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. The Company is controlled by Anadolu Endüstri Holding A.Ş. (the Shareholder Company) which owns 95.51% of the Company's shares (2010: 95.51%). The ultimate owner of the Company is Anadolu Group. For the purpose of these financial statements, the Shareholder Company, and their affiliated companies are referred to as "related parties". Related parties also include individuals that are principal owners, management and members of the Company's Board of Directors and their families.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 22 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

A summary of the major transactions and balances with related parties during the related periods were as follows:

(a) Balances with related parties:

	2011	2010
Due from banks		
Demand deposits		
Alternatifbank A.Ş.	292	218
Time deposits		
Alternatifbank A.Ş.	27,608	14,884
	27,900	**15,102**
Investmets in direct finance leases, net		
Anadolu Etap Tarım ve Gıd.Ür.San.Tic. A.Ş.	8,543	5,768
Anadolu Eğitim ve Sos. Yardım Vakfı Sağ.İkts.İşt.	829	3,488
Alternatifbank A.Ş.	351	982
	9,723	**10,238**
Other liabilities		
Anadolu Endüstri Holding A.Ş.	49	46
Anadolu Isuzu Otomotiv San. Tic. A.Ş.	11	11
Anadolu Motor Ürt. Ve Paz. A.Ş.	2	-
	62	**57**

(b) Transactions with related parties:

	2011	2010
Interest income from direct finance leases		
Anadolu Etap Tarım ve Gıda Ür. San. Tic. A.Ş.	560	377
Anadolu Eğitim ve Sos. Yardım Vakfı Sağ. İkts. İşt.	235	435
Alternatifbank A.Ş.	58	122
	853	**934**
Interest income on placements and transactions with banks		
Alternatifbank A.Ş.	173	146
	173	**146**
Interest expense on funds borrowed		
Alternatifbank A.Ş.	7	7
	7	**7**
Other income		
Anadolu Etap Tarım ve Gıda Ür. San. Ve Tic. A.Ş.	7	7
	7	**7**
Service expenses		
Alternatifbank A.Ş.	513	328
Anadolu Endüstri Holding A.Ş.	502	476
Çelik Motor Ticaret A.Ş.	237	167
Anadolu Eğitim ve Sosyal Yardım Vakfı	150	325
Anadolu İsuzu Otomotiv San. Tic. A.Ş.	109	104
Anadolu Bilişim Hizmetleri A.Ş.	76	43
Efestur Turizm İşletmeleri A.Ş.	15	15
Adel Kalemcilik Tic.San. A.Ş.	3	1
Antek Teknoloji Ürün. Paz. Tic. A.Ş.	1	-
	1,606	**1,459**

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 22 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Commission expenses		
Alternatifbank A.Ş.	410	227
	410	**227**

(c) Off-balance sheet items

Letters of credits and guarantee letters		
Alternatifbank A.Ş.	8,757	8,805
	8,757	**8,805**

As of 31 December 2011, the Company has time deposits amounting to USD3,066,962, EUR8,930,842 and TL65,000 at related party bank - Alternatifbank A.Ş. latest maturing on 16 January 2012 with an average interest rate of 3.77%, 4.00% and 10,25% respectively (2010: USD3,000,082, EUR5,000,171 at related party bank - Alternatifbank A.Ş. all maturing on 3 January 2011 with an interest rate of 1.00%, 1.25% respectively). Also the Company has demand deposits at related party bank - Alternatifbank A.Ş. amounting to USD962, EUR50,842 and TL165,613 (2010: USD1,774, EUR52,147 and TL152).

The Company has made operating lease agreements as lessee for vehicles with related party Çelik Motor Ticaret A.Ş. As of 31 December 2011, total remaining commitment is amounting to TL675 (2010: TL105).

(d) Key Management's Remuneration:

As of 31 December 2011, the executive members and key management personnel of the Company's management received and accrued salaries and bonuses total amounting to TL1,413 (2010: TL1,653).

NOTE 23 - OTHER INCOME / (EXPENSES), NET

	2011	2010
Corporate income tax return	1,557	-
Sundry agreement income / (expenses), net	1,393	3,490
Commission income, net	520	418
Legal provision	(176)	-
Donations	(150)	(325)
Sundry taxes paid	(149)	(143)
Bank charges and commissions	(97)	(131)
Other	36	(27)
	2,934	**3,282**

Sundry agreement income / (expenses) consists of tax, legal, expertise, translation and other expenses which have been reimbursed by clients.

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 24 - COMMITMENTS AND CONTINGENT LIABILITIES

In the normal course of activities, the Company undertakes commitments and incurs certain contingent liabilities that are not presented in these financial statements. The following is a summary of significant commitments and contingent liabilities at 31 December 2011 and 2010.

TL236 and TL167 of rent expenses were reflected as of 31 December 2011 and 2010 respectively in the income statements due to the operating lease agreement for vehicles.

Future minimum lease payments under operating lease agreements are as follows:

	2011	**2010**
Next 1 year	277	71
1 year through 5 years	398	34
Total	**675**	**105**

Other commitments:

At 31 December 2011, the Company obtained letters of credits and guarantee letters amounting to TL8,967 (2010: TL8,838) and submitted to various public authorities.

There is no mortgage on the assets that is subject to leasing agreements (2010: none).

NOTE 25 - POST BALANCE SHEET EVENTS

The clause that limits the investment allowance of the income by 25 % and that is added to the 69 th Provisional Article of Income Tax Law has been cancelled via the Law numbered 6009 on the basis of Constitutional Court Decision dated 9 February 2012. The decision for stay of execution granted by Constitutional Court has become valid after announced in the Official Gazette numbered 28208 dated 18 February 2012 (Note 15).

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