



*"Customized" applications  
in brokerage services*

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## "Customized" applications in brokerage services

Yatırım Finansman, inaugurated prior to the legal organization of Turkey's Capital Markets and the opening of the Istanbul Stock Exchange (İSE), offers its 33 years of in-depth experience to its customers to satisfy their expectations with contemporary capital markets instruments.

The current economic context of a low interest rate environment requires the development of a new product range in order to maximize our clients' returns. Services such as discretionary portfolio management, asset management, and protected and guaranteed funds, have recently started to gain more importance and popularity following years of stagnation. In regard to the present economic context, YF Securities will continue to provide its customers with conventional monetary and capital markets instruments, as well as introduce new products and markets.

Together, the new corporate website and internet branch present the Company's modern face that offers creative solutions for the challenging and changing needs of our customers.

Yatırım Finansman is one of the pioneering institutions in the Turkish financial industry, providing services at 11 branches in seven cities with the expertise of more than 130 qualified staff serving more than 25,000 customer accounts and managing a customer portfolio of approximately US\$ 1 billion.

# Yatırım Finansman in Brief

Yatırım Finansman (YF Securities), Turkey's first brokerage house, was founded on October 13, 1976 by 13 major banks, led by İşbank and the Industrial Development Bank of Turkey (TSKB), Turkey's largest investment bank. Achieving strong and stable growth since its inception, Yatırım Finansman has always been a pioneer in the Turkish capital markets and a symbol of reliability throughout its 33-year history.

Yatırım Finansman is the pioneer of Turkey's capital markets:

- Turkey's first brokerage house
- Led the development of the capital markets before the enactment of the Capital Markets Law in 1981 and the opening of the Istanbul Stock Exchange in 1986
- Underwrote the first corporate bond issue in Turkey
- Played an important role in significant developments such as changing investment habits, establishing the Capital Markets Board (CMB) and the Istanbul Stock Exchange (ISE), and introducing stocks and government bonds as popular investment instruments

Yatırım Finansman's main goal is to maintain its leading position in Turkey with its robust shareholding structure, well-established distribution channels, wide product range, state-of-the-art technology, customer-oriented services and extensive field experience.

Possessing a strong, extensive national service network, Yatırım Finansman offers swift, reliable, high-quality capital market services to individual and institutional investors in Turkey and around the world. The Company's service network is composed of 13 branches at major locations, liaison offices and agencies, CMB-licensed investment consultants and customer representatives, the Special Transactions Center (444 11 44), an internet branch ([www.yatirimfinansman.com](http://www.yatirimfinansman.com)) and a telephone branch (444 11 44). Yatırım Finansman has become an indispensable strategic partner for public offerings, ready to provide easy access to local and foreign institutional investors thanks to its large investor portfolio as well as its extensive branch network.

The Company's Head Office hosts Institutional Sales, Domestic Sales, Research, Asset Management and Investment Advisory departments to meet the needs of domestic and foreign institutional investors. The Corporate Finance Department offers investment banking service solutions to companies and shareholders for raising funds on the capital markets.

Today, Yatırım Finansman is a leading brokerage house with more than 30,000 individual and corporate customers in Turkey and abroad, TL 1 billion of asset under management and a mutual fund portfolio of TL 202 million. Following a resolution taken on March 17, 2008 at the General Assembly, the paid-in capital was increased from TL 30 million to TL 38.5 million. As of the end of 2009, Yatırım Finansman's total shareholders' equity amounted to TL 50.4 million.

## Individual Services

- Stock Brokerage
- Derivatives Exchange Transactions
- Discretionary Portfolio Management
- Investment Advisory Services
- Mutual Funds
- Securities Lending
- Fixed Income (Government Bond and Treasury Bill Transactions)
- Derivatives Exchange
- Eurobond Transactions
- Repo and Reverse Repo Transactions
- Corporate Bonds

## Institutional Services

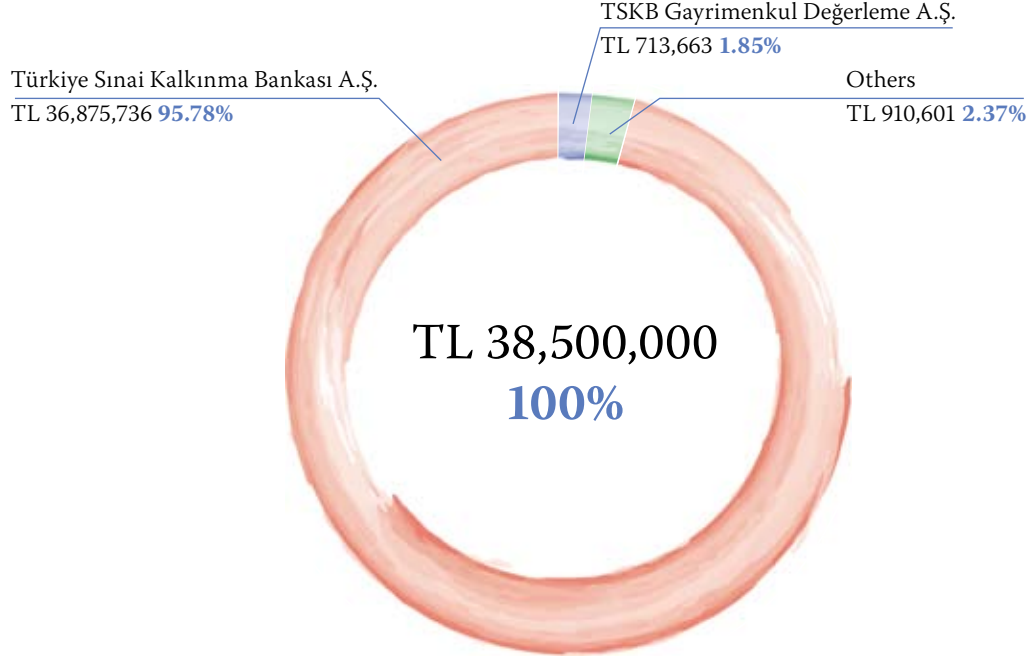
- Institutional Sales
- Privatization Advisory Services
- Mergers and Acquisitions
- Asset Management
- Initial and Secondary Public Offerings
- Private Placements
- Commercial Paper and Corporate Bond Issues
- Due Diligence Reports and Advisory Services

