



# Content

---

- 1** Company Profile
- 2** A Message from the Management
- 4** Board of Directors and Management
- 6** The Leasing Industry in 2009
- 7** Finans Leasing's Strategy
- 8** Activities in 2009
- 11** Group Profile
- 12** Corporate Governance Principles  
Compliance Report
- 18** Financial Statements for the Year  
Ended December 31, 2009
- 64** Shareholders' Information
- 65** Company Directory

## Company Profile

### Customer-focused products from a highly experienced team

Headquartered in İstanbul, Finans Leasing celebrated its 20th year of service in 2009.

Since its establishment in 1990, the Company has successfully provided individualized leasing products and services for the diversified needs of customers that spread across a wide range of sectors.

Finans Leasing has always been the supporter of the real economy and put its solid financial structure to work for the benefit of the sustainable economic development of Turkey's private sector. The Company's high-quality products, professional management, transparency, and accountability have all made it a highly-esteemed leasing company in the national market. At the same time, Finans Leasing's outstanding credit-worthiness has earned it wide recognition.

### Finans Leasing is a member of the NBG Group.

Finans Leasing's strong position is reinforced by the synergetic collaboration with the NBG Group, of which it is a member, and with its parent company Finansbank. With 461 branches located around the country, Finansbank's national reach makes it a strong delivery channel for Finans Leasing's products and services.

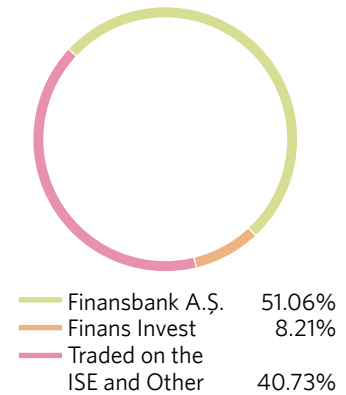
In 2009 Finans Leasing controlled a 7% market share of the Turkish leasing industry with total assets amounting to TRY 1,342 million.

### Sustainable growth with ethical values...

Providing its customers with superior service quality, Finans Leasing seeks to achieve sustainable growth and profitability no matter what market conditions may be and to focus on creating value for its customers. The Company's absolute commitment to ethical values is seen as an asset that is crucially important to its future growth and success.

Finans Leasing's shares are listed and traded on the İstanbul Stock Exchange (ISE) under the ticker symbol FFKRL. The Company is a member of the Turkish Leasing Association (FİDER).

### Shareholding Structure as of 31 December 2009



# strong

## A Message from the Management



Adnan Menderes Yayla  
Chairman

The crisis that started in the subprime mortgage market in the United States in 2008 continued to harry financial markets around the world in 2009. Although the global economy began emerging from recession in the second half of the latter year and global economic activity has resumed, it appears that the recovery will nevertheless be slow and circumspect.

### **The leasing industry had a challenging year...**

The Turkish leasing industry felt the impact of the global economic crisis the most seriously during the first three quarters of 2009. Having written USD 5.3 billion worth of business in 2008, the industry saw its receipts plummet by nearly three fifths to just USD 2.2 billion in 2009. This is the biggest single year-on decline in the sector's history.

A number of factors contributed to this result. The most serious was the contraction witnessed in the Turkish economy beginning with the last quarter of 2008 and its subsequent impact on the real economy. Because the leasing industry is so extremely sensitive to changes in the investment climate, the slowdown in economic activity and thus in investment throughout the country led to a disproportionately greater contraction in the industry's business volume.



A. Murat Alacakaptan  
General Manager

Investment decisions were put off in nearly every sector. Particularly hard hit by these developments were the small and medium-sized enterprises (SME) that make up the industry's biggest customer group. In such an environment, the positive attitude and the constructive approach of the financial sector proved to be extremely beneficial.

With credit risk and liquidity risk becoming so crucially important, service providers in the Turkish leasing industry tended to be exceptionally selective in their placement policies, especially during the first half of 2009. This preference was another major contributor to the decline that was observed in the leasing industry's transaction volume last year.

The third contributor to the contraction in the leasing industry was the significant burden imposed by value-added tax, whose rates remained as high in the crisis-wracked business environment of 2009 as they were in 2008. High VAT rates significantly erode the benefits—arguably the most substantial advantages—that leasing has to offer with respect to the other investment financing options that are available to the market.

### **Despite all these difficulties, Finans Leasing completed the year with satisfactory results.**

Although the sector experienced an extremely challenging period in 2009, Finans Leasing remained faithful to its corporate values and vision as it continued to take a proactive approach. By adhering to its established business strategies, the Company successfully overcame the negative effects of the crisis. In 2009 the Company booked total assets worth TRY 1,342 million and a net profit amounting to TRY 40.3 million along with a 7% market share.

By cultivating broad and deep relationships with its existing customers, Finans Leasing achieved satisfactory results even in the face of the most difficult of market conditions.

In the two decades since it was founded in 1990, Finans Leasing has been witness to momentous changes in the Turkish economy. Thanks to its solid economic structure and customer-focused services, Finans Leasing has repeatedly demonstrated its ability to tackle even the most serious economic upheavals and to maintain its highly esteemed position in the national and international arenas.

### **We continued to support the real sector.**

With its commitment to ethical values, experienced team, customer-focused services, and technological clout, Finans Leasing continued to work in close cooperation with its customers in 2009. The Company deepened its relationships with its existing customers in its ongoing efforts to develop a strongly loyal customer base. We worked more closely with our customers in difficult times and offered services that met the often rapidly changing day-to-day needs of the market. This strategy increased customer satisfaction on the one hand while helping us to maintain our market position on the other. Most important of all, it enabled us to keep our loan book healthy.

Even under the severe market conditions of 2009 in which the real sector suffered seriously from the effects of the global economic crisis, Finans Leasing continued to support manufacturers in many different sectors.

By following such a policy, Finans Leasing not only contributed to the Turkish economy in general but also helped economic actors to continue their production and to produce added value.

### **Finans Leasing also performed successfully in terms of risk management in 2009.**

Risk management has always been a significant issue for the Company. However in times of economic crisis—and this was especially true in 2009—risk management becomes more important than ever.

Finans Leasing Risk Management Unit (RMU) worked closely with Finansbank, in preparing detailed reports about sectors and customers. This approach made it possible to spot potential risks before they materialized and to be proactive in efforts to deal with them. The Finans Leasing RMU reports regularly to the Board of Directors, one outcome of which approach is to ensure that risk-awareness is an important focal point for the attentions of the Company's management. In this way, we developed new strategies for managing risks more effectively and for maximizing the Company's results in 2009.

### **The demand for leasing services will grow rapidly in 2010 and the years that follow.**

The global crisis in 2008 and the ensuing developments in 2009 once again highlighted the important role that macroeconomic investment plays in sustainable growth.

This is a very important reality for a rapidly developing country like Turkey which is on the verge of undertaking massive investments primarily in such sectors as renewable energy, logistics, environment, health, construction and education as well as the more traditional manufacturing industries. Such projects typically need long-term resources. In this respect, the high added value services and solutions that can be offered by leasing companies will play a key role.

With this in mind, we are fully convinced that the demand for our products will grow increasingly stronger beginning in 2010 and we feel confident that Finans Leasing is well positioned as a company that can best benefit from the growth that our industry can look forward to in the period ahead.

Looking at the results from the first quarter of 2010, we can already see that this year is going to be much better than the last. In the first three months of 2010, the Turkish leasing industry wrote USD 563 million worth of business. By this measure, we project a total business volume on the order of three to three and a half billion dollars by the end of this year.

The justifications for this optimism are easy to discern. With the Turkish economy recovering from the global crisis, the country's SMEs have begun working their way through the backlog of investments that has built up over the last two years.

### **Our strong customer focus is commensurate with our leading position in the sector.**

Our primary objective as always must be to meet our customers' financial needs by offering integrated and customized leasing solutions. Our organization and corporate culture are defined and structured in accordance with our customer-focused business approach. We will continue to strengthen the Finans Leasing brand in the sector just as long as we continue to build and maintain long-term and deeper relationships with our customers.

Consisting of dedicated employees and a professional management team, Finans Leasing's human resources perform their jobs with both commitment and eagerness. As long as this fact underlies our day-to-day reality, Finans Leasing will continue to achieve its strategy objectives and to produce more value for all of its stakeholders.

In closing, we extend our thanks all our colleagues for their efforts to deliver the quality products and services that contribute towards Finans Leasing's success as well as to our shareholders for their valuable and generous support.

Adnan Menderes Yayla    A. Murat Alacakaptan  
Chairman                      General Manager

## Board of Directors and Management

### Board of Directors

Adnan Menderes Yayla  
Chairman

E. Özlem Cinemre  
Member

A. Murat Alacakaptan  
Member and General  
Manager

Filiz Sonat  
Vice-Chairman

Nergis Ayvaz  
Member

### Management



#### **A. Murat Alacakaptan** **General Manager and Board Member**

Born in 1963, Mr. Alacakaptan holds a BA degree in Business Administration from İstanbul University. Prior to joining Finans Leasing in 1994, Mr. Alacakaptan worked in Peat Marwick, Touche-Ross and Coopers & Lybrand as an Auditor and in Aktif Finans Factoring as the Finance Manager. Following his position in Finans Leasing as Assistant General Manager between 1994-1998, he joined Finans Deniz Leasing as Assistant General Manager and was promoted to become the General Manager and Board Member in 1999. In addition to his ongoing post, Mr. Alacakaptan re-joined Finans Leasing in July 2001 as the General Manager and Board Member.



#### **Semra Karsu** **Assistant General Manager**

Born in 1967, Mrs. Karsu holds a BA in Business Administration and MBA from İstanbul University. Mrs. Karsu started her business career in 1990 in Garanti Leasing and joined Finans Leasing in 1996 as Manager responsible for financial control and accounting. In 1999, she became Group Manager and in 2002, she was promoted as the Assistant General Manager responsible for the Operations, Financial Control, Accounting, Finance, Credit Follow-up and Legal Departments.

---

**Fatih Kızıltan****Assistant General Manager**

Born in 1957, Mr. Kızıltan holds a BA in Business Administration from Marmara University. Following his position in Yapı Kredi Bank as Credit Risk Control Specialist, he joined Finans Leasing in 1990. In 2000, he became Group Manager and in 2008 he was promoted as the Assistant General Manager responsible for Credit Department.

**Oğuz Çaneri****Assistant General Manager**

Born in 1973, Mr. Çaneri holds a BA and an MBA in Industrial Engineering from Bilkent University. After working as an academician for one year at the same university, he started his business career in BNP Ak Dresdner Leasing and then worked for İktisat Leasing. Mr. Çaneri joined Finans Deniz Leasing in 2000. In 2006, he became Group Manager and in 2007 he was promoted as the Assistant General Manager responsible for Marketing Department.



## The Leasing Industry in 2009

### 2009 was a difficult year for the leasing industry.

Having already had to deal with grave challenges during the previous two years, the Turkish leasing industry suffered seriously from the global economic crisis in 2009. The industry as a whole wrote only USD 2.2 billion worth of business, not even half of the previous year's USD 5.3 billion, which was itself down considerably from the record-breaking performance that the industry had witnessed in 2007.

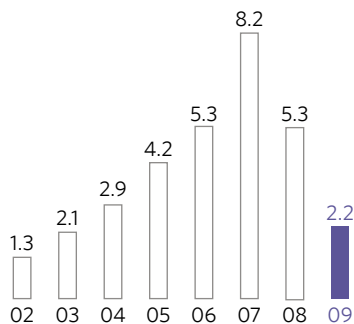
### SMEs postponed their investment plans in 2009.

Of all of the economic actors who suffered from the effects of the economic crisis, Turkey's SMEs were the hardest hit of all, with some being forced to cease or at least suspend their activities. These companies lie at the heart of the leasing industry, which necessarily languished as well. In order to survive, most SMEs either postponed their investments or abandoned them entirely last year. This led to a drastic cutback in the leasing industry's business inasmuch as it is the main supporter of SME investment projects.

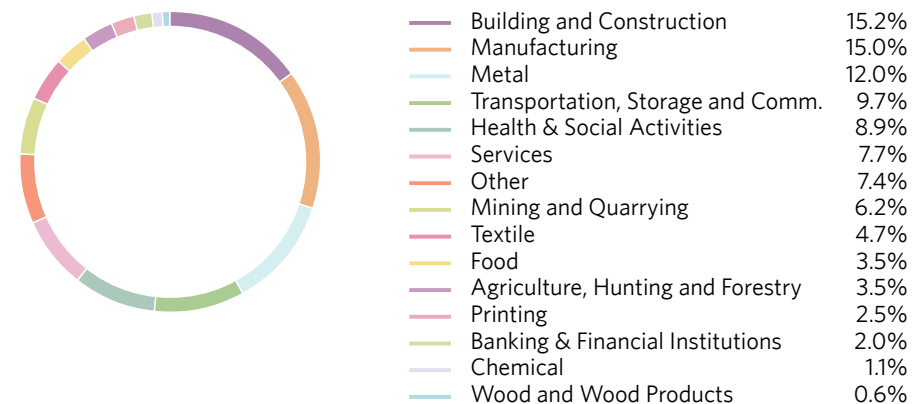
Evidence from the first quarter of 2010 suggests that the leasing industry has begun to regain momentum. If this can be sustained, there is a reason to hope that the sector may increase the volume of its business by as much as 36% to the USD 3-3.5 billion level this year.

In line with positive developments taking place in global economic activity in the last quarter of 2009, attentions were turned once again to investment in nearly every sector. Indications are that investment is already on the rise in most sectors: in the first three months of 2010 alone, the leasing industry wrote USD 563 million worth of business, which corresponds to an increase of 37%.

Turkish Leasing Industry Volumes by Year (USD billion)



Breakdown of Leasing Industry Transactions in Turkey by Sector in 2009



# experienced



# Finans Leasing's Strategy

---

## Key competitive advantages of Finans Leasing

- Customer-oriented approach
- An advanced technological infrastructure
- Competent delivery channel strategy
- Strong brand and reputation in leasing industry
- Sound capitalization and strong funding base
- A leading position, constantly building on its market shares in its business line
- A young, dynamic and highly-experienced team

## Finans Leasing's strategy

To achieve long-term, sustainable growth and strong market share in the leasing industry by continuously creating value for all its stakeholders.

