(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

Consolidated Financial Statements as of December 31, 2009 Together with Independent Auditor's Report

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

Consolidated Financial Statements as of December 31, 2009

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(Convenience translation of independent auditors' report originally issued in Turkish – see additional paragraph below for convenience translation)

Independent auditor's report on the consolidated financial statements for the period January 1 – December 31, 2009

To the Board of Directors of
Yazıcılar Holding Anonim Şirketi:

We have audited the accompanying consolidated balance sheet of Yazıcılar Holding A.Ş. and its subsidiaries (collectively referred to as "the Company") as of December 31, 2009, the related consolidated income statement, the consolidated comprehensive income statement, the consolidated statement of changes in shareholder's equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We did not audit the financial statements of subsidiaries, which are consolidated, Alternatifbank A.Ş., Alternatif Yatırım A.Ş., Alternatif Finansal Kiralama A.Ş., Alternatif Yatırım Ortaklığı A.Ş., Anadolu Varlık Yönetim A.Ş. and Adel Kalemcilik ve Ticaret Sanayi A.Ş.; that contributed 70% of total assets, 38% of revenues and 32% of the net income. We also did not audit the financial statements of the investment in joint ventures; which are accounted for under the equity method of accounting, Anadolu Isuzu Otomotiv Sanayi ve Ticaret Anonim Şirketi (Anadolu Isuzu), Aslancık Elektrik Üretim Limited Şirketi (Aslancık) and D-Tes Elektrik Enerjisi Toptan Satış A.Ş. (D Tes); that represents 1.2% of the total assets. TRL 7.117 thousand of net loss from those investments in joint ventures is included in consolidated income statement. Those statements were audited by other auditors whose reports have been furnished to us, and our audit report on the consolidated financial statements, insofar as it relates to the amounts included for those companies in the consolidated financial statements is based solely upon the report of the other auditors.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards published by Capital Market Board. 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and the report of other auditors. We conducted our audit in accordance with standards on auditing issued by Capital Market Board. 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 consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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 and the report of other auditors are sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Yazıcılar Holding Anonim Şirketi and its subsidiaries as of December 31, 2009, and its financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards published by Capital Market Board.

Additional paragraph for convenience translation to English:

As of December 31, 2009, the accounting principles described in Note 2 (defined as CMB Financial Reporting Standards) to the accompanying consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting and the presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Ertan Ayhan, SMMM
Partner

April 2, 2010
Istanbul, Turkey

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2009

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	**Audited December 31, 2009**	Audited December 31, 2008
ASSETS			
Current Assets		**3.620.895**	3.605.513
Cash and Cash Equivalents	6	**311.651**	925.410
Financial Instruments	7	**303.638**	22.593
Reserve Deposits at Central Bank	41.1	**69.942**	96.913
Banking Loans (net)	41.2	**2.409.552**	1.943.650
Trade Receivables (net)	10.1	**143.914**	128.321
Financial Lease Receivables (net)	12.1	**139.148**	148.814
Derivative Financial Instruments – Assets	41.5	**7.237**	25.105
Due From Related Parties (net)	37.1	**11.812**	10.262
Other Receivables (net)	11.1	**46.109**	44.453
Biological Assets (net)	14	**9.453**	6.209
Inventories (net)	13	**123.023**	183.762
Receivables from Construction Contracts in Progress (net)	15	**-**	-
Other Current Assets	26.1	**45.416**	70.021
Non-Current Assets		**2.153.546**	2.207.182
Financial Instruments	7	**237.685**	287.396
Banking Loans (net)	41.2	**324.525**	434.076
Trade Receivables (net)	10.1	**-**	-
Financial Lease Receivables (net)	12.1	**113.177**	127.811
Derivative Financial Instruments – Assets	41.5	**-**	3.807
Due from Related Parties (net)	37.1	**5.651**	6.107
Other Receivables (net)	11.2	**10.682**	9.491
Investments Accounted Through Equity Method	16	**1.090.393**	941.021
Goodwill (net)	20	**35.344**	56.595
Investment Property (net)	17	**12.355**	9.265
Property, Plant and Equipment (net)	18	**276.293**	257.239
Intangible Assets (net)	19	**7.191**	43.863
Deferred Tax Assets	35.1	**29.500**	10.278
Other Non-Current Assets	26.2	**10.750**	20.233
TOTAL ASSETS		**5.774.441**	5.812.695

The explanatory notes form an integral part of these consolidated financial statements.

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2009

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	**Audited December 31, 2009**	Audited December 31, 2008
LIABILITIES			
Current Liabilities		**3.468.574**	3.812.012
Short-Term Borrowings (net)	8	**216.276**	311.571
Current Portion of Long-Term Borrowings (net)	8	**50.796**	58.268
Financial Lease Obligations (net)	12.2	**-**	-
Other Financial Liabilities (net)	9	**-**	-
Trade Payables (net)	10.2	**46.316**	80.027
Banking Customer Deposits	41.3	**2.528.901**	2.524.432
Funds Borrowed	41.4	**460.320**	671.243
Blocked Accounts		**40.922**	29.605
Due to Related Parties (net)	37.2	**2.402**	734
Other Payables	11.3	**29.395**	33.950
Deferred Income from Construction Contracts in progress (net)	15	**-**	-
Provisions	22	**22.347**	14.605
Income Tax Payable	35.3	**2.544**	437
Derivative Financial Instruments – Liabilities	41.5	**8.687**	27.385
Provisions for the Employee Benefits	24	**12.932**	8.646
Other Current Liabilities (net)	26.3	**46.736**	51.109
Non-Current Liabilities		**232.664**	197.011
Long-Term Borrowings (net)	8	**24.521**	22.927
Financial Lease Obligations (net)	12.2	**-**	-
Other Financial Liabilities (net)	9	**-**	-
Trade Payables (net)	10.2	**-**	-
Banking Customer Deposits	41.3	**-**	7.164
Funds Borrowed	41.4	**180.736**	142.080
Blocked Accounts		**-**	-
Due to Related Parties (net)	37.2	**-**	-
Other Payables	11.3	**348**	-
Provisions	22	**-**	-
Derivative Financial Instruments – Liabilities	41.5	**-**	-
Provisions for the Employee Benefits	24	**14.012**	12.975
Deferred Tax Liability	35.1	**12.717**	11.865
Other Liabilities (net)	26.3	**330**	-
EQUITY		**2.073.203**	1.803.672
Equity Attributable to Equity Holders of the Parent		**1.597.438**	1.411.224
Paid-in Share Capital	27	**160.000**	160.000
Adjustment to Share Capital and Equity Instruments	27	**-**	-
Share Premium		**9.474**	9.474
Revaluation Surplus	27	**8.266**	4.940
Restricted Reserves Allocated from Net Profit	27	**14.080**	12.110
Currency Translation Differences		**(6.292)**	7.368
Net Income		**230.336**	159.833
Retained Earnings	27	**1.181.574**	1.057.499
Minority Interest		**475.765**	392.448
TOTAL LIABILITIES AND EQUITY		**5.774.441**	5.812.695

The explanatory notes form an integral part of these consolidated financial statements.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	**Audited 01.01.2009 – 31.12.2009**	Audited 01.01.2008– 31.12.2008
CONTINUING OPERATIONS			
Revenue (net)	28	**1.098.835**	1.142.930
Cost of Sales (-)	28	**(822.140)**	(879.306)
Service Income (net)	28	**39.005**	36.094
Gross Profit from Trading Operations		**315.700**	299.718
Interest and Other Income	28	**542.145**	533.762
Interest and Other Expense (-)	28	**(232.679)**	(255.275)
Gross Profit from Financial Operations		**309.466**	278.487
GROSS PROFIT		**625.166**	578.205
Marketing, Selling and Distribution Expenses (-)	29	**(142.726)**	(117.537)
General Administrative Expenses (-)	29	**(292.788)**	(260.716)
Research and Development Expenses (-)	29	**(646)**	(432)
Other Operating Income	31.1	**31.268**	29.491
Other Operating Expense (-)	31.2	**(18.681)**	(22.966)
OPERATING INCOME		**201.593**	206.045
Gain/(Loss) from Investments Accounted through Equity Method	16	**151.800**	119.316
Financial Income	32	**77.647**	121.039
Financial Expense (-)	33	**(109.496)**	(214.912)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**321.544**	231.488
Tax Income/(Expense) from Continuing Operations		**(10.553)**	(19.783)
- Current Period Tax Expense (-)	35.2	**(32.883)**	(17.090)
- Deferred Tax Income/(Expense)	35.2	**22.330**	(2.693)
NET INCOME FOR THE PERIOD		**310.991**	211.705
Attributable to:		**310.991**	211.705
- Minority Interests		**80.655**	51.872
- Equity Holders of the Parent		**230.336**	159.833
Earnings per share (full TRL)	36	**1,44**	1,00

The explanatory notes form an integral part of these consolidated financial statements.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Audited 01.01.2009 – 31.12.2009	**Audited 01.01.2008 – 31.12.2008**
Net Income	**310.991**	211.705
Change in revaluation surplus of available for sale financial assets, net of tax	**(5.578)**	(521)
Currency translation difference	**69**	713
Group's share in other comprehensive income of investments accounted through equity method, net of tax	**(6.338)**	57.865
Other Comprehensive Income/(Loss), (net of tax)	**(11.847)**	58.057
Total Comprehensive Income	**299.144**	269.762
Attributable to:		
Minority interests	**79.142**	56.951
Equity holders of the parent	**220.002**	212.811

The explanatory notes form an integral part of these consolidated financial statements.

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2009

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Paid-in Share Capital	Share Premium	Revaluation Surplus	Restricted Reserves Allocated from Net Profit	Currency Translation Differences	Net Income	Retained Earnings	Attributable to Equity Holders of the Parent	Minority Interest	Total Equity
As of January 1, 2008	160.000	9.467	15.800	8.780	(56.470)	242.245	850.346	1.230.168	328.329	1.558.497
Transfer of net income to the retained earnings	-	-	-	3.330	-	(242.245)	238.915	-	-	-
Capital increase of minority shareholders	-	-	-	-	-	-	-	-	9.981	9.981
Dividend paid	-	-	-	-	-	-	(32.000)	(32.000)	(1.822)	(33.822)
Increase in share premium	-	7	-	-	-	-	-	7	5	12
Effect of change in subsidiary consolidation rate	-	-	-	-	-	-	238	238	(996)	(758)
Other comprehensive income/(expense)	-	-	(10.860)	-	63.838	-	-	52.978	5.079	58.057
Net income	-	-	-	-	-	159.833	-	159.833	51.872	211.705
As of January 1, 2009	**160.000**	**9.474**	**4.940**	**12.110**	**7.368**	**159.833**	**1.057.499**	**1.411.224**	**392.448**	**1.803.672**
Transfer of net income to the retained earnings	-	-	-	1.970	-	(159.833)	157.863	-	-	-
Capital increase of minority shareholders	-	-	-	-	-	-	-	-	9.191	9.191
Dividend paid	-	-	-	-	-	-	(34.000)	(34.000)	(4.925)	(38.925)
Effect of change in subsidiary consolidation rate	-	-	-	-	-	-	212	212	(91)	121
Other comprehensive income/(expense)	-	-	3.326	-	(13.660)	-	-	(10.334)	(1.513)	(11.847)
Net income	-	-	-	-	-	230.336	-	230.336	80.655	310.991
As of December 31, 2009	**160.000**	**9.474**	**8.266**	**14.080**	**(6.292)**	**230.336**	**1.181.574**	**1.597.438**	**475.765**	**2.073.203**

The explanatory notes form an integral part of these consolidated financial statements.

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

		Audited	
	Notes	December 31, 2009	Decemner 31, 2008
Cash flow from operating activities			
Income before tax from continuing operations		**321.544**	231.488
Adjustments for:			
(Gain)/loss from disposal of property, plant and equipment, intangible assets and investment property		**(6.587)**	(6.522)
Depreciation and amortization	17, 18, 19,30	**35.423**	29.245
Provision for possible loan losses and impairment in receivables	10.1, 12.1, 41.2	**108.454**	47.713
Provision for warranty	22	**3.036**	(2.313)
Provision for label	22	**3.079**	3.049
Provision for vacation pay liability		**232**	1.218
Provision for employee termination benefits	24	**5.110**	4.419
Provision for bonus	24	**4.436**	(1.305)
Other provisions		**(836)**	584
Provision for inventories/(reversal)	13	**(1.428)**	2.403
Foreign exchange loss/(gain)		**(704)**	67.678
Interest expenses		**64.395**	76.275
Gain from investments accounted through equity method		**(151.800)**	(119.316)
Gain on sale of share in subsidiary	31.1	**(11.811)**	-
Net decrease/(increase) in derivative financial instruments – assets	41.5	**21.675**	(23.105)
Net (decrease) in derivative financial instruments – liabilities	41.5	**(18.698)**	(9.385)
Other non-cash income		**(561)**	(1.088)
Operating profit before changes in operating assets and liabilities		**374.959**	301.038
Net (increase) in financial assets		**(236.911)**	(149.763)
Net decrease in reserve deposits at Central Bank	41.1	**26.971**	8.518
Net (increase) in banking loans		**(456.090)**	(558.971)
Net decrease/(increase) in trade and other receivables and due from related parties		**14.945**	(80.276)
Net decrease/(increase) in inventories		**32.617**	(56.428)
Net decrease/(increase) in other assets		**12.903**	(43.667)
Net (decrease)/increase in trade and other payables and due to related parties		**(33.660)**	12.445
Net (decrease)/increase in banking customer deposits		**(3.432)**	837.114
Net increase/(decrease) in blocked accounts		**11.317**	(23.307)
Employee termination benefits paid	24	**(2.864)**	(2.952)
Taxes paid	35.3	**(30.776)**	(20.187)
Net cash (used in)/ provided by operating activities		**(290.021)**	223.564
Cash flows used in investing activities			
Purchase of property, plant and equipment, investment property and intangible asset	17, 18, 19	**(95.926)**	(81.081)
Purchase of Komili brand		**-**	(58.376)
Proceeds from sale of property, plant and equipment, and intangible asset		**38.925**	40.823
Purchase of financial assets and participation in capital increase		**(16.965)**	(1.868)
Net cash used in investing activities		**(73.966)**	(100.502)
Cash flows (used in)/provided by financing activities			
Dividends from equity participations		**51.594**	53.998
Capital increase of minority shareholders		**9.191**	9.981
Dividends paid to minority interests		**(4.925)**	(1.822)
Dividends paid		**(34.000)**	(32.000)
Proceeeds from borrowings from banks and other institutions		**2.611.674**	907.979
Repayments of borrowings and interest from banks and other institutions		**(2.832.772)**	(544.546)
Interest paid (-)		**(50.603)**	(44.699)
Net cash (used in)/provided by financing activities		**(249.841)**	348.891
Currency translation on cash and cash transaction		**69**	713
Net (decrease)/increase in cash and cash equivalents		**(613.759)**	472.666
Cash and cash equivalent at the beginning of the period	6	**925.410**	452.744
Total cash and cash equivalent at the end of the period		**311.651**	925.410
Interest income		**6.062**	19.455
Dividend income		**2**	1

The explanatory notes form an integral part of these consolidated financial statements.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

1. ORGANIZATION AND NATURE OF ACTIVITIES

Yazıcılar Holding A.Ş., a company incorporated in Istanbul, Turkey ("Yazıcılar" or the "Company") is a holding company of which majority shares are owned by three Yazıcı families. Three Yazıcı families consist of Mr. Kamil Yazıcı, his two deceased brothers, their wives and children. The Company controls its subsidiaries through Anadolu Endüstri Holding (AEH) in which it has 68.00% stake. Certain shares of the Company are listed on the Istanbul Stock Exchange (ISE). The Company was incorporated in 1976.

The registered office address of the Company is Umut Sokak No:12, İçerenköy, Ataşehir, İstanbul, Turkey.

The consolidated financial statements as of December 31, 2009 are authorized for issue by the Board of Directors on April 2, 2010, and are approved by the General Manager and the Finance Manager on behalf of Board of Directors. General Assembly and other regulatory institutions have the right to change the financial statements after the consolidated financial statements are issued.

Activities of the Group

The Company and its subsidiaries will be referred as the "Group" henceforth for the purposes of the consolidated financial statements.

The Group is organized and primarily managed in four principal segments: automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, consumer durables); financial services (including banking, leasing, brokerage and investment banking services); retailing (stationery, chain restaurant management, food and tourism) and other (trade, information technologies, asset management, energy).

The average number of personnel of the Group is 6.007 (December 31, 2008: 5.795).

List of Shareholders

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

	December 31, 2009		December 31, 2008	
	Amount	**%**	Amount	%
Yazıcı Families	**62.567**	**39,10**	65.280	40,80
Kamil Yazıcı Yönetim ve Danışma A.Ş.	**53.600**	**33,50**	53.600	33,50
Publicly traded (*)	**43.833**	**27,40**	41.120	25,70
Paid-in share capital	**160.000**	**100,00**	160.000	100,00

(*) TRL 2.906 of the publicly traded portion, which is 1,816% of the paid-in share capital, is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

1. ORGANIZATION AND NATURE OF ACTIVITIES (cont'd)

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at December 31, 2009 and December 31, 2008 are as follows:

	Place of Incorporation	Principal Activities	Segment	Effective shareholding and voting rights % December 31, 2009	December 31, 2008
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	Other	**68,00**	68,00
Alternatifbank A.Ş. (ABank) (1)	Turkey	Banking services	Finance	**61,75**	61,75
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	Finance	**61,75**	61,64
Alternatif Finansal Kiralama A.Ş. (ALease)	Turkey	Leasing company	Finance	**64,94**	64,94
Alternatif Yatırım Ortaklığı A.Ş. (AYO) (1) (3)	Turkey	Investment company	Finance	**32,48**	31,36
Alternatif Portföy Yönetimi A.Ş. (Alternatif Portföy) (5)	Turkey	Portfolio management	Finance	**-**	61,64
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Lada and Kia motor vehicles and operating lease	Automotive	**68,00**	68,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines	Automotive	**67,93**	67,93
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Import of Lada, Geely and Kia motor vehicles	Automotive	**67,38**	67,38
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik) (4)	Turkey	Distribution of Samsung-branded consumer durables in Turkey	Automotive	**34,65**	34,65
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1) (2)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Retailing	**38,68**	38,68
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (2)	Turkey	Distribution of the products of Adel, and other imported stationery products	Retailing	**49,76**	49,76
Ana Gıda İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda) (*)	Turkey	Production and marketing of olive oil under Kırlangıç, Komili and Madra Brands, sunflower and corn oil, and automotive trading	Retailing	**-**	68,00
Efes Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities of the Group	Retailingr	**51,60**	51,60
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	Other	**65,53**	65,53
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	**67,32**	67,32
Anadolu Endüstri Holding und Co. KG (AEH und Co.)	Germany	Provides necessary market research of products abroad	Other	**67,32**	67,32
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management, ranch management	Retailing	**68,00**	68,00
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Restaurant chain management	Retailing	**68,00**	68,00
Anadolu Varlık Yönetim A.Ş. (Anadolu Varlık)	Turkey	Asset management	Other	**67,99**	67,99
Anadolu Taşıt Ticaret A.Ş. (Anadolu Taşıt)	Turkey	Industrial and commercial operations in automotive sector	Other	**68,00**	68,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of Geely motor vehicles	Automotive	**68,00**	68,00
Anadolu Termik Santralleri A.Ş. (Anadolu Termik)	Turkey	Production of electricity	Other	**68,00**	68,00
AES Toptan Elektrik Tic. A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity	Other	**68,00**	68,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	**68,00**	68,00
Anatolia Energy B.V. (Anatolia Energy) (6)	Netherlands	Production of electricity	Other	**68,00**	-
Anelsan Anadolu Elektronik Sanayi ve Ticaret A.Ş. (Anelsan) (7)	Turkey	Inactive	Retailing	**48,94**	48,94
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya) (8)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities	Other	**67,94**	67,94

(*) Closing transactions corresponding to the shareholding agreement between SEEF Foods and Ana Gıda has been completed as of March 4, 2009. With the share transfer, Ana Gıda has been recognized within joint venture framework and accounted in the consolidated financials with equity method.

(1) Shares of ABank, Adel and AYO are quoted on the Istanbul Stock Exchange (ISE).

(2) AEH controls Adel and Ülkü through its shareholding of 56,89% and 68,78%, respectively. Moreover, Adel has 7,67% stake at Ülkü. As a result, Adel and Ülkü are controlled by Yazıcılar Holding A.Ş.

(3) Decrease is due to the change in ABank's effective consolidation rate of AYO.

(4) Anadolu Motor and AEH have 50,00% and 1,00% shareholding at Anadolu Elektronik, respectively. As a result, Anadolu Elektronik is controlled by Yazıcılar.

(5) A Yatırım has 99,99% shareholding rate at Alternatif Portföy established on August 13, 2008. The indirect shareholding rate of Yazıcılar is 61,64%. As of March 11, 2009 liquidation decision of Alternatif Portföy has been registered on the Trade Registry Gazette and striked off the register.

(6) AEH has 100,00% shareholding at Anatolia Energy established on March 20, 2009. The indirect shareholding rate of Yazıcılar is 68,00%.

(7) Ülkü controls Anelsan through its shareholding of 96,50%. As a result, Anelsan is controlled by Yazıcılar.

(8) New trade name of Anadolu Kafkasya ,which is formerly AEH Gayrimenkul Yönetim Ticaret A.Ş, has been registered as of December 15, 2009 and published on the Trade Registry Gazette as of December 21,2009 as Anadolu Kafkasya Enerji Yatırımları A.Ş.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

1. ORGANIZATION AND NATURE OF ACTIVITIES (cont'd)

Investment in Associate

The associate included in consolidation by equity method and its shareholding percentages at December 31, 2009 and December 31, 2008 are as follows:

	Country of incorporation	Main activities	Effective shareholding and voting rights %	
			December 31, 2009	December 31, 2008
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes)	Turkey	Production of beer	**36,27**	36,24

Joint Ventures

The investments in joint ventures included in consolidation by equity method and their shareholding percentages at December 31, 2009 and December 31, 2008 are as follows:

	Country of incorporation	Main activities	Effective shareholding and voting rights %	
			December 31, 2009	December 31, 2008
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu)	Turkey	Manufacturing and selling of Isuzu brand commercial vehicles	**37,56**	37,48
Ana Gıda (*)	Turkey	Production and marketing of olive oil under Kırlangıç, Komili and Madra brands	**37,57**	-
Aslancık Elektrik Üretim ve Tic. Ltd. Şti. (Aslancık)	Turkey	Electricity production	**17,00**	17,00
D Tes Elektrik Enerjisi Toptan Satış A.Ş. (D Tes)	Turkey	Electricity wholesale	**17,00**	17,00

(*) Closing transactions corresponding to the shareholding agreement between SEEF Foods and Ana Gıda has been completed as of March 4, 2009. With the share transfer, Ana Gıda has been recognized within joint venture framework and accounted in the consolidated financials with equity method. Refer to Note 3, Business Combinations for further detailed explanation.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

The Company and its subsidiaries incorporated in Turkey maintains its books of account and prepares its statutory financial statements in Turkish Lira (TRL) in accordance with Turkish Commercial Code and Banking Legislation, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

The subsidiaries incorporated outside of Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate. The consolidated financial statements have been prepared from the statutory financial statements of the Company's subsidiaries' in accordance with Turkish Capital Market Board (CMB) Accounting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Adjustment entries are mainly; application of consolidation accounting, booking of business combinations, booking of adjustments on financial instruments in accordance with IAS 39, calculation of deferred tax, calculations of employee termination benefits and other provisions. Except financial assets carried at fair value and assets or liabilities acquired through business combinations, financial statements are prepared on the historical cost basis.

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

Basis of Preparation of Financial Statements (cont'd)

The financial statements of the Company and its subsidiaries until 31 December 2007 have been prepared in accordance with the Communiqué No: XI-25 'Communiqué on Accounting Standards in Capital Markets'. In this Communiqué is stated that alternatively, the application of accounting standards prescribed by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will be also considered to be compliant with the CMB Accounting Standards. Accordingly, the consolidated financial statements of the Company until 31 December 2007 had been prepared in accordance with the alternative methods allowed by the CMB.

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" No: XI-29, published in the Official Gazette dated 9 April 2008, effective 1 January 2008, listed companies are required to prepare their financial statements in conformity with International Accounting/Financial Reporting Standards (IAS/IFRS) as prescribed in the CMB Communiqué. Since, there are not any difference between the accounting policies of the alternative method of Communiqué No: XI-25 (previously applied) and the Communiqué Serial No: XI-29, there is no change in the accounting policies applied in preparation of the financial statements of the current and prior period.

The consolidated financial statements at December 31, 2009 have been prepared in accordance with compulsory reporting formats of CMB's "Communiqué on Financial Reporting in Capital Market" No: XI-29, published on April 9, 2008.

Functional and Presentation Currency

The functional and presentation currency of the Company and subsidiaries , joint ventures and associates incorporated in Turkey is TRL.

In accordance with CMB announcement No.11/367 dated March 17, 2005; since the objective conditions for the application of restatement is no longer available and since CMB foresees that the probability of the re-occurrence of the conditions is remote, lastly the financial statements as of December 31, 2004 have been subject to the restatement. Therefore, the non-monetary assets, liabilities and shareholders' equity including share capital reported in the balance sheet as of December 31, 2009 and December 31, 2008 are derived by indexing the additions occurred until December 31, 2004. The additions after December 31, 2004 are carried with their nominal amounts.

Functional and Local Currencies of Foreign Subsidiaries

The foreign subsidiaries maintain their books of accounts in accordance with the laws and regulations in force in the countries in which they are registered and necessary adjustments and reclassifications made for the fair presentation in accordance with IFRS. The assets and liabilities of foreign subsidiaries are translated into Turkish Lira using the relevant foreign exchange rates prevailing at the balance sheet date.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

The incomes and expenses of the foreign subsidiaries are translated into Turkish Lira using average exchange rate for the period. Exchange differences arising from using year-end and average exchange rates are included in the shareholders' equity as currency translation differences. Functional and local currency of foreign subsidiaries are as follows:

		December 31, 2009	December 31, 2008
	Local Currency	**Functional Currency**	Functional Currency
AEH und Co.	EUR	**EUR**	EUR
Oyex	EUR	**EUR**	EUR
Anatolia Energy	EUR	**EUR**	-

Foreign subsidiaries are established as foreign corporate entities.

Reclassification Made to 2008 Consolidated Financial Statements

In order to be consistent with the current year's presentation, foreign exchange gain related to financial lease receivables amounting to TRL 46.887 in "Interest and Other Income" account has been classified as "Financial Income" in the consolidated income statement as of December 31, 2008.

Changes in Accounting Policies

New standards and interpretations

The accounting policies adopted in the preparation of the consolidated financial statements as at 31 December 2009 are consistent with those followed in the preparation of the consolidated financial statements of the prior year and for the year ended 31 December 2008, except for the adoption of new standards and IFRIC interpretations summarized below. These standards and interpretations, except IAS 1 and IFRS 8, have no effect on the financial position or performance of the Group, only the presentation of additional explainations are required.

The new standards, amendments and interpretations which are effective as at 31 December 2009 are as follows:

Amendments to IFRS 2, "Share-based Payment" - Vesting Conditions and Cancellations

The purpose of this amendment is to give greater clarity in respect of vesting conditions and cancellations. The standard defines two subjects: The amendment defines a "Vesting condition" and a "Non-vesting condition" except for the performance and service conditions. The amendment does not have any effect on Group's financial performance.

Amendments to IFRS 7 – "Financial Instruments: Disclosures"

IFRS 7 has been amended to enhance disclosures about fair value measurement and liquidity risk. IFRS 7 now requires instruments measured at fair value to be disclosed by the source of the inputs in determining fair value, using three level hierarchy. Disclosures also require a full reconciliation of Level 3 instruments and transfers between Level 1 and Level 2. The minimum liquidity risk disclosures of IFRS 7 have also been amended. The Group has disclosed the amendments in "Financial Instruments, Nature And Level Of Risks Arising From Financial Instruments" disclosure.

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

IFRS 8 "Operating Segments"

IFRS 8 replaces IAS 14 "Segment Reporting" and adopts a full management approach to identifying, measuring and disclosing the results of its operating segments. The information reported is that which the chief operating decision maker uses internally for evaluating the performance of operating segments and allocating resources to those segments. When the information provided to management is recognized or measured on a different basis to IFRS information presented in the primary financial statements, entities need to provide explanations and reconciliations of the differences. The Group applied the related changes regarding operating segments, with respect to the changes in mandatory reporting format of CMB (Note 5).

Amendments to IAS 1 "Presentation of Financial Statements"

The statement of changes in equity includes only transactions with owners, defined as 'holders of instruments classified as equity'. All non-owner changes are presented in equity as a single line, with details included in a separate statement. The introduction of a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with 'other comprehensive income'. Entities may choose to present all items in one statement, or to present two linked statements, a separate income statement and a statement of comprehensive income. The Group has presented both comprehensive income statement and income statement as two seperate statements with respect to the changes in mandatory reporting format of CMB.

Amendments to IAS 23 "Borrowing Costs"

The revised Standard eliminates the option of expensing all borrowing costs and requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of qualifying asset. The amendment does not have any effect on the Group's financial performance and the Group capitalizes all borrowing costs when they are directly attributable to the acquisition, construction or production of a qualifying asset as previously applied .

Amendments to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements-Puttable Financial Instruments and Obligations Arising on Liquidation"

This amendment will permit a range of entities to recognise their capital as equity rather than as financial liabilities, as currently required by IAS 32. IAS 1 has been amended to require the additional disclosures if an entity has a puttable instrument that is presented as equity. The amendment does not have any effect on the Group's financial performance.

Amendments to IFRIC 9 "Reassessment of Embedded Derivatives" and IAS 39 "Financial Instruments: Recognition and Measurement - Embedded Derivatives"

According to amendments in IFRIC 9, an entity must assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. The assessment must be made on the basis of the circumstances that existed on the later of:

(a) The date when the entity first became a party to the contract, and
(b) The date of a change in the terms of the contract that significantly modifies the cash flows that otherwise would have been required under the contract.

The amendment does not have any effect on the Group's financial performance.

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

IFRIC 13, "Customer Loyalty Programmes"

The interpretation requires loyalty award credits granted to customers in connection with a sales transaction to be accounted for as a separate component of the sales transaction. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. The interpretation does not have any effect on the Group's financial performance.

IFRIC 15, "Agreements for the Construction of Real Estate"

IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and, accordingly, when revenue from the construction should be recognized. The interpretation does not have any effect on the Group's financial performance.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

IFRIC 16 concludes that the presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. The hedging instrument(s) may be held by any entity or entities within the Group. The interpretation does not have any effect on the Group's financial performance.

IFRIC 18 "Transfers of Assets from Customers"

This interpretation provides guidance on how to account for items of property, plant and equipment received from customers or cash that is received and used to acquire or construct specific assets. The interpretation does not have any effect on the Group's financial performance.

Improvements to IFRS (issued in 2008)

In May 2008, International Accounting Standards Board (IASB) has issued amendments in order to eliminate the inconsistencies and clarify the explanations related to standards. Transitional provisions and application periods vary for each amendment which is 1 January 2009 for the earliest.

Improvements to IFRS (issued in 2009)

In April 2009, International Acccounting Standards Board (IASB) has issued second batch amendments in order to eliminate the inconsistencies and clarify the explanations related to standards. In these amendments IAS 18: Determining whether an entity is acting as a principal or as an agent, becomes effective in 2009, does not have any affect on the Group's accounting policies, financial position and performance.

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

The new standards which are issued as of the authorization date of the financial statement and effective as of January 1, 2010 and thereafter and not early adopted by the Group and changes and interpretations of current standards are as follows:

a) New and amended standards and interpretations applicable to December 31, 2010 Financial Statements:

In April 2009, IASB has issued second batch amendments in order to eliminate the inconsistencies and clarify the explanations related to standards. Transitional provisions and application periods vary for each amendment which is 1 July 2009 for the earliest. It is considering that these amendments have no effect on the Group's financial statements except IAS 36. It will be assessed whether IAS 36 will have an effect on the Group's financial statements.

Standards amended by IASB are as follows:

- IFRS 2: Scope of IFRS 2 and IFRS 3
- IFRS 5: Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations
- IFRS 8: Disclosure of information about segment assets
- IAS 1: Current/non-current classification of convertible instruments
- IAS 7: Classification of expenditures on unrecognised assets
- IAS 17: Classification of leases of land and buildings
- IAS 36: Unit of accounting for goodwill impairment test
- IAS 38: Additional consequential amendments arising from revised IFRS 3
- IAS 38: Measuring the fair value of an intangible asset acquired in a business combination
- IAS 39: Treating loan prepayment penalties as closely related embedded derivatives
- IAS 39: Scope exemption for business combination contracts
- IAS 39: Cash flow hedge accounting
- IFRIC 9: Scope of IFRIC 9 and revised IFRS 3
- IFRIC 16: Amendment to the restriction on the entity the entity that can hold hedging instruments

Amendments to IFRS 3 "Business Combinations" and IAS 27 "Amendments to Separate Financial Statements"

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The effect of the amendment on the Group's financial perfornance regarding merger and acqusitions will be assessed by the Group management.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"- "Eligible Hedged Items"

The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. The amendment does not have any effect on the Group's financial performance.

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

IFRIC 17 "Distributions of Non-cash Assets to Owners"

The Interpretation applies to all non-reciprocal distributions of non-cash assets, including those giving the shareholders a choice of receiving non-cash assets or cash. This interpretation is to be applied prospectively. The interpretation does not have any effect on the Group's financial performance.

b) New and amended standards and interpretations issued that are effective subsequent to December 31, 2010 (these amendments have not been adopted by European Union yet):

The Company is assessing the effects of these interpretation and amendment revisions on its financial statements.

Amendments to IFRS 2 'Group Cash Settled Share Based Payment Transactions'

For group reporting and consolidated financial statements, the amendment clarifies that if an entity receives goods or services that are cash settled by shareholders not within the group, they are outside the scope of IFRS 2. Management will need to consider any such past transactions. The amendment may have a significant effect on the cost recognised in separate financial statements of an entity that has material share-based payment awards that have not previously been accounted for in accordance with IFRS 2. This may have a potential tax accounting impact on all parties involved. This amendment is applied retrospectively, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of changes in accounting policy. Earlier application is permitted and must be disclosed. The interpretation does not have any effect on the Group's financial performance.

IFRS 9 "Financial instruments" (Effective for periods beginning on or after January 1, 2013).

IFRS 9 introduces new requirements for classifying and measuring financial assets. The Standard classifies financial assets according to the business model to administrate the financial assets and characteristic of the cash flow. Moreover it states that financial assets should measure either with amortized cost at the first record buying value or fair value. Different classification categories in IAS 39 are eliminated. Moreover, IFRS 9 eliminates the exception in IAS 39 that allows equity instruments, for which a fair value cannot be determined reliably, to be measured at cost and requires these instruments to be measured at fair value except limited circumstances exist. It is considering that the standard has no effect on the Group's financial statements except the available for sale assets measured with amortized cost.

Amendment to IAS 24 "Related Party Disclosure's (Effective for periods beginning on or after 1 January 2011)

The main changes to IAS 24 are a partial exemption from the disclosure requirements for transactions between a government-controlled reporting entity and that government or other entities controlled by that government and amendments to the definition of a related party. The amendment does not have any effect on the Group's financial statements.

Amendment to IAS 32 Classification of Rights Issues (Effective for periods beginning on or after 1 February 2010)

The amendment to IAS 32 addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. The amendment does not have any effect on the Group's financial performance.

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

Amendment to IFRIC 14 "Prepayments of a Minimum Funding Requirement" (Effective for periods beginning on or after 1 January 2011)

Without the amendments, in some circumstances entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendment does not have any effect on the Group's financial performance.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (Effective for periods beginning on or after 1 July 2010, with earlier application permitted)

IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or in part, a financial liability. The interpretation does not have any effect on the Group's financial performance.

Basis of Consolidation

The principal accounting policies adopted in preparing the consolidated financial statements of the Group are as follows:

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The consolidated financial statements of the Group include Yazıcılar Holding A.Ş. and subsidiaries under its control. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

Minority interests in the net assets of the subsidiaries included in consolidation, appears as a seperate item in Group's equity. Minority interest consists of minority's amount that already exists as of the first acquisition date and the amounts take place during the changes in the parent company's equity related to minority interest after the first acquisition date. Losses exceeding the shares belonging to minority interest are distributed to the shares of the Group, unless there is a mandatory obligation to compensate the recognized losses and an opportunity to make additional investments to cover the stated losses of the minority interest. The equity and net income attributable to minority shareholders' interests are shown separately in the consolidated balance sheet and income statement, respectively.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances.

The purchase method of accounting is used for business combinations.

Investments in Associates

The Group's investments in associates are accounted under the equity method of accounting. . Investments in associates are undertakings over which the Group generally has between 20% and 50% of the voting rights and the Group has significant influence and which are not subsidiaries or joint ventures of the Group. The investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The income statement reflects the Group's share of the results of operations of the associates.

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

The investments valued accounted through equity method are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates. The effect of the amounts that has not reflected to the profit or loss of the associate on the equity of the associate, may require an adjustment on the book value of the associate. Group's share in these changes is directly being recorded in Group's equity.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Joint Ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and its subsidiaries together with one or more other parties. The Group's interest in joint ventures are accounted for under the equity method of accounting.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated financial statements when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a basis or realize the assets and settle the liabilities simultaneously.

Use of Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet date. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

The source of the risk carrying estimates, assumptions and calculation indefinitions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are; actuarial assumptions used for employee termination benefits, impairment of assets and useful lives of tangibles and intangibles.These estimates and assumptions are explained at related disclosure in detail.

Provision for doubtful receivables

Allowance for doubtful receivables reflect the future loss that the Group anticipates to incur from the trade receivables as of the balance sheet date which are subject to collection risk considering the current economical conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotation conditions with these debtors are considered. The provision for doubtful receivables are followed in the Note 10.1.

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

Provision for inventories

During the assessment of the provision for inventory the following are considered; analyzing the inventories physically and historically, considering the employment and usefulness of the inventories respecting to the technical personnel view. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories. As a result of this, the inventories with the net realizable values below the costs are written down in the Note 13.

Impairment of intangible assets with indefinite useful life and goodwill

According to the determined accounting policies, the Group performs impairment test for intangible assets with indefinite useful life and goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2009, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recovarable amount is determined taking the value in use calculation as basis.

Employee termination benefit

Discount rates are determined using actuarial valuations which involve making assumptions about future salary increases and employee turnover rates The details related with the defined benefit plans are stated in Note 24.

Warranty provision

Group has determined the warranty provision by considering the realized warranty expense per vehicle in previous years for each vehicle model and the warranty period left per each vehicle.

Summary of Significant Accounting Policies

2.1 Revenue Recognition

Non-Banking

Revenue is recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable. Net sales are calculated after deducting sales returns and sales discounts.

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- The Group transfers the significant risks and rewards of ownership of the goods to the buyer,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity,
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Summary of Significant Accounting Policies (cont'd)

Service income is recorded as revenue according to it's completed portion when it is calculated reliably. When it is not calculated reliably, the revenue is recognized only to the extent of the associated expenses that are recoverable.

Interest income is recorded on the basis of effective interest rate method and dividend income is recorded when the right of dividend income emerges.

Banking

Interest income and expense are recognized in the income statement in fair value for all interest bearing instruments on an accrual basis using the effective interest method (a method of calculating the amortized cost of a financial asset or a financial liability to reach net present value).

According to the related regulations, the interest accrual and discount of non-performing loans and other receivables are not considered and included in interest income till they are collected.

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Commission and fees arising from cash and non-cash loans re recognized as revenue in the related period by discounting using the effective interest method.

Fees and commission expense related with financial borrowings and paid to third parties are recognized as prepaid expenses in the balance sheet. Commission and fees are recognized as expense in the related period by discounting using the effective interest method.

2.2 Inventories

Inventories are valued at the lower of cost and net realizable value after provision for obsolete and slow moving. Overheads that have been incurred in bringing the inventories to their present location and condition are accounted as stated below:

Motor vehicles imported by Çelik Motor are valued over specific costing for each vehicle.

Costs are accounted for weighted average method for other companies. Finished goods and work in progress include cost of direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs incurred in order to realize sale.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

Summary of Significant Accounting Policies (cont'd)

2.3 Property, Plant and Equipment

Property, plant and equipment that are acquired before January 1, 2005 are carried with their restated cost as of December 31, 2004; and property, plant and equipment that are acquired after January 1, 2005 are carried with their cost after subtracting accumulated depreciation and impairment. Property, plant and equipment are depreciated principally on a straight-line basis. Land is not depreciated as it is deemed to have an indefinite life. The estimated useful lives of assets, are as follows:

Land improvements	5-50 years
Buildings	20-50 years
Machinery and equipment	5-10 years
Motor vehicles	5 years
Furniture and fixtures	5 years
Leasehold improvements	Lease period

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The carrying values of property, plant and equipment 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 or cash-generating units are written down to their recoverable amounts. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

The profit or loss as a result of selling property, plant and equipment is calculated as the difference between the carrying amount and proceeds and included in income statement in the period the asset is disposed.

2.4 Intangible Assets

(i) Goodwill and amortization

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary, associate or joint venture at the date of acquisition. The carrying values of goodwill is annually reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Starting from January 1, 2005, the goodwill arising from the business combinations before and/or after March 31, 2004 is not amortized in accordance with IFRS 3 "Business Combinations". In accordance with IFRS 3, goodwill is tested for impairment at least annually.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

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

Summary of Significant Accounting Policies (cont'd)

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

(ii) Other intangible assets

Intangible assets acquired separately from a business are capitalized at cost. Intangible assets acquired as part of an acquisition of a business are capitalized separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the period in which it is incurred.

Useful lives of intangible assets are determined as either finite or infinite.

Intangible assets are amortized on a straight line basis over the estimated useful lives which are between 3 and 20 years. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangibles with infinite useful life (Komili and Kırlangıç brands), are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continue, to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.5 Impairment of Assets

All assets other than goodwill are tested whether there is an indication of impairment of asset or not for each periods of the balance sheet. If such an indication exists, recoverable amount of that asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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

Summary of Significant Accounting Policies (cont'd)

2.6 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset. Capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs shall be recognised as an expense when incurred.

2.7 Financial Instruments

The Group recognizes a financial asset or financial liability in its balance sheet when and only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion financial asset. The Group derecognizes a financial liability when and only when a liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expired.

Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and in hand, deposits at the Central Bank of Turkey, which are easily convertible into cash and do not carry any material value changes, have high liquidity, with an original maturity of three months or less. The amounts paid under the reverse repurchase agreements are included in cash and cash equivalents.

Repurchase (repo) and Resale (reverse repo) Transactions

The Group enters into sales of securities under agreements to repurchase such securities at a fixed price at a fixed future date. Such securities, which have been sold subject to a repurchase agreement ('repos'), are recognized in the balance sheet and are measured in accordance with the accounting policy of the security portfolio which they are part of. The difference between sale and repurchase price is treated as interest expense and accrued over the life of the repurchase agreement using the effective interest method. Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as loaned securities when the transferee has the right by contract or custom to sell or re-pledge the collateral. The counterparty liability for amounts received under these agreements is included in "Other Money Market Deposits".

Securities purchased with a corresponding commitment to resell at a fixed price at a specified future date ('reverse repos') are not recognized in the balance sheet, as the Group does not obtain control over the assets. Amounts paid under these agreements are included in other money market placements. The difference between purchase and resale price is treated as interest income and accrued over the life of the reverse repurchase agreement using the effective interest method.

Accounting as of Transaction and Delivery Dates

All acquisitions and sales of financial assets are recorded in the transaction date, as of the date Group commits to perform the transaction. Regular acquisitions or sales are generally transactions which the delivery dates of assets are determined due to the legislations or arrangements in the market.

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

Summary of Significant Accounting Policies (cont'd)

Financial assets

All investments are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. All regular way purchases and sales of financial assets are recognized on the date the asset delivered to or by the Group. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets i.e. for assets carried at cost or amortized cost, change in value is not recognized; for assets classified as trading or as available for sale, the change in value is recognized to profit and loss, and in equity respectively. The Group maintains three separate financial assets portfolio, as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit exists. After initial recognition, financial assets at fair value through profit or loss are remeasured at fair value based on quoted bid prices. All related realized and unrealized gains or losses are recognized in trading income/(loss).

Held-to-Maturity Financial Assets

Financial assets with fixed or determinable payments and fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Management determines the appropriate classification of its investments at the time of the purchase.

After initial recognition, held-to-maturity financial assets are carried at amortized cost using the effective yield method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization process.

Interest earned whilst holding held-to-maturity financial assets is included in interest income.

Available-for-Sale Financial Assets

After initial recognition, available-for-sale financial assets are remeasured at fair value. Gains or losses on remeasurement to fair value are recognized as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income.

Interest earned on available-for-sale financial assets is included in interest income. Dividends received are included in dividend income.

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

Summary of Significant Accounting Policies (cont'd)

For financial assets at fair value through profit or loss or available-for-sale financial assets investments that are actively traded in organized financial markets, fair value is determined by reference to ISE quoted market bid prices at the close of business on the balance sheet date. For financial assets where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. Equity securities for which fair values can not be measured reliably are recognized at cost less impairment.

Trade Receivables and Payables

Trade receivables from the supply of products and services to a buyer, are carried at net of deferred finance income. Trade receivables net of deferred finance income, which are initially recorded at original invoice amounts, are measured at amortized cost of the amounts that will be collected in the subsequent periods with the effective interest rate. Short term trade receivables which do not have a determined interest rate, when the interest accrual effect is immaterial, are measured at the original invoice values.

The Group provides allowance for doubtful receivables when there is an indication that the collections are not probable. Related provision amount is the difference between the book value of the receivable and the probable collection amount. The probable collection amount is the cash flows, including collections from guarantees, which are discounted at the effective interest rate of the original receivable.

Subsequent to provide allowance for doubtful receivable, when all or a portion of the doubtful receivable is collected, the collection is deducted from the allowance and recorded as other income.

Banking Loans and Advances to Customers

Loans and receivables are non-derivative financial assets whose payments are fixed and can be determined, are unquoted in an active market and held for purchase or sale, financial assets at the fair value through profit or loss or financial assets held for resale. Counterparty expenses such as legal fees and deductions are considered as the part of transaction cost.

Loans and advances are reflected in financial statements when amount in cash is given to the customers.

Funds Borrowed, Banking Customer Deposits and Borrowings

All deposits and borrowings are initially recognized at the fair value of consideration received less directly attributable transaction costs. After initial recognition interest-bearing deposits and borrowings are subsequently measured at amortized cost using the effective interest method. Gains or losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process.

Derivative Financial Instruments

The Group enters into transactions with derivative instruments including forwards, swaps and options in the foreign exchange and capital markets. These derivative transactions are considered as effective economic hedges under the Group's risk management policies; however since they do not qualify for hedge accounting under the specific provisions of IAS 39, they are treated as derivatives held for trading. Derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair values.

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

Summary of Significant Accounting Policies (cont'd)

Fair values are obtained from quoted market prices, to the extent publicly available, discounted cash flows and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

For derivatives that do not qualify for special hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the period.

2.8 Foreign Currency Transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TRL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Company and its Turkish subsidiaries, transactions in currencies other than TRL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The foreign currency income or expenses incurred from the translation of foreign currency denominated transaction or restatement of monetary items is reflected within the statement of income in the related period.

Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings are recognized in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.9 Earnings per Share

Earnings per share disclosed in the consolidated statement of income is determined by dividing net income by the weighted average number of shares in existence during the period concerned.

In Turkey, companies can raise their share capital by distributing shares ("Bonus Shares") to shareholders in their retained earnings. In computing earnings per share, such "bonus share" distributions are assessed 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.

2.10 Subsequent Events

Subsequent events cover all events between the balance sheet date and authorization date of balance sheet for issue even if subsequent event has occurred after any announcement about the profit or any other selected financial information made public.

The Group; reflects the effect of such post-period-end adjusting events to the consolidated financial statements.

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

Summary of Significant Accounting Policies (cont'd)

2.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are assessed continuously to determine whether the possibility of an outflow of resources embodying economic benefits is probable. When the possibility of an outflow of resources embodying economic benefits is probable for the accounts classified as contingent liabilities, provision is provided in the financial statements for related contingent liabilities except for the situations there is not a reliable estimation.

The Group discloses the contingent liabilities that are probable but there is not a reliable estimation for the amount of resources embodying economic benefits.

Assets that result from previous events that can not be controlled fully by the Group and depend on the realization of one or more uncertain events, is considered as a contingent asset. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

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

2.12 Changes in Accounting Policies, Accounting Estimates and Errors

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the comparative period are restated. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes are for the following periods, changes are applied both on the current and following years prospectively.

2.13 Leases

The Group as a Lessee

Finance Lease

Finance leases, which transfer to the Group 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. If there is no reasonable certainity that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

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

Summary of Significant Accounting Policies (cont'd)

Operating Lease

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

The Group as a Lessor

Finance Lease

The Group presents 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 receivable and reduce the amount of income recognized over the lease term.

Operating Lease

The Group presents assets subject to operating leases in the balance sheets according to their nature. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis. Operating leases are amortized based on their cost after deducting their residual values.

IAS 16 "Property, Plant and Equipment", items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases.

2.14 Related Parties

Parties are considered related to the Group if;

(a) directly, or indirectly through one or more intermediaries, the party:
  (i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the Company that gives it significant influence over the Company; or
  (iii) has joint control over the Company;
(b) the party is an associate of the Company;
(c) the party is a joint venture in which the Company is a venture;
(d) the party is member of the key management personnel of the Company or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
(g) the party has a defined benefit plan for the employees of the Company or a related party of the Company.

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged.

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

Summary of Significant Accounting Policies (cont'd)

2.15 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group is organized and primarily managed in four principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, consumer durables); financial services (banking, leasing, brokerage and investment banking services); retailing (stationery, chain restaurant management, food and tourism) and other (trade, information technologies, asset management and energy).

2.16 Government Incentives and Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to such grants, and that the grants will be received. They are recognized as income over the period to match them with the related costs that they are intended to compensate. Income relating to government grants is recognized as a deduction from the appropriate expense.

2.17 Investment Properties

Investment properties are stated at cost less accumulated depreciation and any impairment in value. Investment properties are depreciated on a straight-line basis over the estimated useful live which is 50 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development to sell.

2.18 Taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes have been calculated on a separate-entity basis.

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

Current Tax

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

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

Summary of Significant Accounting Policies (cont'd)

Deferred Tax

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.19 Employee Termination Benefits

Defined Benefit Plan

In accordance with existing social legislation in Turkey, the Group companies operating in Turkey are required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the consolidated financial statements, the Group has reflected a liability using the Projected Unit Credit Method and based upon estimated inflation rates and factors derived using the Group's experience of personnel terminating their services and being eligible to receive such benefits and discounted by using the current market yield at the balance sheet date on government bonds.

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

Summary of Significant Accounting Policies (cont'd)

Defined Contribution Plan

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

2.20 Cash Flow Statement

Cash flows are classified according to operating, investmenting and financing activities in the statement of cash flow. Cash and cash equivalents are presented including interest accruals and acquisition costs.

Cash and cash equivalents comprise cash on hand, check, demand deposits, time deposit with original maturity less than three months and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are easily convertible into cash and are subject to an insignificant risk of changes in value.

2.21 Provisions for Loans, Non-Performing Receivables and Lease Receivable

Based upon its evaluation of credits granted, management estimates the total credit risk provision that it believes is adequate to cover uncollectible amounts in the Group's loan and receivable portfolio and losses under guarantees and commitments. If there is objective evidence that the Group will not be able to collect all amounts due (principle and interest) according to original contractual terms of the loan, such loans are considered impaired and classified as "loans in arrears". The amount of the loss is measured as the difference between the loan's carrying amount and the present value of expected future cash flows discounted at the loan's original effective interest rate or as the difference between the carrying value of the loan and the fair value of collateral, if the loan is collateralized and foreclosure is probable.

The Group reviews its individually significant loans and advances in each balance sheet date to assess whether an impairement loss should be recorded in the income statement. In particular, judgement of management is required in the estimation of the amount and timing of future cash flows when determining the imparement loss. In estimating these cash flows, the Group makes judgements about the borrower's financial situation and the net realizable value of the colleteral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Impairment and uncollectibility are measured and recognized individually for loans and receivables that are individually significant, and on a portfolio basis for a group of similar loans and receivables that are not individually identified as impaired.

The Group ceases to accrue interest on those loans that are classified as "loans in arrears" and for which the recoverable amount is determined primarily in reference to fair value of collateral.

The carrying amount of the asset is reduced to its estimated recoverable amount through use of an allowance for impairment account. A write off is made when all or part of a loan is deemed uncollectible or in the case of debt forgiveness. Write offs are charged against previously established allowances and reduce the principle amount of a loan. Recoveries of loans written off in earlier periods are included in income.

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

Summary of Significant Accounting Policies (cont'd)

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to the provision for loan losses expense. Unwinding of the discount is treated as income and remaining provision is then reassessed.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets are collectively assessed for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

2.22 Biological Assets

Cattle grown up in farms belonging to McDonald's, are classified under biological assets and reflected at fair value as of balance sheet dates. The fair values are determined with the expected market rate according to IAS 41 "Biological Assets".

3. BUSINESS COMBINATIONS

Transactions for year of 2009

On February 20, 2009, a Subscription and Shareholders Agreement was signed between AEH and Ana Gıda, subsidiaries of the Company, and SEEF Foods S.A.R.L (Seef Foods) - owned by Southeast Europe Equity Fund II (B) L.P. and controlled by Bedminster Capital Management LLC- regarding SEEF Foods' EUR 25 million capital contribution to Ana Gıda - in addition AEH's contribution of 5 million Euros – in return for 44,75% shares. The closing transactions regarding this agreement were completed on March 4, 2009. Accordingly, a total of EUR 30 million capital increase was held in Ana Gıda; EUR 25 million paid by SEEF Foods and EUR 5 million by AEH and consequently SEEF Foods became the owner of 44,75% shares in Ana Gıda. According to the new shareholding structure and the articles of agreement, the Group has classified Ana Gıda as joint venture and included in consolidation through equity method. Income amounting to TRL 11.811 as a result of this transaction has been recorded in Other Operating Income account in note 31.1 in detailed.

In January 2009, Coca Cola Içecek A.Ş (CC), has increased its existing shareholding in Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) with the acquisition of 13,75% shares of Turkmenistan CC which previously owned by The Coca-Cola Export Corporation (TCCEC) and 12,50% shares from Day Investments Ltd. which had 25% shares in total of Turkmenistan CC, for a cash consideration of TRL 7.026. Following the completion of the acquisitions, CC's share in Turkmenistan CC reached to 59,5% and it is included in consolidation by using the full consolidation method. In accordance with the change in the scope of consolidation and in conformity with IFRS 3, TRL 1.784 fair value difference occurred from the financial statements of Turkmenistan CC prepared according to fair value basis was recorded by the Group as "fair value difference due to change in consolidation scope" in consolidated comprehensive income statement.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

3. BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2008

On October 31, 2008, the Company purchased Komili brand name, stocks, supplier contracts, domain name, intellectual property and business information (Komili brand) from a company in Turkey. Komili brand is a well known and reputable brand for olive oil in Turkey.

The fair value of the identifiable assets and liabilities of Komili brand as of the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Previous carrying value	Fair value recognized on acquisition
Inventories	4.125	4.125
Intangibles – net	-	33.000
Total net assets acquired	4.125	37.125
Goodwill arising on acquisition (Note 20)		21.251
Net cash out flow		58.376

The goodwill of TRL 21.251 comprises the value of expected synergies arising from the acquisition of the Komili brand and the high reputation of the Komili.

4. JOINT VENTURES

Joint Ventures

		December 31, 2009				December 31, 2008		
Entity	**Principle activities**	**Country of business**	**Carrying value**	**Effective shareholding and voting rights %**	**Group's share of income/ (loss)**	Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	**64.465**	**37,56**	**(7.347)**	71.609	37,48	(180)
Ana Gıda (**)	Production and marketing of olive oil under Kırlangıç, Komili and Madra Brands, sunflower and corn oil	Turkey	**47.372**	**37,57**	**(4.963)**	-	-	-
Aslancık	Production of electricity	Turkey	**4.328**	**17,00**	**286**	2.642	17,00	(172)
D Tes	Wholesale of electricity	Turkey	**-**	**17,00**	**(56)**	22	17,00	(38)
			116.165		**(12.080)**	74.273		(390)

(*) Shares of Anadolu Isuzu are quoted on the ISE.

(**) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the fiscal year (Note 3).

AEH, a subsidiary of the Company, acquired 27.107 Anadolu Isuzu shares with varying prices in the range of full TRL 2,80-2,84 on ISE in February 2009. As a consequence of this transaction, the Group's share in Anadolu Isuzu has increased to 37,56% by increasing 0,08 point.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

4. JOINT VENTURES (cont'd)

Summary financial information of the Group's investment in joint venture Anadolu Isuzu are as follows:

	December 31, 2009	December 31, 2008
Anadolu Isuzu		
Total assets	**279.292**	359.415
Total liabilities	**112.940**	173.939
Net assets	**166.352**	185.476
Group's interest in net assets	**64.465**	71.609
Revenues	**259.424**	496.764
Net loss for the period	**(19.122)**	(468)
Group's share in net loss of the joint venture	**(7.347)**	(180)

Summary financial information of the Group's investment in other joint ventures are as follows:

	December 31, 2009	December 31, 2008
Other joint ventures		
Total assets	**156.200**	12.923
Total liabilities	**45.639**	669
Net assets	**110.561**	12.254
Group's interest in net assets	**51.700**	2.664
Revenues	**193.538**	99
Net income/(loss) for the period	**(10.415)**	(841)
Group's share in net income/(loss) of the joint ventures	**(4.733)**	(210)

5. SEGMENT REPORTING

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group is organized into four major operating segments.

The Group decides that defined operating segments in IFRS 8 are same with the primarily defined operating segment in IAS 14. Since information used in the Group management reporting is consistent with consolidated balance sheet and consolidated income statement the Group does not need to perform reconciliation between the consolidated income statement, consolidated balance sheet and the segment reporting disclosure.

Transfer prices between business segments of the Group are set out on an arm's length basis in a manner similar to transactions with third parties.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

5. SEGMENT REPORTING (cont'd)

December 31, 2009	Financial institutions	Automotive	Retailing	Other	Unallocated	Consolidated
Sales	542.145	703.166	362.788	71.886	-	1.679.985
Inter-segment sales	3.079	3.467	1.141	12.686	(20.373)	-
Total Sales	**545.224**	**706.633**	**363.929**	**84.572**	**(20.373)**	**1.679.985**
GROSS PROFIT	**305.236**	**206.764**	**83.886**	**34.303**	**(5.023)**	**625.166**
Marketing, selling, and distribution expenses (-)	-	(117.548)	(23.900)	(2.566)	1.288	(142.726)
General administrative expenses (-)	(206.188)	(38.352)	(24.425)	(41.378)	17.555	(292.788)
Research and development expenses (-)	-	(652)	-	-	6	(646)
Other operating income	4.517	11.736	1.312	58.462	(44.759)	31.268
Other operating expense (-)	(10.498)	(2.777)	(3.858)	(1.321)	(227)	(18.681)
OPERATING INCOME	**93.067**	**59.171**	**33.015**	**47.500**	**(31.160)**	**201.593**
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	151.800	151.800
Financial income	50.591	13.853	3.182	17.331	(7.310)	77.647
Financial expense (-)	(64.607)	(32.284)	(2.855)	(12.859)	3.109	(109.496)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**79.051**	**40.740**	**33.342**	**51.972**	**116.439**	**321.544**
Tax Income/(Expense) from Continuing Operations	**4.325**	**(7.180)**	**(6.942)**	**869**	**(1.625)**	**(10.553)**
- Current period tax expense (-)	(20.599)	(7.126)	(4.349)	(809)	-	(32.883)
- Deferred tax income / (expense)	24.924	(54)	(2.593)	1.678	(1.625)	22.330
NET INCOME FOR THE PERIOD	**83.376**	**33.560**	**26.400**	**52.841**	**114.814**	**310.991**
Attributable to:						
- Minority interest	3.989	12.431	6	-	64.229	80.655
- Equity holders of the parent	79.387	21.129	26.394	52.841	50.585	230.336
Total Assets (**)	**3.927.189**	**454.739**	**216.665**	**1.543.059**	**(367.211)**	**5.774.441**
Investments accounted through equity method	-	-	-	-	1.090.393	1.090.393
Total Liabilities	**3.398.066**	**247.841**	**40.394**	**128.613**	**(113.676)**	**3.701.238**
Property, plant and equipment and intangible asset purchases	2.446	47.278	19.861	3.429	-	73.014
Investment property purchases	22.912	-	-	-	-	22.912
Depreciation and amortization	6.096	19.697	8.612	1.780	(762)	35.423

(*) Income recognized from Anadolu Efes and Aslancık amounting to TRL 164.166 and expense recognized from Anadolu Isuzu, Anagıda, and D Tes amounting to TRL 12.366 are recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment.

(**) Unallocated segment includes goodwill amounting to TRL 35.344 (Note 20).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

5. SEGMENT REPORTING (cont'd)

December 31, 2008	Financial institutions	Automotive	Retailing	Other	Unallocated	Consolidated
Sales	533.762	604.677	508.593	65.754	-	1.712.786
Inter-segment sales	934	2.993	2.397	12.838	(19.162)	-
Total Sales	534.696	607.670	510.990	78.592	(19.162)	1.712.786
GROSS PROFIT	272.347	171.610	109.545	30.791	(6.088)	578.205
Marketing, selling, and distribution expenses (-)	-	(71.298)	(46.131)	(2.099)	1.991	(117.537)
General administrative expenses (-)	(155.452)	(60.632)	(32.743)	(35.550)	23.661	(260.716)
Research and development expenses (-)	-	(438)	-	-	6	(432)
Other operating income	5.617	14.212	7.385	67.506	(65.229)	29.491
Other operating expense (-)	(6.973)	(2.656)	(6.248)	(3.769)	(3.320)	(22.966)
OPERATING INCOME	115.539	50.798	31.808	56.879	(48.979)	206.045
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	119.316	119.316
Financial income	72.198	33.797	7.488	20.895	(13.339)	121.039
Financial expense (-)	(109.876)	(63.177)	(23.581)	(21.082)	2.804	(214.912)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	77.861	21.418	15.715	56.692	59.802	231.488
Tax Income/(Expense) from Continuing Operations	(15.945)	(5.784)	1.643	(1.300)	1.603	(19.783)
- Current period tax expense (-)	(8.115)	(4.446)	(3.408)	(1.121)	-	(17.090)
- Deferred tax income / (expense)	(7.830)	(1.338)	5.051	(179)	1.603	(2.693)
NET INCOME FOR THE PERIOD	61.916	15.634	17.358	55.392	61.405	211.705
Attributable to:						
- Minority interest	(4.395)	6.773	-	-	49.494	51.872
- Equity holders of the parent	66.311	8.861	17.358	55.392	11.911	159.833
Total Assets (**)	4.037.178	469.523	359.688	1.479.937	(533.631)	5.812.695
Investments accounted through equity method	-	-	-	-	941.021	941.021
Total Liabilities	3.588.724	293.402	170.586	129.488	(173.177)	4.009.023
Property, plant and equipment and intangible asset purchases	10.883	31.560	79.371	4.548	(14.621)	111.741
Investment property purchases	2.340	-	-	-	-	2.340
Depreciation and amortization	5.070	15.006	7.528	1.641	-	29.245

(*) Income recognized from Anadolu Efes and Anadolu Isuzu amounting to TRL 119,706 and expense from Aslancık and D Tes amounting to TRL 390 recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment.

(**) Unallocated segment includes goodwill amounting to TRL 56.595 (Note 20).

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(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

5. SEGMENT REPORTING (cont'd)

Substantially all of the consolidated revenues are obtained from operations located in Turkey. Similarly, substantially all of the consolidated assets are located in Turkey.

Associate: The Group's effective shareholding rate for Anadolu Efes is 36,27% (December 31, 2008: 36,24%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and selling and distribution of sparkling and still beverages with The Coca-Cola Company trademark principally in Turkey, Central Asia and Middle East. The result of these operations, as of December 31, 2009 and December 31, 2008 are reflected in "gain/loss from the investments accounted through equity method" line of the consolidated income statement as gain amounting to TRL 163.880 and gain amounting to TRL 119.706 respectively.

6. CASH AND CASH EQUIVALENTS

	December 31, 2009	December 31, 2008
Non-Banking	**87.284**	42.504
Banking	**224.367**	882.906
Cash and cash equivalents in the consolidated cash flow statement	**311.651**	925.410

Non-Banking

The details of cash and cash equivalents are as follows:

	December 31, 2009	December 31, 2008
Cash on hand	**1.294**	946
Cash in banks	**84.676**	40.278
Other	**1.314**	1.280
	87.284	42.504

	December 31, 2009			December 31, 2008		
	Amount	**Maturity**	**Interest rate %**	Amount	Maturity	Interest rate %
Cash in banks						
Demand deposit	**10.190**	-	-	4.169	-	-
-EUR	**1.396**	-	-	2.406	-	-
-USD	**77**	-	-	2	-	-
-GBP	**8.627**	-	-	-	-	-
-TRL	**90**	-	-	1.761	-	-
Time deposit	**74.486**			36.109		
-EUR	**22.926**	**1 – 12 days**	**3,10**	27.191	2 - 180 days	1,65 - 9,50
-USD	**768**	**7 days**	**4,00**	811	2 days	1,00 - 2,00
-TRL	**50.792**	**5 – 42 days**	**7,00 – 10,75**	8.107	2 - 33 days	14,50 - 23,00
	84.676			40.278		

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

6. CASH AND CASH EQUIVALENTS (cont'd)

Banking

	December 31, 2009	December 31, 2008
Cash on hand	**30.394**	27.430
Balances with the Central Bank	**113.371**	87.245
Cash and balances with the Central Bank	**143.765**	114.675
Deposits with banks and other financial institutions	**63.218**	367.442
Funds lent under reverse repurchase agreements	**17.384**	12.831
Interbank placements	**-**	387.958
Other money market placements	**17.384**	400.789
	224.367	882.906

As of December 31, 2009 and December 31, 2008 the interest rate range of deposits and placements are as follows:

	December 31, 2009				December 31, 2008			
	Amount		**Effective interest rate %**		Amount		Effective interest rate %	
	TRL	**Foreign currency**	**TRL**	**Foreign currency**	TRL	Foreign currency	TRL	Foreign currency
Balances with the Central Bank	**79.269**	**34.102**	-	**-**	38.692	48.553	-	0,15
Deposits with banks and other financial institutions	**8.493**	**54.725**	**6,50**	**0,20**	5.279	362.163	15,75-18,00	1,22
Funds lent under reverse repurchase agreements	**17.384**	**-**	**6,66**	**-**	12.831	-	14,99	-
Interbank placements	**-**	**-**	**-**	**-**	350.144	37.814	15,00	1,00
	105.146	**88.827**			406.946	448.530		

7. FINANCIAL INSTRUMENTS

	December 31, 2009	December 31, 2008
Non-Banking	**7.146**	13.554
Banking	**534.177**	296.435
	541.323	309.989

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

7. FINANCIAL INSTRUMENTS (cont'd)

Non-Banking

	December 31, 2009		December 31, 2008	
	Amount	**Effective interest rate %**	Amount	Effective interest rate %
Investment funds	**687**	**-**	7.054	-
Non-current financial assets	**6.459**		6.500	
- Polinas Plastik ve Ticaret A.Ş. (Polinas)	**6.276**	**10,57**	6.276	10,57
- Doğu Yatırım Holding A.Ş. (Doğu Yatırım)	**95**	**0,48**	95	0,48
- Other	**88**		129	
	7.146		13.554	

Banking

	December 31, 2009	December 31, 2008
Financial assets at fair value through profit and loss	**27.235**	32.430
Available for sale financial assets	**31.605**	74.734
Held to maturity financial assets	**475.337**	189.271
	534.177	296.435

Financial assets at fair value through profit and loss:

	December 31, 2009		December 31, 2008	
	Amount	**Effective interest rate %**	Amount	Effective interest rate %
Financial assets at fair value through profit and loss				
Debt instruments – TRL				
-Turkish government bonds	**2.671**	**7,82**	13.715	16,93
-Turkish treasury bills	**75**	**7,39**	88	16,06
Debt instruments – foreign currency				
-Eurobonds	**-**	**-**	4.942	7,74
	2.746		18.745	
Equity securities				
Listed on the ISE	**18.981**	**-**	13.023	-
	18.981		13.023	
Total financial assets at fair value through profit and loss	**21.727**		31.768	

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

7. FINANCIAL INSTRUMENTS (cont'd)

Banking (cont'd)

Available for sale financial assets

	December 31, 2009		December 31, 2008	
	Amount	**Effective interest rate %**	Amount	Effective interest rate %
Available-for-sale financial assets at fair value-TRL				
Turkish government bonds	**31.605**	**11,82**	35.489	21,74
Available-for-sale financial assets at fair value-foreign currency				
Eurobonds	**-**	**-**	30.948	6,00
Total available-for-sale financial assets	**31.605**		66.437	

Held to maturity financial assets

	December 31, 2009		December 31, 2008	
	Amount	**Effective interest rate %**	Amount	Effective interest rate %
Held to maturity financial assets				
Debt instruments-TRL				
Turkish government bonds	**375.324**	**10,43**	185.679	24,39
Total held to maturity financial assets	**375.324**		185.679	

Carrying value of debt instruments given as collateral under repurchase agreements and related liabilities are:

	December 31, 2009	December 31, 2008
Financial assets at fair value through profit or loss	**5.508**	662
Available for sale financial assets	**-**	8.297
Held to maturity financial assets	**100.013**	3.592
Carrying value of financial assets given as collateral under repurchase agreement	**105.521**	12.551
Related liability	**93.818**	11.729

Movement of financial assets is as follows:

	December 31, 2009		
	Available for sale financial assets	**Held to maturity financial assets**	**Total**
Balance at January 1, 2009	74.734	189.271	264.005
Additions	329.191	324.514	653.705
Disposals (Sale and/or redemption)	(369.735)	(28.092)	(397.827)
Change in fair value	(2.585)	(10.356)	(12.941)
Balance at the end of the period	**31.605**	**475.337**	**506.942**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

7. FINANCIAL INSTRUMENTS (cont'd)

Banking (cont'd)

	December 31, 2008		
	Available for sale financial assets	Held to maturity financial assets	Total
Balance at January 1, 2008	58.652	25.796	84.448
Additions	46.263	163.998	210.261
Disposals (Sale and/or redemption)	(34.800)	-	(34.800)
Change in fair value	4.619	(523)	4.096
Balance at the end of the period	74.734	189.271	264.005

As of December 31, 2009, the carrying value of government securities kept in the Central Bank of Turkey and in ISE Clearing and Custody Incorporation for legal requirements and as a guarantee for stock exchange and money market operations are TRL 49.180 and the cost of it is TRL 46.004 (December 31, 2008: TRL 188.414 and TRL 178.114).

Current financial assets is TRL 303.638 (December 31, 2008: TRL 22.593) and non-current financial assets is TRL 237.685 (December 31, 2008: TRL 287.396).

According to amendment to IAS 39 Financial Instruments: Recognition and Measurement which is issued by IASB ("International Accounting Standards Board") at October 2008, financial assets at fair value through profit or loss amounting to TRL 6.875 and available for sale investments with a fair value of TRL 32.251 are reclassified and recognized as held to maturity financial assets as at September 30, 2008. The fair value of these investments at the reclassification date which amounts to TRL 39.126 is recognized in held to maturity investments as the cost value at the reclassification date.

As of September 30, 2008, available for sale investments in held to maturity investments, TRL 86 had been recognized in unrealized gains/(losses) on available for sale investments account under equity in relation to such securities.

Unless the reclassifications have been done above, unrealized gains/(losses) on available for sale investments account under equity would be TRL 500 less (December 31, 2008: TRL 16) and interest income on profit and loss would be TRL 500 more (December 31, 2008: TRL 13).

8. BORROWINGS

	December 31, 2009	December 31, 2008
Bank borrowings	**216.276**	311.571
Current portion of long term borrowings	**50.796**	58.268
Short term borrowings	**267.072**	369.839
Bank borrowings	**24.521**	22.927
Long term borrowings	**24.521**	22.927
Total borrowings	**291.593**	392.766

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

8. BORROWINGS (cont'd)

As of December 31, 2009, the Group does not have any secured bank borrowings (December 31, 2008: None).

	December 31, 2009			December 31, 2008		
Short term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**139.481**	**6,85% - 12,50%**	**-**	254.469	15,0% - 27,6%	-
Borrowing in foreign currency (EUR)	**94.637**	**3,1% - 11,0%**	**Euribor + (%0,9 - %1,3)**	68.573	4,9% -10,5%	Euribor + (0,9% - 5,0%)
Borrowing in foreign currency (USD)	**32.954**	**6,75% - 8,51%**	**-**	46.797	4,6% - 5,3%	Libor + (0,1% - 1,8%)
	267.072			369.839		

Long term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in foreign currency (EUR)	**24.521**	**3,3% - 3,5%**	**Euribor + (%1,3)**	13.171	5,3%	Euribor + (0,9% - 1,3%)
Borrowing in foreign currency (USD)	**-**	**-**	-	9.756	-	Libor + (0,1% - 0,5%)
	24.521			22.927		
	291.593			392.766		

Repayments schedules of long-term borrowings are as follows :

	December 31, 2009	December 31, 2008
2010	**-**	13.922
2011	**24.521**	9.005
	24.521	22.927

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

9. OTHER FINANCIAL LIABILITIES

None (December 31, 2008: None).

10. TRADE RECEIVABLES AND TRADE PAYABLES

10.1 Trade Receivables

	December 31, 2009	December 31, 2008
Trade receivables, net	**112.025**	129.165
Notes receivable and post-dated cheques, net	**33.232**	3.768
Less: provision for doubtful trade receivables	**(1.343)**	(4.612)
	143.914	128.321

As of December 31, 2009, the Group has no long term trade receivables (December 31, 2008: None).

Movement of provision for doubtful trade receivables is as follows:

	December 31, 2009	December 31, 2008
Balance at January 1	**4.612**	2.237
Provisions	**535**	2.705
Reversal of provision (collections)	**(411)**	(330)
Change in scope of consolidation (*)	**(3.393)**	-
Balance at the end of the period	**1.343**	4.612

(*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the fiscal year (Note 3).

As of December 31, 2009 and December 31, 2008 the aging table of trade receivables is as follows:

	Total	Neither past due nor impaired trade receivables	Past due but not impaired trade receivables				
			1 - 30 day	1 - 3 month	3 - 12 month	1 - 5 years	More than 5 years
2009	**143.914**	**133.847**	**7.409**	**2.348**	**77**	**60**	**173**
2008	128.321	110.026	4.006	12.304	1.236	749	-

The amount of collaterals taken for the past due but not impaired trade receivables is TRL 2.098 (December 31, 2008 : 9.127).Collaterals consist of letters of guarantee and mortgages.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

10. TRADE RECEIVABLES AND TRADE PAYABLES (cont'd)

10.1 Trade Receivables (cont'd)

The future lease payments receivable under non-cancelable operating leases related with the fleet leasing business of Çelik Motor, a subsidiary, is as follows:

	December 31, 2009	December 31, 2008
(i) Less than one year	**33.115**	6.246
(ii) Between one year and five years	**26.246**	53.773
(iii) More than five years	**-**	-
	59.361	60.019

10.2 Trade Payables

	December 31, 2009	December 31, 2008
Non-Banking	**44.770**	78.997
Banking	**1.546**	1.030
	46.316	80.027

As of December 31, 2009, the Group has no long term trade payables (December 31, 2008: None).

11. OTHER RECEIVABLES AND PAYABLES

11.1 Other Short Term Receivables

	December 31, 2009	December 31, 2008
Non-Banking	**46.109**	44.453
-Receivables from loans (*)	**42.903**	43.719
-Other	**3.206**	734
	46.109	44.453

(*) Receivables from loans consists of the loans carried at ABank that are transferred to Anadolu Varlık, a subsidiary. The amount of provision for the related receivable at the end of period is TRL 5.902 (December 31, 2008: TRL 7.750).

11.2 Other Long Term Receivables

	December 31, 2009	December 31, 2008
Non-Banking	**2.369**	1.822
Banking		
-Collaterals given for derivatives and financial assets	**8.313**	7.669
	10.682	9.491

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

11. OTHER RECEIVABLES AND PAYABLES (cont'd)

11.3 Other Short Term Payables

	December 31, 2009	December 31, 2008
Non-Banking	**15.006**	14.720
Banking	**14.389**	19.230
	29.395	33.950

Non-Banking

	December 31, 2009	December 31, 2008
Taxes payable	**12.262**	11.460
Due to personnel	**1.487**	1.706
Deposits and collaterals taken	**1.112**	1.529
Other	**145**	25
	15.006	14.720

Banking

	December 31, 2009	December 31, 2008
Taxes payable	**8.534**	13.824
Collaterals given for financial assets	**5.855**	5.406
	14.389	19.230

As of December 31, 2009 the non-current portion of other liabilities is amounting to TRL 348 (December 31, 2008: None).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

12. FINANCIAL LEASE RECEIVABLES AND OBLIGATIONS

12.1 Financial Lease Receivables

Gross investments in finance lease receivables are as follows:

	December 31, 2009	December 31, 2008
Not later than one year	**173.468**	179.158
Later than one year and not later than five years	**137.565**	147.453
Minimum lease payment receivables, gross	**311.033**	326.611
Less: Unearned interest income	**(46.610)**	(44.539)
Net investment in finance leases	**264.423**	282.072
Less: Reserve for doubtful financial lease receivables	**(12.098)**	(5.447)
Minimum lease payment receivables, net	**252.325**	276.625

Maturities of net investment in finance leases:

	December 31, 2009	December 31, 2008
Not later than one year	**139.148**	148.814
Later than one year and not later than five years	**113.177**	127.811
	252.325	276.625

	December 31, 2009		December 31, 2008	
	Amount	**Interest rate %**	Amount	Interest rate %
EUR	**151.030**	**7,05 – 23,13**	148.939	5,97 - 19,22
USD	**60.511**	**7,36 – 21,37**	75.787	7,36 - 18,70
TRL	**40.784**	**17,80 – 36,39**	51.899	15,24 - 35,36
	252.325		276.625	

As of December 31, 2009 and 2008, the Group has obtained collaterals from certain lease customers in relation to minimum lease payments receivables. These collaterals consist of mortgages, checks, letters of guarantee and liens on manufacturing equipments.

Movement of provision for doubtful financial lease receivables is as follows:

	December 31, 2009	December 31, 2008
Balance at January 1	**5.447**	2.209
Provision	**7.381**	3.583
Collections (-)	**(730)**	(345)
Balance at the end of the period	**12.098**	5.447

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

12. FINANCIAL LEASE RECEIVABLES AND OBLIGATIONS (cont'd)

12.2 Financial Lease Obligations

None (December 31, 2008: None).

13. INVENTORIES

	December 31, 2009	December 31, 2008
Raw materials	**14.870**	31.601
Work-in-progress	**3.487**	6.931
Finished goods	**13.253**	19.416
Merchandise	**57.735**	104.593
Goods in transit	**31.062**	23.476
Others	**3.422**	148
Provision for inventories (-)	**(806)**	(2.403)
	123.023	183.762

The movement of provision for inventories is as follows:

	December 31, 2009	December 31, 2008
Balance at January 1	**2.403**	-
Provision	**129**	2.403
Reversal (-)	**(1.557)**	-
Change in scope of consolidation (*)	**(169)**	-
Balance at the end of the period	**806**	2.403

(*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the fiscal year (Note 3).

Provision for inventories amount has been recorded in cost of sales account.

14. BIOLOGICAL ASSETS

Biological assets amounting to TRL 9.453 (December 31, 2008: TRL 6.209) consist of cattles in the farm carried out at fair value. For the year ended as of December 31, 2009, cattle additions and disposals are 6.864 units and 6.068 units, respectively (December 31, 2008: additions 6.993 units , disposal 6.785 units).

15. RECEIVABLES AND DEFERRED INCOME FROM CONSTRUCTION CONTRACTS IN PROGRESS

None (December 31, 2008 : None).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

16. INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	December 31, 2009	December 31, 2008
Investment in associate	**974.228**	866.748
Interest in joint ventures (Note 4)	**116.165**	74.273
	1.090.393	941.021

16.1 Associate

Entity	Principle Activities	Country of business	December 31, 2009 **Carrying value**	**Effective shareholding and voting rights %**	**Group's share of income/(loss)**	December 31, 2008 Carrying value	Effective shareholding and voting rights %	Group's share of income/(loss)
Anadolu Efes (*)	Production of beer	Turkey	**974.228**	**36,27**	**163.880**	866.748	36,24	119.706
			974.228		**163.880**	866.748		119.706

(*) Shares of Anadolu Efes are currently quoted on the ISE.

The Company, has acquired 169.331 Anadolu Efes shares with total amount of TRL 1.693 on ISE on February 20, 2009 and March 5, 2009. As a consequence of this transaction, the Company's share in Anadolu Efes has increased to 36,27% by increasing 0,03 point.

Summary financial information of associate is as follows:

	December 31, 2009	December 31, 2008
Anadolu Efes		
Total assets	**5.430.041**	5.123.529
Total liabilities	**2.695.863**	2.607.878
Net assets	**2.734.178**	2.515.651
Group's interest in net assets	**974.228**	866.748
Revenues	**3.811.067**	3.668.917
Net income for the period	**422.588**	309.678
Group's share in net income of the associate	**163.880**	119.706

16.2 Joint Ventures

Entity	**Principle activities**	**Country of business**	**December 31, 2009** **Carrying value**	**Effective shareholding and voting rights %**	**Group's share of income/ (loss)**	December 31, 2008 Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	**64.465**	**37,56**	**(7.347)**	71.609	37,48	(180)
Ana Gıda (**)	Production and marketing of olive, sun flower and corn oils under Kırlangıç, Komili and Madra brands	Turkey	**47.372**	**37,57**	**(4.963)**	-	-	-
Aslancık	Production of electricity	Turkey	**4.328**	**17,00**	**286**	2.642	17,00	(172)
D Tes	Wholesale of electricity	Turkey	**-**	**17,00**	**(56)**	22	17,00	(38)
			116.165		**(12.080)**	74.273		(390)

(*) Shares of Anadolu Isuzu are quoted on the ISE.
(**) Change in scope of consolidation involves the effects of the change of in Ana Gıda's consolidation method in the fiscal year (Note 3).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

17. INVESTMENT PROPERTY

	December 31, 2009	December 31, 2008
Balance at January 1	**9.265**	21.206
Addition	**22.912**	2.340
Disposal (-)	**(19.736)**	(14.160)
Depreciation for the current period	**(86)**	(121)
Balance at the end of the period	**12.355**	9.265

Investment property represents land and buildings and parcels of land. As of December 31, 2009, the fair value of investment properties which have been determined based on the valuations performed by independent appraisal companies is TRL 12.529 (December 31, 2008, TRL 13.264).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

18. PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment during the year ended on December 31, 2009 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
At January 1, 2009	43.730	76.456	178.664	80.139	34.758	14.450	75.686	5.535	509.418
Additions	184	44	3.568	43.724	3.443	82	823	18.747	70.615
Disposals (-)	-	-	(826)	(18.648)	(8)	(4)	(209)	(1.936)	(21.631)
Change in scope of consolidation (*)	(323)	-	(815)	(140)	(297)	(22)	(854)	(4.033)	(6.484)
Transfers (**)	-	9	8.040	226	817	-	6.674	(15.896)	(130)
December 31, 2009	43.591	76.509	188.631	105.301	38.713	14.506	82.120	2.417	551.788
Accumulated depreciation									
At January 1, 2009	1.631	15.617	139.044	20.293	24.042	12.453	39.099	-	252.179
Depreciation charge for the period	222	1.805	7.642	14.409	2.936	217	6.384	-	33.615
Disposals (-)	-	-	(764)	(8.115)	(1)	(1)	(151)	-	(9.032)
Change in scope of consolidation (*)	-	-	(692)	(121)	(210)	(14)	(230)	-	(1.267)
December 31, 2009	1.853	17.422	145.230	26.466	26.767	12.655	45.102	-	275.495
Net carrying amount	41.738	59.087	43.401	78.835	11.946	1.851	37.018	2.417	276.293

(*) Change in scope of consolidation involves the effects of the change of in Ana Gıda's consolidation method in the fiscal year (Note 3).
(**) Property, plant and equipment amounting to TRL 130 is transferred to rights under intangible assets.

Property, Plant and Equipment (PP&E) held under finance lease

The carrying amount of PP&E held under finance leases at December 31, 2009 is TRL 24.683. According to the finance lease law, PP&E under finance lease are owned by the finance lease company during the lease term. Hence, these PP&E are regarded as colleterals by the finance lease company.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

18. PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

Movements of property, plant and equipment during the year ended on December 31, 2008 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2008	43.380	77.818	169.368	62.621	29.297	13.907	63.082	1.721	461.194
Additions	476	1.779	11.434	26.443	6.766	543	12.604	16.586	76.631
Disposals (-)	(126)	(3.141)	(2.138)	(8.925)	(1.305)	-	-	(12.772)	(28.407)
December 31, 2008	43.730	76.456	178.664	80.139	34.758	14.450	75.686	5.535	509.418
Accumulated depreciation									
January 1, 2008	1.419	14.627	132.945	14.505	22.916	12.262	34.524	-	233.198
Depreciation charge for the period	212	1.078	7.933	10.848	2.408	191	4.575	-	27.245
Disposals (-)	-	(88)	(1.834)	(5.060)	(1.282)	-	-	-	(8.264)
December 31, 2008	1.631	15.617	139.044	20.293	24.042	12.453	39.099	-	252.179
Net carrying amount	42.099	60.839	39.620	59.846	10.716	1.997	36.587	5.535	257.239

Property, plant and equipment held under finance lease

The carrying amount of PP&E held under finance leases at December 31, 2008 is TRL 26.725. According to the finance lease law, PP&E under finance lease are owned by the finance lease company during the lease term. Hence, these PP&E are regarded as colleterals by the finance lease company.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

19. INTANGIBLE ASSETS

Movements of intangible assets during the year ended on December 31, 2009 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
Cost					
January 1, 2009	76.226	10.677	1.051	1.381	89.335
Additions	2.315	-	-	84	2.399
Disposals	(6)	-	-	-	(6)
Change in scope of consolidation (*)	(36.844)	(5.148)	-	(85)	(42.077)
Transfers	130	-	-	-	130
December 31, 2009	**41.821**	**5.529**	**1.051**	**1.380**	**49.781**
Accumulated amortization					
January 1, 2009	35.291	9.307	378	496	45.472
Amortization charge for the period	1.438	-	239	45	1.722
Disposals	-	-	-	-	-
Change in scope of consolidation (*)	(603)	(3.927)	-	(74)	(4.604)
December 31, 2009	**36.126**	**5.380**	**617**	**467**	**42.590**
Net carrying amount	**5.695**	**149**	**434**	**913**	**7.191**

(*) Change in scope of consolidation involves the effects of the change of in Ana Gıda's consolidation method in the fiscal year (Note 3).

Movements of intangible assets during the year ended on December 31, 2008 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
Cost					
January 1, 2008	41.293	10.677	1.051	1.204	54.225
Additions	1.933	-	-	177	2.110
Additions through business combinations (Note 3)	33.000	-	-	-	33.000
December 31, 2008	76.226	10.677	1.051	1.381	89.335
Accumulated amortization					
January 1, 2008	33.917	9.075	152	449	43.593
Amortization charge for the period	1.374	232	226	47	1.879
December 31, 2008	35.291	9.307	378	496	45.472
Net carrying amount	40.935	1.370	673	885	43.863

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

20. GOODWILL

In accordance with IFRS 3, the Group ceased to amortize goodwill arising from the business combinations before March 31, 2004, starting from January 1, 2005. Amortization of goodwill is not applied for any acquisitions after March 31, 2004.

	December 31, 2009	December 31, 2008
Non-Banking (*)	**-**	21.251
Banking	**35.344**	35.344
	35.344	56.595

(*) Change in scope of consolidation involves the effects of the change of in Ana Gıda's consolidation method in the fiscal year (Note 3).

The recovarable amount is calculated according to the estimated free cash flow before tax based on the financial budget covering 7 year period. Estimated free cash flows beyond 7 year period are extrapolated using the estimated growth rate of 3%. Estimated free cash flows before tax are discounted with the determined discount rate, 15%. Estimates for the variables such as working capital requirements and investments are determined based on the expectations and past performance of the Group.

21. GOVERNMENT INCENTIVES AND GRANTS

None (December 31, 2008: None).

22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The provisions as of December 31, 2009 and December 31, 2008 are as follows:

	December 31, 2009	December 31, 2008
Non-Banking	**20.765**	13.840
Banking	**1.582**	765
	22.347	14.605

Non-Banking

	December 31, 2009	December 31, 2008
Label provisions (*)	**10.508**	7.429
Warranty provisions (**)	**8.772**	5.736
Provision for litigations	**876**	675
Other provisions	**609**	-
	20.765	13.840

(*) Consist of label provisions of Anadolu Elektronik, a subsidiary of the Company. These provisions which are resulted from television import will be paid to TRT institution.

(**) Result from sales including warranty provisions of Çelik Motor, Anadolu Motor and Anadolu Elektronik which are subsidiaries of the Company.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Banking

	December 31, 2009	December 31, 2008
Provision for litigations	**519**	469
Others	**1.063**	296
	1.582	765

As of December 31, 2009, the Group has no long term provisions (December 31, 2008: None).

23. COMMITMENTS

Non-Banking

Letters of guarantee given to banks, suppliers, Energy Market Regulatory Authority and custom offices are TRL 52.655 (December 31, 2008: TRL 27.924).

Collaterals given to banks for the loans of associates and other related parties are TRL 940 (December 31, 2008: TRL 945).

Letters of guarantee given to banks, suppliers, and custom offices by the joint venture are TRL 48.884 (December 31, 2008: TRL 13.145).

Letter of credits amount to TRL 3.043 (December 31, 2008: TRL 3.317).

The breakdown of guarantee/pledge/mortgage (GPM) position of the Company as of December 31, 2009 and December 31, 2008 is as follows:

	December 31, 2009	December 31,2008
Guarantee pledge and mortgages provided by the Company		
A. Total amount of GPMs given on behalf of the Company's legal personality	**-**	-
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	**-**	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	**-**	-
D. Total amount of other GPM's	**469**	471
i. Total amount of GPMs given in favor of the parent Company	**-**	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	**469**	471
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	**-**	-
	469	471

As of December 31, 2009, the ratio of other GPMs over the Company's equity is 0%. (December 31, 2008: 0%).

ABH has service agreement liabilities for 1 to 2 years with its customers.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

23. COMMITMENTS (cont'd)

***Non-Banking** (cont'd)*

The Group's guarantee, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRL 53.022, TRL 2.155, TRL 15.140 and TRL 1.256, respectively (December 31, 2008: TRL 73.670, TRL 3.848, TRL 14.846 and TRL 858).

The tax authority and other authorities (Social Security Institution) can inspect tax returns and the related accounting records for a retrospective maximum period of five years. Group has not provided any tax provision regarding prior years.

AEH, one of the subsidiary of the Company, has undertaken the obligation of preserving the corporate presence of McDonald's within the period of its license contract and the obligation of supporting to fulfill the financial and fiscal liabilities.

Çelik Motor, the subsidiary, operates in the operational fleet leasing business for the rental periods changing between 1 to 3 years.

Based on the Subscription and Shareholders Agreeement, AEH, one of the subsidiary of the Company, has granted a put option to SEEF Foods regarding its joint venture in Ana Gıda which may be exercisable between 2012 and 2014. As it is granted to the other shareholder of the joint venture, such put option is considered as derivative instrument with respect to IAS 39. As of December 31, 2009, there is no fair value of the put option.

Banking

In the normal course of business activities, ABank and its consolidated subsidiaries undertake various commitments. Commitments that are not presented in the financial statements including:

	December 31, 2009	December 31, 2008
Letters of guarantees issued (by ABank)	**1.197.207**	992.241
Letters of credit	**245.626**	214.078
Acceptance credits	**117.084**	16.924
Other	**13.227**	21.069
Total non-cash loans	**1.573.144**	1.244.312
Other commitments (*)	**999.010**	500.169
	2.572.154	1.744.481

(*) Other commitments include commitments for reserve deposits requirements, loan granting commitments and asset purchase and sale commitments.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

23. COMMITMENTS (cont'd)

Banking **(cont'd)**

The maturity analysis of contingent liabilities and commitments is as follows;

December 31, 2009	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**More than 5 years**	**Total**
Contingent liabilities	34.286	161.101	304.203	428.567	644.987	1.573.144
Other commitments	478.241	-	-	-	520.769	999.010
	512.527	**161.101**	**304.203**	**428.567**	**1.165.756**	**2.572.154**

December 31, 2008	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Contingent liabilities	1.323	18.409	156.657	75.682	992.241	1.244.312
Other commitments	42.399	-	3.000	2.581	452.189	500.169
	43.722	18.409	159.657	78.263	1.444.430	1.744.481

As of December 31, 2009, ALease has no letters of guarantees given for funds borrowed from banks and various leasing transactions (December 31, 2008: None).

Blocked Assets

As of December 31, 2009, the fair values of the TRL denominated assets held by ABank in fiduciary, agency or custodian capacities amounted to TRL 939.360 (December 31, 2008: TRL 920.671) and foreign currency denominated assets amounted to TRL 29.451 (December 31, 2008: TRL 35.047).

Litigation

There were a number of legal proceedings outstanding against ABank as of December 31, 2009 amount to TRL 6.333 (December 31, 2008: TRL 1.163). These mainly include matters relating to personal claims of customers and former employees of ABank. Although the outcome of these matters can not always be ascertained with precision, the Management, based on professional advice, has provided provision amounting to TRL 519 (December 31, 2008: TRL 469).

Other

ABank manages six open-ended investment funds which were established under the regulations of the CMB of Turkey. In accordance with the funds' charters, ABank purchases and sells marketable securities on behalf of funds, markets their participation certificates and provides other services in return for a management fee and undertakes management responsibility for their operations.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

24. PROVISIONS FOR THE EMPLOYEE BENEFITS

	December 31, 2009	December 31, 2008
Short term	**12.932**	8.646
Bonus provisions	**8.797**	4.361
Vacation pay liability	**4.135**	4.208
Seniority pay liability (*)	**-**	77
Long term	**14.012**	12.975
Employee termination benefits	**14.012**	12.828
Seniority pay liability (*)	**-**	147
	26.944	21.621

(*) As a result of the effects of the change in Ana Gıda's consolidation method in the fiscal year, the accounts amount is nil (Note 3).

Provision for Employee Termination Benefits

In accordance with the existing social legislation, the Group 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 (limited to a maximum of TRL 2,3652/year at December 31, 2009 and TRL 2,1732/year December 31, 2008, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

In the consolidated financial statements as of December 31, 2009 and December 31, 2008 the Group reflected a liability calculated using the Projected Unit Method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

The principal actuarial assumptions used at the balance sheet dates are as follows:

	December 31, 2009	December 31, 2008
Discount rate	**11%**	12%
Expected rates of salary/limit increases (inflation rate)	**4,8%**	5,4%

In addition, the principal assumption that the maximum liability, TRL 2,3652, for each year of service will increase in line with inflation is taken into consideration in the calculation of retirement pay liability provision as of December 31, 2009.

The movement of provision for employee termination benefits is as follows:

	December 31, 2009	December 31, 2008
Balance at January 1	**12.828**	11.361
Interest cost	**1.294**	1.363
Charge for the period (net)	**3.816**	3.056
Paid (-)	**(2.864)**	(2.952)
Change in scope of consolidation (*)	**(1.062)**	-
Balance at the end of the period	**14.012**	12.828

(*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the fiscal year (Note 3).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

25. PENSION PLANS

None (December 31, 2008 : None).

26. OTHER ASSETS AND LIABILITIES

26.1 Other Current Assets

	December 31, 2009	December 31, 2008
Non-Banking	**30.875**	54.685
Banking	**14.541**	15.336
	45.416	70.021

Non-Banking

	December 31, 2009	December 31, 2008
Prepaid expenses	**20.280**	28.529
VAT receivable	**5.005**	20.571
Prepaid taxes	**2.909**	3.470
Advances given	**1.401**	312
Other current assets	**1.280**	1.803
	30.875	54.685

Banking

	December 31, 2009	December 31, 2008
VAT receivable	**8.655**	12.556
Receivables from insurance policies	**1.873**	1.455
Prepaid tax	**10**	58
Prepaid expenses and others	**4.003**	1.267
	14.541	15.336

26.2 Other Non-Current Assets

	December 31, 2009	December 31, 2008
Non-Banking	**1.090**	9.831
VAT receivable	**253**	9.148
Other	**837**	683
Banking	**9.660**	10.402
Prepaid expenses	**3.468**	3.696
VAT receivable	**2.892**	-
Other	**3.300**	6.706
	10.750	20.233

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

26. OTHER ASSETS AND LIABILITIES (cont'd)

26.3 Other Current Liabilities

	December 31, 2009	December 31, 2008
Non-Banking	**6.773**	6.783
Banking	**39.963**	44.326
	46.736	51.109

Non-Banking

	December 31, 2009	December 31, 2008
Advances taken	**5.709**	6.716
Deferred income	**1.064**	20
Other payables	**-**	47
	6.773	6.783

Banking

	December 31, 2009	December 31, 2008
Cheques in collection	**16.502**	13.436
Assets held for sale (*)	**10.694**	11.915
Advances taken from customers	**3.392**	1.953
Other	**9.375**	17.022
	39.963	44.326

(*) Collections from banking loans.

As of December 31, 2009, other non-current liability amounts to TRL 330 (December 31, 2008: None).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

27. EQUITY

Shared Capital / Adjustments to Share Capital and Equity Instruments

	December 31, 2009		December 31, 2008	
	Amount	**%**	Amount	%
Yazıcı Families	**62.567**	**39,10**	65.280	40,80
Kamil Yazıcı Yönetim ve Danışma A.Ş.	**53.600**	**33,50**	53.600	33,50
Publicly traded (*)	**43.833**	**27,40**	41.120	25,70
Paid-in share capital - historical	**160.000**	**100,00**	160.000	100,00
Inflation adjustment to share capital	**-**		-	
Total share capital - historical	**160.000**		160.000	

(*) TRL 2.906 amount of the publicly traded portion, which is 1,816% of the paid-in capital is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş.

Movement of paid in share capital as at December 31, 2009 and December 31, 2008 is as follows (historical amounts) :

	December 31, 2009		December 31, 2008	
	Number of shares	**Amount**	Number of shares	Amount
Balance at January 1	**160.000.000**	**160.000**	160.000.000	160.000
-Inflation adjustment to share capital	**-**	**-**	-	-
Balance at the end of the period	**160.000.000**	**160.000**	160.000.000	160.000

Kamil Yazıcı Yönetim ve Danışma A.Ş. (henceforth as Management Company) is a professional management company established by members of the Kamil Yazıcı Family to manage their investments. With the special board nomination rights granted to Class A and Class B shares (1 + 3) which it owns, it is entitled to appoint four of the six directors to the Company's board of directors. Namely;

Yazıcılar's common shares are divided into four classes, with each class of shares having equal voting rights on all matters except for the election of directors. Classes B, C and D consist of registered shares and are owned by the members of the three Yazıcı Families. Class A shares are all bearer type shares; shares belonging to two Yazıcı Families and publicly traded shares are included in Class A.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

27. EQUITY (cont'd)

Shared Capital / Adjustments to Share Capital and Equity Instruments (cont'd)

Class	Number of shares	Percentage of capital %	Number of members on Board
A (Bearer)	87.818.037	54,89	1
B (Registered)	31.999.964	20,00	3
C (Registered)	19.235.049	12,02	1
D (Registered)	20.946.950	13,09	1
	160.000.000	**100,00**	**6**

Restricted Reserves Allocated from Net Profit, Revaluation Surplus

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 net income (inflation-restated income in accordance with CMB) at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation-restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation-restated capital in accordance with CMB). In accordance with Turkish Commercial Code, the legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves can not be used.

In accordance with the Communiqué No. XI-25, items of statutory shareholders' equity such as "share capital, share premium, legal reserves, statutory reserves and extraordinary reserves", were presented at their historical amounts. The difference between the inflated and historical amounts of these items was presented in shareholders' equity as "adjustment to equity".

According to the CMB Communiqué No. XI-29, which is effective as of January 1, 2008 and explanatory announcements of CMB related with the communiqué, "paid in capital", "restricted reserves allocated from net profit" and "share premiums" have to be presented as the amounts in the statutory financial statements. The valuation differences appeared during the application of the communiqué (like the differences resulting from the inflation adjustments) are associated with the "adjustment to issued capital" which is presented after the "paid in capital", if they result from the "paid in capital" and have not been added to the capital yet; they are associated with the "retained earnings" if they result from the "restricted reserves allocated from net profit" and the "share premium" and have not been subject to dividend distribution or capital increase yet. Other equity items are presented with the amounts valued within the framework of CMB Financial Reporting Standards.

Quoted companies are subject to dividend requirements regulated by the CMB as follows:

Based on the CMB Decree 7/242, dated February 25, 2005, if the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the whole amount of distributable profit should be distributed. If it exceeds the statutory net distributable profit, the whole amount of the statutory net distributable profit should be distributed. There will be no profit distribution whether loss of the period is recognized either in the financial statements in accordance with CMB regulations or in the statutory financial statements.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

27. EQUITY (cont'd)

Restricted Reserves Allocated from Net Profit, Revaluation Surplus (cont'd)

Based on the CMB Decree 1/6, dated January 9, 2009, the principles regarding to the distribution of the profit of 2008 operations of quoted companies subject to capital market is as follows: the minimum dividend distribution rate is 20% in accordance with the article 5 of Communiqué Serial: IV, No:27; the distribution may be made by either as cash or bonus shares to be issued to the shareholders by including the dividend in capital or a certain amount as cash and a certain amount as bonus shares in accordance with the resolution taken in general assembly meeting.

Also, in accordance with the above mentioned Decree, companies that take their consolidated financial statements as basis for their distributable profit, shall consider the profits of their subsidiaries, joint ventures and associates to the extent that such profits do not exceed the amount recorded in the statutory financial statements of these companies and without considering whether a profit distribution resolution is taken at their annual general meetings. Such profits as reported in the financial statement as per CMB Communiqué Serial XI, No: 29 "Financial Reporting Standards in Capital Market" shall be subject to distributable dividend computations.

As a result of the decision of CMB on January 27, 2010, there are no obligations for the minimum dividend payments subject to public incorporated companies whose shares are traded in the stock exchange.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. Inflation adjustment to shareholders' equity, in the case of cash used for profit distribution will be subject to corporate income tax.

As of December 31, 2009, the total amount of the distributable profit from the net income of the Company is amounting to TRL 130.191 consisting of net statutory distributable profit of the period TRL 37.400 and other resources subject to profit distribution of TRL 92.791.

	December 31, 2009	December 31, 2008
Revaluation surplus	**8.266**	4.940

	December 31, 2009	December 31, 2008
Restricted reserves allocated from net profit	**14.080**	12.110

Retained Earnings

As of December 31, 2009 and December 31, 2008 the summary of equity reserves, extraordinary reserves, other profit reserves, equity restatement differences, and retained earnings are as follows:

	December 31, 2009	December 31, 2008
Equity reserves	**1.166**	1.166
Extraordinary reserves	**112.900**	109.465
Other profit reserves	**2.558**	2.558
Retained earnings	**1.064.950**	944.310
	1.181.574	1.057.499

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

27. EQUITY (cont'd)

Minority Interest

Minority interests are separately classified in the consolidated financial statements.

28. CONTINUING OPERATIONS

GROSS PROFIT	December 31, 2009	December 31, 2008
Non-Banking	**315.700**	299.718
Revenue net off cost of sales	**276.695**	263.624
Service Income (*)	**39.005**	36.094
Banking – Gross profit from financial sector operations	**309.466**	278.487
	625.166	578.205

(*) Service income consists of ABH and AEH's service income.

The details of cost of sales realized in years 2009 and 2008 are as follows:

	December 31, 2009	December 31, 2008
Cost of inventories and merchandises	**665.676**	736.854
Payroll expenses	**57.131**	53.291
Rent expenses	**29.435**	21.483
Depreciation and amortization expense	**9.354**	8.286
Other expenses	**60.544**	59.392
	822.140	879.306

29. OPERATING EXPENSES

	December 31, 2009	December 31, 2008
Non-Banking	**235.860**	234.850
Banking	**200.300**	143.835
	436.160	378.685

	December 31,2009	December 31, 2008
Marketing, selling and distribution expenses	**142.726**	117.537
General administrative expenses	**292.788**	260.716
Research and development expenses	**646**	432
	436.160	378.685

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

29. OPERATING EXPENSES (cont'd)

Non-Banking

	December 31, 2009	December 31, 2008
Marketing, selling and distribution expenses	**142.726**	117.537
General administrative expenses	**92.488**	116.881
Research and development expenses	**646**	432
	235.860	234.850

	December 31, 2009	December 31, 2008
Marketing, selling and distribution expenses		
Domestic sales and marketing expenses	**73.645**	65.166
Depreciation and amortisation expenses	**15.121**	946
Transportation expenses	**12.475**	11.803
Payroll expenses	**10.326**	12.348
Advertisement expenses	**9.182**	10.927
Contribution to dealers' selling expenses	**4.848**	9.019
Services rendered expenses	**2.762**	3.121
Exportation expenses	**772**	2.796
Other expenses	**13.595**	1.411
	142.726	117.537

	December 31, 2009	December 31, 2008
General administrative expenses		
Payroll expenses	**62.298**	64.670
Consultancy and services rendered expenses	**7.224**	5.735
Depreciation and amortisation expenses	**4.622**	14.932
Rent expenses	**2.257**	3.210
Taxes and duties	**1.594**	10.704
Communication expenses	**1.006**	1.984
Maintenance and repair expenses	**1.055**	1.763
Provision for employee termination benefits (net)	**1.291**	1.538
Transportation expenses	**1.234**	1.402
Insurance expenses	**1.195**	1.010
Utility expenses	**1.254**	1.254
Other expenses	**7.458**	8.679
	92.488	116.881

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

29. OPERATING EXPENSES (cont'd)

Banking

	December 31, 2009	December 31, 2008
General administrative expenses		
Payroll expenses	**74.538**	65.255
Provision for loan losses	**72.208**	42.184
Rent expenses	**8.667**	8.775
Depreciation and amortisation expenses	**6.109**	5.068
Taxes other than income tax	**2.935**	3.026
Consultancy expenses	**2.235**	1.500
Saving deposits insurance fund premium	**2.175**	1.481
Provision for employee termination benefits	**1.562**	1.051
Other expenses	**5.447**	9.362
	175.876	137.702
Bank's foreign exchange losses, net	**24.424**	6.133
	200.300	143.835

30. EXPENSES BY NATURE

The amounts of depreciation and amortization expenses recorded in the consolidated income statement accounts are as follows:

	December 31, 2009	December 31, 2008
Depreciation and amortization expenses		
Marketing, selling and distribution expenses	**15.121**	946
General administrative expenses	**10.731**	20.000
Cost of sales	**9.354**	8.286
Research and development expenses	**217**	13
	35.423	29.245

The amounts of payroll expenses recorded in the consolidated income statement accounts are as follows:

	December 31, 2009	December 31, 2008
Payroll expenses		
General administrative expenses	**136.836**	129.925
Cost of sales	**57.131**	53.291
Marketing, selling and distribution expenses	**10.326**	12.348
Research and development expenses	**278**	239
	204.571	195.803

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

31. OTHER OPERATING INCOME/EXPENSE

31.1 Other Operating Income

	December 31, 2009	December 31, 2008
Gain on sale of share in subsidiary (Note 3)	**11.811**	-
Income from agreements-financial leasing	**3.870**	3.418
Insurance compensation income	**2.892**	2.958
Reversal of provision for loan and other losses	**2.171**	4.561
Commission income	**879**	445
After sales service income	**465**	3.096
Gain on sale of property, plant and equipment	**353**	2.162
Transportation income	**250**	1.558
R&D support income	**214**	839
Default income	**-**	1.428
Return of labels	**-**	988
Other	**8.363**	8.038
	31.268	29.491

31.2 Other Operating Expense

	December 31, 2009	December 31, 2008
Financial leasing-provision for receivables	**6.652**	3.238
Financial leasing-agreement expenses	**3.315**	2.877
Donation	**2.738**	1.861
Provision for doubtful receivables	**497**	5.592
Loss on sale of property, plant and equipment	**229**	750
Other	**5.250**	8.648
	18.681	22.966

32. FINANCIAL INCOME

	December 31, 2009	December 31, 2008
Foreign exchange gain	**62.254**	112.423
Gain on sale of financial assets	**9.329**	121
Interest income	**6.062**	8.186
Other income	**2**	309
	77.647	121.039

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

33. FINANCIAL EXPENSE

	December 31, 2009	December 31, 2008
Foreign exchange loss	**59.209**	133.914
Interest expense	**48.014**	44.948
Loss from capital market transactions	**1.387**	26.977
Other expense	**886**	9.073
	109.496	214.912

34. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (December 31, 2008: None).

35. TAX ASSETS AND LIABILITIES

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which the Group companies operate.

The corporation tax rate for the fiscal year is 20% in Turkey (2008 - 20%). Corporate tax returns are required to be filed until the fifteenth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 20% (2008 – 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

Investment Incentives

Upon the meeting held by the Constitutional Court dated October 15, 2009 and upon the Constitutional Court conclusion on January 8, 2010, unused investment incentives of the Group have became available for use again and the Group has recognized deferred tax assets over such investment incentives accordingly.

35.1 Deferred Tax Assets and Liabilities

The distribution of deferred tax assets and liabilities is as follows:

	December 31, 2009	December 31, 2008
Deferred tax asset	**29.500**	10.278
Deferred tax liability (-)	**(12.717)**	(11.865)
Total deferred tax asset / (liability), net	**16.783**	(1.587)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

35. TAX ASSETS AND LIABILITIES (cont'd)

35.1 Deferred Tax Assets and Liabilities (cont'd)

The movement of net deferred tax asset as of the year ended on December 31, 2009 is as follows:

	Balance December 31, 2008	**Change in scope of consolidation**	**Recorded to income statement**	**Balance December 31, 2009**
Property, plant and equipment, and intangibles	**(17.564)**	**1.539**	**570**	**(15.455)**
Tax loss carried forward	**9.861**	**(4.695)**	**(1.667)**	**3.499**
Employee termination benefit	**2.565**	**(212)**	**445**	**2.798**
Financial leases	**(1.162)**	**-**	**26**	**(1.136)**
Investment incentive	**-**	**-**	**18.109**	**18.109**
Other	**4.713**	**(519)**	**4.774**	**8.968**
Net deferred tax (liability)/asset	**(1.587)**	**(3.887)**	**22.257**	**16.783**
Reclassification to revaluation surplus	**-**	**-**	**73**	**-**
	(1.587)	**(3.887)**	**22.330**	**16.783**

The movement of net deferred tax liability as of the year ended on December 31, 2008 is as follows:

	Balance December 31, 2007	Recorded to income statement	Balance December 31, 2008
Property, plant and equipment, and intangibles	(8.510)	(9.054)	(17.564)
Tax loss carried forward	1.839	8.022	9.861
Employee termination benefit	1.800	765	2.565
Financial leases	(903)	(259)	(1.162)
Investment incentive	23.511	(23.511)	-
Other	7.181	(2.468)	4.713
Net deferred tax (liability)/asset	24.918	(26.505)	(1.587)
Reclassification to revaluation surplus	-	(846)	-
Allowance for deferred tax	(24.658)	24.658	-
	260	(2.693)	(1.587)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

35. TAX ASSETS AND LIABILITIES (cont'd)

35.2 Tax Expense

	December 31, 2009	December 31, 2008
Income tax expense	**(32.883)**	(17.090)
Deferred tax expense/(income)	**22.330**	(2.693)
	(10.553)	(19.783)

	December 31, 2009	December 31, 2008
Profit before tax from continuing operations	**321.544**	231.488
Minority interest (-)	**(80.655)**	(51.872)
Profit before tax	**240.889**	179.616
Tax ratio used by the parent company %20 (2008: %20)	**(48.178)**	(35.923)
Non-deductible expenses	**(26.429)**	(19.482)
Non-taxable income (-)	**21.677**	23.016
Tax loss carryforward (-)	**5**	7.532
Donation and other deductables (-)	**18.381**	1.675
Consolidation effect (-)	**16.473**	13.433
Permanent differences between CMB and statutory results	**7.518**	(10.034)
	(10.553)	(19.783)

35.3 Tax Provision

	December 31, 2009	December 31, 2008
Balance at January 1	**437**	3.534
Income tax expense	**32.883**	17.090
Prepaid tax (-)	**(30.776)**	(20.187)
Balance at the end of the period	**2.544**	437

36. EARNINGS PER SHARE

	December 31, 2009	December 31, 2008
Net profit (full TRL)	**230.336.000**	159.833.000
Weighted average number of shares	**160.000.000**	160.000.000
Earning per share (full TRL)	**1,44**	1,00

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

37. RELATED PARTY BALANCES AND TRANSACTIONS

37.1 Due from Related Parties

	December 31, 2009	December 31, 2008
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**6.744**	7.110
Anadolu Etap Tarım ve Gıda A.Ş. (3)	**2.589**	-
OAO Amstar (3)	**1.659**	1.133
Krasny Vostok Group (3)	**1.290**	646
ZAO Moscow Efes Brewery (Efes Moscow) (3)	**1.156**	521
Coca-Cola Satış ve Dağıtım A.Ş. (3)	**1.013**	794
Anadolu Efes (1)	**841**	1.734
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	**469**	1.366
Anadolu Isuzu (2)	**385**	1.589
JSC Efes Karaganda Brewery (Efes Karaganda) (3)	**378**	291
Coca-Cola İçecek A.Ş. (3)	**130**	186
Tarbes Tarım Ürünleri ve Besicilik San. Tic. A.Ş. (Tarbes) (3)	**2**	665
Other	**807**	334
	17.463	16.369

As of December 31, 2009, the loan amount given to related parties is TRL 1.691, which is included under "Banking Loans" in the consolidated financial statements (December 31, 2008: TRL 573). As of December 31, 2009, TRL 1.610 due from related parties is included in other liabilities and blocked accounts at the financial statement of the bank (December 31, 2008: TRL 1.636). As of December 31, 2009, the non-cash loan amount given by the bank to related parties is TRL 30.238 (December 31, 2008: 18.037).

As of December 31, 2009 the short term portion of due from related parties is amounting to TRL 11.812 (December 31, 2008: TRL 10.262), and the long term portion is TRL 5.651 (December 31, 2008: TRL 6.107).

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

37.2 Due To Related Parties

	December 31, 2009	December 31, 2008
Ana Gıda (2) (*)	**1.586**	-
Anadolu Isuzu (2)	**467**	257
Efpa (3)	**305**	79
Dividend will be paid to shareholders	**21**	18
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	**-**	75
Other	**23**	305
	2.402	734

(*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the fiscal year (Note 3).

There is no long term amount of due to related parties as of December 31, 2009 (December 31, 2008: None).

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

37. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

37.3 Related Party Transactions

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured, interest free and settlement occurs in cash. There have been no quarantees provided or received for any related party receivables or payables. For the year ended December 31, 2009, the Group has not recorded any impairment of receivables, relating to amounts owned by related parties (December 31, 2008: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the year ended as of December 31, 2009 and December 31, 2008 are as follows:

	December 31, 2009	December 31, 2008
Sales of goods and services, net		
Efes Breweries International N.V. (3)	**22.458**	1.978
Anadolu Efes (1)	**17.053**	19.210
Efpa (3)	**17.164**	19.128
Coca-Cola Satış ve Dağıtım A.Ş. (3)	**8.765**	4.265
Anadolu Isuzu (2)	**6.287**	13.208
Tarbes (3)	**3.258**	3.256
Ana Gıda (2) (*)	**1.508**	-
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**1.813**	950
Other	**5.023**	2.619
	83.329	64.614

	December 31, 2009	December 31, 2008
Purchases of goods and other charges		
Anadolu Eğitim ve Sosyal Yardım Vakfı (5)	**2.300**	1.985
Anadolu Isuzu (2)	**923**	4.576
Efpa (3)	**168**	183
Other	**259**	82
	3.650	6.826

	December 31, 2009	December 31, 2008
Interest and other financial income (banking)		
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**722**	438
Ana Gıda (2) (*)	**621**	-
Anadolu Efes (1)	**350**	104
Anadolu Isuzu (2)	**249**	147
Coca-Cola İçecek A.Ş. (3)	**116**	103
Other	**245**	134
	2.303	926

(*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the fiscal year (Note 3).

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

37. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

37.3 Related Party Transactions (cont'd)

	December 31, 2009	December 31, 2008
Interest and other financial expense (banking)		
Anadolu Efes (1) (**)	**9.928**	16.742
Özilhan Sınai Yatırım A.Ş. (5)	**2.139**	3.010
Tarbes (3)	**1.653**	438
Coca-Cola İçecek A.Ş. (3)	**1.310**	1.624
Anadolu Isuzu (2)	**1.274**	5.428
Efes Pilsen Spor Kulübü (5)	**625**	2.228
Aslancık (2)	**459**	783
Efpa (3)	**167**	339
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**79**	157
Other	**3.054**	1.160
	20.688	31.909

(**) Interest rate range for TRL deposits is 10,25% and interest rate range for USD deposits is between 0,25% and 0,50%.

	December 31, 2009	December 31, 2008
Various sales included in other income (includes dividends received)		
Anadolu Efes (1)	**3.035**	146
Tarbes (3)	**468**	-
Anadolu Isuzu (2)	**122**	91
Efpa (3)	**65**	22
Polinas (5)	**56**	55
Ana Gıda (2) (*)	**45**	-
Coca-Cola İçecek A.Ş. (3)	**13**	7
Other	**21**	22
	3.825	343

	December 31, 2009	December 31, 2008
Interest and other financial expense (non-banking)		
Anadolu Efes (1)	**1.174**	1.487
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	**-**	435
Other	**-**	40
	1.174	1.962

(*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the fiscal year (Note 3).

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

37. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

37.3 Related Party Transactions (cont'd)

	December 31, 2009	December 31, 2008
Interest and other financial income (non-banking)		
Ana Gıda (2) (*)	**1.506**	-
Other	**1**	14
	1.507	14

(*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the fiscal year (Note 3).

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

Compensation of Key Management Personnel of the Group

Group has defined the key management personel as follows; the managers directly reporting to the general manager and board of directors, in ABank the board of directors, general manager and the assistant general manager, and the board of directors and general managers in the rest of the subsidiaries.

The details of benefits provided to the key management personnel during the years ended on December 31, 2009 and December 31, 2008 are as follows:

	December 31, 2009	December 31, 2008
Short term benefits provided to key management personnel	**19.728**	21.736
Post-employement benefits	**85**	237
Total gain (*)	**19.813**	21.973
Social Security employer share (*)	**368**	390

(*) Involves the effects of the change in Ana Gıda's consolidation method in the fiscal year (Note 3).

Other

The Company and its subsidiaries other than McDonald's, Hamburger and AYO are obligated to donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax.

The Company and its subsidiaries other than McDonald's, Hamburger, ABank, AYO, Anadolu Motor, A Yatırım and Ülkü, distribute a 5% dividend of their net profit to the board members , which is the amount left after the legal reserves and the first dividend are deducted consecutively. If a representative executes board membership for a company, the executive board dividend of that representative is recorded as board of members' dividend income at the related company.

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

General

Banking

To maintain and improve the soundness of its operations, ABank accords top management priority to upgrading its risk management systems and capabilities. According to ABank's "Risk Management Policy", Financial Risks are composed of Market, Credit and Liquidity risks. These risks are supervised by the "Bank Risk Committee" while the various Risk Committees and Risk Control Unit carry out the risk management related tasks. Risk Management Policy includes details about the framework for defining, measuring, monitoring and managing the risks taken by the business units across ABank. Risk Management Policy covers,

- Sound and optimum capital allocation
- Establishment of dynamic risk limits
- Quantification of the actual risks

Building a capital management system lies at the core of ABank's Risk Management Policy. In addition to fully complying with regulatory capital requirements, ABank has its own estimate of required economic capital. This figure is believed to reflect a more realistic picture of ABank's risk profile. Based on the capital management tool, ABank conducts RaRoC (Risk-adjusted Return on Capital) analysis for different lines of business and uses the outcome as a performance measurement tool.

As a last step of Risk Management Policy, ABank determines risk-based limits, with respect to available economic capital and monitors actual risks against these limits.

Market Risk

Market risk is defined as the decrease in the market value of ABank due to relevant price fluctuations. This risk group is handled in two broad categories; Trading and Structural Interest Rate Risk, which requires different models and assumptions. Trading Risk refers to the daily volatility of values of tradable assets, such as Foreign Exchange, Fixed Income Securities, Stocks, and related derivative instruments. Value-at-Risk (VaR) is the primary tool for day-to-day monitoring of trading-related market risk. VaR is a statistical measure of the potential losses that could occur due to movements in market rates and prices under normal market circumstances. Secondly, Structural Interest Rate Risk, addresses the risk which stems from sensitivity of the relatively illiquid items of the balance sheet to the shifts of the yield curve. Market risk exposure of ABank as a whole is bound by the economic capital allocated by the Board.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies

Credit Risk

Seeking to maintain a sound asset portfolio and prevent non-performing loans, ABank has clearly separated its sales-related departments and credit management department. ABank has its own score-sheet and rating scale and uses the output of this internal rating tool in managing the credit portfolio, setting limits, pricing and collateralization.

Sectoral break down of cash and non-cash loans are as follows:

	December 31, 2009		December 31, 2008	
	Cash	**Non-cash**	Cash	Non-cash
Automotive	**127.237**	**38.433**	67.589	65.282
Chemical	**53.127**	**43.058**	57.600	25.343
Construction	**323.560**	**329.852**	258.194	247.008
Electrics and electronics	**27.115**	**13.978**	37.461	31.244
Finance	**262.371**	**86.475**	47.709	79.903
Food and beverage	**146.799**	**94.283**	162.363	86.561
Forest products and agriculture	**64.775**	**38.779**	51.003	12.450
Iron and steel, non-metal	**182.429**	**117.234**	115.818	101.426
Machinery	**55.242**	**22.436**	68.877	31.543
Mining	**51.395**	**47.898**	61.247	11.771
Paper	**21.371**	**14.390**	21.007	13.861
Petroleum	**44.420**	**42.638**	12.681	5.267
Production	**183.485**	**75.377**	189.277	53.036
Textile	**200.966**	**67.906**	205.760	39.018
Tourism	**61.443**	**6.625**	96.730	13.237
Trade	**406.571**	**243.588**	558.151	292.951
Transportation	**115.907**	**49.165**	124.339	42.612
Others	**355.752**	**241.029**	186.687	91.799
	2.683.965	**1.573.144**	2.322.493	1.244.312
Loans in arrears	**192.677**	**-**	128.893	-
Provision for doubtful receivables	**(142.565)**	**-**	(73.660)	-
	2.734.077	**1.573.144**	2.377.726	1.244.312

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Credit Risk (cont'd)

31.12.2009	**Corporate loans**	**Small business loans**	**Consumer loans**	**Other**	**Total**
Neither past due nor impaired	1.408.381	1.042.401	3.592	6.152	2.460.526
Past due not impaired	86.378	136.979	82	-	223.439
Individually impaired	67.869	124.728	80	-	192.677
Total credits	**1.562.628**	**1.304.108**	**3.754**	**6.152**	**2.876.642**
Less: Allowance for impaired loans					
Individually impaired (-)	(45.780)	(69.006)	-	-	(114.786)
Collectively impaired (-)	(12.647)	(15.132)	-	-	(27.779)
Total provision	**(58.427)**	**(84.138)**	**-**	**-**	**(142.565)**
	1.504.201	**1.219.970**	**3.754**	**6.152**	**2.734.077**

31.12.2008	Corporate loans	Small business loans	Consumer loans	Other	Total
Neither past due nor impaired	817.630	1.301.777	12.838	4.025	2.136.270
Past due not impaired	62.368	123.661	194	-	186.223
Individually impaired	44.724	83.801	368	-	128.893
Total credits	924.722	1.509.239	13.400	4.025	2.451.386
Less: Allowance for impaired loans					
Individually impaired (-)	(15.878)	(33.008)	(369)	-	(49.255)
Collectively impaired (-)	(11.738)	(12.556)	(111)	-	(24.405)
Total provision	(27.616)	(45.564)	(480)	-	(73.660)
	897.106	1.463.675	12.920	4.025	2.377.726

As of December 31, 2009, the aging of loans past due but not impaired is as follows:

31.12.2009	**1-30 days**	**31-60 days**	**61-90 days**	**Total**
Banking Loans				
Corparate loans	51.174	13.129	22.075	86.378
Small business loans	118.843	6.121	12.015	136.979
Consumer loans	48	-	34	82
	170.065	**19.250**	**34.124**	**223.439**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Credit Risk (cont'd)

The reconciliation of the provision for individually impaired loans and other receivables is as follows:

December 31, 2009	**Corporate loans**	**Small business loans**	**Consumer loans**	**Other**	**Total**
January 1, 2009	15.878	33.008	369	-	49.255
Charge for the year	40.979	54.112	(172)	-	94.919
Recoveries	(10.863)	(16.420)	(196)	-	(27.479)
Amounts written off	(214)	(1.694)	(1)	-	(1.909)
Balance at the end of the period	**45.780**	**69.006**	**-**	**-**	**114.786**

December 31, 2008	Corporate loans	Small business loans	Consumer loans	Other	Total
January 1, 2008	15.500	33.335	1.433	-	50.268
Charge for the year	12.683	19.799	48	-	32.530
Recoveries	(12.305)	(19.474)	(1.097)	-	(32.876)
Amounts written off	-	(652)	(15)	-	(667)
Balance at the end of the period	15.878	33.008	369	-	49.255

The maximum credit exposure of balance sheet items are as follows:

	December 31, 2009	December 31, 2008
Central Bank	**183.313**	184.158
Deposits with banks and other financial institutions	**57.390**	363.436
Other money market placements	**17.384**	400.789
Financial assets at fair value through profit and loss	**27.235**	32.430
Financial lease receivables	**252.325**	276.625
Derivative financial instruments	**7.237**	28.912
Banking loans	**2.734.077**	2.377.726
Available for sale financial assets	**31.605**	74.734
Held to maturity financial assets	**475.337**	189.271
Other assets	**2.989**	2.298
	3.788.892	3.930.379
Contingent liabilities	**1.573.144**	1.244.312
Other commitments	**999.010**	500.169
	2.572.154	1.744.481
Total credit exposure	**6.361.046**	5.674.860

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Currency Risk

ABank centralized their currency risk and assigned Treasury Department to manage this risk. In principal, the balance sheet is assumed to be currency risk free. Any residual currency risk is treated as trading risk and it is subject to Value-at-Risk limits and nominal limits set by the Board.

The details of ABank's and ALease's assets, liabilities and off- balance-sheet items in foreign currency is as follows:

	TRL	USD	EUR	JPY	Other	Total
31.12.2009						
Assets						
Cash and balances with the Central Bank	91.002	44.535	8.084	-	144	143.765
Deposits with banks and other financial institutions	8.494	17.829	36.473	-	422	63.218
Other money market placements	17.384	-	-	-	-	17.384
Reserve deposits at the Central Bank	-	69.942	-	-	-	69.942
Financial assets at fair value through profit and loss	27.235	-	-	-	-	27.235
Financial assets	507.112	-	-	-	-	507.112
Banking loans	1.742.542	615.787	379.612	-	338	2.738.279
Minimum lease payments receivable	43.359	62.551	155.316	-	-	261.226
Derivative financial instruments	7.172	65	-	-	-	7.237
Investments	17	-	-	-	-	17
Assets held for sale	12.355	-	-	-	-	12.355
Property, plant and equipment	17.088	-	-	-	-	17.088
Intangible assets	2.713	-	-	-	-	2.713
Deferred tax assets	27.045	-	-	-	-	27.045
Other assets	45.995	2.984	756	-	-	49.735
Total Assets	**2.549.513**	**813.693**	**580.241**	**-**	**904**	**3.944.351**
Liabilities						
Deposits from other banks	1.031	50.389	819	-	1.183	53.422
Customers' deposits	1.503.518	642.401	329.846	3.719	.2.220	2.481.704
Other money market deposits	101.416	-	-	-	-	101.416
Funds borrowed	43.710	292.064	304.945	-	337	641.056
Derivative financial instruments	8.669	18	-	-	-	8.687
Income tax payable	447	-	-	-	-	447
Other liabilities and provisions	103.885	12.875	11.497	-	214	128.471
Total Liabilities	**1.762.676**	**997.747**	**647.107**	**3.719**	**3.954**	**3.415.203**
Net on-balance sheet position	**786.837**	**(184.054)**	**(66.866)**	**(3.719)**	**(3.050)**	**529.148**
Off-balance sheet position						
Net nominal amount of derivatives	(203.927)	210.740	58.818	4.890	1.897	72.418
Non- cash loans	793.794	471.401	301.806	1.078	5.065	1.573.144
31.12.2008						
Total Assets	2.111.231	1.139.122	805.316	696	1.266	4.057.631
Total Liabilities	1.675.067	1.263.276	667.942	684	2.169	3.609.138
Net on-Balance Sheet Position	436.164	(124.154)	137.374	12	(903)	448.493
Non-cash loans	629.041	433.842	176.107	2.116	3.206	1.244.312

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Currency Risk (cont'd)

Foreign currency sensitivity

The following table details the Group's (Banking) sensitivity to a 10% change in the TRL against relevant foreign currency. A positive number indicates an increase/decrease in profit or loss where the TRL changes by 10% against relevant foreign currency.

	Change in exchange rate %	**Effect on profit / loss**	
		December 31, 2009	December 31, 2008
USD	+/-10%	**+/- 2.354**	+/- 1.653
EUR	+/-10%	**+/-2.035**	+/- 2.340

Interest Rate Risk

The net present value of assets and liabilities are driven by interest rates differentials in terms of maturity and market characteristics. Trading securities are sensitive to treasury bill rates; therefore they are treated in the trading book and subject to Value-at-Risk limits. Items such as loans, deposits and other interest rate sensitive assets and liabilities are assumed to be sensitive to the structural changes in the interest rates and thus classified in the banking book. The relevant risk is measured with simulation based interest rate models. Applied limits on the risks posed by the asset-liability mismatches are derived from the capital set aside by the Board for Asset- Liability Management purposes.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Interest Rate Risk (cont'd)

The tablo below indicates the interest risk of ABank and ALease's assets and liabilities based on the remaining maturities from balance sheet date till the date of revaluation.

	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non interest bearing	Total
31.12.2009						
Assets						
Cash and balances with the Central Bank	113.365	-	-	-	30.400	143.765
Deposits with banks and other financial institutions	49.677	-	-	-	13.541	63.218
Other money market placements	17.384	-	-	-	-	17.384
Reserve deposits at the Central Bank	69.942	-	-	-	-	69.942
Financial assets at fair value through profit and loss	3.469	1.077	1.179	2.529	18.981	27.235
Financial assets	14.402	282.690	209.850	-	170	507.112
Banking loans	2.016.281	152.829	237.991	252.098	79.080	2.738.279
Minimum lease payments receivable	41.413	14.378	60.335	118.826	26.274	261.226
Derivative financial instruments	4.972	1.975	290	-	-	7.237
Investments	-	-	-	-	17	17
Assets held for sale	-	-	-	-	12.355	12.355
Property, plant and equipment	-	-	-	-	17.088	17.088
Intangible assets	-	-	-	-	2.713	2.713
Deferred tax assets	-	-	-	-	27.045	27.045
Other assets	589	18	265	276	48.587	49.735
Total Assets	**2.331.494**	**452.967**	**509.910**	**373.729**	**276.251**	**3.944.351**
Liabilities						
Deposits from other banks	49.689	-	1.019	-	2.714	53.422
Customers' deposits	1.597.704	615.443	57.234	-	211.323	2.481.704
Other money market deposits	101.416	-	-	-	-	101.416
Funds borrowed	269.728	146.945	207.980	16.403	-	641.056
Derivative financial instruments	1.977	5.923	787	-	-	8.687
Other liabilities and provisions	162	-	-	-	128.309	128.471
Income tax payable	-	-	-	-	447	447
Total Liabilities	**2.020.676**	**768.311**	**267.020**	**16.403**	**342.793**	**3.415.203**
Total interest sensitivity gap	**310.818**	**(315.344)**	**242.890**	**357.326**	**(66.542)**	**529.148**
31.12.2008						
On balance sheet interest sensitivity gap	513.111	(738.299)	(58.055)	658.359	73.377	448.493
Off balance sheet interest sensitivity gap	-	-	-	-	-	-

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Interest Rate Risk (cont'd)

Interest rate sensitivity

If interest rates had been changed by 50 basis point in TRL and FC and all other variables were held constant;

Net profit of the Group would decrease / increase by TRL (525) / 539 (In year 2008 decrease / increase by TRL (1.826) / 1.867).

Equity of the Group would decrease/increase by TRL (132) / 146 (In year 2008 decrease/increase by TRL (294) / 294) mainly as a result of the changes in the fair value of available-for-sale fixed rate instruments.

Liquidity Risk

Liquidity risk refers to the possibility of an institution being unable to access necessary funds due to declining fund-raising capacity. The Group closely monitors its overall liquidity level.

The Group uses domestic and foreign markets for its liquidity needs. Low level of liquidity needs enables an easy way of loan borrowing from the corresponding markets (CBRT, ISE, Interbank money market, Settlement and Custody Bank and other markets). The Group has a lower ratio of the deposits compared to other banks with similar-sized balance sheets; this indicates that larger loans can be obtained from the markets when needed. The potential cash resources are: money market debts which can be obtained from the domestic banks and repurchase transactions in foreign markets with Eurobonds in the portfolio.

The Group's fund resources consist mainly of deposits. The investments portfolio consists mainly of the held to maturity investments.

According BRSA regulations the liquidity ratios during the year was as follows;

	Current year %		Prior year %
31.12.2009	149,20%	31.12.2008	183,88%
Average during the period	147,75%	Average during the period	161,42%
Highest	192,17%	Highest	211,68%
Lowest	128,38%	Lowest	129,21%

(*) The minimum legal limit set by BRSA regulations for the liquidity ratio stated above is 100 %.

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Operational Risk

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal process, people and systems or from external events.

Operational risk which is inherent in all business activities is associated with human error, system failure and inadequate controls and procedures. Operational risk includes errors and omissions in business activities, internal and external fraud and natural disasters.

Banking has Risk Management and Internal Control practices, to keep operational risks under control and minimize it by operating under detailed written procedures. All documents, including Risk Management policies and contingency procedures, are kept up-to-date and accessible to all staff in electronic media.

Capital Adequacy

To monitor the adequacy of its capital, ABank uses ratios established by Banking Regulation and Supervision Agency (BRSA). These ratios measure capital adequacy (minimum 8% as required by BRSA) by comparing ABank's eligible capital with its balance sheet assets, off-balance sheet commitments and market and other risk positions at weighted amounts to reflect their relative risks. As of December 31, 2009 ABank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 12,94% (December 31, 2008: 14,21%).

Non-Banking

The Group's principal financial instruments, comprise bank borrowings, finance leases, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk, and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

Non-Banking (cont'd)

Credit Risk

December 31, 2009	**Receivables**				
	Trade Receivables		**Other Receivables**		
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Deposits in banks**
Maximum credit risk exposure as of reporting date (A+B+C+D+E)	**8.567**	**143.914**	**-**	**48.478**	**84.676**
- Maximum risk secured by guarantee	-	42.149	-	43.578	-
A. Net book value of financial assets neither overdue nor impaired	8.567	133.847	-	3.422	84.676
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-	-
C. Net book value of assets overdue but not impaired	-	9.930	-	2.153	-
- Under guarantee	-	2.098	-	675	-
D. Net book value of impaired assets	-	137	-	42.903	-
- Overdue (gross book value)	-	1.480	-	48.944	-
- Impairment (-)	-	(1.343)	-	(6.041)	-
- Net value under guarantee	-	137	-	42.903	-
- Not overdue (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value under guarantee	-	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-	-

December 31, 2008	Receivables				
	Trade Receivables		Other Receivables		
	Related Party	Other Party	Related Party	Other Party	Deposits in banks
Maximum credit risk exposure as of reporting date (A+B+C+D+E)	9.503	128.321	-	46.275	40.278
- Maximum risk secured by guarantee	-	35.275	-	43.194	-
A. Net book value of financial assets neither overdue nor impaired	9.503	110.026	-	2.556	40.278
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-	-
C. Net book value of assets overdue but not impaired	-	17.540	-	525	-
- Under guarantee	-	9.127	-	-	-
D. Net book value of impaired assets	-	755	-	43.194	-
- Overdue (gross book value)	-	5.367	-	50.944	-
- Impairment (-)	-	(4.612)	-	(7.750)	-
- Net value under guarantee	-	755	-	43.194	-
- Not overdue (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value under guarantee	-	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-	-

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

Non-Banking (cont'd)

Credit Risk (cont'd)

December 31, 2009	**Receivables**				
	Trade receivables		**Other receivables**		
	Related party	**Other party**	**Related party**	**Other party**	**Deposits in banks**
1-30 days past due	-	7.409	-	-	-
1-3 month past due	-	2.348	-	-	-
3-12 month past due	-	77	-	2.153	-
1-5 year past due	-	60	-	-	-
Over 5 years past due	-	173	-	42.903	-
Amount secured with guararntee	-	2.235	-	43.578	-

December 31, 2008	Receivables				
	Trade receivables		Other receivables		
	Related party	Other party	Related party	Other party	Deposits in banks
1-30 days past due	-	4.006	-	-	-
1-3 month past due	-	12.304	-	-	-
3-12 month past due	-	1.236	-	-	-
1-5 year past due	-	749	-	-	-
Over 5 years past due	-	-	-	43.719	-
Amount secured with guararntee	-	9.882	-	43.194	-

Foreign currency risk

The Group predominantly operates in Turkey.

The following table summarizes the exchange rate of Turkish Lira to 1 USD and 1 EUR:

		Exchange buying rate at December 31, 2008	**Average exchange buying rate in the period**	**Exchange buying rate at December 31, 2009**
TRL /USD	Turkey	1,5123	1,5457	1,5057
TRL /EUR	Turkey	2,1408	2,1508	2,1603

The Group does not hedge investments, receivables, accounts payables, lease obligations and borrowings denominated in a foreign currency. The Group does not hedge their estimated foreign currency exposure in respect of sales and purchases.

Foreign currency risk arises from the EUR, USD, GBP, JPY, CAD, NOK denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Foreign currency risk (cont'd)

31.12. 2009	TRL Equivalent (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables	11.402	6.693	613	-	-
2a. Monetary financial assets (cash and cash equivalents included)	21.876	62	10.041	38	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	**33.278**	**6.755**	**10.654**	**38**	**-**
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	435	280	6	-	-
8. Non - current assets (5+6+7)	**435**	**280**	**6**	**-**	**-**
9. Total assets (4+8)	**33.713**	**7.035**	**10.660**	**38**	**-**
10. Trade payables	2.688	891	88	7	69.927
11. Short - term borrowings and current portion of long - term borrowings	127.590	21.886	43.807	-	-
12a. Monetary other liabilities	41	20	5	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	**130.319**	**22.797**	**43.900**	**7**	**69.927**
14. Trade payables	238	19	46	46	-
15. Long - term borrowings	24.522	-	11.351	-	-
16 a. Monetary other liabilities	339	225	-	-	-
16 b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	**25.099**	**244**	**11.397**	**46**	**-**
18. Total liabilities (13+17)	**155.418**	**23.041**	**55.297**	**53**	**69.927**
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	-	-	-	-	-
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	**(121.705)**	**(16.006)**	**(44.637)**	**(15)**	**(69.927)**
21. Monetary items net foreign currency asset / (liability) position position (=1+2a+5+6a-10-11-12a-14-15-16a)	**(122.140)**	**(16.286)**	**(44.643)**	**(15)**	**(69.927)**
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	**25.155**	**14.172**	**1.504**	**-**	**-**
24. Import	**396.055**	**114.112**	**101.909**	**96**	**3.120**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Foreign Currency Risk (cont'd)

31.12. 2008	TRL Equivalent (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables	8.428	3.978	1.066	-	105
2a. Monetary financial assets (cash and cash equivalents included)	30.436	545	13.833	-	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	175	104	8	-	-
4. Current assets (1+2+3)	39.039	4.627	14.907	-	105
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	331	210	6	-	-
8. Non - current assets (5+6+7)	331	210	6	-	-
9. Total assets (4+8)	39.370	4.837	14.913	-	105
10. Trade payables	32.689	434	14.959	4	-
11. Short - term borrowings and current portion of long - term borrowings	115.370	30.944	32.031	-	-
12a. Monetary other liabilities	-	-	-	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	148.059	31.378	46.990	4	-
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	22.927	6.451	6.152	-	-
16 a. Monetary other liabilities	363	240	-	-	-
16 b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	23.290	6.691	6.152	-	-
18. Total liabilities (13+17)	171.349	38.069	53.142	4	-
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	-	-	-	-	-
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(131.979)	(33.232)	(38.229)	(4)	105
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(132.485)	(33.546)	(38.243)	(4)	105
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	71.183	26.664	17.339		
24. Import	570.571	95.457	218.410	85	-

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Foreign Currency Risk (cont'd)

	Foreign currency position sensitivity analysis	
		December 31, 2009
	Income / (loss)	**Income /(loss)**
	Increase of the foreign currency	**Decrease of the foreign currency**
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	**(2.410)**	**2.410**
2- USD denominated hedging instruments(-)	**-**	**-**
3- Net effect in USD (1+2)	**(2.410)**	**2.410**
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	**(9.643)**	**9.643**
5- Euro denominated hedging instruments(-)	**-**	**-**
6- Net effect in Euro (4+5)	**(9.643)**	**9.643**
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	**(118)**	**118**
8- Other foreign currency hedging instruments(-)	**-**	**-**
9- Net effect in other foreign currency (7+8)	**(118)**	**118**
TOTAL (3+6+9)	**(12.171)**	**12.171**

	Foreign currency position sensitivity analysis	
	December 31, 2008	
	Income /(loss)	Income /(loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(5.026)	5.026
2- USD denominated hedging instruments(-)	-	-
3- Net effect in USD (1+2)	(5.026)	5.026
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(8.184)	8.184
5- Euro denominated hedging instruments(-)	-	-
6- Net effect in Euro (4+5)	(8.184)	8.184
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	12	(12)
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	12	(12)
TOTAL (3+6+9)	(13.198)	13.198

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using natural hedges that arise from offsetting interest rate of assets and liabilities or derivative financial instruments.

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

Interest position table		**December 31, 2009**	December 31, 2008
	Financial instruments with fixed interest rate		
Financial assets	Financial assets at fair value through profit&loss	**-**	-
	Available for sale marketable securities	**-**	-
Financial liabilities		**285.221**	267.538
	Financial instruments with floating interest rate		
Financial assets		**-**	-
Financial liabilities		**6.372**	125.228

The table below shows the effect of a 100 basis point increase in interest rates, on floating rate credits in profit before tax basis.

	Effect on profit before tax	
Interest Increase	**December 31, 2009**	December 31, 2008
100 bps increase	**(3)**	(145)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle within the normal terms of trade. To manage this risk the Group periodically assesses the financial viability of customers. Liquidity risk arises from the possibility that a market for derivatives may not exist in some circumstances.

December 31, 2009

Maturities according to agreement	**Book Value**	**Total cash outflow according to agreement (=I+II+III+IV)**	**Less than 3 months (I)**	**3 to12 months (II)**	**1 to 5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities	351.717	356.508	217.869	112.963	25.330	346
Borrowings	291.593	296.288	159.790	111.170	25.328	-
Financial lease payables	-	-	-	-	-	-
Trade payables	44.770	44.866	43.084	1.782	-	-
Other payables	15.354	15.354	14.995	11	2	346

December 31, 2008

Maturities according to agreement	Book Value	Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months (I)	3 to12 months (II)	1 to 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	486.483	501.575	276.611	201.354	23.610	-
Borrowings	392.766	407.144	216.931	166.603	23.610	-
Financial lease payables	-	-	-	-	-	-
Trade payables	78.997	79.711	47.230	32.481	-	-
Other payables	14.720	14.720	12.450	2.270	-	-

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

40. SUBSEQUENT EVENTS

According to board of directors decision dated March 1, 2010 of AEH, a subsidiary of the Company, it is decided to participate in "Antek Teknoloji Ürünleri Pazarlama ve Ticaret Anonim Şirketi" (Antek Teknoloji)'s share capital amounting to full TRL 5.000.000 as founding partner, with capital amounting to full TRL 4.999.996 in return for 4.999.996 shares of full TRL 1 nominal value. Also, according to separate board of directors decisions of Anadolu Motor, Çelik Motor, Anadolu Araçlar and AEH Sigorta Acenteliği, it is decided to participate in Antek Teknoloji as founding partner with capital amounting to full TRL 1 in return for 1 share per each.

Anadolu Kafkasya, a subsidiary of the Company, purchased 100% shares of Georgian Urban Energy LLC, which will perform the Paravani Hydroelectric Power Plant Project in Georgia, amounting to USD 3.500.000 from Energon International Ltd. (Energon) on March 4, 2010. Energon, will have the right to purchase shares of Anadolu Kafkasya up to 49% in the future.

According to board of directors decision dated March 12, 2010 of Anadolu Kafkasya, a subsidiary of the Company, it is decided to increase its share capital amount from full TRL 50.000 to full TRL 5.000.000. AEH, a subsidiary of the Company, will participate in this capital increase fully, using its pre-emptive right and the pre-emptive rights of other shareholders which will not participate in this capital increase.

The Board of Directors resolved in their meeting on December 30, 2009, to suspend and terminate the Company's Reg S Deposit Agreement and Restricted Deposit Agreement with Citibank N.A, taking into consideration that the programs were running on zero balance and they were not creating any efficiency. In paralel with the termination of the above mentioned Deposit Agreements, which were facilitated during the public offering on February 16, 2000, the Company also decided to delist from Luxembourg Stock Exchange. Transactions following these decisions have been completed as of March 2010; as such, both Deposit Agreements have been terminated and the delisting from Luxembourg Stock Exchange was completed.

On March 30, 2010, Anadolu Efes, an associate of the Company, acquired 10.987.470 GDRs of Efes Breweries International N.V. (EBI), a subsidiary of Anadolu Efes, representing approximately 25,98% of the issued share capital of EBI from a group of shareholders at a price of USD 17,00 per GDR, each representing 5 shares. Anadolu Efes already owns 155.329.514 EBI Shares representing approximately 73,47% of the issued share capital of EBI, thus following the transaction, Anadolu Efes will control approximately 99,45% of the entire issued share capital of EBI. The total consideration of approximately USD 187 million has been provided from Anadolu Efes' existing cash resources and an additional bilateral loan received in the amount of USD 100 million with a maturity of two years. Under the rules of the City Code on Takeover and Mergers of the United Kingdom, Anadolu Efes intends to make an all cash offer as soon as reasonably practical to acquire the outstanding 232.341 EBI GDRs, representing approximately 0,55% of the issued share capital of EBI, at a price of USD 17,00 per GDR. Further, Anadolu Efes intends to instigate procedures to begin the compulsorily purchase of any outstanding EBI shares pursuant to the squeeze out procedures in the Netherlands.

41. OTHER ISSUES

41.1 Reserve Deposits at Central Bank

	December 31, 2009	December 31, 2008
Reserve deposits at Central Bank		
- Foreign currency	**69.942**	96.913
	69.942	96.913

According to the regulations of the Central Bank, banks are obliged to reserve a portion of certain liability accounts as specified in the related decrees. Such reserves are deposited with the Central Bank.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

41. OTHER ISSUES (cont'd)

41.1 Reserve Deposits at Central Bank (cont'd)

As of December 31, 2009 and December 31, 2008, reserve deposit requirements applicable in Turkey for TRL liabilities is 5,00% and for foreign currency liabilites is 9,00% (December 31, 2008: 6,00% and 9,00%).

As of December 31, 2009, the interest rates applied for TRL reserve deposits is 5,20% whereas none for foreign currency reserve deposits (December 31, 2008: 12,00% and 0,15%).

41.2 Banking Loans

	December 31, 2009	December 31, 2008
Corporate loans	**1.494.759**	879.998
Small business loans	**1.179.381**	1.425.438
Consumer loans	**3.673**	13.032
Other	**6.152**	4.025
Total performing loans	**2.683.965**	2.322.493
Non performing loans	**192.677**	128.893
Allowance for individually impaired loans (-)	**(114.786)**	(49.255)
Allowance for collectively impaired loans (-)	**(27.779)**	(24.405)
	2.734.077	2.377.726

	December 31, 2009						
	Amount				**Effective interest rate %**		
	TRL	**Foreign Currency**	**Foreign Currency Indexed**	**Total**	**TRL**	**Foreign Currency**	**Foreign Currency Indexed**
Corporate loans	**950.124**	**274.219**	**270.416**	**1.494.759**	**11,7**	**6,7**	**7,1**
Small business loans	**729.644**	**172.296**	**277.441**	**1.179.381**	**15,5**	**6,9**	**8,1**
Consumer loans	**2.409**	**-**	**1.264**	**3.673**	**29,2**	**-**	**7,8**
Other	**6.152**	**-**	**-**	**6.152**	**13,9**	**-**	**-**
Total performing loans	**1.688.329**	**446.515**	**549.121**	**2.683.965**			

	December 31, 2008						
	Amount				Effective interest rate %		
	TRL	Foreign Currency	Foreign Currency Indexed	Total	TRL	Foreign Currency	Foreign Currency Indexed
Corporate loans	404.034	192.913	283.051	879.998	27,0	9,8	10,1
Small business loans	801.909	256.399	367.130	1.425.438	27,8	9,9	10,7
Consumer loans	1.135	-	11.897	13.032	31,7	-	9,1
Other	4.025	-	-	4.025	21,6	-	-
Total performing loans	1.211.103	449.312	662.078	2.322.493			

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

41. OTHER ISSUES (cont'd)

41.2 Banking Loans (cont'd)

The carrying amount of restructured loans is as follows:

	December 31, 2009	December 31, 2008
Banking loans		
Corporate loans	**20.557**	2.530
Small business loans	**11.084**	-
Consumer loans	**-**	-
Other	**-**	-
	31.641	2.530

A reconciliation of the allowance for individual impairment losses on loans is as follows;

	December 31, 2009	December 31, 2008
Balance at January 1	**73.660**	65.786
Charge for the allowance for probable losses	**102.367**	42.092
Collections (-)	**(31.633)**	(33.551)
Amount written off and sold during the period (-)	**(1.829)**	(667)
Balance at the end of the period	**142.565**	73.660

ABank has classified restructured loans separately that have been restructured through medium to long-term agreements signed by related borrowers. As of December 31, 2009, interest accrued on the restructured loans amounted to TRL 2.559 (December 31, 2008: TRL 1.723).

As of December 31, 2009, allowance for impaired loans also includes allowance provided for a portfolio amounting to TRL 27.779 (December 31, 2008: TRL 24.405).

As of December 31, 2009, loans and advances on which interest is not being accrued or where interest is suspended amounted to TRL 192.677 (December 31, 2008: 128.893).

The TRL 2.409.552 amount of Banking Loans covers (December 31, 2008: TRL 1.943.650) current loans and TRL 324.525 amount covers (December 31, 2008: TRL 434.076) non-current loans.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

41. OTHER ISSUES (cont'd)

41.2 Banking Loans (cont'd)

The aging table of banking loans as of December 31, 2009 and December 31, 2008 is as follows:

December 31, 2009	**Neither paste due nor impaired**	**Past due or impaired**	**Total**
Banking loans	**2.683.965**	**192.677**	**2.876.642**
Corporate loans	1.494.759	67.869	1.562.628
Small business loans	1.179.381	124.728	1.304.109
Consumer loans	3.673	80	3.753
Other	6.152	-	6.152

	Historical default rates %	**Total**
High grade (A, B)	0,91	2.370.558
Standard grade (C)	2,25	1.528.347
Sub standard grade (D)	7,75	328.157
Impaired (E)	0,00	192.677

December 31, 2008	Neither paste due nor impaired	Past due or impaired	Total
Banking loans	2.322.493	128.893	2.451.386
Corporate loans	879.998	44.724	924.722
Small business loans	1.425.438	83.801	1.509.239
Consumer loans	13.032	368	13.400
Other	4.025	-	4.025

	Historical default rates %	Total
High grade (A, B)	1,05	1.762.616
Standard grade (C)	2,25	1.511.138
Sub standard grade (D)	7,75	276.425
Impaired (E)	0,00	128.893

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

41. OTHER ISSUES (cont'd)

41.3 Banking Customers' Deposits

	December 31, 2009	December 31, 2008
Deposits from other banks	**53.422**	1.244
Customers' deposits	**2.374.063**	2.513.020
Other money market deposits	**101.416**	17.332
	2.528.901	2.531.596

Deposits from other banks

	December 31, 2009				December 31, 2008			
	Amount		**Effective interest rate %**		Amount		Effective interest rate %	
	TRL	**Foreign currency**	**TRL**	**Foreign currency**	TRL	Foreign Currency	TRL	Foreign currency
Demand deposit	**11**	**2.701**	**-**	**-**	11	123	-	-
Time deposit	**1.020**	**49.690**	**8,40**	**0,43**	1.110	-	21,30	-
	1.031	**52.391**			1.121	123		

Customers' deposits

	December 31, 2009				December 31, 2008			
	Amount		**Effective interest rate %**		Amount		Effective interest rate %	
	TRL	**Foreign currency**	**TRL**	**Foreign currency**	TRL	Foreign currency	TRL	Foreign currency
Saving								
Demand	**16.036**	**21.848**	**-**	**-**	11.644	13.525	-	-
Time	**873.458**	**434.301**	**10,43**	**3,10**	957.585	565.448	22,24	7,69
	889.494	**456.149**			969.229	578.973		
Commercial and other								
Demand	**105.163**	**66.586**	**-**	**-**	52.201	42.605	-	-
Time	**463.602**	**393.069**	**8,98**	**2,91**	359.242	510.770	19,83	7,15
	568.765	**459.655**			411.443	553.375		
	1.458.259	**915.804**			1.380.672	1.132.348		

Other money market deposits

	December 31, 2009				December 31, 2008			
	Amount		**Effective interest rate %**		Amount		Effective interest rate %	
	TRL	**Foreign currency**	**TRL**	**Foreign currency**	TRL	Foreign currency	TRL	Foreign currency
Obligations under repurchase agreements:								
-Due to customers	**15.652**	**-**	**5,70**	**-**	11.729	-	13,17	-
-Due to banks	**78.166**	**-**	**6,61**	**-**	-	-	-	-
	93.818	**-**			11.729			
Interbank deposits	**7.598**	**-**	**6,68**	**-**	5.603	-	14,37	-
	101.416	**-**			17.332			

TRL 2.528.901 is the current portion of Deposits (December 31, 2008: TRL 2.524.432). There is no non-current portion of Deposits as of December 31, 2009 (December 31, 2008: TRL 7.164).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

41. OTHER ISSUES (cont'd)

41.4 Funds Borrowed

	December 31, 2009				December 31, 2008			
	Amount		**Effective interest rate %**		Amount		Effective interest rate %	
	TRL	**Foreign currency**	**TRL**	**Foreign currency**	TRL	Foreign currency	TRL	Foreign currency
Short-term	**44.016**	**416.304**			68.111	603.132		
Fixed interest	**38.707**	**244.619**	**10,43**	**3,66-12,64**	68.111	225.731	16,66-22,75	4,76-13,5
Floating interest	**5.309**	**171.685**	**7,10-7,20**	**2,21-10,30**	-	377.401	-	3,29-12,62
Medium-long term	**-**	**180.736**				142.080		
Fixed interest	**-**	**35.943**	**-**	**2,75-6,30**	-	21.206	-	4,90-12,64
Floating interest	**-**	**144.793**	**-**	**2,21-4,85**	-	120.874	-	5,16-6,08
	44.016	**597.040**			68.111	745.212		
Total funds borrowed	**641.056**				813.323			

Repayment plan of medium-long-term borrowing as per original contractual terms are as follows:

	December 31, 2009		December 31, 2008	
	Fixed rate	**Floating rate**	Fixed rate	Floating rate
2009	**-**	**-**	9.034	-
2010	**2.838**	**-**	12.172	29.821
2011	**29.645**	**38.183**	-	16.126
2012 and thereafter	**3.460**	**106.610**	-	74.927
	35.943	**144.793**	21.206	120.874

There is no letters of guarantee denominated in foreign currency given to the lending institutions as collateral against the loans obtained (December 31, 2008: None).

TRL amount of 460.320 funds borrowed covers (December 31, 2008: TRL 671.243) current funds borrowed and TRL 180.736 amount covers (December 31, 2008: TRL 142.080) non-current funds borrowed.

41.5 Derivative Financial Instruments

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices. Derivative financial instruments include forwards, swaps, futures and options.

The table below shows the favourable (assets) and unfavourable (liabilities) fair values of derivative financial instruments together with the notional amounts analyzed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

41. OTHER ISSUES (cont'd)

41.5 Derivative Financial Instruments (cont'd)

The fair value of derivative financial instruments is calculated by using forward exchange rates at the balance sheet date. In the absence of reliable forward foreign currency market rates and reliable forward rate estimations in a volatile market, values of foreign currency forward and swap transactions are determined by comparing the period end foreign exchange rates with the forward rates discounted to the balance sheet date.

	December 31, 2009								
	Fair value assets	**Fair value liabilities**	**Notional amount**	**Up to 1 month**	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Derivatives held for trading									
Forward purchase contract	**34**	**15**	**20.691**	**5.763**	**8.093**	**5.597**	**1.238**	**-**	**-**
Forward sale contract	**-**	**724**	**21.617**	**5.888**	**8.477**	**5.910**	**1.342**	**-**	**-**
Currency swap purchase	**145**	**465**	**283.610**	**223.381**	**60.229**	**-**	**-**	**-**	**-**
Currency swap sale	**4.871**	**5.074**	**266.088**	**209.318**	**56.770**	**-**	**-**	**-**	**-**
Futures purchase	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Futures sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Buy option	**319**	**1.863**	**175.310**	**88.940**	**64.677**	**15.182**	**6.511**	**-**	**-**
Sell option	**1.868**	**266**	**176.909**	**88.912**	**64.833**	**16.653**	**6.511**	**-**	**-**
Interest swap purchase	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest swap sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest purchase options	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest sale options	**-**	**280**	**15.600**	**-**	**-**	**15.600**	**-**	**-**	**-**
	7.237	**8.687**	**959.825**	**622.202**	**263.079**	**58.942**	**15.602**	**-**	**-**

	December 31, 2008								
	Fair value Assets	Fair value liabilities	Notional amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Derivatives held for trading									
Forward purchase contract	6.971	3.350	209.801	120.813	33.541	50.772	4.675	-	-
Forward sale contract	1.784	3.108	208.171	120.333	33.338	49.485	5.015	-	-
Currency swap purchase	9.316	2.748	176.035	107.616	31.579	36.840	-	-	-
Currency swap sale	-	-	166.666	105.997	30.423	30.246	-	-	-
Futures purchase	-	8.700	139.103	-	139.103	-	-	-	-
Futures sale	-	-	148.250	-	148.250	-	-	-	-
Buy option	5.414	224	178.670	34.546	73.737	42.032	28.355	-	-
Sell option	74	5.225	180.193	34.493	75.314	42.032	28.354	-	-
Futures interest sale	-	164	3.025	-	3.025	-	-	-	-
Interest swap purchase	1.109	3.844	176.410	37.808	62.987	-	-	75.615	-
Interest swap sale	4.244	22	158.949	13.240	43.386	-	-	102.323	-
	28.912	27.385	1.745.273	574.846	674.683	251.407	66.399	177.938	-

41.6 Fair Values

Since cash and cash equivalents, trade receivables, other current assets, trade payables and other payables are of short term, their fair values are the same with their values in the balance sheet.

Investments are recorded with their carrying values due to the lack of determined market values and inefficiency of other methods on determining fair values.

Short-term and long term lease obligations are identical with their carrying values in the balance sheet since they are in foreign currencies and revalued as of year end.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

41. OTHER ISSUES (cont'd)

41.6 Fair Values (cont'd)

The methods and assumptions used to determine the fair values of financial assets and liabilities

The fair values of financial lease receivables are calculated by discounting their cash flows to the present value by using current market rates.

The fair values of held to maturity financial assets are calculated based on their market prices.

The fair values of other assets and liabilities are calculated by discounting their cash flows to the present value by using current market rates (current libor rates).

	December 31, 2009		December 31, 2008	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Cash and cash equivalents	**63.218**	**63.218**	367.442	367.442
Held to maturity financial assets	**475.337**	**441.777**	189.271	192.191
Banking loans	**2.734.077**	**2.381.584**	2.377.726	2.372.334
Financial lease receivables	**252.325**	**259.929**	276.625	268.453
	3.524.957	**3.146.508**	3.211.064	3.200.420
Financial Liabilities				
Customer deposits	**2.374.063**	**2.123.978**	2.513.020	2.394.777
Funds borrowed	**641.056**	**537.162**	813.323	795.927
	3.015.119	**2.661.140**	3.326.343	3.190.704

Fair value measurements

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contain observable market inputs

	December 31, 2009	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit and loss	**27.235**	**27.235**	**-**	**-**
Available for sale financial assets	**31.605**	**-**	**31.605**	**-**
Derivative financial assets	**7.237**	**-**	**7.237**	**-**