## Service Channels

- Branches and Liaison Offices
- Special Transactions Center
- Internet Branch
- Telephone Branch

# Capital Structure, Shareholding Structure and Affiliates

## Yatırım Finansman Shareholding Structure

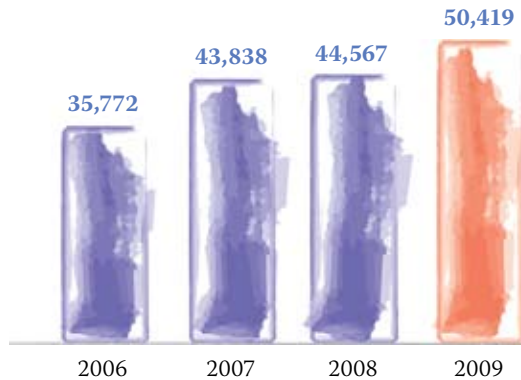


Yatırım Finansman is a member of the İşbank Group through its controlling shareholder, TSKB.

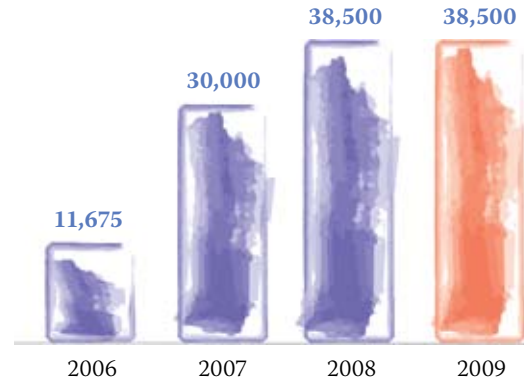
## Yatırım Finansman Affiliates

Company	Capital (TL)	Share (%)
TSKB Yatırım Ortaklığı A.Ş.	29,067,736	7.01
İş Portföy Yönetimi A.Ş.	30,000,000	4.90
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	100,000,000	2.00
Takasbank A.Ş.	60,000,000	1.80

## Yatırım Finansman Shareholders' Equity (TL thousands)



## Yatırım Finansman Paid-in Capital (TL thousands)



# Financial Highlights

## Summary of Balance Sheet (Consolidated) (TL)

	December 31, 2009	December 31, 2008
Current Assets	324,665,215	119,251,799
Cash and Cash Equivalents	201,561,284	52,354,430
Financial Investments	19,694,134	25,080,052
Trade Receivables	99,589,019	38,406,921
Other Receivables	116,317	124,356
Other Current Assets	3,704,461	3,286,040
<b>Fixed Assets</b>	<b>7,545,816</b>	<b>7,727,784</b>
Financial Investments	5,415,006	5,900,109
Tangible Fixed Assets	1,267,369	1,084,493
Intangible Fixed Assets	385,966	299,962
Deferred Tax Assets	477,475	443,220
<b>Total Assets</b>	<b>332,211,031</b>	<b>126,979,583</b>
Short-term Liabilities	280,829,688	72,878,496
Long-term Liabilities	962,368	845,355
<b>Total Liabilities</b>	<b>281,792,056</b>	<b>73,723,851</b>
Minority Interest	-	8,688,804
Shareholders' Equity	50,418,975	44,566,928
<b>Total Liabilities and Shareholders' Equity</b>	<b>332,211,031</b>	<b>126,979,583</b>

## Summary of Income Statement (Consolidated) (TL)

	December 31, 2009	December 31, 2008
Operating Revenue	20,624,118	15,221,612
Operating Expense	(19,638,059)	(17,623,166)
Other Operating Revenue and Expenses (Net)	362,425	158,957
Financial Revenue and Expenses (Net)	5,988,216	3,893,224
Operating Profit (EBIT)	7,336,700	1,650,627
Taxes (-)	(1,278,965)	(252,644)
Discontinued Operations After-Tax	2,045,058	(3,711,690)
Net Profit	8,102,793	(2,313,707)

## Distribution of Net Profit

Minority Shares	1,668,771	(3,028,741)
Shareholders' Equity	6,434,022	715,034
	<b>8,102,793</b>	<b>(2,313,707)</b>

## Customer Portfolio Composition (December 31, 2009) (TL thousands)

	Portfolio Size	%
Stocks	610,659	57.19
Bonds-Bills	180,280	16.89
Mutual Fund	202,433	18.96
Repo	18,100	1.69
Derivatives	37,406	3.50
Foreign Fixed Income Securities	18,147	1.70
Foreign Stocks	663	0.06
<b>Total</b>	<b>1,067,688</b>	<b>100.00</b>

# Operational Highlights

<b>Stock Market Transactions</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Stock Market Trading Volume (TL thousands)	965,068,573	665,209,370	775,395,002	649,902,884
Stock Market Trading Volume (US\$ millions)	648,872	509,853	594,309	453,052
YF Stock Trading Volume (TL thousands)	17,558,257	10,494,566	16,739,314	12,504,374
YF Stock Trading Volume (US\$ millions)	11,795	8,076	12,830	8,717
Rank among All Brokerage Houses	16	22	13	17
Market Share (%)	1.82	1.58	2.16	1.92
Rank among Non-Bank Brokerage Houses*	6	10	4	6
Market Share (%)*	4.23	3.02	8.49	4.22

<b>Bonds and Bills Market Transactions</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Bonds and Bills Market Trading Volume (TL thousands)	1,137,018,348	1,185,358,287	1,036,079,805	1,002,816,843
Bonds and Bills Market Trading Volume (US\$ millions)	764,448	912,235	794,113	699,071
YF Bonds and Bills Trading Volume (TL thousands)	18,766,604	21,265,541	22,077,723	24,994,602
YF Bonds and Bills Trading Volume (US\$ millions)	12,617	16,366	16,922	17,424
Rank among All Brokerage Houses	13	12	13	11
Market Share (%)	1.65	1.79	2.13	2.49
Rank among Non-Bank Brokerage Houses*	3	2	2	2
Market Share (%)*	16.50	16.90	15.66	18.47

<b>Derivatives Market Data</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Derivatives Market Trading Volume (TL thousands)	668,345,716	415,925,201	236,070,886	35,752,842
Derivatives Market Trading Volume (US\$ millions)	449,368	320,090	180,939	24,924
YF Derivatives Trading Volume (TL thousands)	29,441,002	7,751,128	3,091,329	566,919
YF Derivatives Trading Volume (US\$ millions)	19,794	5,965	2,369	395
Rank among All Brokerage Houses	7	14	18	17
Market Share (%)	4.41	1.86	1.31	1.59
Rank among Non-Bank Brokerage Houses*	3	6	9	8

<b>Customer Portfolio Size</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Customer Portfolio Size (Last Day of the Year) (TL thousands)	1,067,688	698,766	966,812	877,657
Customer Portfolio Size (US\$ millions)	717	487	674	612
Mutual Fund Portfolio Size (Last Day of the Year) (TL thousands)	202,433	112,607	149,577	113,377

\*Commercial bank brokerage houses are not included.

(US\$ 1: TL 1.4873)

# Milestones

## 1976

- Yatırım Finansman, Turkey's first brokerage house, is founded by 13 major banks led by İşbank and the Industrial Development Bank of Turkey (TSKB).

## 1981

- Yatırım Finansman is the first brokerage house in Turkey to broker a corporate bond issue.
- Capital Markets Law is enacted.

## 1984

- Capital Markets Board (CMB) established.
- CMB authorized Yatırım Finansman for stock trading and brokerage in public offerings.

## 1985

- Trading on the Istanbul Stock Exchange (ISE) starts.
- Yatırım Finansman becomes the ISE leader with a 42% market share.

## 1987

- Yatırım Finansman starts trading commercial papers, bank bonds and bank-guaranteed bonds.

## 1991

- ISE awards Yatırım Finansman for ranking third in terms of the number of stock transactions on the ISE Stock Market.

## 1992

- Yatırım Finansman authorized by the CMB for investment advisory services, portfolio management and repo services.

## 1993

- Yatırım Finansman confirms its service quality and reliability by ranking first in corporate bond underwriting.

## 1994

- Yatırım Finansman expands its corporate finance services and launches public offering services.
- Yatırım Finansman adds the Type A Investment Fund to its product range.

## 1995

- Yatırım Finansman adds the Type B Investment Fund to its product range.
- CMB authorized Yatırım Finansman to perform securities lending, borrowing and short-selling transactions.

## 1997

- Yatırım Finansman establishes a special mutual fund.

## 1998

- Yatırım Finansman Investment Trust founded under the leadership of Yatırım Finansman.



## 1999

- Yatırım Finansman pioneers the creation of alternative distribution channels in the industry and launches telephone and internet banking.
- Yatırım Finansman adds the Type B Bonds&Bills Fund to its product range.

## 2002

- With its ever-growing investor base, Yatırım Finansman opens its tenth branch.

## 2003

- TSKB, the first private investment and development bank in Turkey, acquires 90.4% of Yatırım Finansman.

## 2005

- CMB authorizes Yatırım Finansman to trade derivatives. The Derivatives Exchange (TurkDEX) is launched.
- Yatırım Finansman offers research and trading services to foreign institutional investors.
- Yatırım Finansman's website is nominated as the third best financial website by the Golden Spider Contest.
- Yatırım Finansman renews its corporate identity by replacing its 30-year-old logo.
- Yatırım Finansman 's strategic decision to take over TSKB Securities via a merger.

## 2006

- Yatırım Finansman celebrates its 30th anniversary. The 30th Anniversary Investor Meetings bring together investors from Ankara, Izmir and Antalya. Celebrations ended with the 30th Anniversary Night in Istanbul.
- The corporate website and internet branch are re-launched with a new design and content.
- Yatırım Finansman adds the YF Type B Variable Investment Fund to its product range.
- Internet branch introduces a web-based VOBaktif application for easy trading on the Derivatives Exchange.
- Yatırım Finansman acquires TSKB Menkul Değerler AŞ on December 29, 2006.

## 2007

- Yatırım Finansman launches another service channel at its Head Office, the Special Transactions Center.
- SMS service is introduced for TurkDEX customers.

## 2008

- Yatırım Finansman offers investors the new VOBaktif system, enabling a quick and easy exchange of derivatives based on live data.

## 2009

- Yatırım Finansman adds thematic funds issued by TSKB to its product range.
- Strategy Order, a new application on VOBaktif, is introduced to customers.

# Message from the Chairman

The adverse effects of the global crisis that broke out in the last quarter of 2008 and shook the foundations of the international financial system, causing many to question its permanence, reached their peak in early 2009. However, global coordination between the world's leading economies and international financial institutions proved fruitful beyond expectations, at least in regards to the financial markets. During the rest of the year, an unexpectedly solid performance took place exceeding even the most optimistic of expectations.

Even though the worse case scenario of a total global financial collapse was averted, 2009 was a year when the financial markets were hit hard, to the detriment of the global economy. According to recent forecasts, the global economy has contracted by 1.1% in real terms during 2009, recording its worst performance since the Second World War. The Turkish Economy has contracted by 4.7% in 2009, which is roughly equivalent to 2001 crisis figures. However, it should also be noted that the economy reverted back to positive growth by the end of 2009. In 2010, with this upward trend, the world economy is expected to grow by 3.1%, whereas the Turkish economy is expected to grow even faster compared to the rest of the world's economy.

The global crisis, however, accelerated the disinflationary trend in Turkey, which had lost momentum in recent years, pulling the inflation rate below 5% to an unprecedented level in the last forty years. The Central Bank took advantage of G-20 meetings regarding the implementation of loose monetary policies on a global scale. The Central Bank pulled the policy rates to the historically low levels of 6.5%, while prominent interest rate cuts continued. These rate cuts were influential primarily on domestic government bond yields, reducing bond rates to single digits for the first time, as well as the rest of the market's interest rates.

For the year 2010, interest rates are expected to remain at critically low levels despite some inflationary pressure due to the high budget deficit and fiscal pressures. The possibility of the low interest rate environment persisting might be perceived as the harbinger of new terms for the healthy Turkish banking system, regarded as one of the most successful among its peers during the recent global crisis.

The introduction of alternative investment instruments to benefit individual investors appears as the new priority of the financial system in the above-mentioned new environment. The increase both in number and volume of alternative investment instruments such as the principal protected and guaranteed funds and return guaranteed funds can be perceived as an indication of the sector's development in this regard. Nevertheless, it is still necessary to expand the alternatives and enhance channels in order to enable access for more individual investors.

As the pioneering institution operating in the Turkish capital markets, Yatırım Finansman will continue to play a leading role in this new era with its broad customer base. Yatırım Finansman possesses all the features required for this role with its widespread branch network, qualified staff, state-of-the-art technology infrastructure, excellent service quality and most importantly, the trust acquired by 33 years of experience.

Respectfully yours,

**Halil Erođlu**



A widespread branch network, alternative delivery channels, expert staff, state-of-art technology infrastructure, high quality service and, most importantly, the trust built over 33 years-all of these assets have played a major role in Yatırım Finansman's pioneering role in the Investment Banking Industry in Turkey.

*Halil Doğan*

# Board of Directors

## Chairman

Halil Erođlu	TSKB General Manager	17.03.2003-
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## Term of Office

## Deputy Chairman

A. Orhan Beřkk	TSKB Assistant General Manager	21.02.2002-
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## Members

Őeniz Yarcan	TSKB Assistant General Manager	17.03.2003-
iđdem İel	TSKB Assistant General Manager	23.08.2004-
Aslı Zerrin Hancı	TSKB Treasury Director	07.01.2008-
Hakan Aygen	TSKB Institutional Finance Manager	20.11.2006-
Emre Duranlı	İřbank Group Affiliates Department/ Unit Manager	17.09.2008-

## Auditors

Ali Yavuz ziek*	TSKB Securities Director	04.09.2009-
zgr Temel **	İřbank Group Capital Markets Department/ Unit Manager	26.03.2009-
Ayře Nazlıca	TSKB Budget and Planning Director	23.08.2004-

## Term of Office

\*Mehmet Sungun, TSKB Risk Management Director, was replaced by Ali Yavuz

ziek, TSKB Securities Director.

\*\*Ayře Alev Ata, Unit Manager of İřbank Corporate Banking Product

Department, was replaced by zgr Temel, Unit Manager of İřbank Group

Capital Markets Department.



Halil Erođlu



A. Orhan Beřkk



řeniz Yarcan



iđdem İel



Aslı Zerrin Hancı



Hakan Aygen



Emre Duranlı



Ali Yavuz zecek



zgr Temel



Ayře Nazlıca

# Message from the General Manager

In 2009, albeit with different expectations, both in Turkey and on the global financial markets, serious fluctuations occurred following the daunting last quarter of 2008. After experiencing sharp declines, the capital markets have started to recover as of March 2009, paving the way for a strong upward trend which continued through the end of the year. Increasing expectations regarding the end of the worst part of the crisis and, in particular, the communiqué of the London G-20 Summit at the beginning of April, had their impact on the upturn in the markets. In contrast to the Washington Summit, during the London G-20 Summit the member states unanimously pledged to take the necessary initiatives to bring the world out of recession and increased the funds available to the IMF up to US\$ 1 trillion. The declaration of the commitment of the G-20 countries to do whatever necessary to maintain economic growth has been influential in restoring trust in the markets, contrary to the Washington Summit.

The recovery in the capital markets, which started in March, was supported by positive macro economic data from the US and gained momentum. Meanwhile, the central banks retaining interest rates at low levels continued to pursue their policies to maintain liquidity. Positive expectations regarding economic growth supported by positive data became the main architects of the upward trend in the markets. Consequently, global markets accomplished record high performances during 2009.

Despite the distinctively gloomy start to the first quarter of the year, the ISE-index, performing beyond expectations, completed 2009 with a 97% increase. The share of stocks held by foreign investors in the stock market did not change throughout the year and remained at 67%. Trading volume on the ISE stock market climbed by 45% to reach TL 965 billion in 2009, following the 14% contraction recorded during 2008. In 2009, the trading volume of Yatırım Finansman was up by 67%, thus upgrading its ranking from 22nd at the beginning of the year to 16th by year-end. The market share of our Company regarding the trading volumes rose to 1.82% in 2009 from 1.58% in 2008. The year 2009 was a fruitful one for the stock markets in general and for Yatırım Finansman in particular.

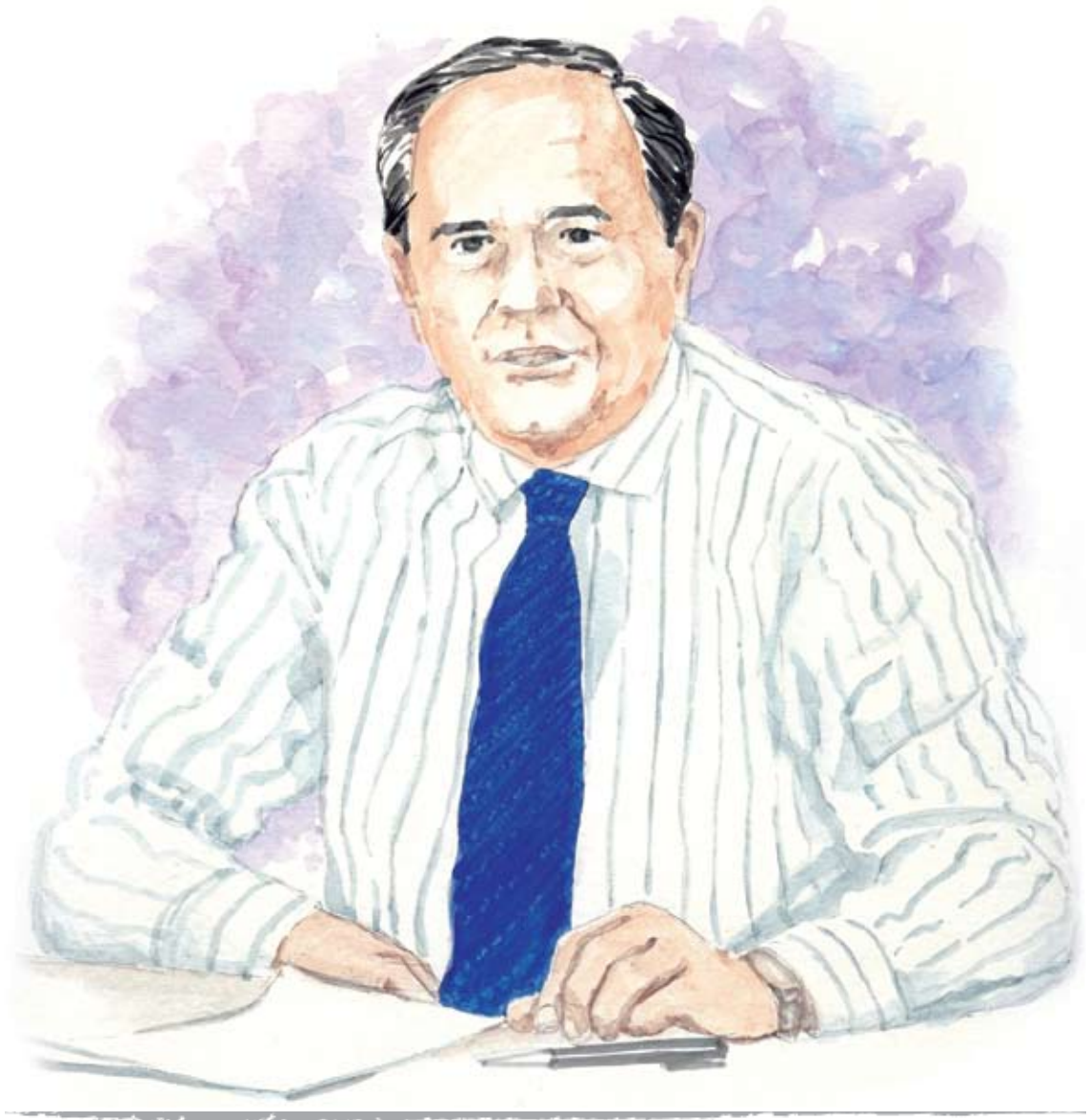
In 2009, trading volumes on the Turkish Derivatives Exchange (TurkDEX) climbed by 61% to reach TL 416 billion, up TL 668 billion over the previous year. Yatırım Finansman's nominal trading volume on TurkDEX rose by 280% to TL 29.4 billion from TL 7.8 billion. Yatırım Finansman was ranked 7th according to TurkDEX in 2009. Our Company's market share on TurkDEX increased from 1.86% to 4.41%. Our corporation managed a much better performance in 2009 when compared to the previous year.

During the first three quarters of 2009, the average rate of increase for shareholder's equity in the industry was 4.62%, whereas in Yatırım Finansman the same figure was recorded as 8.15%. The increase in shareholder's equity at year-end is expected to reach 13.13%. Our Company, the first capital markets institution in our country, has maintained its development over the last years. Our Company's success depended on the support of our shareholders and customers, the corporate culture embraced by our employees and our assets and experience gained as a result of 33 years of business. In 2009, our technology investments accelerated to offer stronger and faster services. Our new corporate website and internet branch were completed and launched by early 2010. Consequently, we will manage to heighten service quality standards in the sector with our corporate website, offering customized options to our customers.

Our Company will not abandon its goal of remaining a pioneer, just as it has for the past 33 years. It will retain its position as the standard bearer in the sector with a broad customer network and qualified employees while maintaining the quality service approach it has become known for.

Cordially yours,

**Y. Yamaç Berki**



With 33 years as a pioneer, our Company will continue to lead the Investment Banking Industry in Turkey. YF Securities will retain its position as the standard setter in the sector by incorporating premium service quality with brand new products and highly experienced expert staff.

Yamaç Berki

# Senior Management

## **Y. Yamaç Berki**

### *General Manager*

Born in 1952, Y. Yamaç Berki graduated from the Faculty of Economics at Istanbul University. He started his career as an Assistant Economist at Akbank Headquarters and later worked at Türk Demir Döküm Fabrikaları AŞ for two years, specializing in standard costs and flexible budgeting. Joining the Industrial Development Bank of Turkey (TSKB) in 1981, Berki assumed several positions during his 23-years at this institution. Assigned to establish and structure a Treasury Department for the bank in 1988, he served first as Treasury Director and then as Assistant General Manager in Charge of Investment Banking. Berki was appointed General Manager of Yatırım Finansman in 2004.

## **M. Saim Saatci**

### *Assistant General Manager*

Born in 1960, Mehmet Saim Saatci graduated from the Department of Economics at Middle East Technical University in 1982 and earned his Master's degree at University College of North Wales, Bangor, UK. Serving as Internal Auditor at Türkiye İş Bankası between 1983 and 1992, Saatci was the Director of the Reserves Management Group at the same bank from 1992 until 1999 and Deposits Manager from 1999 to 2000. Saatci served as Assistant General Manager at İş-Tim Telekomünikasyon (Aria) from 2000 to 2004, and currently holds the position of Assistant General Manager of Yatırım Finansman.

## **Murat Tanrıöver**

### *Assistant General Manager*

Born in 1969, Murat Tanrıöver graduated from Marmara University in 1992 and earned a Master's degree in finance from Louisiana State University. Starting his career as an Analyst at Türk Boston Bank in 1994, Tanrıöver went on to serve at the Industrial Development Bank of Turkey as a Specialist until 1997, when he became Manager at Yapı Kredi Investment up to 1999. From 1999 until 2005, he was Doğan Yayın Holding's Capital Markets Coordinator. Tanrıöver is currently Assistant General Manager at Yatırım Finansman.

## **Avni Akkaya**

### *Assistant General Manager*

Born in 1960, Avni Akkaya graduated from Kayseri Educational Institute and the Department of Management at Erciyes University, Economic and Administrative Sciences Faculty. He received his Master's degree from Marmara University, Banking and Insurance Institute. Akkaya started his career at the Kayseri Şeker Fabrikası AŞ and then served five years at the Ministry of Education, as well as three years at Erciyes University. He worked in various departments at Industrial Investment Bank from 1988-2002, then served as a Branch Manager at the Industrial Development Bank of Turkey (TSKB) from 2002 until 2003. Between 2003 and 2008, Akkaya was the Branch Manager at Yatırım Finansman's Samsun and Kozyatağı branches, where he currently holds the position of Assistant General Manager.



# Management

## Executive Management

**Halis Akyıldız**

*Manager, Financial Affairs and Operations*

**Sultan Deliklitaş**

*Manager, Sales*

**Turgay Edizcan**

*Manager, Human Resources and Planning*

**C. Didem Helvaciođlu**

*Manager, Treasury-Funds-Portfolio Management*

**Emre Birkan**

*Manager, Institutional Sales and Trading*

**Mehmet Sarılıcan**

*Manager, IT*

**Zümrüt Can Ambarcı**

*Manager, R&D*

**Hürrem Aydemir**

*Manager, Audit Department*

## Branches/Liaison Offices

**Dilek Akdemir**

*Head Office*

**Deniz Gözendor**

*Çiftelavuzlar Branch*

**Zerrin Öney**

*Kozyatađı Branch*

**Yeşim İpek**

*Kızılay Branch*

**A. Nihat Özel**

*İzmir Branch*

**Meral Moral**

*Samsun Branch*

**Gülay Ünlü Çoruk**

*Bakırköy Branch*

**Aylin Pişkinsoy**

*Bursa Branch*

**Özlem Altun**

*Adana Liaison Office*

**Hamza Ay**

*Antalya Liaison Office*

# The Turkish Economy in 2009

In 2009, the Turkish economy was adversely affected by the turmoil in the global markets despite the enormous rise in the financial markets which led to the crisis. The disruption was prevalent in almost all the primary macro economic variables throughout the year; however, the most striking development was the negative growth rates that occurred for the first time since the 2001 crisis.

The contraction of the economy was felt severely during the first quarter of the year, while it eased gradually in the following quarters and despite the positive performance over the last quarter of 2009, it led to a 4.7% Gross Domestic Product (GDP) contraction in real terms for the full year. The reasons for the contraction, remaining barely short of the 2001 crisis, are the weak domestic demand, which could not be revived despite the support of the monetary and fiscal policies, and the decline of external demand due to the contraction of the global economy.

Insufficient demand and deflationary pressures on consumer prices pulled inflation rates down to the lowest levels in recent years, paving the way for the only favorable development of the year. The CPI, which dropped to almost 5% in October, was recorded at 6.5% by year-end 2009. This rate remained below the official targeted rate of 7.5%, indicating a 3.5 point deterioration when compared to the 10% of the previous year. The Central Bank succeeded in accomplishing the targeted rates for the first time since the inception of the official inflation-targeting regime in 2006.





















Low inflation rates and a weak growth outlook enabled the Turkish Central Bank to maintain the interest rate cut cycle implemented at the end of the previous year through to the end of 2009. The policy rate, which was 15% at the beginning of the year, was reduced to 6.5% levels following the monetary loosening of 850 basis points, the highest recorded on a global basis. The loose monetary trend maintained by the Central Bank throughout the year pulled market interest rates down until the last quarter, paving the way for benchmark bond interest rates to decline to historic levels of 7.5% and to complete the year at single digits realized below 9%.

However, fiscal pressures, which became more pronounced, hindered the positive influence of the declining interest rates upon growth performance. The increase in spending and the fiscal support which was provided by the tax cuts in the second fiscal year concluded without IMF monitoring led to a budget deficit increase of more than 3.5 times, amounted to

TL 60 billion to reach roughly 6.5% of GDP. During 2009, the domestic debt rollover ratio climbed to 108% owing to steady increase in the public sector borrowing requirement.

The reduction in the Turkish foreign trade deficit was another positive reflection of distressed economy and sharp decline in commodity prices over previous year averages. In parallel with these conditions, a 30% decline in total imports compared to that of the previous year, surpassing a 20% decline in total exports due to the contraction of the international markets, led to a decline in the foreign trade deficit almost by half to reach US\$ 37 billion. During 2009, Turkey's current account deficit was down to US\$ 11 billion from US\$ 41.8 billion in 2008. However, the sharp correction in the foreign trade deficit did not directly influence the Turkish lira's performance. The US\$ exchange rate was down only by 2.5% compared to that of the previous year to reach 1.48.

## Comparative Performance of Investment Instruments December 31, 2008-December 31, 2009

Treasury Bills (Government Debt Securities Index -182 Days)		13.37
ISE-100 Index		96.64
Type A Variable Fund Index (Annual)		56.91
YF Type A Variable Fund (Annual)		42.41
YF Type B Variable Fund (Annual)		15.57
Type B Variable Fund Index (Annual)		14.35
YF Type B Bonds and Bills Fund (Annual)		15.32
Type B Bonds and Bills Fund Index (Annual)		14.35
Repo		8.15
YF Type B Liquid Fund (Annual)		6.34
Type B Liquid Fund Index (Annual)		5.30
US dollars		(2.26)
Eurobond US dollars (2030) (Return in TL)		19.0
Euro		(0.44)
Eurobond Euro (2017) (Return in TL)		28.8
YF Fund Bouquet 1 (Annual)		11.15
YF Fund Bouquet 2 (Annual)		11.85
YF Fund Bouquet 3 (Annual)		14.15
Consumer Price Index		6.53
Producer Price Index		5.93

# Outlook for the Turkish Economy in 2010

In 2010, Yatırım Finansman foresees positive growth scenarios regarding the Turkish economy. On the other hand, the direction of the historically low levels of interest rates is another agenda item that is as important as growth. The course of inflation in 2010, exit strategies to decrease the monetary support implemented at the global level coupled with the fiscal performance and possible impacts of these measures on the stance of the Central Bank are deemed to be the decisive factors in this regard.

The relative recovery of domestic demand and the strengthening of the external demand conditions due to the restoration of growth in the global economy as forecasted by the international financial institutions will support growth dynamics. However, investment demand is not expected to display a significant recovery during the first half of the year, especially given the low capacity utilization rates. In 2010, GDP is expected to grow 3.5% in real terms under the assumption that a support of additional sources from international institutions such as the IMF will not be allocated.

Due to tax increases and price adjustments, consumer price inflation will start the year with a serious increase, surpassing 8% during the first quarter of the year with the base year effect. CPI is expected to retain its relatively high levels throughout the year and enjoy a limited deterioration by the year-end reaching 7.1%. This is above the targeted CPI of 6.5%, but it remains within the limits of the 2 point uncertainty range and it clearly indicates that the inflation target will be fulfilled for two consecutive years.

The Central Administration budget approved for 2010 foresees the budget deficit to decline around TL 50 billion levels. Accordingly, we do not expect a significant restoration in fiscal performance. Unless there is no allocation of resources from the IMF, fiscal pressures will continue and the budget deficit will reach 5% of GDP, retaining the domestic debt rollover ratio at 100%. The continuous high demand by the public sector for resources available to lend is deemed to be another reason for the above mentioned low levels of investment demand.

Although it has not yet been disclosed by the large central banks, it is widely accepted that the loose monetary policies pursued globally are coming to an end. The Central Bank of Turkey is expected to tighten 150 base points during the second half of 2010 as well in this regard. Due to the adverse effects of rising inflation upon expectations and the pressure created by public borrowing, market interest rates are expected to follow an upward trend in general, though Yatırım Finansman foresees that the interest rate hikes will be limited. The yield on the benchmark bond is expected to reach double digit numbers again; however, it is expected to conclude the year at 11.5% lower than previous years' averages.

Finally, the foreign trade deficit is forecast to revert back to growth and the current account deficit to surpass US\$ 20 billion due to growth scenarios and higher commodity prices compared to 2009 averages. In parallel with the appreciation of US dollar on a global scale, Yatırım Finansman expects the Turkish lira to depreciate and end the year at 1.55 levels.

# Review of Operations in 2009

## Istanbul Stock Exchange

Yatırım Finansman offers swift stock brokerage services through its extensive service channels, accurate and reliable analyses, experience and expertise and state-of-the-art technology infrastructure.

Trading volume on the ISE stock market climbed by 45%, from TL 665 billion in 2008 to TL 965 billion during 2009.

In 2009, the trading volume of Yatırım Finansman on the ISE increased by 67% reaching TL 17.5 billion from TL 10.5 billion in 2008. Yatırım Finansman, ranked 22nd in 2008 with a market share of 1.58%, whereas ranked 16th in 2009 by grabbing a 1.82% share among 89 brokerage houses.

The Securities Lending/Borrowing Market operating within the framework of the ISE Settlement and Custody Bank is an organized market where the demands of the brokerage houses transmitted on behalf of customers who want to borrow securities due to short selling for a certain period meet the offers of the brokerage houses transmitted on behalf of the clients lending securities in return for a certain amount of commission. The aim of the market is to enable the smooth operation of the liquidity and price effectiveness functions of short selling that entail the borrowing need as well as to offer long-term stock investors extra earnings on their idle portfolio.

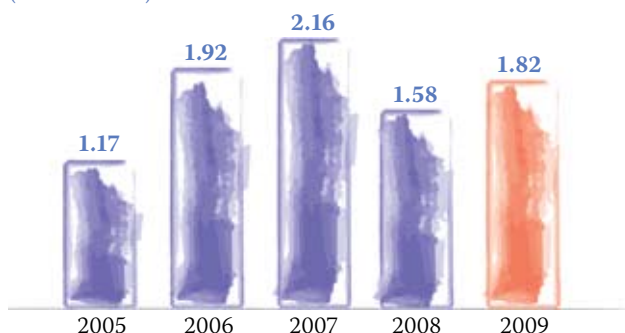
In 2009, the trading volume of the Securities L&B Market increased by 54% to reach TL 2,052 million from TL 1,333 million in 2008. Thanks to the seminars organized for both branch personnel and customers, the trading volume of Yatırım Finansman reached TL 14 million in 2009 from a minor TL 0.259 million in 2008.



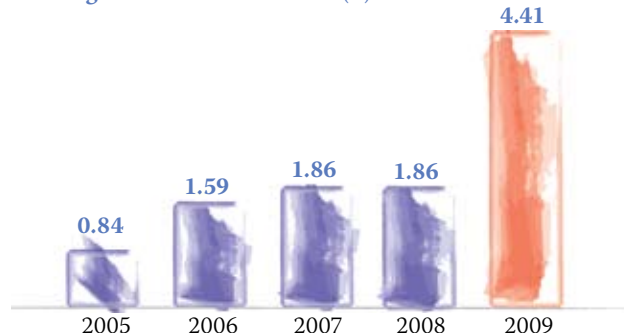
*For 33 years, YF Securities has been one of the most prominent actors in the Turkish capital markets. Yatırım Finansman will continue to represent reliability and trust in the future, just as it does today and as it did in the past.*

*Salim Saatici*

**YF Stock Market Trading Volume Market Share**  
(TL thousand)



**YF Derivatives Exchange Market Trading Volume Market Share (%)**



## ISE Bonds and Bills Market

With well-trained, qualified dealers monitoring the markets on a day-to-day basis, Yatırım Finansman offers the most competitive return on the Bonds and Bills market.

Total trading volume on the ISE Bonds and Bills Market in 2009 decreased by 4.08% to TL 1,137 billion, as compared to the TL 1,185 billion recorded in 2008.

Yatırım Finansman, with a trading volume of TL 21 billion on the ISE Bonds and Bills Market in 2008, ended 2009 with an 11.75% decrease to TL 19 billion.

Yatırım Finansman ranked 13th among 102 brokerage houses in 2009 with a market share of 1.65%. It ranked third in terms of non-bank brokerage houses.

## Mutual Funds

At Yatırım Finansman, mutual fund management is undertaken through an extensive network of traders, fund managers, senior executives, portfolio managers, economists and analysts. The main objective of the fund management is to ensure higher returns for Yatırım Finansman funds compared to other funds of the same type and risk structure.

By the end of 2009, the portfolio size of the five mutual funds founded and managed by Yatırım Finansman with the addition of the thematic mutual funds transferred by TSKB reached TL 113 million. Type A Variable, Type B Liquid, Type B Bonds-Bills and Type B Variable funds, created and managed for different risk-return preferences (as well as combinations of these products), are offered to all investors seeking high returns, but who do not have sufficient time and/or market knowledge. In addition to these funds, Yatırım Finansman is the authorized dealer for all İşbank and TSKB funds. Yatırım Finansman offers customized funds for all the potential risk-return preferences of investors. The Company is also the founder and manager of the Type A Resan Private-Label Fund.



*We are one of the most preferred investment houses among institutional clients, and we owe this to the experience and value adding of our research and sales teams.*

*Murat Tanrıöver*

## The size of the thematic mutual funds of TSKB in Yatırım Finansman portfolio\*

<u>Name of the Fund</u>	<u>Total Sales Amount of YF (TL)</u>	<u>Number of YF Customers</u>
Energy	7,992,000	255
Agricultural Products	10,036,000	241
Dynamic Stock	23,661,000	357

*These funds are managed and issued by TSKB.*

## Review of Operations in 2009

<b>YATIRIM FİNANSMAN MUTUAL FUNDS</b>	<b>YF TYPE A VARIABLE</b>	<b>YF TYPE B BONDS AND BILLS</b>	<b>YF TYPE B LIQUID</b>	<b>YF TYPE B VARIABLE</b>	<b>YF TYPE A SPECIAL</b>	<b>TOTAL</b>
Foundation Date	11,11,1993	03,12,1999	14,11,1997	24,03,2006	22,12,1997	
Offer Date	21,01,1997	09,02,2000	16,03,1998	01,06,2006	27,11,1998	
Total Value (TL thousands)	1,575	32,978	75,028	8,764	42,025	160,370
Unit Value (TL)	0.347447	0.140915	0.388578	0.017769	0.362283	
Number of Investors	584	398	13,207	93	2	
Total Shares (thousands)	200,000	750,000	400,000	600,000	200,000	2,150,000

<b>YF TYPE A VARIABLE FUND</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Total Value (TL thousands)	1,575	1,097	1,860	3,002
Annual Return (%)	42.41	(31.91)	13.85	(0.40)
Fund Index Return (%)	56.91	(27.16)	22.77	4.94
Inflation (%)	6.53	10.10	8.39	9.65

<b>YF TYPE B BONDS AND BILLS FUND</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Total Value (TL thousands)	32,978	18,832	35,133	18,408
Return (%)	15.32	16.30	16.79	9.04
Fund Index Return (%)	14.35	14.79	17.26	9.69
Inflation (%)	6.53	10.10	8.39	9.65

<b>YF TYPE B LIQUID FUND</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Total Value (TL thousands)	75,028	63,590	68,378	58,997
Return (%)	6.34	13.35	14.53	11.35
Fund Index Return (%)	5.30	12.47	13.78	11.06
Inflation (%)	6.53	10.10	8.39	9.65
O/N Repo	8.15	14.73	15.97	14.66

<b>YF TYPE B VARIABLE FUND *</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Total Value (TL thousands)	8,764	5,107	7,851	2,133
Return (%)	15.57	17.48	19.67	9.36
Fund Index Return (%)	14.35	13.93	17.33	9.51
Inflation (%)	6.53	10.10	8.39	9.65

<b>YF TYPE A SPECIAL FUND</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Total Value (TL thousands)	42,022	23,849	36,168	30,760
Return (%)	76.21	(34.06)	17.58	(0.11)
Fund Index Return (%)	40.53	(14.74)	22.09	5.03
Inflation (%)	6.53	10.10	8.39	9.65

Source: Rasyonet

\*Type B Variable Fund was offered to the public on June 1, 2006, and the 2006 return indicates the return from this date until the end of the year.

## Derivatives Market

As one of its founders, Yatırım Finansman has been a member of TurkDEX (Derivatives Exchange) since its establishment in 2005.

Product diversity and trading volume were insufficient in the first years of TurkDEX. However, in 2006 the market started to deepen and volume expanded; it now displays very rapid growth, although the volume has not yet reached anticipated levels. A growing trade volume attracts foreign investors, which will in turn lead to further growth in volumes.

With experienced well-trained employees and a robust technological infrastructure, Yatırım Finansman aims for a major share of the future growth of TurkDEX.

In 2008, the trading volume on TurkDEX was TL 416 billion, and increased by 60.69% in Turkish lira terms to reach TL 668 billion in 2009.

In 2009, Yatırım Finansman achieved a trading volume of TL 29.5 billion and a 4.41% market share in TurkDEX, representing a 279.83% increase compared to its TL 7.8 billion trading volume in 2008.

Yatırım Finansman's investments in the derivatives market in 2009 may be classified into three groups:

- Technology/VOBAktif
- Customers/TurkDEX Seminars
- Human Resources/Training



*We have consistently been the standard setter and we lead with our market and client-oriented approach. Our expert staff guarantee to provide exclusive client services to match their specific needs. We will continue to generate flexible solutions and to maintain our pioneer status in the sector with our information technology systems.*

*Ali Hakkı*

Investing in technology, Yatırım Finansman introduced a new product called VOBAktif for customer transactions on TurkDEX. It also provided its clients with the “strategy order” priority as a result of system improvements. Currently, the “One Activates the Other” strategy is effectively utilized by investors. Investors are able to take positions as they previously planned, taking advantage of price movements and freedom from the need to monitor market screens. They are being mediated to close their short positions at the same time when required.

### Discretionary Portfolio Management

Yatırım Finansman offers discretionary portfolio management services to investors who need to structure their own risk profile but lack the time or knowledge to identify market opportunities. With a dynamic portfolio management approach and an effective market vision, Yatırım Finansman aims to create high value-added for its investors. Risk management, liquidity and diversification are the three pillars of discretionary portfolio management.

### Institutional Sales and Trading

Yatırım Finansman extended its brokerage services to the foreign institutional brokerage community in 2005. The Company’s international customers include foreign-based brokerage houses, hedge funds and long-term investment funds. Yatırım Finansman’s international brokerage services, always adhering to international standards in the sector, have displayed remarkable progress since 2005. Yatırım Finansman attained an extensive foreign institutional customer base in a relatively short period and its trading volume, as well as its share in international transactions, increased significantly. The Company owes its success to its emphasis on creating timely, high quality and value-added services and an experienced and competent research team able to bring about new investment ideas. In the coming years, the trading volume and number of international institutional investors are expected to increase at a rapid pace.



Our steady growth in the Securities Lending/Borrowing Market gains momentum. