

YAPI KREDİ FİNANSAL KİRALAMA A.O.

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2009
TOGETHER WITH AUDITORS' REVIEW REPORT**

**(Convenience Translation of Financial Statements and
Review Report Originally Issued in Turkish,
See Note 2.1.1)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REVIEW REPORT
ORIGINALLY PREPARED AND ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Board of Directors of Yapı Kredi Finansal Kiralama A.O.

1. We have reviewed the accompanying balance sheet of Yapı Kredi Finansal Kiralama A.O. ("the Company") at 30 June 2009 and the related statements of income, cash flows and changes in equity for the period then ended. These financial statements are the responsibility of the Company's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the accounting standards and the independent audit principles issued by Banking Regulation and Supervision Agency ("BRSA"). Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position of Yapı Kredi Finansal Kiralama A.O. at 30 June 2009 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations, interpretations and circulars published by the BRSA on accounting and financial reporting principles (Note 2).

Additional paragraph for convenience translation into English:

4. The accounting principles described in Note 2.1.1 to the accompanying interim financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying interim financial statements are not intended to present the financial position and results of operations of the Company in accordance with IFRS.

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

Alper Önder, SMMM
Partner

Istanbul, 30 July 2009

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2009**

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**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

BALANCE SHEET AT 30 JUNE 2009

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

ASSETS	Note	Reviewed 30 June 2009			Audited 31 December 2008		
		TL	FC	Total	TL	FC	Total
I. CASH BALANCES							
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)	3	298	2.652	2.950	8.335	1.548	9.883
2.1 Trading Financial Assets		-	-	-	-	-	-
2.2 Financial Assets Designated at Fair Value through Profit or (Loss)		-	-	-	-	-	-
2.3 Trading Derivative Financial Assets		298	2.652	2.950	8.335	1.548	9.883
III. BANKS	4	861	2.892	3.753	962	2.688	3.650
IV. RECEIVABLES FROM REVERSE REPURCHASE AGREEMENTS							
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	5	80		80	73		73
VI. FAKTORING RECEIVABLES							
6.1 Discounted Factoring Receivables		-	-	-	-	-	-
6.1.1 Domestic		-	-	-	-	-	-
6.1.2 Foreign		-	-	-	-	-	-
6.1.3 Unearned Income (-)		-	-	-	-	-	-
6.2 Other Factoring Receivables		-	-	-	-	-	-
6.2.1 Domestic		-	-	-	-	-	-
6.2.2 Foreign		-	-	-	-	-	-
VII. FINANCE LOANS							
7.1 Consumer Loans		-	-	-	-	-	-
7.2 Credit Cards		-	-	-	-	-	-
7.3 Commercial Installment Loans		-	-	-	-	-	-
VIII. LEASE RECEIVABLES	9	357.197	1.948.089	2.305.286	458.922	2.189.884	2.648.806
8.1 Receivables from Leasing Transactions		356.689	1.917.637	2.274.326	458.818	2.171.657	2.630.475
8.1.1 Financial Lease Receivables		472.875	2.249.411	2.722.286	604.501	2.537.885	3.142.386
8.1.2 Operational Lease Receivables		-	-	-	-	-	-
8.1.3 Other		-	-	-	-	-	-
8.1.4 Unearned Income (-)		116.186	331.774	447.960	145.683	366.228	511.911
8.2 Assets to Be Leased		192	6.214	6.406	11	3.349	3.360
8.3 Advances Given for Leasing Transactions		316	24.238	24.554	93	14.878	14.971
IX. DOUBTFUL RECEIVABLES	9	102.829	30.553	133.382	77.279	20.546	97.825
9.1 Doubtful Factoring Receivables		-	-	-	-	-	-
9.2 Doubtful Finance Loans		-	-	-	-	-	-
9.3 Doubtful Lease Receivables		211.987	38.980	250.967	156.396	26.705	183.101
9.4 Specific Provisions (-)		109.158	8.427	117.585	79.117	6.159	85.276
X. HEDGING DERIVATIVE FINANCIAL ASSETS							
10.1 Fair Value Hedge		-	-	-	-	-	-
10.2 Cash Flow Hedge		-	-	-	-	-	-
10.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XI. HELD-TO-MATURITY SECURITIES (Net)							
XII. SUBSIDIARIES (Net)							
XIII. INVESTMENTS IN ASSOCIATES (Net)							
XIV. JOINT VENTURES (Net)							
XV. PROPERTY AND EQUIPMENT (Net)	10	470		470	580		580
XVI. INTANGIBLE ASSETS (Net)	11	686		686	552		552
16.1 Goodwill		-	-	-	-	-	-
16.2 Other		686	-	686	552	-	552
XVII. DEFERRED TAX ASSET	20	11.956		11.956	5.324		5.324
XVIII. ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)		1.715		1.715	1.715		1.715
18.1 Held for resale		1.715	-	1.715	1.715	-	1.715
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	15	52.072		52.072	67.631		67.631
TOTAL ASSETS		528.164	1.984.186	2.512.350	621.373	2.214.666	2.836.039

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

BALANCE SHEET AT 30 JUNE 2009

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

LIABILITIES	Note	Reviewed 30 June 2009			Audited 31 December 2008		
		TL	FC	Total	TL	FC	Total
I. TRADING DERIVATIVE FINANCIAL LIABILITIES	6	-	2.337	2.337	1.109	2.848	3.957
II. BORROWINGS	7	14.174	1.816.375	1.830.549	45.844	2.087.019	2.132.863
III. FACTORING PAYABLES		-	-	-	-	-	-
IV. LEASE PAYABLES		1	-	1	27	-	27
4.1 Financial Lease Payables		1	-	1	28	-	28
4.2 Operational Lease Payables		-	-	-	-	-	-
4.3 Other		-	-	-	-	-	-
4.4 Deferred Financial Lease Expenses (-)		-	-	-	1	-	1
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. MISCELLANEOUS PAYABLES	8	18.077	11.778	29.855	4.837	24.150	28.987
VII. OTHER LIABILITIES	17	7.145	14.918	22.063	9.911	8.370	18.281
VIII. HEDGING DERIVATIVE FINANCIAL LIABILITIES		-	-	-	-	-	-
8.1 Fair Value Hedge		-	-	-	-	-	-
8.2 Cash Flow Hedge		-	-	-	-	-	-
8.3 Foreign Net Investment Hedge		-	-	-	-	-	-
IX. TAX LIABILITY		7.121	-	7.121	460	-	460
X. PROVISIONS		16.328	15.428	31.756	19.230	16.064	35.294
10.1 Restructuring Reserves		-	-	-	-	-	-
10.2 Reserves for Employee Rights		-	-	-	-	-	-
10.3 Other Provisions	12	16.328	15.428	31.756	19.230	16.064	35.294
XI. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XII. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
12.1 Held for Sale Purpose		-	-	-	-	-	-
12.2 Related to Discontinued Operations		-	-	-	-	-	-
XIII. SUBORDINATED LOANS		-	-	-	-	-	-
XIV. SHAREHOLDERS' EQUITY		588.668	-	588.668	616.170	-	616.170
14.1 Paid-in Capital	16	389.928	-	389.928	389.928	-	389.928
14.2 Capital Reserves		(34.598)	-	(34.598)	(34.598)	-	(34.598)
14.2.1 Share Premium		2	-	2	2	-	2
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Valuation Reserve		-	-	-	-	-	-
14.2.4 Tangible and Intangible Assets Revaluation Reserve		-	-	-	-	-	-
14.2.5 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures (business partners)		-	-	-	-	-	-
14.2.6 Hedging Reserves (Effective portion)		-	-	-	-	-	-
14.2.7 Value Differences of Assets Held for Resale and Discontinued Operations		-	-	-	-	-	-
14.2.8 Other capital reserves		(34.600)	-	(34.600)	(34.600)	-	(34.600)
14.3 Profit Reserves		105.549	-	105.549	38.550	-	38.550
14.3.1 Legal Reserves		49.820	-	49.820	38.550	-	38.550
14.3.2 Status Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		55.729	-	55.729	-	-	-
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Income or (Loss)		127.789	-	127.789	222.290	-	222.290
14.4.1 Prior Years' Income or (Loss)		89.491	-	89.491	89.491	-	89.491
14.4.2 Current Period Income or (Loss)		38.298	-	38.298	132.799	-	132.799
TOTAL LIABILITIES		651.514	1.860.836	2.512.350	697.588	2.138.451	2.836.039

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

STATEMENT OF INCOME FOR THE PERIOD 1 JANUARY - 30 JUNE 2009

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

INCOME AND EXPENSE ITEMS		Note	(Reviewed) 1 January - 30 June 2009	(Not Reviewed) 1 April - 30 June 2009	(Reviewed) 1 January - 30 June 2008	(Not Reviewed) 1 April - 30 June 2008
I.	OPERATING INCOME		132.269	61.708	149.400	73.222
I.1	FACTORING INCOME					
1.1.1	Interest Received from Factoring Receivables					
1.1.1.1	Discounted					
1.1.1.2	Other					
1.1.2	Fees and Commissions Received from Factoring Receivables					
1.1.2.1	Discounted					
1.1.2.2	Other					
I.2	FINANCE LOAN INCOME					
1.2.1	Interest Received from Finance Loans					
1.2.2	Fees and Commissions Received from Finance Loans					
I.3	LEASE INCOME		132.269	61.708	149.400	73.222
1.3.1	Financial Lease Income		132.269	61.708	149.400	73.222
1.3.2	Operational Lease Income					
1.3.3	Fees and Commissions Received from Lease Transactions					
II.	OPERATING EXPENSE (-)	18	(13.104)	(6.238)	(11.099)	(5.851)
2.1	Personnel Expenses		(9.218)	(4.594)	(7.558)	(3.747)
2.2	Provision Expense for Employment Termination Benefits		(145)	(32)	(34)	(6)
2.3	Research and Development Expenses					
2.4	General Administration Expenses		(3.402)	(1.571)	(3.507)	(2.098)
2.5	Other		(339)	(41)		
III.	OTHER OPERATING INCOME		459.410	221.431	506.628	212.275
3.1	Interest Received from Banks		918	811	562	353
3.2	Interest Received from Reverse Repurchase Agreements					
3.3	Interest Received from Marketable Securities Portfolio					
3.3.1	Trading Financial Assets					
3.3.2	Financial Assets at Fair Value through Profit or (Loss)					
3.3.3	Available-for-sale Financial Assets					
3.3.4	Held to Maturity Investments					
3.4	Dividend Income		3		5	
3.5	Trading Gains on Securities		42.526	23.025	14.775	4.773
3.5.1	From Derivative Financial Transactions		42.526	23.025	14.775	4.773
3.5.2	Other					
3.6	Foreign Exchange Gains		390.814	182.955	477.332	201.395
3.7	Other	19	25.149	14.640	13.954	5.754
IV.	FINANCIAL EXPENSES (-)		(52.326)	(23.777)	(56.976)	(25.957)
4.1	Interest on Funds Borrowed		(51.498)	(23.381)	(56.304)	(25.592)
4.2	Interest on Factoring Payables					
4.3	Financial Lease Expense		(6)			
4.4	Interest on Securities Issued					
4.5	Other Interest Expenses					
4.6	Fees and Commissions Given		(822)	(396)	(672)	(365)
V.	SPECIFIC PROVISIONS FOR FOLLOW-UP RECEIVABLES (-)		(52.749)	(25.165)	(25.118)	(13.572)
VI.	OTHER OPERATING EXPENSES (-)		(427.253)	(205.192)	(494.962)	(208.582)
5.1	Impairment of Marketable Securities					
5.1.1	Impairment of Financial Assets at Fair Value through Profit or (Loss)					
5.1.2	Impairment of Available-for-sale Financial Assets					
5.1.3	Impairment of Held to Maturity Investments					
5.2	Impairment of Fixed Assets					
5.2.1	Impairment of Property and Equipment					
5.2.2	Impairment of Non-current Assets Held for Resale and Discontinued Operations					
5.2.3	Impairment of Goodwill					
5.2.4	Impairment of Other Intangible Non-current Assets					
5.2.5	Loss from impairment of Associates, Subsidiaries and Joint Ventures (business					
5.3	Loss from Derivative Financial Transaction		(32.332)	(2.481)	(26.902)	(13.992)
5.4	Foreign Exchange Loss		(394.735)	(202.619)	(466.465)	(193.436)
5.5	Other	19	(186)	(92)	(1.595)	(1.154)
VII.	NET OPERATING INCOME/EXPENSE (I+...+VI)		46.247	22.767	67.873	31.535
VIII.	SURPLUS WRITTEN AS GAIN AFTER MERGER					
IX.	NET MONETARY POSITION GAIN/LOSS					
X.	PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS		46.247	22.767	67.873	31.535
XI.	TAXATION ON INCOME FROM CONTINUING OPERATIONS (±)		(7.949)	(3.269)		
11.1	Current Tax Provision		(14.581)	(5.581)		
11.2	Deferred Tax Expense Effect (+)					
11.3	Deferred Tax Income Effect (-)		6.632	2.312		
XII.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (X±XI)		38.298	19.498	67.873	31.535
XIII.	INCOME FROM DISCONTINUING OPERATIONS (-)					
13.1	Income from Assets Held for Resale					
13.2	Income from Investment and Associates, Subsidiaries and Joint Ventures					
13.3	Other income					
XIV.	EXPENSES FROM DISCONTINUING OPERATIONS (-)					
14.1	Expenses from Assets Held for Resale					
14.2	Loss on Investment and Associates, Subsidiaries and Joint Ventures					
14.3	Other Expenses					
XV.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUING OPERATIONS (XIII-XIV)					
XVI.	TAXATION ON INCOME FROM DISCONTINUING OPERATIONS (±)					
16.1	Current Tax Provision					
16.2	Deferred Tax Income Effect (+)					
16.3	Deferred Tax Loss Effect (-)					
XVII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (±)					
XVIII.	NET PROFIT/LOSSES (XII+XVII)		38.298	19.498	67.873	31.535
	Earnings/Losses per Share		0,0982		0,1741	

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

**STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY
FOR THE PERIOD 1 JANUARY - 30 JUNE 2009**

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

	Note	Reviewed 30 June 2009	Reviewed 30 June 2008
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS		-	-
1.1 Net Change in Available-for-sale Financial Assets Carried at Fair Value		-	-
1.2 Net Change in Available-for-sale Financial Assets Carried at Fair Value (Transfer to Income/Loss)		-	-
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS		-	-
III. REVALUATION DIFFERENCES OF INTANGIBLE ASSETS		-	-
IV. FOREIGN EXCHANGE DIFFERENCES		-	-
V. INCOME/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS		-	-
5.1 Income/Loss on Fair Value Hedge (Effective Part of Fair Value Differences)		-	-
5.2 Part of Reclassified and Recorded in Income Statement		-	-
VI. INCOME/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS		-	-
6.1 Income/Loss Related with Fair Value Hedge (Effective Part of Fair Value Differences)		-	-
6.2 Part of Reclassified and Recorded in Income Statement		-	-
VII. EFFECT OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS		-	-
VIII. OTHER INCOME/EXPENSE ITEMS RECORDED IN SHAREHOLDERS' EQUITY ACCORDANCE WITH TAS		-	-
IX. DEFERRED TAXES RELATED TO REVALUATION DIFFERENCES		-	-
X. NET INCOME/LOSS DIRECTLY RECORDED IN SHAREHOLDERS' EQUITY (I+II+...+IX)		-	-
XI. CURRENT PERIOD INCOME/LOSS		38.298	67.873
XII. TOTAL INCOME/LOSS RECORDED IN THE PERIOD (X±XI)		38.298	67.873

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

STATEMENT OF CHANGES IN EQUITY FOR PERIOD 1 JANUARY - 30 JUNE 2009

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

STATEMENT OF CHANGES IN EQUITY	Note	Paid in Capital	Inflation Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal reserves	Status Reserves	Extraordinary Reserve	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Differences	Tangible and Intangible Assets Revaluation Fund	Bonus Shares Obtained From Investments	Hedging Reserves	Valuation Differences of AHS and Discontinued Operations	Total Equity
PRIOR PERIOD																	
I. Period Beginning Balance (01/01/2008)		389.928	(34.600)	2	-	29.617	-	-	-	131.876	36.125	-	-	-	-	-	552.948
II. Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.1 Effects of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		389.928	(34.600)	2	-	29.617	-	-	-	131.876	36.125	-	-	-	-	-	552.948
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.1 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.2 Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangibles Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Changes due to Disposal of Securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes due to Reclassification of Securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Increase in Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Issuance of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Bonds Convertible to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Current Period Income or Loss		-	-	-	-	-	-	-	-	67.873	-	-	-	-	-	-	67.873
XIX. Profit Distribution		-	-	-	-	8.933	-	-	-	(131.876)	53.366	-	-	-	-	-	(69.577)
19.1 Dividend Paid		-	-	-	-	-	-	-	-	(69.577)	-	-	-	-	-	-	(69.577)
19.2 Transfers to Reserves		-	-	-	-	8.933	-	-	-	-	53.366	-	-	-	-	-	-
19.3 Other		-	-	-	-	-	-	-	-	(62.299)	-	-	-	-	-	-	-
Period End Balance (30/06/2008)		389.928	(34.600)	2	-	38.550	-	-	-	67.873	89.491	-	-	-	-	-	551.244
CURRENT PERIOD																	
I. Period Beginning Balance (01/01/2009)		389.928	(34.600)	2	-	38.550	-	-	-	132.799	89.491	-	-	-	-	-	616.170
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangibles Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Increase in Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Issuance of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Bonds Convertible to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Current Period Income or Loss		-	-	-	-	-	-	-	-	38.298	-	-	-	-	-	-	38.298
XVII. Profit Distribution		-	-	-	-	-	-	-	-	(132.799)	-	-	-	-	-	-	(65.800)
17.1 Dividend Paid	16	-	-	-	-	11.270	-	55.729	-	(65.800)	-	-	-	-	-	-	(65.800)
17.2 Transfers to Reserves	16	-	-	-	-	-	-	-	-	(66.999)	-	-	-	-	-	-	-
17.3 Other		-	-	-	-	11.270	-	55.729	-	-	-	-	-	-	-	-	-
Period End Balance (30/06/2009)		389.928	(34.600)	2	-	49.820	-	55.729	-	38.298	89.491	-	-	-	-	-	588.668

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

STATEMENT OF CASH FLOWS FOR PERIOD 1 JANUARY - 30 JUNE 2009

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

	Note	Reviewed 30 June 2009	Reviewed 30 June 2008
A. CASH FLOWS FROM OPERATING ACTIVITIES			
1.1 Operating Profit before Changes in Operating Assets and Liabilities		99.918	93.201
1.1.1 Interests Received/ Leasing Income		132.676	144.986
1.1.2 Leasing Expenses		-	-
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		-	-
1.1.5 Other Income		14.507	(9.631)
1.1.6 Collections from Previously Written-off Doubtful Receivables	9	19.386	12.683
1.1.7 Payments to Personnel and Service Suppliers	18	(8.344)	(6.285)
1.1.8 Taxes Paid		(8.225)	(342)
1.1.9 Other		(50.082)	(48.210)
1.2 Changes in Operating Assets and Liabilities		(33.786)	16.024
1.2.1 Net Increase/(Decrease) in Factoring Receivables		-	-
1.2.1 Net Increase/(Decrease) in Finance Loans		-	-
1.2.1 Net Increase/(Decrease) in Lease Receivables	9	262.097	(176.368)
1.2.2 Net Increase/(Decrease) in Other Assets		15.559	(27.325)
1.2.3 Net Increase/(Decrease) in Factoring Payables		-	-
1.2.3 Net Increase/(Decrease) in Lease Payables		-	-
1.2.4 Net Increase in Funds Borrowed		(311.373)	223.437
1.2.5 Net Increase/(Decrease) in Payables		-	-
1.2.6 Net Increase/(Decrease) in Other Liabilities		(69)	(3.720)
I. Net Cash Used in Operating Activities		66.132	109.225
B. CASH FLOWS FROM INVESTING ACTIVITIES			-
2.1 Acquisition of Investments, Associates and Subsidiaries		-	-
2.2 Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment	10,11	(197)	(195)
2.4 Disposals of Property and Equipment	10,11	1	1
2.5 Purchase of Investments Available-for-sale	5	(7)	-
2.6 Sale of Investments Available-for-sale		-	-
2.7 Purchase of Investment Securities Held to Maturity		-	-
2.8 Sale of Investment Securities Held to Maturity		-	-
2.9 Other		-	-
II. Net Cash (Used in)/Provided from Investing Activities		(203)	(194)
C. CASH FLOWS FROM FINANCING ACTIVITIES			-
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		(65.800)	(69.576)
3.5 Payments for Finance Leases		(26)	44
3.6 Other		-	-
III. Net Cash Provided from Financing Activities		(65.826)	(69.532)
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		-	-
V. Net Increase in Cash and Cash Equivalents		103	39.499
VI. Cash and Cash Equivalents at Beginning of the Period	4	3.650	14.286
VII. Cash and Cash Equivalents at End of the Period	4	3.753	53.785

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

OFF-BALANCE SHEET ITEMS AT 30 JUNE 2009

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

OFF BALANCE SHEET COMMITMENTS		Note	Reviewed 30 June 2009			Audited 31 December 2008		
			TL	FC	Total	TL	FC	Total
I	RECOURSE FACTORING TRANSACTIONS		-	-	-	-	-	-
II	NON-RECOURSE FACTORING TRANSACTIONS		-	-	-	-	-	-
III	GUARANTEES RECEIVED	9	824.426	522.760	1.347.186	778.596	515.994	1.294.590
IV	GUARANTEES GIVEN	13	9.664	22.127	31.791	8.404	21.710	30.114
V	COMMITMENTS		-	-	-	-	-	-
5.1	Irrevocable Commitments		-	-	-	-	-	-
5.2	Revocable Commitments		-	-	-	-	-	-
5.2.1	Lease Commitments		-	-	-	-	-	-
5.2.1.1	Financial Lease Commitments		-	-	-	-	-	-
5.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
5.2.2	Other Revocable Commitments		-	-	-	-	-	-
VI	DERIVATIVE FINANCIAL INSTRUMENTS	13	105.739	169.855	275.594	139.563	92.672	232.235
6.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
6.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
6.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
6.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
6.2	Trading Transactions		105.739	169.855	275.594	139.563	92.672	232.235
6.2.1	Forward Buy/Sell Transactions		105.739	169.855	275.594	139.563	92.672	232.235
6.2.2	Swap Buy/Sell Transactions		-	-	-	-	-	-
6.2.3	Options Buy/Sell Transactions		-	-	-	-	-	-
6.2.4	Futures Buy/Sell Transactions		-	-	-	-	-	-
6.5.5	Other		-	-	-	-	-	-
VII	ITEMS HELD IN CUSTODY		185.116	265.007	450.123	131.689	201.639	333.328
VIII	TOTAL OFF BALANCE SHEET COMMITMENTS		1.124.945	979.749	2.104.694	1.058.252	832.015	1.890.267

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

EXPALANATORY NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

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

NOTE 1 - ORGANISATION AND PRINCIPAL ACTIVITIES

Yapı Kredi Finansal Kiralama A.O. (“the Company”) was established on 19 February 1987 in Istanbul, Turkey, pursuant to the license obtained from the Undersecretariat of Treasury for the purpose of performing financial leasing activities in Turkey and abroad as permitted by Law numbered 3226. The Company has been listed on the Istanbul Stock Exchange since 11 January 1994.

The Company’s major shareholder is Yapı ve Kredi Bankası A.Ş.

As at 30 June 2009, the Company have 137 employees (31 December 2008: 166). The Company operates predominantly in one geographical region, Turkey, and in one industry segment, financial leasing.

The address of the registered office is Barbaros Bulvarı Morbasan Sokak Koza İş Merkezi C Blok 34349 Balmumcu-Beşiktaş-İstanbul/Türkiye.

The Board of Directors has approved for publishing financial statements of the Company on 30 July 2009.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 BASIS OF PRESENTATION

2.1.1 Accounting standards

The Company maintains its books of account and prepares its financial statements in Turkish Lira (“TL”) in accordance with the communiqué “Uniform Chart of Accounts, Disclosures and Form and Nature of Financial Statements to be Issued By Leasing, Factoring and Consumer Finance Companies”(“Financial Statement’s Communiqué”) issued by the Banking Regulation and Supervision Agency (“BRSA”) in the Official Gazette dated 17 May 2007, numbered 26525; and in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/IFRS”) and their additions and comments issued by the Turkish Accounting Standard’s Board (“TASB”) and with the Communiqué: “The Procedures Regarding The Provisions to be Provided for the Loans of Leasing, Factoring and Consumer Finance Companies” (“Communiqué of Provision”) issued by BRSA in the Official Gazette numbered 26588 dated 20 July 2007. In accordance with the decision of Capital Market Board (“CMB”) dated 9 January 2009 and numbered 1/33, it is determined that leasing, factoring and consumer finance companies that are quoted at the Stock Exchange, have to prepare and present their financial statements based on the format determined for such companies by the BRSA.

Additional paragraph for convenience translation into English

The differences between accounting principles, as described in the preceding paragraphs and accounting principles generally accepted in countries in which these financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these financial statements. Accordingly, these financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.2 Accounting for the effects of hyperinflation

Financial statements were subject to inflation accounting in accordance with “Turkish Accounting Standards Financial Reporting in Hyperinflationary Economies” (“TMS 29”) until 31 December 2004. It has been announced that the application of inflation accounting is no longer required for the companies operating in Turkey with the circular dated 28 April 2005 issued by BRSA and inflation accounting has not been applied in the consolidated financial statements for the fiscal year commencing from 1 January 2005.

2.1.3 Offsetting

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

2.1.4 Going concern

The Company prepared its financial statements considering the going concern principal.

2.1.5 Currency used

Financial statements of the Company have been presented using the currency (functional currency) of the economic environment in which the Company operates. Financial position and the results of operations of the Company have been presented in Türk Lirası (“TL”).

2.2. CHANGES IN ACCOUNTING POLICIES

2.2.1 Comparatives and restatement of prior year financial statements

In order to enable the determination of the financial position and performance trends, the Company’s financial statements have been presented comparatively with the prior period. Reclassifications are made on comparative figures to conform to changes in presentation of the financial statements.

The Company prepared its financial statements in accordance with the Communiqué declared by CMB Serial:XI, No:25 “Principles Regarding Accounting Standards in Capital Markets” until 31 December 2007. Effective from 1 January 2008, the Company management started to apply the Financial Statements Communiqué described in Note 2.1.1.

2.2.2 Amendments in standards and interpretations

Adoption of New or Amended International Financial Reporting Standards and Interpretations

The Company adopted the standards, amendments and interpretations published by the IASB and International Financial Reporting Interpretation Committee (“IFRIC”) and which are mandatory for the accounting periods beginning on or after 1 January 2009.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

(a) Standards, amendments and interpretations to existing standards and standards are mandatory for accounting periods beginning 2009:

- IAS 1, “Presentation of Financial Statements” significant changes in comprehensive income statements;
- IAS 23, “(Revised) Borrowing Costs” significant changes removing the option to expense borrowing costs;
- IAS 27, “Consolidated and Separate Financial Statements” Change in cost of investment in the first time adoption of IFRSs;
- IAS 28, “Investments in Associates”;
- IAS 32, “Financial Instruments-Presentation” Change in the disclosure of puttable financial instruments and obligations arising on liquidation;
- IAS 39, “Financial Instruments: Recognition and Measurement” Changes in hedging instruments;
- IAS 40, “Investment Property”;
- IFRS 1, “First-time Adoption of International Financial Reporting Standards” Change in cost of investment in the first time adoption of IFRSs;
- IFRS 2, “Share based Payments”;
- IFRS 7, “(Amendment) Financial Instruments: Disclosures”;
- IFRS 8, “Operating Segments”;
- IFRIC 15, “Agreements for the Construction of Real Estate”.

(b) Standards, amendments and interpretations to existing standards that are not mandatory and early adopted by the Company:

Standards and interpretations which are mandatory for the accounting periods beginning on or after 1 July 2009:

- IAS 27, “Consolidated and Separate Financial Statements”;
- IAS 31, “Interests in Joint Ventures”
- IFRS 3, “Business Combinations”;
- IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”.
- IFRIC 17, “Distributions of Non-cash Assets to Owners”;
- IFRIC 18, “Transfers of assets from customers”;
- IAS 39, “(Amendment) Financial Instruments: Recognition and Measurement” Eligible Hedge Items.

The Company management does not foresee any material impact of adoption of the aforementioned standards and interpretations on the financial statements of the Company in the upcoming periods.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are summarized below:

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents consist of cash on hand, deposits at banks and highly liquid investments with maturity periods of less than three months (Note 4).

Related parties

For the purposes of these financial statements, shareholders, key management personnel and Board members, in each case together with companies controlled by/or affiliated with them, associated companies and other companies within the UniCredit (“UCI”) and Koç Holding A.Ş. group companies are considered and referred to as related parties. Transactions with related parties are made in accordance with general commercial terms and they are priced predominantly at market rates (Note 22).

Leases

(i) As lessor

Assets which are subject to leasing transactions are presented as a receivable which equals to the investment amount made for the related leasing transactions. Lease income is recognised over the term of the lease using the net investment method, which reflects a periodic constant rate of return. The income which is not accrued yet is booked as unearned finance income.

(ii) As lessee

Operational leases are recognised on an accrual basis according to their agreements.

Allowances for impairment of lease receivables

The lease receivables provision for the impairment of investments in direct finance leases and accounts receivables is established based on a credit review of the receivables portfolio. The Company has set this provision in accordance with the Communiqué of BRSA named “The Procedures Regarding the Provisions to Be Provided for the Loans of Leasing, Factoring and Consumer Finance Companies” which was published in the Official Gazette dated 20 July 2007, numbered 26588. According to the Communiqué, specific provisions are set in following proportions: minimum 20% for collateralized lease receivables which related collections are not received after 150 to 240 days past due, minimum 50% for collateralized lease receivables which related collections are not received after 240 to 360 days past due and 100% for collateralized lease receivables which related collections are not received after 1 year past due.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

EXPALANATORY NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

In accordance with the related Communiqué of Provision, the Company also recognizes specific provision even if the over due days are less than the days stated above or receivables are not over due at all, by taking into account all the existing data regarding the creditor and based on the principals of reliability and prudence as indicated in the Communiqué about Preparation and Presentation of Financial Statements published in the Official Gazette dated 16 January 2005, numbered 25702. The Company does not take into account the collateral amounts while determining the specific provision mentioned above.

In the Communiqué of Provision, it is stated that although it is not mandatory, a general provision which is not related to a specific transaction can be recognised for the losses arising from the principal or interest of lease receivables that are not over due or over due less than 150 days but the amount of loss is not certain. In accordance with the Communiqué of Provision, the Company sets a general provision for the lease receivables that have not been considered as doubtful yet.

Finance lease receivables and accounts receivables that cannot be recovered are written off and charged against the allowance for the impairment of lease and accounts receivables. Such receivables are written off after all the necessary legal proceedings have been completed and the amount of loss is finally determined. Recoveries of amounts previously provided for are treated as a reduction from the provision for the impairment of lease and accounts receivables for the year.

Financial assets for investment purposes

The financial assets for investment purposes are classified and accounted for as available-for-sale. Management determines the appropriate classification of its investments at the time of the purchase.

Available-for-sale securities are initially recognised at fair value plus transaction costs. Available-for-sale investments are subsequently re-measured at fair value based on quoted bid prices, or amounts derived from cash flow models. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in shareholders’ equity, unless there is a permanent decline in the fair values of such assets, in which case they are charged to the income statement. When the securities are disposed of or impaired, the related accumulated fair value adjustments are transferred to the income statement. The unlisted securities are valued at their cost (Note 5).

Interest income and expense

Interest income and expenses are recognised in the income statement using effective interest method on an accrual basis.

Foreign exchange transactions

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at period-end exchange rates.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

EXPALANATORY NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Property and equipment

All property and equipment is carried at cost, restated equivalent to purchasing power at 31 December 2004, less depreciation. Depreciation is calculated on the restated amounts of property and equipment using the straight-line method over its estimated useful life as follows:

Furniture and fixtures	5-10 years
Office equipment and motor vehicles	2-15 years
Leasehold improvements	shorter of rental period or useful life

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on the disposal of premises and equipment are determined in reference to their carrying amounts and are taken into account in determining operating profit.

Intangible assets

Intangible assets comprise computer software costs and are carried at cost restated equivalent to purchasing power at 31 December 2004. Intangible assets are amortised on a straight-line basis over 3-5 years.

Borrowings

Borrowings are recognized initially at market value including transaction costs. Subsequently, they are stated at their discounted cost value by using effective interest method.

Deferred taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The main temporary differences comprise the differences between the tax value and carrying value of lease receivables, property and equipment, provision for impairment of receivables and the IAS 39 effect of the borrowings (Note 20).

Deferred tax assets or deferred tax liabilities are recognized at the estimated amount that they will increase or decrease future tax payable which temporary differences will disappear. Deferred tax assets or liabilities are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilised (Note 20).

Employment termination benefits

Obligations related to employee termination and vacation rights are accounted for in accordance with “International Accounting Standard for Employee Rights” (“IAS 19”) and are classified under “provision for employee benefits” account in the balance sheet.

Under the Turkish Labour Law, the Company is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. Employment termination benefits represent the estimated present value of the total reserve of the future probable obligation of the Company arising in the case of the retirement of the employees calculated in accordance with the this Law (Note 14).

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH, SEE NOTE 2.1.1**

YAPI KREDİ FİNANSAL KİRALAMA A.O.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Income taxes

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognised in operating expenses.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Commitments and contingent liabilities

Contingent liabilities which do not have high possibility of outflow of resources are not recognised in financial statements but disclosed in notes. Contingent assets which have high possibility of economic inflow are disclosed in notes.

Share capital and dividends

Ordinary shares are classified as capital. Dividends on ordinary shares are recognised in the period in which they are declared.

Finance lease income (Sales income)

Initial value of the assets which are subject to leasing transaction is recognised as leasing receivables in the balance sheet. Future gross lease rentals receivable, net of unearned future lease income, are classified as the net investment in direct financing leases. The excess of aggregate contract lease rentals, over the original cost of related equipment, represents the total revenue to be recognised over the term of the lease. The revenue is recognised in order to provide a constant periodic rate of return on the net investment remaining in each lease.

Recognition of income and expense

Income and expenses are recognised on an accrual basis.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Derivative financial instruments

Derivative financial instruments, including forward foreign exchange contracts are initially recognised in the balance sheet at cost and are subsequently re-measured at their fair value. The income and losses recognition of derivative transactions change on the bases on which they are classified. Income and losses of the derivatives which are designated to effectively hedge cash flow risk are recognised in the equity. The Company's derivative transactions, even though providing effective economic hedges under the Company's risk management position, do not qualify for hedge accounting and are therefore initially recognised at cost and subsequently valued at fair value and the fair value. The fair value gains and losses are recognised in income statement.

Fair values of forward foreign exchange contracts and swap transactions are determined based on the market rates or discounted cash flows.

Earnings per share

Earnings per share disclosed in the statements of income is determined by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings to shareholders' equity. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the period in which they were issued and for each earlier period. (Note 21).

Subsequent events

Certain subsequent events that provides with additional information regarding the position of Company as at balance sheet date are recognised in the financial statements. Events that do not require adjustment are presented at the notes to these financial statements, if they have a certain level of importance.

2.4 CRITICAL ACCOUNTING EVALUATIONS, ESTIMATES AND ASSUMPTIONS

Preparation of these financial statements requires estimates and judgments about the reported amount of assets and liabilities or contingent assets and liabilities and reported amount of income and expenses of the related period. Such estimates and judgments are based on the Company's best estimates regarding current events and transactions, however, the actual results may differ from these estimates.

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NOTE 3 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2009	31 December 2008
Trading derivative financial assets:		
Income accruals of derivative financial assets (Note 13)	2.950	9.883

NOTE 4 - BANKS

	30 June 2009	31 December 2008
Due from banks		
- demand deposits	3.753	3.650
	3.753	3.650

For the purposes of cash flow statements, cash and cash equivalents amount to TL 3.753 thousand (31 December 2008: TL 3.650 thousand).

NOTE 5 - FINANCIAL ASSETS AVAILABLE FOR SALE (NET)

	30 June 2009	31 December 2008
Available-for-sale securities	80	73

Securities available-for-sale at 30 June 2009 and 31 December 2008 are as follows:

Company	30 June 2009		31 December 2008	
	Amount	Share (%)	Amount	Share (%)
Yapı Kredi Bank Moscow	1.928	<1	1.928	<1
Yapı Kredi Bank Azerbaycan J.S.B.	51	<1	51	<1
Yapı Kredi Yatırım Menkul Değerler A.Ş.	14	<1	7	<1
Koç Kültür Sanat ve Tanıtım A.Ş.	10	4,9	10	4,9
Yapı Kredi Faktoring Hizmetleri A.Ş.	5	<1	5	<1
	2.008		2.001	
Minus: Provision for impairment (-)	(1.928)		(1.928)	
	80		73	

NOTE 6 - TRADING DERIVATIVE FINANCIAL LIABILITIES

	30 June 2009	31 December 2008
Expense accruals of derivative financial instruments (Note 13)	2.337	3.957

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NOTE 7 - BORROWINGS

	30 June 2009			31 December 2008		
	Effective interest rate (%)	Original currency	TL	Effective interest rate (%)	Original currency	TL
Domestic banks:						
Fixed rate borrowings:						
- EUR	7,38	93.047	199.763	11,00	35.489	75.976
- USD \$	7,00	10.216	15.632	-	-	-
- TL	9,93	14.174	14.174	21,00	45.844	45.844
Floating rate borrowings:						
- US \$	3,34	82.963	126.942	3,71	140.541	212.541
- EUR	7,00	10.554	22.657	6,23	30.834	66.010
			379.168			400.371
Foreign banks:						
Fixed rate borrowings:						
-EUR	4,38	100.681	216.153	-	-	-
-GBP	7,50	7.664	19.369	-	-	-
-USD \$	3,20	8.633	13.209	5,93	110.136	166.559
Fixed rate borrowings:						
-EUR	4,47	428.139	919.172	5,62	567.113	1.214.076
-USD \$	3,89	185.268	283.478	4,44	232.663	351.857
			1.451.381			1.732.492
Total borrowings			1.830.549			2.132.863

NOTE 8 - MISCELLANEOUS PAYABLES

Trade payables are mainly related with the purchase of fixed assets from domestic and foreign suppliers regarding the financial leasing agreements.

As of 30 June 2009 maturity of trade payables amounting to TL 28.615 thousand is shorter than 1 year. Remaining trade payables amounting to TL 1.240 thousand has a maturity of longer than 1 year (As of 31 December 2008, the maturity of trade payables is shorter than 1 year).

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NOTE 9 - LEASING TRANSACTIONS AND OVERDUE RECEIVABLES

	30 June 2009	31 December 2008
Lease receivables	2.634.270	3.079.097
Invoiced lease receivables	88.016	63.289
Gross lease receivables	2.722.286	3.142.386
Unearned finance income	(447.960)	(511.911)
Lease receivables	2.274.326	2.630.475
Overdue lease receivables	250.967	183.101
Provision for impaired lease receivables - Specific provisions (Note 12)	(117.585)	(85.276)
Provision for impaired lease receivables - Watch list provisions (Note 12)	(16.069)	(16.236)
Provision for impaired lease receivables - General provisions (Note 12)	(9.675)	(12.167)
Lease receivables, net	2.381.964	2.699.897
Receivables from leasing transactions	2.274.326	2.630.475
Assets to be leased	6.406	3.360
Advances given for leasing transactions	24.554	14.971
Total receivables from leasing transactions	2.305.286	2.648.806

As at 30 June 2009 and 31 December 2008, finance lease receivables can be analysed according to their interest types as follows:

	30 June 2009	31 December 2008
Fixed rate	2.254.430	2.688.921
Floating rate	379.840	390.176
	2.634.270	3.079.097

The aging of finance lease receivables is as follows:

Period Ending	Lease Receivables	
	Gross 30 June 2009	Net 30 June 2009
30 June 2010	1.124.765	913.864
30 June 2011	742.906	610.146
30 June 2012	440.484	381.074
30 June 2013	207.222	181.168
30 June 2014 and over	206.909	188.074
	2.722.286	2.274.326

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NOTE 9 - LEASING TRANSACTIONS AND OVERDUE RECEIVABLES (Continued)

Period Ending	Lease Receivables	
	Gross	Net
	31 December 2008	31 December 2008
31 December 2009	1.281.507	1.037.936
31 December 2010	848.252	704.867
31 December 2011	514.494	442.786
31 December 2012	259.680	229.087
31 December 2013 and over	238.453	215.799
	3.142.386	2.630.475

Net finance lease receivables can be analysed as follows:

	30 June 2009	31 December 2008
Neither past due nor impaired	2.186.310	2.567.186
Past due but not impaired	88.016	63.289
Impaired	250.967	183.101
	2.525.293	2.813.576
(Less) allowances for impairment	(143.329)	(113.679)
	2.381.964	2.699.897

The Company determines and accounts for the loss resulting from its realised or expected doubtful receivables in accordance with the Communiqué of Provision declared by the BRSA starting from 1 January 2008.

At 30 June 2009, collaterals of TL 42.207 thousand (31 December 2008: TL 31.717 thousand) were obtained for the doubtful finance lease receivables amounting to TL 250.967 thousand (31 December 2008: TL 183.101 thousand). In determining the provision for doubtful lease receivables, in addition to the collaterals received from customers; assets which had been subject to the leasing agreements have also been taken into consideration as TL 76.590 thousand (31 December 2008: TL 57.348 thousand) in accordance with the terms determined in the Communiqué of Provision.

The aging of finance lease receivables past due but not impaired is as follows:

	30 June 2009		31 December 2008	
	Invoiced	Remaining	Invoiced	Remaining
	Amount	Principal	Amount	Principal
0-30 days	18.319	257.488	16.802	317.291
30-60 days	16.419	152.760	16.719	152.503
60 days and over	53.278	204.767	29.768	141.900
	88.016	615.015	63.289	611.694

TL 54.040 thousand of past due but not impaired lease receivables is followed-up by the Company via the watch list. Remaining principal amount of the same lease receivables amounting to TL 253.468 thousand is also followed-up via the watch list (31 December 2008: TL 26.480 thousand invoiced amount, TL 136.784 thousand remaining principal).

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NOTE 9 - LEASING TRANSACTIONS AND OVERDUE RECEIVABLES (Continued)

The aging of receivables from impaired lease receivables at 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009			31 December 2008		
	Invoiced Amount	Remaining Principal	Total	Invoiced Amount	Remaining Principal	Total
1 - 3 months	-	-	-	784	3.132	3.916
3 - 12 months	27.084	77.834	104.918	21.789	44.506	66.295
1 year and over	51.303	94.746	146.049	37.377	75.513	112.890
	78.387	172.580	250.967	59.950	123.151	183.101

Movements in provision for doubtful lease receivables are as follows:

	30 June 2009	30 June 2008
Balance at 1 January	113.679	75.474
Impairment expense	52.749	25.118
Recoveries of amounts previously provided for (including foreign currency differences) (Note 19)	(19.386)	(12.683)
Write-off	(3.713)	(4.370)
	143.329	83.539

As of 30 June 2009, total collaterals from the Company’s customers against their outstanding exposures are of TL 1.347.186 thousand (31 December 2008: TL 1.294.590 thousand). The Company does not include collaterals that exceed the risk amounts in its risk reporting. The Company’s collateral list which is prepared by this way is as follows:

	30 June 2009	31 December 2008
Mortgages	241.846	260.570
Transfer of rights of receivables	80.436	72.083
Buyback guarantees	26.109	35.080
Pledged machinery	8.401	4.836
Pledged automobiles	6.854	8.230
Cheques received	5.791	8.700
Guarantee letters	1.870	2.652
Pledged securities	1.610	2.201
Blocked cash	1.597	3.341
Protocols	127	327
Other pledged securities	9.619	14.067
	384.260	412.087

As of 30 June 2009 lease receivables amounting to TL 192.833 thousand (31 December 2008: TL 36.189 thousand) have been rescheduled and they are followed-up via the watch list by the Company.

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NOTE 9 - LEASING TRANSACTIONS AND OVERDUE RECEIVABLES (Continued)

Economic sector risk concentrations for the gross finance lease receivables as of 30 June 2009 and 31 December 2008 are as follows:

	30 June 2009	%	31 December 2008	%
Construction	585.596	22	721.702	23
Textile	318.044	12	391.939	13
Steel and mining	263.091	10	170.690	6
Transportation	220.065	8	261.983	8
Machinery and equipment	197.906	7	235.300	8
Printing	194.810	7	227.184	7
Food	141.875	5	163.244	5
Petroleum and chemistry	138.721	5	157.156	5
Agriculture	121.169	4	138.421	4
Health	92.161	3	93.723	3
Tourism	70.971	3	71.833	2
Automotive	57.638	2	71.141	2
Wholesale and retail trade	27.669	1	33.879	1
Financial institutions	19.713	1	16.573	1
Education	3.771	-	4.472	-
Other	269.086	10	383.146	12
	2.722.286	100	3.142.386	100

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

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

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NOTE 10 - PROPERTY AND EQUIPMENT

	1 January 2009	Additions	Disposals	30 June 2009
Cost				
Motor vehicles	117	-	(27)	90
Furniture and fixtures	1.027	-	-	1.027
Leasehold improvements	462	-	-	462
Office equipment	1.174	4	(3)	1.175
	2.780	4	(30)	2.754
Accumulated depreciation				
Motor vehicles	(55)	(22)	28	(49)
Furniture and fixtures	(997)	(10)	-	(1.007)
Leasehold improvements	(187)	(46)	-	(233)
Office equipment	(961)	(35)	1	(995)
	(2.200)	(113)	29	(2.284)
Net book value	580			470
	1 January 2008	Additions	Disposals	31 December 2008
Cost				
Motor vehicles	29	88	-	117
Furniture and fixtures	1.193	5	(171)	1.027
Leasehold improvements	414	48	-	462
Office equipment	1.105	72	(3)	1.174
	2.741	213	(174)	2.780
Accumulated depreciation				
Motor vehicles	(23)	(32)	-	(55)
Furniture and fixtures	(1.139)	(28)	170	(997)
Leasehold improvements	(101)	(86)	-	(187)
Office equipment	(889)	(75)	3	(961)
	(2.152)	(221)	173	(2.200)
Net book value	589			580

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NOTE 11 - INTANGIBLE ASSETS

	1 January 2009	Additions	Disposals	30 June 2009
Cost				
Rights	3.138	193	-	3.331
	3.138	193	-	3.331
Accumulated amortisation				
Rights	(2.586)	(59)	-	(2.645)
	(2.586)	(59)	-	(2.645)
Net book value	552			686

	1 January 2008	Additions	Disposals	31 December 2008
Cost				
Rights	2.689	449	-	3.138
	2.689	449	-	3.138
Accumulated amortisation				
Rights	(2.461)	(125)	-	(2.586)
	(2.461)	(125)	-	(2.586)
Net book value	228			552

NOTE 12 - OTHER PROVISIONS

	30 June 2009	31 December 2008
Watch list provision for lease receivables (Note 9)	16.069	16.236
Portfolio provision for lease receivables (Note 9)	9.675	12.167
Provision for legal proceedings	2.290	2.174
Expense accruals	1.602	1.445
Provision for unused personnel vacation	785	686
Provision for personnel bonuses	630	2.148
Provision for employment termination benefits	487	342
Other	218	96
	31.756	35.294

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NOTE 12 - OTHER PROVISIONS (Continued)

Legal proceedings:

On 6 November 2008, the Company compromised with the Ministry of Finance on the amount that will be paid in relation to the tax investigation of the statutory records of the Company realised by Tax Administration for the years 2000 and 2001. As the compromised amount is less than the amount expensed in previous years by TL 2.484 thousand, the difference is recorded as income in the current year. The amount remaining at the tax custody account will be paid according to the payment plan determined by the compromise (Note 17).

Moreover, the Company has provided for a total provision of TL 2.290 thousand against certain pending legal cases as of 30 June 2009 (31 December 2008: TL 2.174 thousand).

NOTE 13 - COMMITMENTS

Commitments under derivative instruments:

	30 June 2009		31 December 2008	
	Nominal Original currency	Nominal TL	Nominal Original currency	Nominal TL
Forward currency purchases				
EUR	62.135	133.398	5.149	11.022
TL	105.739	105.739	139.563	139.563
GBP	7.500	18.954	-	-
USD\$	10.586	16.198	10.586	16.010
JPY	81.550	1.305	36.500	611
		275.594		167.206
Swap purchases				
USD\$	-	-	43.000	65.029
		275.594		232.235
	30 June 2009		31 December 2008	
	Nominal Original currency	Nominal TL	Nominal Original currency	Nominal TL
Forward currency sales				
ABD\$	166.358	254.544	73.242	110.764
JPY	1.112.200	17.796	1.112.200	18.609
CHF	1.750	2.458	2.650	3.790
AVRO	-	-	15.000	32.112
TL	-	-	3.757	3.757
		274.798		169.032
Swap sales				
TL	-	-	56.975	56.975
		274.798		226.007

Letters of guarantee given:

The Company has given letters of guarantee amounting to TL 30.027 thousand (31 December 2008: TL 30.114 thousand) to courts, banks and customs.

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NOTE 14 - OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

	30 June 2009	31 December 2008
Provision for employment termination benefits (Note 12)	487	342
	487	342

The provision for employment termination benefits is provided for as explained below:

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and for whom employment relations with the Company have been terminated without resignation or bad behaviour causes. The amount payable consists of one month’s salary limited to a maximum of TL 2.260,05 as of 30 June 2009 (31 December 2008: TL 2.173,19) for each year of service.

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

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

Communiqué requires that actuarial valuation methods be developed to estimate the employee termination benefit provision. The following actuarial assumptions have been used in the calculation of the total provision:

	30 June 2009	31 December 2008
Discount rate (%)	6,26	6,26
Turnover rate to estimate the probability of retirement (%)	14,76	15,73

The principal assumption is that the maximum liability of employment termination benefits for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 2.365,16 which is effective from 1 July 2009, has been taken into consideration in calculating the provision for employment termination benefits of the Company.

Movements in the provision for employment termination benefits during the year are as follows:

	30 June 2009	30 June 2008
1 January	342	279
Paid during the period	(373)	(82)
Service cost	39	15
Interest cost	30	18
Increase in provision during the period	449	83
30 June	487	313

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NOTE 15 - OTHER ASSETS

	30 June 2009	31 December 2008
VAT deductible	43.486	56.609
Prepaid expenses	8.425	10.965
Other	161	57
	52.072	67.631

NOTE 16 - EQUITY

At 30 June 2009 and 31 December 2008 the shareholder’s of the Company and their share capitals with historical amounts are as follows:

	<u>30 June 2009</u>		<u>31 December 2008</u>	
	Amount	Share in paid in capital (%)	Amount	Share in paid in capital (%)
Yapı ve Kredi Bankası A.Ş.	385.427	98,85	385.427	98,85
Zer Merkezi Hizmetler A.Ş.	2.879	0,74	2.879	0,74
Publicly held	1.622	0,41	1.622	0,41
Other	-	0,00	-	0,00
Share capital	389.928	100,00	389.928	100,00
Adjustment to share capital	(34.600)		(34.600)	
	355.328		355.328	

Share capital of the Company consists of 389.927.705 authorized shares with a nominal value of TL1 each.

The Company’s registered capital is TL 389.928 thousand (31 December 2008: TL 389.928 thousand).

Adjustment to share capital represents the difference between total amount of capital adjusted in respect of inflation and the capital amount before inflation adjustment.

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

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NOTE 16 - EQUITY (Continued)

At the General Assembly of the Company on 23 March 2009, it has been decided to pay dividends amounting to TL 65.800 thousand. The dividend has been paid on 31 March 2009 and 2 April 2009. The first reserves amounting to TL 6.640 thousand and second reserves amounting to TL 4.630 thousand calculated related with the profit distribution has been reclassified to legal reserves.

NOTE 17 - OTHER LIABILITIES

	30 June 2009	31 December 2008
Advances received (*)	17.851	10.884
Tax custody account (**)	4.181	6.665
Other liabilities	31	732
	22.063	18.281

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

(**) Lawsuits relating to the tax investigation of the statutory records of the Company for the years 2000 and 2001 were concluded and the Company compromised with the Ministry of Finance on the amount that will be paid. Until the compromised amount is paid, TL 4.181 thousand will be kept in this account (Note 12).

NOTE 18 - OPERATING EXPENSES

Operating expenses for the period ended 30 June are as follows:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Personnel expenses	9.218	4.594	7.558	3.747
Audit and consultancy expenses	1.177	491	266	107
Rent expenses	529	219	525	350
Taxes, duties and charges	338	42	336	80
Transportation and vehicle expenses	307	142	352	202
Communication expenses	194	103	226	115
Depreciation and amortization expenses	172	85	167	87
Provision expense for employee termination benefits	145	32	34	6
Court expenses	90	47	435	307
Insurance expenses	60	30	24	11
Office expenses	30	13	39	20
Marketing and advertisement expenses	24	12	196	152
Other	820	428	941	667
	13.104	6.238	11.099	5.851

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NOTE 19 - OTHER OPERATING INCOME/EXPENSES

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Other Operating Income				
Recoveries from prior periods provisions for lease receivables (Note 9)	19.386	12.303	12.683	4.950
Income from tax case provision	2.484	-	-	-
Proceeds from sale of property and equipment (*)	1.472	939	108	108
Insurance agency income	828	462	968	535
Other	979	936	195	161
	25.149	14.640	13.954	5.754
	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Other Operating Expenses				
Provision for legal proceedings	120	33	434	126
Provision for tax lawsuit expense	-	-	1.027	898
Other	66	59	134	130
	186	92	1.595	1.154

(*) These are comprised of sales proceeds of the assets related with the impaired finance lease receivables, transfer amounts of the leased assets and Company fixed asset sales.

NOTE 20 - TAX ASSETS AND LIABILITIES

Corporate Tax Law numbered 5422 was altered by Law No.5520 which is published at the Official Gazette numbered 26205 on 13 June 2006 and many of its articles have become effective retrospectively starting from 1 January 2006. Corporation tax rate in Turkey starting from 1 January 2006 is 20% (2008: 20%). Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on an investment incentive allowance utilised within the scope of Income Tax Law transitional article 61).

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

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

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

In accordance with Tax Law No: 5024 “Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law” that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities according to inflation adjustments. In accordance with the aforementioned law’s provisions, in order to apply inflation adjustment, the cumulative inflation rate (State Institute of Statistics-Wholesale Price Indices) over the last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not met for the years ended 30 June 2009 and 31 December 2008.

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

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

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

Due to investment allowances of the Company that are considered as deductions from taxable income, the Company did not pay any corporate tax in 2008.

Taxes reflected on the income statements are summarized below for the periods ending as of 30 June 2009 ve 2008:

	30 June 2009	31 December 2008
Corporate taxes payable	14.581	-
Minus: Prepaid taxes	(7.886)	-
Corporate tax payable, net	6.695	-

	30 June 2009	30 June 2008
Current tax provision	(14.581)	-
Deferred tax income effect	6.632	-
Total tax expense (-)	(7.949)	-

Investment allowance applied for several years and calculated as 40% of fixed asset acquisitions exceeding a certain amount, was abolished with law no. 5479 dated 30 March 2006. However, in accordance with temporary law no. 69 added to the Income Tax Law, as of 31 December 2005 corporate and income taxpayers can offset the investment allowance amounts which they could not offset against income in 2005.

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

- a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No. 193, with Law No.4842, dated 9 April 2003.
- b) Investment allowance amounts to be calculated in accordance with legislation effective on 31 December 2005 in relation to investments which exhibit an integrity technically and economically and which were started prior to 1 January 2006 within the scope of repealed Article 19 of the Income Tax Law numbered 193, can solely be offset against income related to the years 2006, 2007 and 2008, in accordance with the legislation current as of 31 December 2005 (including provisions related to tax rates).

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

Deferred Taxation

The Company calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”). In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

The deferred tax asset and deferred tax liability have been netted of in these financial statements.

The Company did not pay any corporation tax until 31 December 2008 due to its accumulated investment allowances related with capital expenditures which are deductible from taxable income. The Company has started to prepare temporary tax declaration forms and recognised deferred taxes as the Company is no longer subject to investment allowance as of 1 January 2009.

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

Details of cumulative timing differences and the resulting deferred income tax assets and liabilities provided as of 30 June 2009 and 31 December 2008 are as follows:

	<u>Total temporary differences</u>		<u>Deferred income tax assets/ (liabilities)</u>	
	<u>30 June 2009</u>	<u>31 December 2008</u>	<u>30 June 2009</u>	<u>31 December 2008</u>
Deferred tax assets				
Provision for impaired receivables	79.715	49.849	15.943	9.970
Valuation of derivative financial instruments	2.337	3.957	467	791
Provision for impairment on investments	1.928	1.928	96	96
Expense accruals	337	312	67	62
Provision for personnel bonus	630	-	126	-
Provision for legal proceedings	394	274	79	55
Provision for unused vacation	785	686	157	137
Provision for litigation related to Fund for Resource Use Support	265	253	53	51
Provision for employment termination benefits	487	342	97	68
Valuation difference on borrowings	-	576	-	115
Other	803	803	41	41
Deferred tax assets			17.126	11.386
Deferred tax liabilities				
Difference between carrying value and tax base of financial leases	22.030	20.097	(4.406)	(4.020)
Valuation of derivative financial instruments	2.950	9.883	(590)	(1.976)
Difference between carrying value and tax base of property, equipment and intangible assets	251	312	(50)	(62)
Income accrual on lease receivables	379	21	(76)	(4)
Valuation difference on borrowings	239	-	(48)	-
Deferred tax liabilities			(5.170)	(6.062)
Deferred tax assets - net			11.956	5.324

NOTE 21 - EARNINGS PER SHARE

	30 June 2009	30 June 2008
Net income for the period (TL thousand)	38.298	67.873
Number of outstanding shares with a nominal value of 1 TL	389.927.705	389.927.705
Earnings per share (TL)	0,0982	0,1741

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NOTE 22 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Balance sheet items	30 June 2009	31 December 2008
Due from banks (Cash and cash equivalents)		
Demand deposit		
Yapı ve Kredi Bankası A.Ş.	3.219	2.232
Yapı Kredi Bank Nederland N.V.	4	5
	3.223	2.237
Finance lease receivables:		
Yapı ve Kredi Bankası A.Ş.	4.848	7.722
Koçnet Haberleşme Teknoloji ve İletişim Hizmetleri A.Ş.	3.825	4.405
Vehbi Koç Vakfı Amerikan Hastanesi	3.716	5.770
Koç Sistem Bilgi ve İletişim	2.334	1.963
Setur Servis Turistik A.Ş.	568	1.052
Türk Traktör ve Ziraat Makineleri A.Ş.	199	-
Palmira Turizm Ticaret A.Ş.	45	91
Koç Üniversitesi	31	113
Koç Tüketici Finansmanı ve Kart Hizmetleri A.Ş.	23	60
Other	58	142
	15.647	21.318
Other assets:		
Yapı Kredi Sigorta A.Ş.	126	381
Yapı Kredi Emeklilik A.Ş.	18	-
Yapı ve Kredi Bankası A.Ş.	9	-
	153	381
Borrowings:		
Unicredito Italiano S.p.A.	542.578	538.283
Yapı ve Kredi Bankası A.Ş.	107.134	98.589
	649.712	636.872
Trade Payables:		
Koç Sistem Bilgi ve İletişim	38	-
Otokoç Otomotiv Tic. Ve San.	38	-
Yapı ve Kredi Bankası A.Ş.	7	560
Opet Petrolcülük A.Ş.	5	-
Yapı Kredi Sigorta A.Ş.	-	242
Diğer	13	-
	101	802

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

	30 June 2009	31 December 2008
Advances received:		
Yapı ve Kredi Bankası A.Ş.	-	344
Off-balance sheet items:		
Guarantee letters		
Yapı ve Kredi Bankası A.Ş.	5.433	4.922
Derivative financial instruments:		
Foreign currency forward transactions		
Yapı ve Kredi Bankası A.Ş.	275.594	167.206
Income statement items		
	1 January - 30 June 2009	1 January - 30 June 2008
Interest income from finance leases:		
Yapı ve Kredi Bankası A.Ş.	377	1.028
Koç Sistem Bilgi ve İletişim	160	66
Vehbi Koç Vakfı Amerikan Hastanesi	157	1.863
Koçnet Haberleşme Teknoloji ve İletişim Hizmetleri A.Ş.	153	70
Setur Servis Turistik A.Ş.	92	185
Diğer	50	167
	989	3.379
Interest income on bank deposits:		
Yapı ve Kredi Bankası A.Ş.	898	366
Interest expenses of bank borrowings:		
Unicredito Italiano S.p.A.	11.399	12.351
Yapı ve Kredi Bankası A.Ş.	4.927	113
Yapı Kredi Bank Nederland N.V.	9	-
Bulbank Ltd. Sofia	-	1.189
	16.335	13.653
Rent expenses:		
Yapı ve Kredi Bankası A.Ş.	425	342
Commission income:		
Yapı Kredi Sigorta A.Ş.	802	830
Yapı Kredi Emeklilik A.Ş.	16	-
Koç Allianz Sigorta A.Ş.	-	107
	818	937

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

	1 January - 30 June 2009	1 January - 30 June 2008
Commission expenses:		
Yapı ve Kredi Bankası A.Ş.	98	147
Service expenses:		
Zer Merkezi Hizmetler A.Ş.	281	304
Otokoç A.Ş.	198	159
Opet Petrolcülük A.Ş.	76	108
Setur Servis Turistik A.Ş.	22	35
Koç Holding A.Ş.	3	-
Diğer	4	8
	584	614
Dividend income:		
Yapı Kredi Faktoring A.Ş.	2	5
Yapı Kredi Yatırım Menkul Değerler A.Ş.	1	-
	3	5

Payments made to members of the Board and key management personnel:

Payments made to members of the Board and key management personnel	3.183	1.163
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NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments and financial risk management

a. Credit risk

Credit risk is the risk that the counterparty may be unable to meet the terms of the agreements. The Company is exposed to credit risk due to financial lease transactions. This risk is managed by limiting the aggregate risk to any individual counterparty and financial institution. The Company’s exposure to credit risk is concentrated in Turkey where the majority of the activities are carried out. The credit risk is generally diversified due to the large number of entities comprising the customer bases and their dispersion across different industries.

The table below summarises the geographic distribution of the Company’s assets and liabilities at 30 June 2009 and 31 December 2008.

30 June 2009	Assets	%	Liabilities	%
Turkey	2.444.210	97	444.112	23
European countries	16.564	1	1.231.493	64
Other	51.576	2	248.077	13
	2.512.350	100	1.923.682	100
31 December 2008	Assets	%	Liabilities	%
Turkey	2.746.915	97	471.017	21
European countries	20.202	1	1.367.483	62
Other	68.922	2	381.370	17
	2.836.039	100	2.219.870	100

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NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Maximum amount of credit risk exposed

	30 June 2009			31 December 2008		
	Leasing Receivables	Other Receivables	Derivative Instruments	Leasing Receivables	Other Receivables	Derivative Instruments
Maximum amount of credit risk exposed as of reporting date (*)	2.381.964	31.122	2.950	2.699.897	18.387	9.883
- Maximum credit risk secured guarantees etc. (***)	384.260	-	-	412.087	-	-
A. Net book value of financial assets either not due or not impaired	2.176.635	31.122	2.950	2.555.019	18.387	9.883
- Not due or not impaired (gross book value)	2.186.310	31.122	2.950	2.567.186	18.387	9.883
- Impairment amount (-) (**)	(9.675)	-	-	(12.167)	-	-
- Net value secured by guarantees etc.	284.491	-	-	347.704	-	-
B. Book value of financial assets with renegotiated conditions, otherwise would be classified as past due or impaired	13.925	-	-	6.327	-	-
- Conditions are renegotiated (gross book value)	14.791	-	-	6.433	-	-
- Impairment amount (-) (**)(****)	(866)	-	-	(106)	-	-
C. Net book value of assets past due but not impaired	58.022	-	-	40.726	-	-
- Past due (gross book value)	73.225	-	-	56.856	-	-
- Impairment amount (-) (**)(****)	(15.203)	-	-	(16.130)	-	-
- Net value secured by guarantees etc	57.563	-	-	32.666	-	-
D. Net book value of assets impaired	133.282	-	-	97.825	-	-
- Past due (gross book value)	250.967	-	-	183.101	-	-
- Impairment amount (-)	(117.585)	-	-	(85.276)	-	-
- Net value secured by guarantees etc	42.206	-	-	31.717	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

(*) The elements that increase the credibility such as guarantees received are not taken into account while determining the amount.

(**) In accordance with the Provisions Communiqué, the Company sets specific provision at the determined amounts even if the over due days of the receivables do not exceed the days indicated at the Communiqué considering reliability and prudence principals. Aging of the over due but not impaired lease receivables is presented in the Note 9.

(***) Collaterals that exceed the risk are not taken into account. The assets that are subject to lease agreements are not taken into account.

(****) Impairment is also calculated for the undue amounts of the related over due lease receivables. Undue lease receivables are classified in the Group A.

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**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

b. Market risk

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

The Investment Policy is subject to the approval of the Board of Directors. It will be the Company’s responsibility to assure regular compliance with these principles and limits.

As a leasing company, the Company is exposed to risks such as foreign exchange risk, interest rate risk and liquidity risk. The Treasury mainly focuses on the structure of the Company’s assets and liabilities while analysing these risks. The Treasury’s mission is to provide funds to the Company, to manage the structural excess of liquidity to match the foreign currency exposure and interest rate risk of the Company; in addition it tries to achieve the projected revenues of the Treasury budget, while minimising the volatility of the results. The Treasury also aims to satisfy the Regulator’s requirements.

For the market risk management some general guidelines apply;

- Yapı ve Kredi Bankası A.Ş. (“YKB”) Risk Management and the Company’s Board of Directors are informed of and they approve any major change in the risk portfolio or any important decision regarding market risk before any action is taken.
- All market risks are managed by the Company’s Treasury,
- Planning and Control is independent from the Treasury and reports directly to general manager and Asset Liability Committee,
- Interest rate and foreign exchange risk is managed by the Treasury and it is the Treasury’s responsibility to keep these within the limits,
- Derivative trading is allowed only for hedging purposes,
- Investments in government bonds are allowed if in Turkish domestic debt. Other government bonds are subject to the approval of the Board of Directors.

c. Liquidity risks

Liquidity risk is the possibility that the Company will be unable to fund its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. The Treasury has daily control over liquidity risk. To hedge against this risk, management has diversified funding sources, and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents. Moreover, the ability to fund the existing and prospective debt requirements and cover withdrawals at unexpected levels of demand is managed by maintaining the availability of adequate funding lines from shareholders and high quality investors.

The table below analyses the assets and liabilities of the Company in relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. Also the Company’s unearned and unpaid interests related to its assets and liabilities are included to the table below.

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NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	30 June 2009						
	<u>Book Value</u>	<u>Total cash inflows/outflows per agreement</u>	<u>Up to 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>No definite maturity</u>
Trading derivative financial assets	2.950	2.950	320	2.630	-	-	-
Banks	3.753	3.753	-	-	-	-	3.753
Lease receivables	2.438.668	2.855.366	357.676	770.638	1.505.102	86.051	135.899
Available-for-sale financial assets	80	80	-	-	-	-	80
Property and equipment	470	470	-	-	-	-	470
Intangible assets	686	686	-	-	-	-	686
Deferred tax assets	11.956	11.956	-	-	-	-	11.956
Assets held for resale	1.715	1.715	-	-	-	-	1.715
Other assets	52.072	52.072	3.289	3.890	1.408	-	43.485
Total assets	2.512.350	2.929.048	361.285	777.158	1.506.510	86.051	198.044
Trading derivative financial liabilities	2.337	2.337	2.337	-	-	-	-
Borrowings	1.830.549	1.905.204	368.565	1.179.849	314.960	41.830	-
Lease payables	1	1	-	1	-	-	-
Miscellaneous payables	29.855	29.855	21.130	7.136	1.241	-	348
Other liabilities	22.063	22.063	17.928	4.135	-	-	-
Taxes payable	7.121	7.121	7.121	-	-	-	-
Provisions	31.756	31.756	3.162	7.041	14.637	904	6.012
Total liabilities	1.923.682	1.998.337	420.243	1.198.162	330.838	42.734	6.360
Net liquidity position	588.668	930.711	(58.958)	(421.004)	1.175.672	43.317	191.684
Derivative financial instruments							
Cash inflow	275.594	275.594	256.640	18.954	-	-	-
Cash outflow	274.798	274.798	258.502	16.296	-	-	-

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NOT 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2008						
	<u>Book Value</u>	<u>Total cash outflows per agreement</u>	<u>Up to 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>No definite maturity</u>
Trading derivative financial assets	9.883	9.883	1.870	8.013	-	-	-
Banks	3.650	3.650	-	-	-	-	3.650
Lease receivables	2.746.631	3.227.609	376.049	899.186	1.750.152	104.399	97.823
Available-for-sale financial assets	73	73	-	-	-	-	73
Property and equipment	580	580	-	-	-	-	580
Intangible assets	552	552	-	-	-	-	552
Deferred tax assets	5.324	5.324	-	-	-	-	5.324
Assets held for resale	1.715	1.715	-	-	-	-	1.715
Other assets	67.631	67.631	52.722	11.367	1.006	87	2.449
Total assets	2.836.039	3.317.017	430.641	918.566	1.751.158	104.486	112.166
Trading derivative financial liabilities	3.957	3.957	1.310	2.647	-	-	-
Borrowings	2.132.863	2.249.610	202.145	1.427.132	555.703	64.630	-
Lease payables	27	27	26	1	-	-	-
Miscellaneous payables	28.987	28.987	28.987	-	-	-	-
Other liabilities	18.281	18.281	-	-	-	-	18.281
Taxes payable	460	460	-	-	-	-	460
Provisions	35.294	35.294	3.147	7.924	16.291	1.039	6.893
Total liabilities	2.219.869	2.336.616	235.615	1.437.704	571.994	65.669	25.634
Net liquidity position	616.170	980.401	195.026	(519.138)	1.179.164	38.817	86.532
Derivative financial instruments							
Cash inflow	232.235	232.235	150.585	81.650	-	-	-
Cash outflow	226.007	226.007	149.906	76.101	-	-	-

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise stated.)

**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

d. Currency risk

Foreign currency risk is a result of the Company's assets and liabilities denominated in foreign currencies. The Company has a foreign currency position as a result of its operations. The Treasury monitors daily the foreign currency position of the Company. Monthly reporting of the foreign currency position, in detailed tables by maturity and currency, is the responsibility of Planning and Control. A maximum limit of (+/-) EUR\$4.000.000 for foreign currency exposure is projected by the Company. The Company invests in derivative financial instruments to match its assets and liabilities denominated in foreign currencies. The foreign currency positions of the Company as of 30 June 2009 and 31 December 2008 are stated in the table below:

30 June 2009	TL Equivalent	US\$	EUR	Other
Trading derivative financial assets	2.652	2.630	-	22
Banks	2.892	606	2.195	91
Finance lease receivables	1.978.642	712.099	1.243.627	22.916
Total assets	1.984.186	715.335	1.245.822	23.029
Trading derivative financial liabilities	2.337	732	-	1.605
Borrowings	1.816.375	439.261	1.357.745	19.369
Miscellaneous payables	11.778	2.357	8.124	1.297
Other liabilities	14.918	6.191	8.668	59
Provisions	15.428	13.708	1.720	-
Total liabilities	1.860.836	462.249	1.376.257	22.330
Net foreign currency position	123.350	253.086	(130.435)	699
Derivative financial instruments	(104.943)	(238.346)	133.398	5

The FX rates used by the Company at 30 June 2009 and 31 December 2008 are as follows:

	30 June 2009	31 December 2008
US\$	1,5301	1,5123
EUR	2,1469	2,1408

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

31 December 2008	TL Equivalent	US\$	EUR	Other
Trading derivative financial assets	1.547	1.453	-	94
Banks	2.688	687	1.961	40
Finance lease receivables	2.210.431	783.679	1.398.641	28.111
Total assets	2.214.666	785.819	1.400.602	28.245
Trading derivative financial liabilities	2.848	-	-	2.848
Borrowings	2.087.019	730.957	1.356.062	-
Miscellaneous payables	24.150	4.287	17.819	2.044
Other liabilities	8.370	2.828	4.714	828
Provisions	16.064	15.733	327	4
Total liabilities	2.138.451	753.805	1.378.922	5.724
Net foreign currency position	76.215	32.014	21.680	22.521
Derivative financial instruments	(72.603)	(29.725)	(21.090)	(21.788)

	30 June 2009	31 December 2008
Total imports	49.808	507.892
Total exports	-	30.834

Hedging ratios of total foreign currency liabilities are as follows:

	30 June 2009	31 December 2008
US\$	102%	101%
Euro	100%	100%
Other currencies	103%	101%

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NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

30 June 2009

	Profit/Loss		Equity (*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against YL				
1. USD net asset/liability	25.308	(25.308)	25.308	(25.308)
2. Secured portion from USD risk	(23.835)	23.835	(23.835)	23.835
3. USD Effect - net (1+2)	1.473	(1.473)	1.473	(1.473)
Change of EUR by 10% against TL				
4. EUR net asset/liability	(13.043)	13.043	(13.043)	13.043
5. Secured portion from EUR risk	13.340	(13.340)	13.340	(13.340)
6. EUR Effect - net (4+5)	297	(297)	297	(297)
Total (3+6)	1.770	(1.770)	1.770	(1.770)

31 December 2008

	Profit/Loss		Equity (*)	
	Appreciation of foreign currency	Appreciation of foreign currency	Appreciation of foreign currency	Appreciation of foreign currency
Change of USD by 10% against TL				
1. USD net asset/liability	3.201	(3.201)	3.201	(3.201)
2. Secured portion from USD risk	(2.972)	2.972	(2.972)	2.972
3. USD Effect - net (1+2)	229	(229)	229	(229)
Change of EUR by 10% against TL				
4. EUR net asset/liability	2.168	(2.168)	2.168	(2.168)
5. Secured portion from EUR risk	(2.109)	2.109	(2.109)	2.109
6. EUR Effect - net (4+5)	59	(59)	59	(59)
Total (3+6)	288	(288)	288	(288)

(*) Equity effect includes the amounts that will be reflected to the profit/loss table.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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YAPI KREDİ FİNANSAL KİRALAMA A.O.

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**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

e. Interest rate risk

Movements in market interest rates which lead to price fluctuations in financial instruments of the Company require the management of the interest risk. It is the Treasury that follows up the Company's interest sensitive assets, liabilities and off-balance sheet items. In addition Planning and Control reports the interest rate risk by distributing interest rate risk into time bands according to their maturity. The interest rate risk is measured on a monthly basis using Economic Value Sensitivity Analysis, Interest Rate Stress Testing and various scenarios. During the year 2009, a number of changes have occurred in scenarios and analysis used in the measurement of interest rate risk.

30 June 2009

According to the Economic Value Sensitivity Analysis as at 30 June 2009, in the scenario of a 10% shift in the TL interest rate and a 3% shift in the foreign currency interest rate with all other variables being constant, there will be a TL 80.388 thousand.

31 December 2008

According to the Economic Value Sensitivity Analysis as at 30 June 2009, in the scenario of a 5% shift in the TL interest rate and a 1% shift in the foreign currency interest rate with all other variables being constant, there will be a TL 37.795 thousand decrease in the net present value of interest sensitive assets and liabilities. The difference must be within the limit of 10% of the core Tier1 Capital. According to the Interest Rate Stress Testing carried out on 31 December 2008, in the worst case of eight scenarios of a 10% shift in the YTL interest rate and a 2% shift in foreign currency interest rate, with all other variables being constant, there will be a TL 72.886 thousand decrease in the net present value of interest sensitive assets and liabilities.

The Company's interest rate position as of 30 June 2009 and 31 December 2008 is presented below:

	30 June 2009	31 December 2008
Financial instruments with fixed interest rate:		
<u>Financial assets</u>		
Lease receivables	2.254.430	2.688.921
Income accruals of derivative financial instruments	2.950	9.883
<u>Financial liabilities</u>		
Borrowings	341.812	299.549
Expense accruals of derivative financial instruments	2.337	3.957
Financial instruments with floating interest rate:		
<u>Financial assets</u>		
Lease receivables	379.840	390.176
<u>Financial liabilities</u>		
Borrowings	1.563.392	1.950.061

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

The tables below show an analysis of the Company's assets and liabilities at the balance sheet date according to the time remaining to their next interest rate change date and the maturity dates in the agreements.

	30 June 2009					Total
	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non interest bearing	
Trading derivative financial assets	320	2.630	-	-	-	2.950
Banks	-	-	-	-	3.753	3.753
Lease receivables	599.835	576.003	1.068.419	30.069	164.342	2.438.668
Available-for-sale financial assets	-	-	-	-	80	80
Property and equipment	-	-	-	-	470	470
Intangible assets	-	-	-	-	686	686
Deferred tax assets	-	-	-	-	11.956	11.956
Assets held for sale	-	-	-	-	1.715	1.715
Other assets	-	-	-	-	52.072	52.072
Total assets	600.155	578.633	1.068.419	30.069	235.074	2.512.350
Trading derivative financial liabilities	2.337	-	-	-	-	2.337
Borrowings	575.840	1.254.709	-	-	-	1.830.549
Lease payables	-	-	-	-	1	1
Miscellaneous payables	-	-	-	-	29.855	29.855
Other liabilities	-	-	-	-	22.063	22.063
Taxes payable	-	-	-	-	7.121	7.121
Provisions	6.525	6.611	12.263	345	6.012	31.756
Total liabilities	584.702	1.261.320	12.263	345	65.052	1.923.682
Net reprising gap	15.453	(682.687)	1.056.156	29.724	170.022	588.668
Derivative financial instruments						
Cash inflow	256.640	18.954	-	-	-	275.594
Cash outflow	258.502	16.296	-	-	-	274.798

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)

	31 December 2008					Total
	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non interest bearing	
Trading derivative financial assets	1.870	8.013	-	-	-	9.883
Banks	-	-	-	-	3.650	3.650
Lease receivables	638.065	677.874	1.293.485	39.384	97.823	2.746.631
Available-for-sale financial assets	-	-	-	-	73	73
Property and equipment	-	-	-	-	580	580
Intangible assets	-	-	-	-	552	552
Deferred tax assets	-	-	-	-	5.324	5.324
Assets held for sale	-	-	-	-	1.715	1.715
Other assets	-	-	-	-	67.631	67.631
Total assets	639.935	685.887	1.293.485	39.384	177.348	2.836.039
Trading derivative financial liabilities	1.310	2.647	-	-	-	3.957
Borrowings	582.906	1.536.422	13.535	-	-	2.132.863
Lease payables	-	-	-	-	27	27
Miscellaneous payables	-	-	-	-	28.987	28.987
Other liabilities	-	-	-	-	18.281	18.281
Taxes payable	-	-	-	-	460	460
Provisions	6.433	7.406	14.133	430	6.892	35.294
Total liabilities	590.649	1.546.475	27.668	430	54.647	2.219.869
Net reprising gap	49.286	(860.588)	1.265.817	38.954	122.701	616.170
Derivative financial instruments						
Cash inflow	150.585	81.650	-	-	-	232.235
Cash outflow	149.906	76.101	-	-	-	226.007

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

Average interest rates applied to the financial instruments at 30 June 2009 and 31 December 2008 are as follows:

	<u>30 June 2009</u>			<u>31 December 2008</u>		
	<u>US \$ (%)</u>	<u>EUR (%)</u>	<u>TL (%)</u>	<u>US \$ (%)</u>	<u>EUR (%)</u>	<u>TL (%)</u>
Assets						
Lease receivables	8,82	8,02	22,62	8,64	7,77	23,41
Liabilities						
Borrowings	3,82	4,92	9,81	4,56	5,95	21,00

f. Fair value of financial instruments

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

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

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

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

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

	<u>Book value</u>		<u>Fair value</u>	
	<u>30 June 2009</u>	<u>31 December 2008</u>	<u>30 June 2009</u>	<u>31 December 2008</u>
Lease receivables, net	2.381.964	2.699.897	2.519.296	2.775.490
Borrowings	1.830.549	2.132.863	1.859.137	2.145.718

24 - SUBSEQUENT EVENTS

None.