## The foundations of Finans Leasing's strategy

### Customer focus

- Product and service quality and innovation
- Competency, experience, and skill

### Focus on human resources

- Continuous development of HR competencies

### Focus on disciplined growth

- Sustainable and profitable balance sheet growth
- Improved asset quality
- Portfolio diversification

### Focus on risk management and control

- Risk measurement at international standards
- Proactive risk control systems

### Focus on corporate governance

- Commitment to corporate governance, ethical conduct, and core values

### Group synergy

- Multi-layered and efficiency focused group synergy
- 
-

## Activities in 2009

According to figures published by the Turkish Leasing Association (FİDER), Finans Leasing ranked 5th with a 7% market share among 37 firms in 2009, with its total asset of TRY 1,342 million. Despite the adverse effects of the global economic crisis on the leasing industry last year, Finans Leasing's advanced risk management systems allowed it to continue serving customers in all sectors.

With its robust financial structure, Finans Leasing continued to finance projects in a wide range of different sectors throughout 2009. The Company concentrated on offering services to existing customers in its portfolio while also taking on new ones.

FİDER-published figures show that overall the manufacturing machinery and equipment product group accounted for the biggest share (29%) in 2009 by type of assets leased. Construction machinery ranked second with a share of 17.50%. On the other hand, when it comes to leasing volume by type of sectors, services accounted for 46.56% of the total volume.

Looking now to 2010, Finans Leasing expects that there will be substantial increases in construction machinery, production machinery and medical equipment leasing in parallel with

observed rises in building & construction, manufacturing and health&social activities industry investment. Growth in the segments mentioned in the paragraph just above is also likely to remain strong.

According to the most recent results released by FİDER as this annual report was in preparation (May 2010), the Turkish leasing industry wrote USD 563 million worth of business on 1,900 contracts in the first quarter of 2010. These figures are in line with our own expectations and suggest that there are now many more opportunities for Finans Leasing to increase both its business volumes and its market shares.

During the same period, Finans Leasing itself wrote USD 51 million worth of business and increased its market share to 9.1%.

### Why Finans Leasing?

Finans Leasing traditionally ranks among the leaders of its sector in terms of the number of contracts in its portfolio. This customer preference is rooted essentially in Finans Leasing's approach to high-quality, fast, customer-focused service.

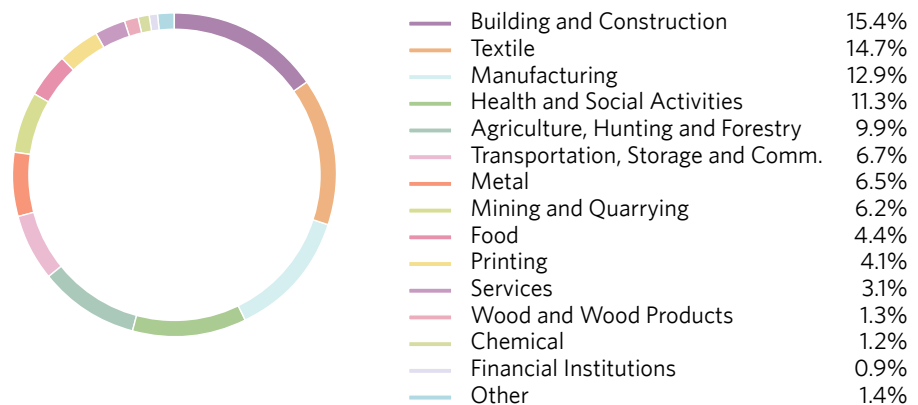
Speed and efficiency make up the backbone of Finans Leasing's approach. With its highly-experienced team of professionals, Finans Leasing completely and correctly processes and finalizes the leasing transactions that its customers need by offering them a range of alternative solutions that best suit their particular financial structures, cash flows, and profitability targets in both the short and the long terms.

### Finans Leasing attached utmost importance to risk management in 2009.

One of the most important lessons taught by the recent global economic crisis is the need for effective risk management. Risk assessment and mitigation have long been essential components of Finans Leasing's business culture but in 2009 the Company set them at the heart of its business activities.

Finans Leasing's customers are active in every sector. By distributing its risk exposure broadly across as many different sectors as possible, Finans Leasing ensures that its portfolio remains sustainably balanced at its most productive point.

### Breakdown of Net Lease Receivables on Industry Basis as of 31 December 2009



### Geographical Breakdown

	2006	2007	2008	2009
Marmara	9%	9%	8%	12%
Aegean and Mediterranean	12%	12%	15%	14%
Eastern and Southeastern Anatolia	14%	14%	12%	21%
Central Anatolia and Black Sea	14%	15%	13%	10%
İstanbul	44%	42%	41%	34%
Çukurova	7%	8%	11%	9%

### Risk Breakdown

	2006	2007	2008	2009
<b>Top-10 customers in the portfolio</b>				
Turnover (TRY million)	57.4	97.9	133.6	106.7
Share in total	10%	9%	10%	11%
<b>Top-20 customers in the portfolio</b>				
Turnover (TRY million)	84.7	150.4	210.4	170.3
Share in total	15%	14%	16%	18%
<b>Top-50 customers in the portfolio</b>				
Turnover (TRY million)	137.7	248.2	366.9	308.3
Share in total	24%	23%	28%	32%

### Service Network



Finans Leasing owns a strong geographical coverage that allows it to reach many SMEs particularly in Anatolia.

Finans Leasing sees effective risk management as one of the cornerstones of its sustainable growth and development. Advanced technology and well-defined business processes enable the Company to continuously monitor the risks to which it is exposed. Reports generated by the RM system provide management with the information they need to make informed routine and strategic decisions. To measure market risk, Finans Leasing performs value at risk (VAR), Interest Sensitivity - GAP reports and maturity analyses. The Company also coordinates its RM activities with its principal shareholder, Finansbank.

**Synergetic cooperation with Finansbank**  
Finans Leasing engages in a synergetic cooperation with its principle shareholder, Finansbank. Leasing products and services are offered to customers through the bank's 461 branches located all over the country.

Joint marketing and product presentation campaigns play an important role in increasing the size of Finans Leasing's customer base by contributing significantly both to the number of active customers and to higher transaction volumes. An additional benefit of these activities is that they attract new customers from new sectors to Finans Leasing.

Finans Leasing will continue to focus on channel management as it increases the existing synergies with Finansbank and its branches. 31% of Finans Leasing's business was conducted through Finansbank during 2009.

## Activities in 2009

---

### SMEs and the leasing industry

Firms in the “small to medium-sized enterprise” (SME) category are responsible for substantial job creation in Turkey while also giving the national economy its dynamic structure. These companies have been playing a major role in the country’s economic growth over the last 15 years. A natural outcome of this is that nearly all the players in the financial services industry compete with one another to offer financial solutions to SMEs as well as to tradesmen and personal business owners that address their particular needs. The competition in this segment of the market has been increasing exponentially in recent years.

As prospective customers, SMEs embody a tremendous amount of growth potential for the leasing industry. A balanced and dependable resource structure is essential to the healthy development of such companies. SMEs are continuously in need of resources to finance their growth and to generate larger turnovers. SMEs that have the resources which they need are able to concentrate on doing their business rather than on how they are going to do it and this attention is what nourishes their growth. Leasing is thus a very important tool which such businesses can deploy to finance their activities.

### SMEs and Finans Leasing

SMEs are important to Finans Leasing. Over the last 10 years, the Company has increased the number of its customers in this category significantly. This is not by chance but rather the result of a thought-out strategy. SMEs are utterly different from commercial and corporate customers in terms of their dimensions, employment, and management structures. They need a trusted business partner who will pay heed, understand, share their values, and work together with them; and sometimes they just need someone who can afford to take risks to help them solve a problem.

Taking this as its point of departure, Finans Leasing provides SMEs with effective services in the area of investment financing.

The speed and efficiency of Finans Leasing’s technological infrastructure and operational processes play a major role in the Company’s ability to satisfy the needs of SMEs irrespective of what the transaction amounts involved may be.

Finans Leasing will continue to support the companies in the SME segment because they play such an important role in national economic growth and development.

### Human resources

At year-end 2009, Finans Leasing was employing a staff of 133 people. Finans Leasing’s success as a company is rooted in the individual effectiveness and productivity of its human resources. In recognition of this, the Company gives great importance to recruiting, training, and holding on to a staff whose members

- are specialized in their fields
- have a customer-focused approach to service
- create added value for customers, the Company, shareholders, and the sector.

To achieve this, Finans Leasing uses modern methods in all of its human resource processes—from recruitment and hiring to placement and training—according to specific position and function requirements.

[Credit Opinion by Moody’s Investors Service \(as of 7 September 2009\)](#)

---

### Finans Finansal Kiralama A.Ş.

#### Category

Outlook  
Issuer Rating

#### Moody’s Rating

Stable  
Ba1

---

# dynamic

---

---

### The outlook for the future

As economies emerge from the recent crisis, a macroeconomic business environment characterized by low rates of inflation is creating a climate of confidence that will encourage investment further. In such an environment, the demand for leasing products and services can only increase and that in turn will have a leveraging effect on our sector. In such a market, Finans Leasing's objectives will be to increase customer penetration, to extend the average term of its leasing agreements, and to ensure that its profitability remains sustainable.

Finans Leasing seeks to work with its customers within a framework of long-term, value-based marketing strategies. To achieve this, the Company cultivates enduring business relationships with its customers.

In 2010, Finans Leasing will continue to take on new customers and to increase its business volumes through the branches of its principal shareholder, Finansbank, while also deploying its direct sales team in order to increase its business volumes and to further strengthen its standing as a market maker.

## Group Profile

---



NATIONAL BANK  
OF GREECE

National Bank of Greece, the oldest Greek commercial bank, heads the largest and strongest financial group in the country:

- The NBG Group provides a full range of financial products and services that meet the constantly changing needs of private individuals and corporate customers alike.
- The Bank has 575 branches and 1,504 ATMs in Greece and 1,188 branches overseas. The Group boasts by far the largest network for the distribution of financial products and services in Greece.
- Overseas the NBG Group is active in 12 countries and includes 9 banks and 65 other companies.
- With one quarter of the market share in retail banking and a 24% market share in deposits, NBG can rightly claim to be the bank of the Greek family.
- With equity capital of EUR 8.4 billion and a capital adequacy (BIS) ratio of 11.13%, the Group is a leading player in the domestic and regional markets.
- The NBG Group is the first Greek financial group to successfully float its stock on the New York Stock Exchange, the world's principal capital market.
- By the acquisition of United Bulgarian Bank in Bulgaria (2000), Stopanska Banka in FYROM (2000), Banca Romaneasca in Romania (2003), Finansbank in Turkey (2006) and Vojvodjanska Banka in Serbia (2006), NBG aims to be the leading banking group in a market of 125 million.
- The NBG group also includes companies in Greece (Ethniki Leasing), Bulgaria (Interlease), Romania (NBG Leasing) and Serbia (NBG Leasing)

## Finans Finansal Kiralama Anonim Şirketi Corporate Governance Principles Compliance Report

---

### 1. Statement of Compliance with Corporate Governance Principles

As at 31 December 2009, our Company was in compliance with the Corporate Governance Principles published by the Capital Markets Board (CMB) in all matters save for the following:

- Adopting cumulative voting method.
- Developing and publicly announcing a company disclosure policy.

Work on bringing the Company into compliance with these issues will be ongoing as well. Detailed information about the activities currently in progress and the corporate governance principles with which compliance have been achieved are presented below under the separate headings of "Shareholders", "Public disclosure and transparency", "Stakeholders", and "Board of Directors".

## SECTION I: SHAREHOLDERS

### 2. Shareholders' Relations Unit

An Investor Relations Division has been set up under the Corporate Governance Committee, in order to facilitate exercising of shareholding rights and to provide communication between the Board of Directors and the shareholders.

In essence, the Investor Relations Division works to;

- a) ensure maintenance of the records about shareholders in a healthy, secure and up-to-date manner,
- b) respond to the shareholders' written information requests about the Company, apart from those that are not publicly disclosed, are of a confidential and/or trade secret nature,
- c) ensure that the general assembly meetings are convened in accordance with the applicable legislation, the articles of incorporation and other internal regulations,
- d) prepare the documents the shareholders could make use of in the general assembly meeting,
- e) ensure that the results of the voting are recorded and the reports thereon are sent to the shareholders,
- f) observe and comply with all considerations related to public disclosure, including the legislation and the Company's disclosure policy.

### 3. Shareholders' Exercise of Their Right to Obtain Information

It is certain that shareholders and stakeholders need to have regular access to reliable information about the Company's management and its financial and legal standing. In line with the principle of public disclosure and transparency, all information except for trade secrets is to be revealed to the public impartially. Such disclosure is made by means of audited annual and interim financial statements and footnotes and by means of public announcements. This information is also posted on the Company's corporate website.

There had been no requests from shareholders during the reporting period for the appointment of a special auditor. For this reason, the individual right to demand the appointment of a special auditor was not provided for in our Company's articles of incorporation.

### 4. Information About General Assembly Meetings

Ordinary General Assembly Meeting convened on 31 March 2009:

Finans Finansal Kiralama A.Ş.'s ordinary general assembly meeting for the fiscal year 2008 was held on 31 March 2009 at 13:30 hours in the Conference Room at the address Finansbank A.Ş. Büyükdere Caddesi No: 129 Mecidiyeköy-İstanbul under the supervision of Mustafa Çalışkan, a commissioner of the Ministry of Industry and Trade, who was assigned with this task by letter 16397, dated 30 March 2009 from the Istanbul Provincial Directorate of Industry and Trade.

## Finans Finansal Kiralama Anonim Şirketi

### Corporate Governance Principles Compliance Report

---

As required by law and by the Company's articles of incorporation, the meeting and its agenda were duly announced in issue 7269 dated 13 March 2009 of the Turkish Trade Registry Gazette and in issue 10989 dated 13 March 2009 of the newspaper Hürses. Invitations announcing the date and agenda of the meeting were also sent out in due time by registered and reply-paid mail to shareholders who own privately-held shares that are not traded on the ISE.

It is revealed from the examination of the attendance roster that out of 10,500,000,000 shares corresponding to the Company's total share capital of TRY 105,000,000.00, 567,962,820 shares corresponding to TRY 5,679,628.20 were represented in proxy and 6,223,147,456 shares corresponding to TRY 62,231,474.56 -in total 6,791,110,276 shares- were represented in person at the meeting. Therefore it was ascertained that the minimum meeting quorum required both by law and by the articles of incorporation had been satisfied. Board member Ahmet Murat Alacakaptan opened the meeting, upon which discussions were commenced on the meeting agenda.

During the ordinary general assembly meeting, no shareholders made any suggestions or exercised their right to ask questions. The minutes of the ordinary general assembly meeting are kept available for the examination of shareholders at the Company's headquarters and on the Company's website.

#### 5. Voting Rights and Minority Rights

Our Company's articles of incorporation contain no provisions pertaining to privileged voting rights. Minority shares are not represented in the Company's management and the cumulative voting method is not employed.

#### 6. Dividend Distribution Policy and Timing

There are no privileges appropriated to any shareholders in case of dividend distribution. According to the Company's articles of incorporation, a dividend shall be set aside at the ratios and in the amounts to be determined by the Capital Markets Board. This provision constitutes the policy of the Company with respect to minimum dividend distribution requirement. Shareholders have been made aware of this policy by virtue of its inclusion in the articles of incorporation.

In accord with the CMB letter dated 27 January 2006 and numbered B.02.1.SP.K.0.13-124, dividend distribution policies were set as follows taking into consideration the probability that the obligation to distribute profits can be abolished.

- (a) The amount and source of attributable profit shall be determined in accordance with the provisions of applicable legislation and CMB.
- (b) The Board of Directors shall draw up its proposal for profit distribution by observing the balance between the interests of shareholders and those of the Company, and in a manner to contain no contradictions with the provisions of applicable legislation and the CMB.
- (c) Dividend per share shall be computed by dividing the amount of profit decided to be distributed at the general assembly by the number of shares. No shares are privileged in terms of getting share from the profit.
- (d) Distribution of dividends to the members of the Board of Directors and employees are set forth by the articles of incorporation.
- (e) Dividend payments shall be effected within due time as stipulated by the CMB at three locations at a minimum, which shall be easily accessible by a majority of the shareholders and one of which shall be the Company's headquarters, as well as at Takasbank (ISE Settlement and Custody Bank, Inc.).
- (f) The articles of incorporation contain no provisions stipulating payment of advances on dividends.
- (g) The General Assembly shall be informed on the donations and grants made by the Company during the reporting period.

#### 7. Transfer of Shares

The Company's articles of incorporation contain no provisions restricting the transfer of shares.

## Finans Finansal Kiralama Anonim Şirketi Corporate Governance Principles Compliance Report

---

### SECTION II: PUBLIC DISCLOSURE AND TRANSPARENCY

#### 8. Company Disclosure Policy

The Company's disclosure policy is still under development and is not yet complete. This policy will deal with issues such as what information will be disclosed to the public besides what is required by law; the manner, frequency, and the means in which it will be disclosed; the frequency of address by the members of the Board of Directors or of management to the media; the frequency of public information meetings to be organized; and the methods to be followed when responding to questions directed at the Company. When this company disclosure policy is finalized, it will be announced to shareholders at a general assembly meeting as well as to the public at large. Even though the Company's disclosure policy is still under development and is not yet completed, the Company's independent auditor report is quarterly announced, and Announcements related to the Company's activities are announced to public in accordance with Public Disclosure and Transparency Principles.

#### 9. Disclosure of Material Events

A total of twelve material event disclosures were made during as at 31 December 2009 in compliance with the CMB regulations. Neither the CMB nor the ISE requested any additional information concerning these material event disclosures. Because all material event disclosures were made in due time, no sanctions were imposed by the CMB on their account. The Company's shares are not quoted on stock exchanges outside Turkey.

#### 10. Company Internet Site and its Content

Our Company has a corporate website accessible at [www.finansleasing.com.tr](http://www.finansleasing.com.tr). The website contains the information stipulated in Article 1.11.5 of section II of the CMB's Corporate Governance Principles.

#### 11. Disclosure of Non-Corporate Ultimate Shareholders Who Have a Controlling Interest

Non-corporate shareholders who have a controlling interest in the Company are publicly disclosed in the footnotes to the financial statements for the period ended on 31 December 2009 in such a way as to reveal and net out the effects of any indirect and cross-shareholding interests.

#### 12. Public Disclosure of Individuals Who May Have Access to Insider Information

This is addressed under the Codes of Ethics in Corporate Governance Principles.

### SECTION III: STAKEHOLDERS

#### 13. Informing Stakeholders

A "stakeholder" is any private individual, corporate entity, or interest group that may be involved in the Company's achieving its goals or have interest in its activities. Stakeholders include shareholders, employees, creditors, customers, suppliers, various non-governmental organizations, the government, and even potential investors.

Our Company conducts its activities honestly, trustworthily, and transparently within the framework of its public disclosure principles in order to keep its stakeholders aware of the same. The Company's independently audited financial statements are publicly disclosed quarterly. Similarly, important developments concerning the Company's activities are publicly announced by means of material event disclosure forms in line with the Company's public disclosure principles. In addition, in-house meetings are conducted to ensure that the Company's employees are kept informed about developments that take place and may be of concern to them.



## Finans Finansal Kiralama Anonim Şirketi Corporate Governance Principles Compliance Report

---

### 14. Stakeholder Participation in Management

While no model providing for stakeholder participation in management has yet been developed, employees are involved in the Company management through meetings and by using their powers and responsibilities in line with their job descriptions. Detailed studies are carried out on matters related to promotions and performance measurement to ensure that employees receive equal treatment and that promotions take place in line with performance. Employees are given training opportunities to enhance their knowledge, skills, and experience. Explanatory information concerning the Company is also provided to interested parties upon demand.

### 15. Human Resources Policy

Based on the awareness that the human resource represents the key element for the optimum execution of the Company's activities and for its development, the basic principles of our Company's human resources policy are spelled out as follows:

- Employing personnel with high personal and professional qualifications.
- Enhancing work productivity by providing a modern and healthy work environment.
- Fostering a participatory approach to management within the Company.
- Ensuring that employees receive the necessary training they need to develop their professional knowledge and that they are inculcated in the Company's corporate culture.
- Providing performance-based career planning.

Relations with employees are handled by the Human Resources Assistant Manager and the Assistant General Manager to whom he reports. During the reporting period, no complaints were received from the employees concerning discrimination.

### 16. Relations with Customers and Suppliers

Customer satisfaction is an important component of our Company policies and for that reason, any demands that customers may have concerning goods and services that they have leased are quickly addressed. Customers and suppliers are visited on a regular basis. Maximizing customer focus and customer satisfaction is a fundamental principle of those standards.

Our Company adheres strictly to agreements that it enters into with its suppliers. The Company gives utmost importance to establishing sound and arm's-length relationships with suppliers.

### 17. Social Responsibility

No lawsuits were lodged against our Company during the reporting period on account of any harm caused to the environment.

Utmost care is paid to ensure that the projects financed are in compliance with the legislation governing the environment and public health.

### 18. Structure and Formation of the Board of Directors and Independent Board Members the Board of Directors

- Adnan Menderes Yayla, Chairman (non-executive)
- Filiz Sonat, Vice-Chairman (non-executive)
- Ahmet Murat Alacakaptan, Member (executive) and General Manager
- Emine Özlem Cinemre, Member (non-executive)
- Nergis Ayvaz, Member (non-executive)

One member of the Board of Directors also holds an executive position in the Company. There are no independent members on the Board. None of the Company directors other than the General Manager holds an executive position in the Company.

## Finans Finansal Kiralama Anonim Şirketi Corporate Governance Principles Compliance Report

---

### 19. Qualifications of Board Members

Members of the Company's Board of Directors possess the qualifications set out in paragraph one, article five of the Banking Regulation and Supervision Agency's Regulation on the Incorporation and Operating Principles of Leasing, Factoring and Finance Companies, save for subparagraph (d) thereof. Provisions in our Company's articles of incorporation concerning the minimum qualifications required to be elected to a seat on the Board of Directors coincide with the ones spelled out in article 3.1.1 of section IV of the CMB's Corporate Governance Principles. The principles spelled out in articles 3.1.2 and 3.1.5 of section IV of the CMB's Corporate Governance Principles are also taken into account in the election of Board members although these principles are not stipulated in the Company's articles of incorporation.

### 20. The Company's Mission, Vision, and Strategic Goals

Our Company's mission is to be the sector's leader in terms of productivity and profitability. The strategic goals identified to realize this mission are; being customer-focused, working with qualified personnel, responding quickly to customer demands, increasing transaction speed by means of advanced technological infrastructure, focusing on the investment needs of small to medium-sized enterprises, and structuring regional, sectoral, and client-based credit risk concentrations optimally. In addition to engaging in marketing and information activities to encourage ever greater use of leasing as an investment financing tool, the Company's strategic goals also include recruiting and training the personnel that will enable the Company to achieve its aims.

The Board of Directors examines and approves the strategic goals identified by the management and the degree to which those objectives are being met at monthly performance meetings at which the Company's activities are reviewed and discussed. At these meetings, the Company's performance is measured and targets are revised when necessary in the light of changing market conditions.

### 21. Risk Management and Internal Control Mechanisms

Our Company is exposed to credit risk, interest rate risk, exchange rate risk, liquidity risk, market risk, and operational risks due to its transactions. Assessments of these risks and necessary actions in order to manage them are included in annual budget studies as well as in monthly performance reports. These are presented to the Board of Directors for review. At meetings of the assets-liabilities, credit monitoring, marketing, operations, and legal affairs committees, the risks that the Company is exposed to are assessed. At the monthly performance meetings of the Board of Directors, the Company's risk management activities are reviewed and assessed, and risk factors are revised as and when deemed necessary. Furthermore, necessary preparatory work is underway for achieving compliance with Basel II. In 2005, the Internal Audit Department was set up. The mission of the Department is to provide independent and objective assurance and consultancy service that will add value and further improve the Company's operations. The Department's functions include helping the Company in achieving its goals based on a systematic and disciplined approach in order to assess and improve the efficiency of risk management, control and corporate governance. The Department reports to the Audit Committee which reports to the Board of Directors.

### 22. Authorities and Responsibilities of the Board of Directors and Executives

In the Company's articles of incorporation, the authority to conduct and administer the Company's business is given to a board of directors whose members are elected by the general assembly. The framework of the authorities and responsibilities assigned to the members of the Board of Directors and to Company executives are spelled out in detail in the Company's list of authorized signatures.

## Finans Finansal Kiralama Anonim Şirketi Corporate Governance Principles Compliance Report

---

### **23. Operating Principles of the Board of Directors**

The Chairman of the Board of Directors sets the agenda for Board meetings after discussions with other Board members and with the General Manager (Chief Executive Officer). 37 Board meetings were held during 2009. While no secretariat has been set up to inform board members and manage communication among them, maximum care is given to ensuring that all information and documents pertaining to matters on meeting agendas are made equally available to all Board members in a timely manner. When differences of opinion are expressed at meetings, reasoned and detailed justifications for dissenting votes are included in the memoranda of resolutions that are passed. Actual attendance is provided at Board meetings on the issues stipulated in article 2.17.4 of section IV of the CMB's Corporate Governance Principles. No Board members have preferential voting rights or the right to veto Board decisions.

### **24. Prohibition on Doing Business or Competing with the Company**

During the reporting period no member of the Board of Directors was involved in any business with the Company or was engaged in any activity in competition with it.

### **25. Code of Ethics**

These principles and rules have been discussed by the Company's Corporate Governance Principles Committee that reports to the Board of Directors. Upon adoption of the relevant Board of Directors resolution, the code of ethics has been enforced and shared with the Company employees electronically.

### **26. Numbers, Structures, and Independence of Committees within the Board of Directors**

Based on the Board of Directors resolution dated 15 March 2005 and numbered 442, a Corporate Governance Committee was set up to oversee the Company's compliance with Corporate Governance Principles, to improve and to submit proposals thereon to the Board of Directors. The Committee consists of 3 members.

Based on the Board of Directors resolution dated 15 March 2005 and numbered 444, an Audit Committee was set up to ensure healthy monitoring of the Company's financial and operational activities. The Committee consists of 3 members.

### **27. Remuneration of the Board of Directors**

All rights, benefits, and fees etc provided to the members of the Board of Directors are subject to the authorization and oversight of the general assembly. With the exception of the salary and bonus paid to the managing director in his post as general manager, members of the Board of Directors do not receive any rights, benefits, or fees from the Company.

The Company has not lent any money, extended any credit, or provided any guarantees such as surety etc to any member of the Board of Directors or to any executive.

# Deloitte.

To the Board of Directors of  
Finans Finansal Kiralama Anonim Şirketi  
İstanbul

DRT Bağımsız Denetim  
ve Serbest Muhasebeci  
Mali Müşavirlik A.Ş.  
Sun Plaza Bilim Sok.  
No: 5 Maslak Şişli 34398  
İstanbul, Türkiye  
Tel: (212) 366 6000  
Fax: (212) 366 6010  
www.deloitte.com.tr

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Finans Finansal Kiralama Anonim Şirketi ("the Company") which comprise the balance sheet as at December 31, 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended December 31, 2009, 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 financial statements present fairly, in all material respects the financial position of Finans Finansal Kiralama Anonim Şirketi as of December 31, 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.*

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of DELOITTE TOUCHE TOHMATSU  
İstanbul, May 10, 2010

## Finans Finansal Kiralama Anonim Şirketi

### Table of Contents

	Page
Financial Statements	
Balance sheet	20
Statement of comprehensive income	21
Statement of changes in equity	22
Statement of cash flows	23
Notes to the financial statements	
1. Corporate information	24
2. Basis of preparation	24
3. Summary of significant accounting policies	27
4. Determination of fair values	33
5. Segment information	35
6. Cash and cash equivalents	35
7. Finance lease receivables	36
8. Available-for-sale investments	37
9. Property, plant and equipment	38
10. Intangible assets	39
11. Other assets	39
12. Funds borrowed	40
13. Derivative financial instruments	41
14. Other liabilities and provisions	42
15. Reserve for employee termination benefits	42
16. Income taxes	43
17. Share capital	46
18. Legal reserves and retained earnings	46
19. Earnings per share	47
20. Related party transactions	47
21. Finance (expenses)/income	49
22. General & administrative expenses and Salaries & employee benefits	50
23. Other operating income/(expenses)	50
24. Financial risk management	51
25. Subsequent Events	63

## Finans Finansal Kiralama Anonim Şirketi

Balance Sheet as at December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

	Notes	December 31, 2009	December 31, 2008
<b>ASSETS</b>			
Cash and cash equivalents	6	333,351	243,834
Finance lease receivables	7	963,787	1,291,871
Available for sale investments	8	61	61
Derivative financial instruments	13	314	49
Property, plant and equipment	9	402	560
Intangible assets	10	512	513
Other assets	11	16,317	31,179
Deferred tax assets	16	27,029	-
<b>Total assets</b>		<b>1,341,773</b>	<b>1,568,067</b>
<b>LIABILITIES AND EQUITY</b>			
Funds borrowed	12	916,891	1,201,082
Trade payables		53,847	41,390
Advances from customers		9,698	8,689
Current income tax	16	3,202	-
Derivative financial instruments	13	1,302	1,022
Other liabilities and provisions	14	4,203	3,614
Reserve for employee termination benefits	15	503	412
<b>Total liabilities</b>		<b>989,646</b>	<b>1,256,209</b>
<b>Equity</b>			
Share capital	17	159,353	149,353
Share premium		1,211	1,211
Legal reserves	18	16,749	14,357
Retained earnings	18	174,814	146,937
<b>Total equity</b>		<b>352,127</b>	<b>311,858</b>
<b>Total liabilities and equity</b>		<b>1,341,773</b>	<b>1,568,067</b>

The accompanying policies and explanatory notes on pages 24 through 63 form an integral part of the financial statements.

## Finans Finansal Kiralama Anonim Şirketi

## Statement of Comprehensive Income for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

	Notes	January 1 - December 31, 2009	January 1 - December 31, 2008
Interest income from finance leases		111,943	142,908
<b>Total income from finance leases</b>		<b>111,943</b>	<b>142,908</b>
Finance income	21	324,263	575,955
Finance expenses	21	(350,044)	(628,725)
<b>Net finance (expenses)/income</b>		<b>(25,781)</b>	<b>(52,770)</b>
(Provision)/recovery for possible lease receivables losses and other receivables	7	(40,300)	(17,543)
<b>Income after finance (expense)/income and provision for possible lease receivables losses and other receivables</b>		<b>45,862</b>	<b>72,595</b>
Other operating income/(expenses)	23	4,434	2,938
Marketing, general and administrative expenses	22	(10,565)	(11,322)
Salaries and employee benefits	22	(12,754)	(12,306)
Depreciation and amortization	9, 10	(391)	(360)
<b>Profit from operating activities</b>		<b>26,586</b>	<b>51,545</b>
<b>Profit from operating activities before income taxes</b>		<b>26,586</b>	<b>51,545</b>
Income taxes	16	13,683	-
<b>Net profit for the year</b>		<b>40,269</b>	<b>51,545</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>40,269</b>	<b>51,545</b>
Weighted average number of shares (0,01 TRY par value)		11,500,000,000	11,500,000,000
Earnings per share (for full TRY)	19	0.350	0.448

The accompanying policies and explanatory notes on pages 24 through 63 form an integral part of the financial statements.

## Finans Finansal Kiralama Anonim Şirketi

## Statement of Changes in Equity for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

	Share Capital	Inflation Adjustment to Share Capital	Share Premium	Legal Reserves	Retained Earnings	Total
<b>At December 31, 2007</b>	<b>75,000</b>	<b>48,460</b>	<b>1,211</b>	<b>10,663</b>	<b>124,979</b>	<b>260,313</b>
Transfer to legal reserves	-	-	-	3,694	(3,694)	-
Addition to share capital from retained earnings	25,893	-	-	-	(25,893)	-
Addition of inflation adjustment to share capital	4,107	(4,107)	-	-	-	-
Total comprehensive income for the year	-	-	-	-	51,545	51,545
<b>At December 31, 2008</b>	<b>105,000</b>	<b>44,353</b>	<b>1,211</b>	<b>14,357</b>	<b>146,937</b>	<b>311,858</b>
Transfer to legal reserves	-	-	-	2,392	(2,392)	-
Addition to share capital from retained earnings	10,000	-	-	-	(10,000)	-
Total comprehensive income for the year	-	-	-	-	40,269	40,269
<b>At December 31, 2009</b>	<b>115,000</b>	<b>44,353</b>	<b>1,211</b>	<b>16,749</b>	<b>174,814</b>	<b>352,127</b>

The accompanying policies and explanatory notes on pages 24 through 63 form an integral part of the financial statements.



**Finans Finansal Kiralama Anonim Şirketi**  
**Statement of Cash Flows for the Year Ended December 31, 2009**  
(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

	Notes	January 1, December 31, 2009	January 1, December 31, 2008
<b>Cash flows from operating activities</b>			
Net profit for the year		40,269	51,545
Adjustments for			
Depreciation and amortization	9, 10	391	360
Provision for termination benefits	15	111	75
Provision for vacation pay accrual	14	194	151
Provision for bonuses	14	337	2,500
Fair value loss on derivative transactions		15	973
Provision for possible lease receivable losses and other receivables	7	40,300	17,543
Unrealized foreign exchange losses/(gains)		116	(504)
Investment revenue recognized in profit and loss	21	(23,013)	(15,124)
Finance cost recognized in statement of income	21	49,101	70,626
Provision for current income tax	16	13,346	-
Deferred tax income	16	(27,029)	-
<b>Operating profit before changes in net operating assets and liabilities</b>		<b>94,138</b>	<b>128,145</b>
Purchases of assets to be leased		(96,919)	(450,370)
Principal payments received under leases		413,292	479,401
Net decrease/(increase) in receivables from lease payments outstanding and other receivables		(21,955)	(34,055)
Net decrease/(increase) in other assets		14,862	(11,235)
Net (decrease)/increase in trade payables		12,457	(26,181)
Net (decrease)/increase in advances from customers		1,009	(4,855)
Net increase/(decrease) in other liabilities and provisions		58	(1,957)
Income taxes paid	16	(10,144)	-
Retirement benefits paid	15	(20)	(40)
<b>Net cash generated from operating activities</b>		<b>406,778</b>	<b>78,853</b>
<b>Cash flows from investing activities</b>			
Purchases of furniture and equipment	9	(71)	(154)
Purchases of intangible assets	10	(161)	(84)
Interest received from investing activities		22,602	13,402
<b>Net cash used in investing activities</b>		<b>22,370</b>	<b>13,164</b>
<b>Cash flows from financing activities</b>			
Proceeds from funds borrowed		517,280	315,141
Repayments of funds borrowed		(774,664)	(178,716)
Interest paid		(82,658)	(56,803)
<b>Net cash used in financing activities</b>		<b>(340,042)</b>	<b>79,622</b>
Net increase in cash and cash equivalents		89,106	171,639
Cash and cash equivalents at the beginning of year	6	241,960	70,321
<b>Cash and cash equivalents at the end of year</b>	<b>6</b>	<b>331,066</b>	<b>241,960</b>

The accompanying policies and explanatory notes on pages 24 through 63 form an integral part of the financial statements.

## Finans Finansal Kiralama Anonim Şirketi

### Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

---

#### 1. Corporate information

##### General

Finans Finansal Kiralama Anonim Şirketi (a Turkish Joint Stock Company – “the Company”) was established in İstanbul in March 1990, pursuant to the license obtained from the Undersecretariat of the Treasury and Foreign Trade for the purpose of financial leasing as permitted by the law number 3226.

42.13% (2008 – 42.13%) of the shares of the Company are listed on İstanbul Stock Exchange. The address of the registered office of the Company is Nispetiye Caddesi, Akmerkez B Kulesi, Kat: 10, 34620 Etiler, İstanbul – Turkey.

The Company has a branch operating in Atatürk Havalimanı Free Trade Zone (“FTZ”).

The parent of the Company is Finansbank A.Ş. (“Finansbank”), and ultimate parent of the Company is National Bank of Greece S.A (“NBG”).

The Company's financial statements for the year ended December 31, 2009 have been approved at the General Assembly Meeting held on March 31, 2010. The General Assembly has the discretion of making changes in the financial statements.

#### 2. Basis of preparation

##### 2.1 Statement of compliance

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

The Company maintains its books of account and prepares its statutory financial statements in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by Banking Regulation and Supervision Agency (“BRSA”), Turkish Commercial Code, Tax Legislation and Financial Leasing Law.

##### 2.2 Basis of measurement

The financial statements have been prepared on an historical cost convention, except for those assets and liabilities measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

##### 2.3 Functional and presentation currency

The accompanying financial statements are presented in thousands of Turkish Lira (“TRY”), which is the Company's functional and presentation currency. All financial information presented in TRY is rounded to the nearest digit. Until December 31, 2005, the date at which the Company considers that the qualitative and quantitative characteristics necessitating restatement pursuant to IAS 29 (“Financial Reporting in Hyperinflationary Economies”) were no longer applicable, the financial statements of these companies were restated for the changes in the general purchasing power of TRY based on IAS 29, which requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and the corresponding figures for previous periods be restated in the same terms.

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

### 2.4 Adoption of new and revised standards

The following new and revised standards and interpretations were implemented in the current year and this implementation had an impact on the reported amounts and disclosures of financial statements. Other standards and interpretations that implemented in the financial statements but had no effect on reported amounts are also explained in the further parts of this article.

#### Standards and Interpretations affecting reported results or financial position of 2009

IAS 1, (as revised in 2007) "Presentation of Financial Statements"	IAS 1(2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. The Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.
Improving Disclosures about Financial Instruments (Amendments to IFRS 7, "Financial Instruments: Disclosures")	The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

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

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

IFRS 8, "Operating Segments"	IFRS 8 is a disclosure Standard that has resulted in a redesignation of the Company's reportable segments.
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The amendments deal with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time and with the recognition of dividend income from subsidiaries in a parent's separate financial statements.
Amendments to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations	The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.
IAS 23 (as revised in 2007) Borrowing Costs	The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred.
Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation	The revisions to IAS 32 amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.

## Finans Finansal Kiralama Anonim Şirketi

### Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items	The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.
Embedded Derivatives (Amendments to IFRIC 9 and IAS 39)	The amendments clarify the accounting for embedded derivatives in the case of a reclassification of a financial asset out of the 'fair value through profit or loss' category as permitted by the October 2008 amendments to IAS 39 Financial Instruments: Recognition and Measurement (see above).
IFRIC 15 Agreements for the Construction of Real Estate	The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from the construction of real estate should be recognized.
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.
IFRIC 18 Transfers of Assets from Customers (adopted in advance of effective date of transfers of assets from customers received on or after 1 July 2009)	The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognize the asset at its fair value on the date of the transfer, with the credit recognized as revenue in accordance with IAS 18 Revenue.
Improvements to IFRSs (2008)	In addition to the changes affecting amounts reported in the financial statements described above, the Improvements have led to a number of changes in the detail of the Company's accounting policies – some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported. The majority of these amendments are effective from 1 January 2009.

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

##### IFRS 3 (as revised in 2008) Business Combinations

IFRS 3(2008) is effective for business combinations where the acquisition date is on or after the beginning of the first annual period beginning on or after 1 July 2009. The main impact of the adoption will be as follows:

- a) to allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquire.
- b) to change the recognition and subsequent accounting requirements for contingent consideration.
- c) to require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognized as an expense in profit or loss as incurred.

The Company will apply IFRS 3 (revised) prospectively to all business combinations from 1 January 2010.

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

---

### **IFRS 9 Financial Instruments: Classification and Measurement**

In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 Financial Instruments: Recognition and Measurement. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013

### **IAS 24 (Revised 2009) Related Party Disclosures**

In November 2009, IAS 24 Related Party Disclosures was revised. The revision to the standard provides government-related entities with a partial exemption from the disclosure requirements of IAS 24. The revised standard is mandatory for annual periods beginning on or after 1 January 2011. The Company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

### **IAS 27 (as revised in 2008) Consolidated and Separate Financial Statements**

IAS 27 (revised) is effective for annual periods beginning on or after 1 July 2009. The revisions to IAS 27 principally affect the accounting for transactions or events that result in a change in the Company's interests in its subsidiaries. The revised standard requires that ownership decreases or increases that do not result in change in control to be recorded in equity.

### **Amendments Related to Annual 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. The Company has not yet had an opportunity to consider the potential impact of the adoption of these amendments.

### **2.5 Significant accounting judgments and estimates**

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the financial statements are discussed in the relevant sections of the note below; where particulars for Impairment of Financial Assets, Finance Lease Receivables, Employee Termination Benefits, Income Taxes are disclosed.

### **3. Summary of significant accounting policies**

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

#### **3.1 Foreign currency translation**

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

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

Foreign currency translation rates used by the Company as of respective year-ends are as follows:

Dates	EUR/TRY (Full TRY)	USD/TRY (Full TRY)
December 31, 2008	2.1408	1.5123
December 31, 2009	2.1603	1.5057

### 3.2 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, which is 5 years.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets of cash generating units are written down to their recoverable amount. The recoverable amount is defined as the amount that is the higher of the asset's fair value less costs to sell and value in use. Impairment losses are recognized in the income statement.

An item of tangible is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

### 3.3 Intangible assets

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

### 3.4 Financial instruments

#### Non-derivative financial instruments

Non-derivative financial instruments comprise financial assets and financial liabilities that are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

## Finans Finansal Kiralama Anonim Şirketi

### Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

---

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

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

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

#### Financial assets at fair value through profit or loss:

Financial assets are classified as financial assets at fair value through profit or loss where the Company acquires the financial asset principally for the purpose of selling in the near term, the financial asset is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short term profit taking as well as derivatives that are not designated as effective hedging instruments. A gain or loss from valuation of a financial asset classified as at fair value through profit or loss shall be recognized in profit or loss. Net gain/loss recognized in profit or loss includes interest and dividend income earned on the financial asset.

#### Effective interest rate method:

The effective interest rate 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.

Held to maturity and available for sale debt instruments and profit from financial assets classified as loans and receivables are recognized in income by using the effective interest rate method.

#### Held-to-maturity investments:

Policies and bonds with fixed or determinable payments and fixed maturity where the Company both has the intention of and the ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are recognized at amortized cost using the effective interest method, less any impairment in value.

As at balance sheet date, the Company has no held-to-maturity investments.

#### Available for sale financial assets:

The Company has investments in unquoted equity investments that are not traded in an active market but are classified as available-for-sale financial assets and stated at cost since their value cannot be reliably measured. Gains and losses arising from changes in fair value are recognized in other comprehensive income and 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.

## Finans Finansal Kiralama Anonim Şirketi

### Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

---

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.

Finance lease receivables and other receivables are carried at fair value at initial recognition and they are carried at amortized cost subsequent to initial recognition, using the effective interest method. Provision for doubtful finance lease receivables and other receivables are recognized as an expense and written off against the profit for the year. Provision for receivables under follow-up is allocated assessing the Company's loan portfolio, quality and risk and considering the economic conditions and other factors including the related legislation against the potential losses that may be resulted from the current finance lease receivables.

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

#### *Bank borrowings*

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

#### *Other*

Other non-derivative financial instruments including time deposits are measured at amortized cost using the effective interest method, less any impairment losses.

#### **Derivative financial instruments**

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

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

#### *Hedge accounting*

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in income statement as part of finance (expense)/income.

### **3.5 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 recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **3.6 Impairment**

#### **Financial assets**

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.



## Finans Finansal Kiralama Anonim Şirketi

### Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

---

The Company assesses individually whether objective evidence of impairment exists for loans that are considered individually significant and collectively for loans that are not considered individually significant.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the loans' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the loan's original effective interest rate.

The calculation of the present value of the estimated future cash flows of a collateralised loan reflects the cash flows that may result from obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, loans are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for pools of loans by being indicative of the debtors' ability to pay all amounts due and together with historical loss experience for loans with credit risk characteristics similar to those in the pool form the foundation of the loan loss allowance computation. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions.

All impairment losses are recognised in income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets, the reversal is recognised in the income statement.

#### **Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **3.7 Employee benefits**

#### **Defined benefit plans**

In accordance with the existing social legislation in Turkey, the Company is required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated

## Finans Finansal Kiralama Anonim Şirketi

### Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

---

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

#### Defined contribution plans

The Company pays contributions to Social Security Institution of Turkey on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

### 3.8 Leases

#### Finance leases

##### (a) The Company as lessor

The Company classifies leased assets as a receivable equal to the net investment in the lease. Finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding. Initial direct costs are included in the initial measurement of the finance lease receivables and reduce the amount of income recognized over the lease term.

##### (b) The Company as lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

#### Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. These include rent agreements of branch premises, which are cancelable subject to a period of notice. Related payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

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

### 3.9 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### 3.10 Related parties

For the purpose of this report, the shareholders and the ultimate shareholders of the Company, Finansbank and NBG Group of companies, members of the key management personnel of the Company or its parent and the companies controlled by/associated with all of the above are referred to as related parties.

## Finans Finansal Kiralama Anonim Şirketi

### Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

---

#### 3.11 Income and expense recognition

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

#### 3.12 Income Tax

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

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

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

#### 3.13 Earnings per share

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

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.

#### 3.14 Statement of Cash Flows

The Company prepares its cash flows to inform financial statement users about the changes in Company's net assets, financial situation and the ability to manage the amount and timing of cash flows in accordance with changes in circumstances.

#### 4. Determination of fair values

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

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

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.

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

The Company utilizes currency forward and interest rate swap derivative instruments. "Currency forwards" represent commitments to purchase or to sell foreign and domestic currency, including undelivered spot transactions. An "interest rate swap" is a derivative in which one party exchanges a stream of interest payments for another party's stream of cash flows. The Company conducts these transactions in order to hedge foreign currency position and manage the fixed or floating assets and liabilities on the balance sheet. The fair values of derivative instruments held at December 31, 2009 and 2008, are disclosed in note 13.

Set out below is a comparison by category of carrying amounts and fair values of the Company's performing finance lease receivables and funds borrowed that are carried in the financial statements at other than fair values.

	Carrying amount		Fair value	
	2009	2008	2009	2008
<b>Financial assets</b>				
Finance lease receivables	963,787	1,291,871	1,008,717	1,243,475
<b>Financial liabilities</b>				
Funds borrowed	916,891	1,201,082	920,860	1,173,545

The fair values of other financial assets and liabilities approximate their carrying values.

The interest used to determine the fair values of lease contracts receivables, applied on the balance sheet date to reflect active market price quotations are as follows:

	Interest Rates Applied (%)	
	2009	2008
Turkish Lira	11.19	28.00
USD	4.76	11.00
EURO	4.66	12.00
CHF	7.64	12.59

Current interest rates are used for each borrowing individually to determine fair values of funds borrowed.

**Finans Finansal Kiralama Anonim Şirketi**

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

**5. Segment information**

Since the Company operates only in leasing activities and in a single geographical area, segment information is not provided.

**6. Cash and cash equivalents**

The breakdown of cash and cash equivalents is as follows:

	2009	2008
Cash on hand	28	25
Cash at banks	333,323	243,809
<b>Cash and cash equivalents</b>	<b>333,351</b>	<b>243,834</b>

As of December 31, 2009 and 2008, composition of bank deposit is as follows:

	2009			
	Amount		Effective interest rate	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Time deposit	192,524	139,194	7.50 - 10.50	1.50 - 3.50
Demand deposit	299	1,306	-	-
<b>Total</b>	<b>192,823</b>	<b>140,500</b>		

	2008			
	Amount		Effective interest rate	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Time deposit	145,896	97,294	13.50 - 23.50	0.25 - 7.25
Demand deposit	155	464	-	-
<b>Total</b>	<b>146,051</b>	<b>97,758</b>		

Cash and cash equivalents as stated in the cash flow statement is as follows:

	2009	2008
Cash on hand	28	25
Cash at banks	333,323	243,809
Interest accrual on time deposits	(2,285)	(1,874)
<b>Cash and cash equivalents as stated in the cash flow statement</b>	<b>331,066</b>	<b>241,960</b>

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

### 7. Finance lease receivables

As of December 31, 2009 and 2008 details of gross investments in finance lease receivables, is as follows:

	2009	2008
Minimum lease payments receivable, gross	927,703	1,358,219
Finance lease receivables outstanding	41,942	45,539
Others (*)	6,506	5,668
Less: Unearned interest income	(104,802)	(188,845)
	871,349	1,220,581
Equipments to be leased (**)	51,238	28,381
Advances given related with finance leases	9,723	11,583
	932,310	1,260,545
Impaired finance lease receivables	91,809	51,376
Reserve for impairment	(60,332)	(20,050)
<b>Finance lease receivables</b>	<b>963,787</b>	<b>1,291,871</b>

(\*) Others consist of insurance receivables from lessees and expenses charged to lessees related with finance lease contracts.

(\*\*) The Company purchases machinery and equipment from foreign and domestic vendors in relation to the finance lease agreements signed in the current year for projects in progress of its customers, which will be completed in the subsequent year. As of December 31, 2009 and 2008, the equipment to be leased balance includes cost of the equipment to be leased as described above together with related expenses.

The maturity profile of long-term net finance lease receivables is as follows;

	2009	2008
2010	-	349,029
2011	246,926	216,185
2012	134,959	110,739
2013	46,458	31,805
2014	11,308	7,023
2015	3,767	2,472
2016	2,488	2,632
2017	2,510	2,831
2018	875	1,016
<b>Total</b>	<b>449,291</b>	<b>723,732</b>

As of December 31, 2009 effective interest rates for USD, Euro and TRY lease receivables are 8.41%, 9.44% and 26.03%; respectively (2008 - 8.52% for USD, 9.10% for Euro and 26.26% for TRY).

**Finans Finansal Kiralama Anonim Şirketi**

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

The guarantees received for finance lease receivables are provided in note 24, Financial Risk Management, Credit Risk.

Movements in the reserve for individual impairment, for the year ending December 31, 2009 and 2008 are as follows:

	2009	2008
Reserve at the beginning of the year	20,050	12,538
Provision	37,630	19,159
Recoveries	(2,970)	(1,616)
Receivables written-off	(18)	(10,031)
<b>Reserve at the end of year</b>	<b>54,692</b>	<b>20,050</b>

Movements in the reserve for collective impairment for the year ending December 31, 2009 and 2008 are as follows:

	2009	2008
Reserve for collective impairment at the beginning of the year	-	-
Reserve for collective impairment	5,640	-
<b>Reserve for collective impairment at the end of year</b>	<b>5,640</b>	<b>-</b>
Provision/(recovery) of the reserve for individual impairment	34,660	17,543
<b>Provision for the year</b>	<b>40,300</b>	<b>17,543</b>

**8. Available-for-sale investments**

	2009	2008
Equity instruments - unlisted	61	61
	<b>61</b>	<b>61</b>

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

Available-for-sale investments at cost represent the Company's equity holdings in the companies, shares of which are not publicly traded. The list of equity instruments is as follows:

	2009		2008	
	Amount	Participation-%	Amount	Participation-%
<b>Equity instruments - unlisted</b>				
Finans Yatırım Menkul Değerler A.Ş.	61	Less than 1	61	Less than 1
Finans Portföy Yönetimi A.Ş.	<1	Less than 1	<1	Less than 1
	<b>61</b>		<b>61</b>	

### 9. Property, plant and equipment

	Furniture and Equipment	Motor Vehicles	Leasehold Improvements	Total
January 1, 2009, net of accumulated depreciation	411	-	149	560
Additions	60		11	71
Depreciation charge for the year	(169)	-	(60)	(229)
<b>At December 31, 2009, net of accumulated depreciation</b>	<b>302</b>	<b>-</b>	<b>100</b>	<b>402</b>
<b>At December 31, 2008</b>				
Cost	6,172	41	294	6,507
Accumulated depreciation	(5,761)	(41)	(145)	(5,947)
<b>Net carrying amount, at December 31, 2008</b>	<b>411</b>	<b>-</b>	<b>149</b>	<b>560</b>
<b>At December 31, 2009</b>				
Cost	6,232	41	305	6,578
Accumulated depreciation	(5,930)	(41)	(205)	(6,176)
<b>Net carrying amount, at December 31, 2009</b>	<b>302</b>	<b>-</b>	<b>100</b>	<b>402</b>

As of December 31, 2009, net carrying value of assets acquired through finance leases amount to TRY 92 (2008 - TRY 175) and consist of vehicles, furniture and equipments.



**Finans Finansal Kiralama Anonim Şirketi**

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

**10. Intangible assets**

	Software	Total
<b>At January 1, 2009, net of accumulated amortization</b>	513	513
Additions	161	161
Amortization charge for the year	(162)	(162)
<b>At December 31, 2009, net of accumulated amortization</b>	512	512
<b>At December 31, 2008</b>		
Cost	951	951
Accumulated amortization	(438)	(438)
<b>Net carrying amount, at December 31, 2008</b>	513	513
<b>At December 31, 2009</b>		
Cost	1,112	1,112
Accumulated amortization	(600)	(600)
<b>Net carrying amount, at December 31, 2009</b>	512	512

**11. Other assets**

	2009	2008
Value Added Tax receivables	12,207	23,408
Prepaid expenses	3,907	7,500
Advances and deposits given	71	122
Other prepaid taxes	9	26
Others	123	123
	<b>16,317</b>	<b>31,179</b>

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

**12. Funds borrowed**

		2009		
		Original Amount ('000)	TRY Equivalent	Interest rate (%)
<b>Short term</b>			<b>148</b>	
Fixed interest	TRY	148	148	-
<b>Medium/Long-term</b>			<b>916,743</b>	
Fixed interest	EUR	7,885	17,033	4.95- 6.19
Floating interest	EUR	296,005	639,460	1.55 - 3.76
	USD	172,844	260,250	1.38 - 5.28
<b>Total</b>			<b>916,891</b>	
		2008		
		Original Amount ('000)	TRY Equivalent	Interest rate (%)
<b>Short term</b>			<b>140</b>	
Fixed interest	TRY	140	140	-
<b>Medium/Long-term</b>			<b>1,200,942</b>	
Fixed interest	EUR	38,077	81,515	3.91 - 7.26
	USD	19,792	29,932	5.60 - 5.87
	TRY	93,250	93,250	20.10 - 22.00
Floating interest	EUR	332,886	712,642	3.52 - 7.43
	USD	187,531	283,603	1.13 - 6.95
<b>Total</b>			<b>1,201,082</b>	

**Finans Finansal Kiralama Anonim Şirketi**

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

Repayments of medium/long-term funds borrowed are as follows:

	2009		2008	
	Fixed rate	Floating rate	Fixed rate	Floating rate
2009	-	-	189,294	613,971
2010	17,033	329,719	15,403	326,193
2011	-	528,053	-	31,630
2012	-	13,854	-	13,747
2013	-	17,282	-	-
2014	-	10,802	-	10,704
<b>Total</b>	<b>17,033</b>	<b>899,710</b>	<b>204,697</b>	<b>996,245</b>

The Company has obtained letters of guarantee amounting to TRY 703 and USD 14 (2008 - TRY 426 and USD 14) and submitted to various legal authorities.

Additionally, the shareholder bank has given letter of comfort for the funds borrowed amounting to EUR 21,488 Thousand and USD 2,714 Thousand (2008 - EUR 32,506 Thousand and USD 3,618 Thousand) and letters of guarantee amounting to TRY 74 (2008 - TRY 85) to customs authorities and courts.

**13. Derivative financial instruments**

The fair value of derivative financial instruments is calculated by using forward exchange rates at the balance sheet date for forward transactions and by using Euribor rates for interest rate swap transactions. In the absence of reliable forward rate estimations in a volatile market, current market rate is considered to be the best estimate of the present value of the forward exchange rates.

The breakdown of derivative financial instruments as of December 31, 2009 and 2008 is as follows:

2009	Fair value assets	Fair value liabilities	Notional amount in TRY equivalent
<b>Derivatives held for trading</b>			
Interest rate swap purchase contracts	314	(1,302)	5,765
<b>Total</b>	<b>314</b>	<b>(1,302)</b>	<b>5,765</b>
2008	Fair value assets	Fair value liabilities	Notional amount in TRY equivalent
<b>Derivatives held for trading</b>			
Forward purchase contracts	49	-	2,300
Interest rate swap purchase contracts	-	(1,022)	5,403
<b>Total</b>	<b>49</b>	<b>(1,022)</b>	<b>7,703</b>

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

### 14. Other liabilities and provisions

	2009	2008
Bonus accrual	2,837	2,500
Unused vacation pay accrual	766	572
Taxes and social security premiums payable	413	340
Others	187	202
<b>Total</b>	<b>4,203</b>	<b>3,614</b>

### 15. Reserve for employee termination benefits

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay, maximum of TRY 2,427.04 in full currency at January 1, 2010 (January 1, 2009 - TRY 2,260.05 in full currency) per year of employment at the rate of pay applicable at the date of retirement or termination. The principal assumption used in the calculation of the total liability is that the maximum liability for each year of service will increase in line with inflation semi-annually.

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

As of December 31, 2009 and 2008 retirement pay liability of the Company is accounted based on the actuarial calculations performed by an independent actuary. IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. The reserve has been calculated by estimating the present value of future probable obligation of the Company arising from the retirement of the employees. Accordingly, the following actuarial assumptions were used in the calculation of the following liability by the independent actuary:

	2009	2008
Inflation rate	4.80%	5.50%
Discount rate	11%	12%
Average future working life	14.40	13.57

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

	2009	2008
Balance at the beginning of the year	412	377
Payments during the year	(20)	(40)
Service cost	64	56
Interest cost	47	26
Amortisation of unrecognised net loss	-	(7)
<b>Balance at the end of the year</b>	<b>503</b>	<b>412</b>

## Finans Finansal Kiralama Anonim Şirketi

### Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

---

#### 16. Income taxes

##### Corporate Tax

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

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

The effective rate of tax 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 are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

##### Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 - 22 July 2006 is 10% and commencing from 23 July 2006, this rate has been changed to 15% upon the Council of Ministers' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

The application of investment incentives is revoked commencing from 1 January 2006. However, companies were allowed to offset their carried forward outstanding allowances as of 31 December 2005 against the 2006, 2007 and 2008's taxable income in cases where they have sufficient taxable profits. After offsetting from the 2008's taxable income, unused investment incentives cannot be carried forward to following years.

Upon the resolution made by the Constitutional Court on 15 October 2009, the legal arrangement made in 2006 which proposes to eliminate the vested rights, was revoked on the basis of being contradictory to the constitution. The related resolution was published in the Official Gazette on 8 January, 2010. Accordingly, time restriction on the usage of the investment incentives as tax deductible item was revoked as of the reporting date.

**Finans Finansal Kiralama Anonim Şirketi**

## Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

The effective tax rate of the Company as of December 31, 2009 is 20% (2008 - 30%).

	2009	2008
<b>Tax Provision</b>		
Current corporate tax provision	(13,346)	-
Less: advance taxes and surcharges	10,144	-
	<b>(3,202)</b>	<b>-</b>
<b>Tax income comprises:</b>		
Current tax charge	(13,346)	-
Deferred tax benefit	27,029	-
	<b>13,683</b>	<b>-</b>

**Deferred Tax**

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

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

No deferred tax asset provided on the unused investment incentive amount as of December 31, 2008, since the carry forward of investment incentives after year 2008 was restricted.

In accordance with the Constitutional Court's resolution published in the Official Gazette on 8 January, 2010, time restriction on the deduction of investment incentives from taxable income was revoked. Accordingly, unused investment incentive amount of the Company will be used as a tax deductible item in the tax computation without any time restriction, with the publishment of the resolution of the Constitutional Court. Therefore, deferred tax asset is computed on unused investment allowances at 20% effective tax rate as of December 31, 2009.

**Finans Finansal Kiralama Anonim Şirketi**

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

The breakdown of deductible and taxable temporary differences as of December 31, 2009 is as follows:

	2009	2008
<b>Deductible temporary differences</b>		
Tax credits of unused investment incentive allowances	24,994	-
Reserve for possible lease receivable losses	5,068	4,010
Bonus accrual	567	500
Expense accruals on derivative transactions	260	204
Unused vacation pay liability	153	115
Employee termination benefit	101	82
	<b>31,143</b>	<b>4,911</b>
<b>Taxable temporary differences</b>		
Leasing income accruals	(3,430)	(3,711)
Accrued interest income on overdue receivables	(550)	(568)
Income accruals on derivative transactions	(63)	(10)
Restatement effect on property, plant and equipment and intangible assets	(55)	(49)
Expense accruals on funds borrowed	(16)	(445)
Accounting of finance leases	-	(128)
	<b>(4,114)</b>	<b>(4,911)</b>
<b>Net deferred tax assets</b>	<b>27,029</b>	<b>-</b>

A reconciliation of income tax applicable to profit from operating activities before income tax at the statutory income tax rate to income tax at the Company's effective income tax rate for the years ended December 31, 2009 and 2008 is as follows:

	2009	2008
Profit from operations before tax	26,586	51,545
Tax at the income tax rate of 20% (2008 - 30%)	(5,317)	(15,464)
Tax effects of:		
-Deferred tax on unused investment incentive	24,994	-
-Revenue that is exempt from taxation	10,452	9,262
-Expenses that are not deductible in determining taxable profit	(18,076)	(14,867)
-Investment incentives used	-	19,674
-Other	1,630	1,395
<b>Income tax</b>	<b>13,683</b>	<b>-</b>

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

### 17. Share capital

	2009	2008
Number of common shares (authorized, issued and outstanding) 0.01 TRY par value	11,500,000,000	10,500,000,000

The Company increased its share capital by distributing bonus shares amounting to TRY 10,000 in accordance with the resolution of General Assembly held at March 31, 2009. The capital increase is registered on July 2, 2009.

The movement of the share capital (in numbers and in historical TRY) of the Company during 2009 and 2008 is as follows:

	2009		2008	
	Number	TRY	Number	TRY
At January 1	10,500,000,000	105,000	7,500,000,000	75,000
Shares issued in:				
- transfer from statutory retained earnings	1,000,000,000	10,000	2,589,300,000	25,893
- transfer from inflation adjustment to share capital	-	-	410,700,000	4,107
<b>At December 31</b>	<b>11,500,000,000</b>	<b>115,000</b>	<b>10,500,000,000</b>	<b>105,000</b>

As of December 31, 2009 and 2008, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	2009		2008	
	Amount	%	Amount	%
Finansbank A.Ş.	58,715	51.06	53,609	51.06
Finans Yatırım Menkul Değerler A.Ş.	9,444	8.21	8,623	8.21
Publicly traded	46,841	40.73	42,768	40.73
<b>Total in historical TRY</b>	<b>115,000</b>	<b>100.00</b>	<b>105,000</b>	<b>100.00</b>
Restatement effect	44,353		44,353	
<b>Total</b>	<b>159,353</b>		<b>149,353</b>	

### 18. Legal reserves and retained earnings

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted.



## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

The statutory accumulated profits and statutory current year profit are available for distribution, subject to the reserve requirements referred to above and the Capital Markets Board regulations regarding profit distribution.

### Dividends

Public companies pay dividends according to the Capital Markets Board Standards as explained below:

In accordance with the Capital Markets Board's (the "Board") Decree issued as of 27 January 2010, in relation to the profit distribution of earnings derived from the operations in 2009, minimum profit distribution is not required for listed companies (31 December 2008: 20%), and accordingly, profit distribution should be made based on the requirements set out in the Board's Communiqué Serial:IV, No: 27 "Principles of Dividend Advance Distribution of Companies That Are Subject To The Capital Markets Board Regulations", terms of articles of corporations and profit distribution policies publicly disclosed by the companies.

### 19. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and revaluation surplus. For the purpose of the EPS calculation, such Bonus Share issues are regarded as stock dividends. Dividend payments, which are immediately reinvested in the shares of the Company, are regarded similarly. Accordingly, the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares without consideration through December 31, 2009.

According to the General Assembly held on March 31, 2009, the Company has increased its share capital by distributing bonus shares amounting to TRY 10,000.

The following reflects the income and share data used in the basic earnings per share computations:

	2009	2008
Net profit attributable to ordinary equity holders of the parent for basic earnings per share	40,269	51,545
Weighted average number of ordinary shares for basic earnings per share (0,01 TRY par value)	11,500,000,000	11,500,000,000
Basic earnings per 1 TRY share	0.350	0.448

Capital increase is financed through internal sources and prior year earnings per share figure is revised by using the number of shares subsequent to the capital increase.

### 20. Related party transactions

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 operating decisions. The Company is controlled by Finansbank A.Ş., which owns 51.06% (2008 - 51.06%) of ordinary shares. The ultimate owner of the Company is NBG. For the purpose of these financial statements, associates, shareholders and 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.

**Finans Finansal Kiralama Anonim Şirketi****Notes to the Financial Statements as of and for the Year Ended December 31, 2009**

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

**(a) Balances outstanding and other transactions with the shareholder bank:**

	2009	2008
<b>Balances outstanding</b>		
Cash and cash equivalents	259,664	2,173
Finance lease receivables	4,957	23,528
Funds borrowed	-	1,138
Advances from customers	17	26
Fair value gain on derivative transactions	-	49
<b>Transactions</b>		
Income from finance leases	1,320	2,159
Interest income on bank deposits	5,983	162
Interest expense	174	162
Commissions paid	72	325
Rent expense	106	90
Gain on derivative transactions	-	52
Loss on derivative transactions	68	-

Additionally, the shareholder bank has given letter of comfort for the funds borrowed amounting to EUR 21,488 Thousand and USD 2,714 Thousand (2008 - EUR 32,506 Thousand and USD 3,618 Thousand) and letters of guarantee amounting to TRY 74 (2008 - TRY 85) to customs authorities and courts.

**(b) Balances outstanding and other transactions with NBG:**

	2009	2008
<b>Balances outstanding</b>		
Funds borrowed	782,687	691,721
<b>Transactions</b>		
Interest expense	28,392	25,933

**Finans Finansal Kiralama Anonim Şirketi**

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

**(c) Balances outstanding and other transactions with other related parties:**

	2009	2008
<b>Balances Outstanding</b>		
Cash and cash equivalents	53,124	241,291
Finance lease receivables	646	1,318
Advances from customers	3	3
Trade payables and other liabilities	2,273	2,400
Fair value gain on derivative transactions	314	-
Fair value loss on derivative transactions	1,302	1,022
<b>Transactions</b>		
Income from finance leases	98	194
Interest income on bank deposits	11,608	9,011
Rent expense	659	347
Insurance agency commission income	1,268	1,779
Loss on derivative transactions	269	1,022

(d) In 2009, compensation of the key management personnel of the Company amounted to TRY 1,946 (2008 - TRY 2,107).

**21. Finance (expenses)/income**

The breakdown of finance expenses and finance income is as follows:

	2009	2008
<b>Finance income</b>		
Foreign exchange gains	300,834	560,772
Interest income on bank deposits and reverse repo agreements	23,013	15,124
Income on derivative transactions	416	59
	<b>324,263</b>	<b>575,955</b>
<b>Finance expenses</b>		
Foreign exchange losses	(300,292)	(557,070)
Interest expenses on funds borrowed	(49,101)	(70,626)
Expenses on derivative transactions	(651)	(1,029)
	<b>(350,044)</b>	<b>(628,725)</b>
<b>Net finance expenses</b>	<b>(25,781)</b>	<b>(52,770)</b>

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

**22. General & administrative expenses and Salaries & employee benefits**

	2009	2008
Expenses originating from leasing transactions	5,002	7,012
Rent expenses	1,548	1,111
Audit and consultancy fees	607	543
Travel expenses	452	553
Taxes and duties other than on income	300	428
Communication expenses	352	443
Other administrative expenses	2,304	1,232
<b>Total general and administrative expenses</b>	<b>10,565</b>	<b>11,322</b>
	2009	2008
<b>Staff costs</b>		
Wages and salaries	8,116	7,622
Bonuses	2,500	2,547
Provision for unused vacation pay liability	209	172
Provision for employee termination benefits	111	75
Other fringe benefits	888	826
	<b>11,824</b>	<b>11,242</b>
<b>Defined contribution share</b>		
Social security premiums – employer share	930	1,064
	<b>930</b>	<b>1,064</b>
<b>Total salaries and employee benefits</b>	<b>12,754</b>	<b>12,306</b>

**23. Other operating income/(expenses)**

The breakdown of other operating income and other operating expense is as follows:

	2009	2008
Income from sale of tangible assets and assets acquired through foreclosure proceedings	4,311	3,596
Insurance commission income	1,268	1,787
Unpaid bonus reversal related to 2008 performance	1,144	-
Miscellaneous income	1,010	845
<b>Total other operating income</b>	<b>7,733</b>	<b>6,228</b>
Miscellaneous expenses (*)	(3,299)	(3,290)
<b>Total other operating expenses</b>	<b>(3,299)</b>	<b>(3,290)</b>
<b>Total other operating income (net)</b>	<b>4,434</b>	<b>2,938</b>

(\*) Miscellaneous expenses are comprised of write offs and loss on sales to third parties.

**Finans Finansal Kiralama Anonim Şirketi**

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

**24. Financial risk management****Capital risk management**

The Company manages its capital by achieving the continuity of its operations while maximizing the return to stakeholders through the optimization of the debt and the equity balance.

As of December 31, 2009 and 2008, the leverage ratios are as follows:

	2009	2008
Total borrowings	980,436	1,251,161
Less: Cash and cash equivalents	(333,351)	(243,834)
Net liabilities	647,085	1,007,327
Total shareholders' equity	352,127	311,858
Shareholders' equity/liabilities	54.42%	30.96%

According to the credit opinion of the Company issued by Moody's Investors Service, as of September 7, 2009, the foreign currency issuer rating of the Company is Ba1 and the outlook is stable.

**Financial instruments:**

	2009	2008
<b>Financial assets</b>		
- Cash equivalents	333,351	243,834
- Finance lease receivables	963,787	1,291,871
- Available for sale investments	61	61
- Derivatives	314	49
<b>Financial liabilities</b>		
- Funds borrowed	916,891	1,201,082
- Trade payables	53,847	41,390
- Advances from customers	9,698	8,689
- Derivatives	1,302	1,022

**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.

**Finans Finansal Kiralama Anonim Şirketi**

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

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

The concentration of the Company's net finance lease receivables to industry groups is as follows:

	2009	2008
Building and Construction	15.4%	16.4%
Textile	14.7%	14.2%
Manufacturing	12.9%	12.3%
Health and Social Activities	11.3%	11.1%
Agriculture, Hunting and Forestry	9.9%	11.5%
Transportation, Storage and Comm.	6.7%	6.4%
Metal	6.5%	5.3%
Mining and Quarrying	6.2%	6.0%
Food	4.4%	3.4%
Printing	4.1%	3.7%
Services	3.1%	3.6%
Wood and Wood product	1.3%	1.1%
Chemical	1.2%	1.2%
Financial Institutions	0.9%	2.2%
Other	1.4%	1.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

The breakdown of finance lease receivables is as follows:

	2009	2008
Neither past due nor impaired	777,898	947,110
Past due but not impaired	154,412	313,435
Individually impaired	91,809	51,376
Reserve for impairment	(60,332)	(20,050)
<b>Total</b>	<b>963,787</b>	<b>1,291,871</b>

## Finans Finansal Kiralama Anonim Şirketi

## Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

As of December 31, 2009 and 2008 internal rating results for the neither past due nor impaired finance lease receivables are as follows:

	2009	2008
Debtor has a strong financial structure	3.9%	3.9%
Debtor has a good financial structure	26.5%	37.2%
Debtor has a medium financial structure	59.6%	53.2%
Debtor has a financial structure which needs attention in medium term	10.0%	5.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

As of December 31, 2009 and 2008 aging of past due but not impaired finance lease receivables is as follows:

2009	Invoiced and Accrued Amounts	Outstanding Principal
Between 1-30 days	7,345	46,885
Between 1-3 months	10,707	35,503
Between 3-12 months	11,539	22,520
Between 1-5 years	15,643	4,270
<b>Total</b>	<b>45,234</b>	<b>109,178</b>

2008	Invoiced and Accrued Amounts	Outstanding Principal
Between 1-30 days	11,666	135,274
Between 1-3 months	15,871	93,266
Between 3-12 months	14,280	31,911
Between 1-5 years	7,865	3,302
<b>Total</b>	<b>49,682</b>	<b>263,753</b>

As of December 31, 2009 and 2008 the guarantees received for the finance lease receivables are as follows:

	2009		2008	
	Nominal Value (*)	Fair Value (*)	Nominal Value (*)	Fair Value (*)
Mortgages	762,272	297,379	679,312	263,033
Assignment of receivables	37,613	37,613	34,522	34,522
Pledges	13,499	9,386	13,159	12,065
Cash blockages	3,195	3,195	4,539	4,539
Transferral of cheques received	650	650	880	880
Letters of guarantee	174	174	214	214
	<b>817,403</b>	<b>348,397</b>	<b>732,626</b>	<b>315,253</b>

(\*) Leased assets are not included in the collateral amounts stated above.

## Finans Finansal Kiralama Anonim Şirketi

## Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

**Liquidity Risk**

Liquidity risk is defined as the risk that the Company will be unable to meet its cash requirements as a result of a change in cash flows. The Company monitors its cash flows on a daily basis. The Company manages this risk by diversifying its funding resources and by conducting its assets in liquidity priority. The table below analyses assets and liabilities of the Company into relevant maturity groupings based on the remaining period at balance sheet date to contractual maturity date.

ASSETS	2009					Unallocated	Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year		
Cash and cash equivalents	302,537	30,814	-	-	-	-	333,351
Finance lease receivables (*)	50,001	64,220	94,679	176,161	449,291	129,435	963,787
Available for sale investments	-	-	-	-	-	61	61
Derivative financial instruments	(25)	(37)	(36)	(53)	465	-	314
Property, plant and equipment	-	-	-	-	-	402	402
Intangible assets	-	-	-	-	-	512	512
Other assets	2,725	5,042	6,041	817	1,569	123	16,317
Deferred tax assets	-	-	-	-	-	27,029	27,029
<b>Total assets</b>	<b>355,238</b>	<b>100,039</b>	<b>100,684</b>	<b>176,925</b>	<b>451,325</b>	<b>157,562</b>	<b>1,341,773</b>
<b>LIABILITIES</b>							
Funds borrowed	63,469	52,927	104,324	126,180	569,991	-	916,891
Trade payables (**)	8,411	-	-	-	-	45,436	53,847
Advances from customers	9,698	-	-	-	-	-	9,698
Current income tax	-	3,202	-	-	-	-	3,202
Derivative financial instruments	421	-	-	359	522	-	1,302
Other liabilities and provisions	477	-	2,837	766	-	123	4,203
Reserve for employee termination benefits	-	-	-	-	503	-	503
Equity	-	-	-	-	-	352,127	352,127
<b>Total liabilities</b>	<b>82,476</b>	<b>56,129</b>	<b>107,161</b>	<b>127,305</b>	<b>571,016</b>	<b>397,686</b>	<b>1,341,773</b>
<b>Net liquidity gap</b>	<b>272,762</b>	<b>43,910</b>	<b>(6,477)</b>	<b>49,620</b>	<b>(119,691)</b>	<b>(240,124)</b>	<b>-</b>

(\*) The unallocated portion of finance lease receivables, consists of equipment to be leased, advances given related with finance leases (whose payment plans are not finalized yet) and invoiced overdue leasing receivables.

(\*\*) The unallocated portion of trade payables consists of letters of credit accruals whose payment terms are not finalized yet.



## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

ASSETS	2008					Unallocated	Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year		
Cash and cash equivalents	243,834	-	-	-	-	-	243,834
Finance lease receivables (*)	58,699	76,898	111,522	222,371	723,732	98,649	1,291,871
Available for sale investments	-	-	-	-	-	61	61
Derivative financial instruments	-	-	49	-	-	-	49
Property, plant and equipment	-	-	-	-	-	560	560
Intangible assets	-	-	-	-	-	513	513
Other assets	2,646	4,757	7,055	13,581	3,017	123	31,179
<b>Total assets</b>	<b>305,179</b>	<b>81,655</b>	<b>118,626</b>	<b>235,952</b>	<b>726,749</b>	<b>99,906</b>	<b>1,568,067</b>
<b>LIABILITIES</b>							
Funds borrowed	48,138	110,994	244,599	399,674	397,677	-	1,201,082
Trade payables (**)	7,291	531	1,994	5,320	-	26,254	41,390
Advances from customers	8,689	-	-	-	-	-	8,689
Derivative financial instruments	1	-	-	261	760	-	1,022
Other liabilities and provisions	412	-	2,500	572	-	130	3,614
Reserve for employee termination benefits	-	-	-	-	412	-	412
Equity	-	-	-	-	-	311,858	311,858
<b>Total liabilities</b>	<b>64,531</b>	<b>111,525</b>	<b>249,093</b>	<b>405,827</b>	<b>398,849</b>	<b>338,242</b>	<b>1,568,067</b>
<b>Net liquidity gap</b>	<b>240,648</b>	<b>(29,870)</b>	<b>(130,467)</b>	<b>(169,875)</b>	<b>327,900</b>	<b>(238,336)</b>	<b>-</b>

(\*) The unallocated portion of finance lease receivables, consists of equipment to be leased, advances given related with finance leases (whose payment plans are not finalized yet) and invoiced overdue leasing receivables.

(\*\*) The unallocated portion of trade payables consists of letters of credit accruals whose payment terms are not finalized yet.

## Finans Finansal Kiralama Anonim Şirketi

## Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

The table below analyses assets and liabilities of the Company into relevant maturity groupings based on the remaining period at balance sheet date to discounted contractual maturity date.

ASSETS	2009					Unallocated	Adjustments	Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year			
Cash and cash equivalents	302,966	31,019	-	-	-	-	(634)	333,351
Finance lease receivables (*)	42,229	79,071	113,951	208,422	502,798	129,759	(112,443)	963,787
Available for sale investments	-	-	-	-	-	61	-	61
Derivative financial instruments	(25)	(37)	(36)	(53)	465	-	-	314
Property, plant and equipment	-	-	-	-	-	402	-	402
Intangible assets	-	-	-	-	-	512	-	512
Other assets	2,725	5,042	6,041	817	1,569	123	-	16,317
Deferred tax assets	-	-	-	-	-	27,029	-	27,029
<b>Total assets</b>	<b>347,895</b>	<b>115,095</b>	<b>119,956</b>	<b>209,186</b>	<b>504,832</b>	<b>157,886</b>	<b>(113,077)</b>	<b>1,341,773</b>
<b>LIABILITIES</b>								
Funds borrowed	62,354	57,403	109,489	134,996	580,343	-	(27,694)	916,891
Trade payables (**)	8,411	-	-	-	-	45,436	-	53,847
Advances from customers	9,698	-	-	-	-	-	-	9,698
Current income tax	-	3,202	-	-	-	-	-	3,202
Derivative financial instruments	421	-	-	359	522	-	-	1,302
Other liabilities and provisions	477	-	2,837	766	-	123	-	4,203
Reserve for employee termination benefits	-	-	-	-	503	-	-	503
Equity	-	-	-	-	-	352,127	-	352,127
<b>Total liabilities</b>	<b>81,361</b>	<b>60,605</b>	<b>112,326</b>	<b>136,121</b>	<b>581,368</b>	<b>397,686</b>	<b>(27,694)</b>	<b>1,341,773</b>
<b>Net liquidity gap</b>	<b>266,534</b>	<b>54,490</b>	<b>7,630</b>	<b>73,065</b>	<b>(76,536)</b>	<b>(239,800)</b>	<b>(85,383)</b>	

(\*) The unallocated portion of finance lease receivables, consists of equipment to be leased, advances given related with finance leases (whose payment plans are not finalized yet) and invoiced overdue leasing receivables.

(\*\*) The unallocated portion of trade payables consists of letters of credit accruals whose payment terms are not finalized yet

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

ASSETS	2008					Unallocated	Adjustments	Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year			
Cash and cash equivalents	245,629	-	-	-	-	-	(1,795)	243,834
Finance lease receivables (*)	51,961	96,568	138,370	270,897	831,097	98,973	(195,995)	1,291,871
Available for sale investments	-	-	-	-	-	61	-	61
Derivative financial instruments	-	-	49	-	-	-	-	49
Property, plant and equipment	-	-	-	-	-	560	-	560
Intangible assets	-	-	-	-	-	513	-	513
Other assets	2,646	4,757	7,055	13,581	3,017	123	-	31,179
<b>Total assets</b>	<b>300,236</b>	<b>101,325</b>	<b>145,474</b>	<b>284,478</b>	<b>834,114</b>	<b>100,230</b>	<b>(197,790)</b>	<b>1,568,067</b>
<b>LIABILITIES</b>								
Funds borrowed	13,728	128,738	277,453	426,778	422,701	-	(68,316)	1,201,082
Trade payables (**)	7,291	531	1,994	5,320	-	26,254	-	41,390
Advances from customers	8,689	-	-	-	-	-	-	8,689
Derivative financial instruments	1	-	-	261	760	-	-	1,022
Other liabilities and provisions	412	-	2,500	572	-	130	-	3,614
Reserve for employee termination benefits	-	-	-	-	412	-	-	412
Equity	-	-	-	-	-	311,858	-	311,858
<b>Total liabilities</b>	<b>30,121</b>	<b>129,269</b>	<b>281,947</b>	<b>432,931</b>	<b>423,873</b>	<b>338,242</b>	<b>(68,316)</b>	<b>1,568,067</b>
<b>Net liquidity gap</b>	<b>270,115</b>	<b>(27,944)</b>	<b>(136,473)</b>	<b>(148,453)</b>	<b>410,241</b>	<b>(238,012)</b>	<b>(129,474)</b>	<b>-</b>

(\*) The unallocated portion of finance lease receivables, consists of equipment to be leased, advances given related with finance leases (whose payment plans are not finalized yet) and invoiced overdue leasing receivables.

(\*\*) The unallocated portion of trade payables consists of letters of credit accruals whose payment terms are not finalized yet

## Finans Finansal Kiralama Anonim Şirketi

## Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

**Currency Risk**

Foreign currency denominated assets and liabilities together with purchase and sale commitments give risk to foreign exchange exposure. The Company's policy is to match cash flows arising from highly probable future sales and purchases in each foreign currency.

The concentrations of assets, liabilities and off balance sheet items:

ASSETS	2009						Total
	TRY	USD	Euro	CHF	Japanese Yen	Others	
Cash and cash equivalents	192,823	24,006	116,156	262	100	4	333,351
Finance lease receivables	146,448	246,500	563,447	7,272	120	-	963,787
Available for sale investments	61	-	-	-	-	-	61
Derivative financial instruments	-	-	314	-	-	-	314
Property, plant and equipment	402	-	-	-	-	-	402
Intangible assets	512	-	-	-	-	-	512
Other assets	15,976	21	320	-	-	-	16,317
Deferred tax assets	27,029	-	-	-	-	-	27,029
<b>Total assets</b>	<b>383,251</b>	<b>270,527</b>	<b>680,237</b>	<b>7,534</b>	<b>220</b>	<b>4</b>	<b>1,341,773</b>
<b>LIABILITIES</b>							
Funds borrowed	148	260,250	656,493	-	-	-	916,891
Trade payables	3,912	4,555	39,924	5,456	-	-	53,847
Advances from customers	3,754	924	5,020	-	-	-	9,698
Current income tax	3,202	-	-	-	-	-	3,202
Derivative financial instruments	-	-	1,302	-	-	-	1,302
Other liabilities and provisions	4,203	-	-	-	-	-	4,203
Reserve for employee termination benefits	503	-	-	-	-	-	503
Equity	352,127	-	-	-	-	-	352,127
<b>Total liabilities</b>	<b>367,849</b>	<b>265,729</b>	<b>702,739</b>	<b>5,456</b>	<b>-</b>	<b>-</b>	<b>1,341,773</b>
<b>Net balance sheet position</b>	<b>15,402</b>	<b>4,798</b>	<b>(22,502)</b>	<b>2,078</b>	<b>220</b>	<b>4</b>	<b>-</b>
<b>Net off balance sheet position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position</b>	<b>15,402</b>	<b>4,798</b>	<b>(22,502)</b>	<b>2,078</b>	<b>220</b>	<b>4</b>	<b>-</b>

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

ASSETS	2008						Total
	TRY	USD	Euro	CHF	Japanese Yen	Others	
Cash and cash equivalents	146,051	14,582	83,092	79	28	2	243,834
Finance lease receivables	240,661	311,166	727,596	12,171	277	-	1,291,871
Available for sale investments	61	-	-	-	-	-	61
Derivative financial instruments	-	-	49	-	-	-	49
Property, plant and equipment	560	-	-	-	-	-	560
Intangible assets	513	-	-	-	-	-	513
Other assets	30,895	22	261	-	-	1	31,179
<b>Total assets</b>	<b>418,741</b>	<b>325,770</b>	<b>810,998</b>	<b>12,250</b>	<b>305</b>	<b>3</b>	<b>1,568,067</b>
<b>LIABILITIES</b>							
Funds borrowed	93,390	313,535	794,157	-	-	-	1,201,082
Trade payables	1,462	3,446	23,979	8,366	4,137	-	41,390
Advances from customers	3,038	943	4,708	-	-	-	8,689
Derivative financial instruments	-	-	1,022	-	-	-	1,022
Other liabilities and provisions	3,614	-	-	-	-	-	3,614
Reserve for employee termination benefits	412	-	-	-	-	-	412
Equity	311,858	-	-	-	-	-	311,858
<b>Total liabilities</b>	<b>413,774</b>	<b>317,924</b>	<b>823,866</b>	<b>8,366</b>	<b>4,137</b>	<b>-</b>	<b>1,568,067</b>
<b>Net balance sheet position</b>	<b>4,967</b>	<b>7,846</b>	<b>(12,868)</b>	<b>3,884</b>	<b>(3,832)</b>	<b>3</b>	<b>-</b>
<b>Net off balance sheet position</b>	<b>(1,149)</b>	<b>-</b>	<b>1,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Net position</b>	<b>3,818</b>	<b>7,846</b>	<b>(11,717)</b>	<b>3,884</b>	<b>(3,832)</b>	<b>3</b>	<b>2</b>

## Finans Finansal Kiralama Anonim Şirketi

## Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

**Interest Rate Risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the fair 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 monetary assets and liabilities that mature or reprice in a given period. The asset/liability committee manages this risk which occurs from the position of the company and from the volatility of the interest rates. The company realizes derivative transactions in order to limit the risk. The table below summarizes the Company's exposure to interest rate risk on the basis of the remaining period at the balance sheet date to the repricing or contractual dates whichever is earlier.

ASSETS	2009					Non interest bearing	Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year		
Cash and cash equivalents	302,537	30,814	-	-	-	-	333,351
Finance lease receivables	162,842	69,907	100,682	168,647	398,214	63,495	963,787
Available for sale investments	-	-	-	-	-	61	61
Derivative financial instruments	314	-	-	-	-	-	314
Property, plant and equipment	-	-	-	-	-	402	402
Intangible assets	-	-	-	-	-	512	512
Other assets	-	-	-	-	-	16,317	16,317
Deferred tax assets	-	-	-	-	-	27,029	27,029
<b>Total assets</b>	<b>465,693</b>	<b>100,721</b>	<b>100,682</b>	<b>168,647</b>	<b>398,214</b>	<b>107,816</b>	<b>1,341,773</b>
<b>LIABILITIES</b>							
Funds borrowed	816,170	72,181	13,270	15,122	-	148	916,891
Trade payables	-	-	-	-	-	53,847	53,847
Advances from customers	-	-	-	-	-	9,698	9,698
Current income tax	-	-	-	-	-	3,202	3,202
Derivative financial instruments	1,302	-	-	-	-	-	1,302
Other liabilities and provisions	-	-	-	-	-	4,203	4,203
Reserve for employee termination benefits	-	-	-	-	-	503	503
Equity	-	-	-	-	-	352,127	352,127
<b>Total liabilities</b>	<b>817,472</b>	<b>72,181</b>	<b>13,270</b>	<b>15,122</b>	<b>-</b>	<b>423,728</b>	<b>1,341,773</b>
<b>Interest sensitivity gap</b>	<b>(351,779)</b>	<b>28,540</b>	<b>87,412</b>	<b>153,525</b>	<b>398,214</b>	<b>(315,912)</b>	<b>-</b>
<b>Off balance sheet gap</b>	<b>(971)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(971)</b>
<b>Total interest sensitivity gap</b>	<b>(352,750)</b>	<b>28,540</b>	<b>87,412</b>	<b>153,525</b>	<b>398,214</b>	<b>(315,912)</b>	<b>(971)</b>

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

ASSETS	2008					Non interest bearing	Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year		
Cash and cash equivalents	243,834	-	-	-	-	-	243,834
Finance lease receivables	160,136	76,451	111,051	227,180	675,912	41,141	1,291,871
Available for sale investments	-	-	-	-	-	61	61
Derivative financial instruments	-	-	49	-	-	-	49
Property, plant and equipment	-	-	-	-	-	560	560
Intangible assets	-	-	-	-	-	513	513
Other assets	-	-	-	-	-	31,179	31,179
<b>Total assets</b>	<b>403,970</b>	<b>76,451</b>	<b>111,100</b>	<b>227,180</b>	<b>675,912</b>	<b>73,454</b>	<b>1,568,067</b>
<b>LIABILITIES</b>							
Funds borrowed	352,410	250,981	186,404	395,744	15,403	140	1,201,082
Trade payables	-	-	-	-	-	41,390	41,390
Advances from customers	-	-	-	-	-	8,689	8,689
Derivative financial instruments	1,022	-	-	-	-	-	1,022
Other liabilities and provisions	-	-	-	-	-	3,614	3,614
Reserve for employee termination benefits	-	-	-	-	-	412	412
Equity	-	-	-	-	-	311,858	311,858
<b>Total liabilities</b>	<b>353,432</b>	<b>250,981</b>	<b>186,404</b>	<b>395,744</b>	<b>15,403</b>	<b>366,103</b>	<b>1,568,067</b>
<b>Interest sensitivity gap</b>	<b>50,538</b>	<b>(174,530)</b>	<b>(75,304)</b>	<b>(168,564)</b>	<b>660,509</b>	<b>(292,649)</b>	<b>-</b>
<b>Off balance sheet gap</b>	<b>(1,071)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,071)</b>
<b>Total interest sensitivity gap</b>	<b>49,467</b>	<b>(174,530)</b>	<b>(75,304)</b>	<b>(168,564)</b>	<b>660,509</b>	<b>(292,649)</b>	<b>(1,071)</b>

## Finans Finansal Kiralama Anonim Şirketi

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency – Thousands of Turkish Lira (TRY) unless otherwise stated)

### Interest Rate Sensitivity

Company's interest rate sensitive financial assets and liabilities are as follows:

	2009	2008
<b>Financial instruments with fixed interest rate</b>		
Financial assets		
- Banks	333,323	243,809
- Finance lease receivables (*)	839,195	1,182,026
Financial liabilities		
- Funds borrowed	17,181	204,837
<b>Financial instruments with floating interest rate</b>		
Financial assets		
- Finance lease receivables (*)	69,272	69,881
Financial liabilities		
- Funds borrowed	899,710	996,245

(\*) Finance lease receivables, is before reserve for collective impairment and does not include equipment to be leased and advances given related with finance leases.

The interest rate sensitivity analysis is based on interest rate risk as of the balance sheet date and estimated interest rate fluctuations at the beginning of the fiscal year. The Company realized its sensitivity analysis based on 100 base points interest rate fluctuation scenario.

In the case of interest rates being 100 base points higher at balance sheet date and holding all other variables fixed:

- Interest income from floating interest rate finance lease contracts would increase by TRY 672 (2008 – TRY 679).
- Interest expense from floating interest rate borrowings would increase by TRY 8,979 (2008 – TRY 9,834).

### Foreign Currency Sensitivity

The Company is mainly exposed to USD and EURO exchange rate risks. The statement below shows the sensitivity of the Company to USD and EURO when a 10% increase occurs at those currencies' exchange rates. Foreign currency sensitivity analysis for the reporting period of the Company is determined based on the change at the beginning of the fiscal year and fixed during the reporting period.

Positive amount refers to increase in net profit.

	USD Effect		EURO Effect	
	2009	2008	2009	2008
Profit/(Loss)	480	785	(2,250)	(1,172)



**Finans Finansal Kiralama Anonim Şirketi**

Notes to the Financial Statements as of and for the Year Ended December 31, 2009

(Currency - Thousands of Turkish Lira (TRY) unless otherwise stated)

**Fair value of financial instruments**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

2009	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVTPL</b>				
Derivative financial instruments	-	314	-	314
Available for sale investments	-	61	-	61
	-	375	-	375
<b>Financial liabilities at FVTPL</b>				
Derivative financial instruments	-	1,302	-	1,302
	-	1,302	-	1,302
<b>2008</b>				
	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVTPL</b>				
Derivative financial instruments	-	49	-	49
Available for sale investments	-	61	-	61
	-	110	-	110
<b>Financial liabilities at FVTPL</b>				
Derivative financial instruments	-	1,022	-	1,022
	-	1,022	-	1,022

There are no transfers between the levels during the year.

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data.

**25. Subsequent Events**

According to the General Assembly held on March 31, 2010, the Company has resolved to retain the profit of the year 2009 as retained earnings after appropriating legal reserve.

## Finans Finansal Kiralama Anonim Şirketi Shareholders' Information

Finans Leasing shares are listed on the İstanbul Stock Exchange ("ISE") under the symbol "FFKRL" and in the newspapers as "Finans Finansal K."

### Market Price per Share by Quarter

2008	Q1	Q2	Q3	Q4
High	TRY 2.30	TRY 2.33	TRY 3.10	TRY 1.78
Low	TRY 0.94	TRY 0.96	TRY 1.84	TRY 0.85
2009	Q1	Q2	Q3	Q4
High	TRY 1.20	TRY 1.69	TRY 1.89	TRY 2.05
Low	TRY 0.99	TRY 1.06	TRY 1.52	TRY 1.68

Effect of share capital increases and dividend payments are adjusted on market price per share retroactively.

### Investor Relations

Our annual report and interim reports are available without charge upon request to our following address:

Finans Leasing  
Nispetiye Caddesi Akmerkez B Kulesi Kat: 10  
Etiler 34620 İstanbul-Turkey

### Annual Meeting

The annual meeting of shareholders of Finans Leasing will be held on 31 March 2010.

### Stockbrokers

Finans Yatırım A.Ş.  
Nispetiye Caddesi Akmerkez B Kulesi Kat: 2  
Etiler 34620 İstanbul-Turkey  
Phone: (90 212) 282 1700  
Fax: (90 212) 282 2250

### Auditors

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
Sun Plaza No.24 34398 Maslak  
İstanbul-Turkey  
Phone: (90 212) 317 74 00  
Fax: (90 212) 317 73 00

### Tax Consultants

Yetkin Yeminli Mali Müşavirlik A.Ş.  
Büyükdere Cad. Yapı ve Kredi Plaza C Blok K: 5  
Levent-İstanbul  
Phone: ( 90 212 ) 317 74 50  
Fax : (90 212) 317 73 50

# Company Directory

	Phone	Fax
<b>Head Office</b> Nispetiye Caddesi Akmerkez B Kulesi Kat: 10 Etiler 34620 İstanbul	(90 212) 349 11 11	(90 212) 350 60 00
<b>Branches</b>		
<b>Atatürk Airport Branch</b> Atatürk Havalimanı Serbest Bölgesi 2. Kısım A Blok No: 443 Yeşilköy İstanbul	(90 212) 465 08 48	(90 212) 465 00 10
<b>Representative Offices</b>		
<b>Adana Representative Office</b> Atatürk Cad. Kemal Özülcü İş Hanı No: 7 Kat: 15 Seyhan Adana	(90 322) 457 32 54	(90 322) 457 79 58
<b>Ankara Representative Office</b> Atatürk Bulv. No: 140 Kavaklıdere Ankara	(90 312) 457 12 21	(90 312) 457 12 91
<b>Antalya Representative Office</b> Mehmetçik Mah. Aspendos Bulvarı Çetin İş Merkezi No: 77/2 Merkez Antalya	(90 242) 311 18 41	(90 242) 311 18 40
<b>Balıkesir Representative Office</b> Dumlupınar Mah. Anafartalar Cad. No: 30/A Balıkesir	(90 266) 245 15 73	(90 266) 245 15 78
<b>Bursa Representative Office</b> Davutdede Mah. Ankara Cad. No: 102 Kat: 1 Yıldırım Bursa	(90 224) 362 84 70	(90 224) 363 01 23
<b>Denizli Representative Office</b> İzmir Asfaltı Üzeri Bakırlı Mevkii No: 365 Denizli	(90 258) 371 87 41	(90 258) 371 33 59
<b>Diyarbakır Representative Office</b> Kantar Kavşağı Güntaş Apt. No: 117 Kayapınar Diyarbakır	(90 412) 252 47 52	(90 412) 252 47 53
<b>Eskişehir Representative Office</b> S.S. Emko Organize Sanayi A1 Blok No: 1 Eskişehir	(90 222) 228 19 87	(90 222) 228 19 78
<b>Gaziantep Representative Office</b> İncilipınar Mah. 3 Nolu Cad. Bayel İş Merkezi B Blok Kat: 1 No: 101 Şehitkamil Gaziantep	(90 342) 232 11 51	(90 342) 230 46 35
<b>İstanbul-Dudullu Representative Office</b> Esenşehir Mah. Des Sanayi Sitesi A Blok 2 Yukarı Dudullu, Ümraniye İstanbul	(90 216) 526 14 10	(90 216) 350 60 11
<b>İstanbul-İkitelli Representative Office</b> Karaçalık Mevkii İmsan Küçük Sanayi Sitesi E Blok No: 14 İkitelli İstanbul	(90 212) 471 30 33	(90 212) 350 60 12
<b>İzmir Representative Office</b> Şehir Nevres Bulv. No: 8/1 Monrö İzmir	(90 232) 488 11 78	(90 232) 488 11 84
<b>Kahramanmaraş Representative Office</b> Egemenlik Mah. Doğu Çevre Yolu İş Merkezi No: 2 Kahramanmaraş	(90 344) 235 33 35	(90 212) 350 60 47
<b>Kayseri Representative Office</b> Osman Kavuncu Cad. No: 227 Melikgazi Kayseri	(90 352) 332 24 66	(90 352) 332 24 67
<b>Kocaeli-Gebze Representative Office</b> Osman Yılmaz Mah. İstanbul Cad. No: 52/A Gebze Kocaeli	(90 262) 642 21 73	(90 212) 350 60 49
<b>Kocaeli-İzmit Representative Office</b> 5 Karayolu Üzeri Toyota Kaya Plaza Kat: 1 İzmit Kocaeli	(90 262) 335 17 80	(90 262) 335 17 89
<b>Konya Representative Office</b> Musalla Bağları Mah. Nalçacı Cad. Sonu No: 118 Selçuklu Konya	(90 332) 238 40 29	(90 332) 238 40 31
<b>Samsun Representative Office</b> 19 Mayıs Bulv. Ulugazi Mah. İstiklal Cad. No: 30/B Samsun	(90 362) 435 46 25	(90 362) 435 26 45
<b>NBG Group Leasing Companies</b>		
<b>Ethniki Leasing</b> Athens-Greece	(30 210) 5158 060-3	
<b>Interlease</b> Sofia-Bulgaria	(359 2) 971 82 82	
<b>NBG Leasing</b> Bucharest-Romania	(40 21) 409 10 00	
<b>NBG Leasing</b> Belgrade-Serbia	(381 11) 228 80 71	

[www.finansleasing.com.tr](http://www.finansleasing.com.tr)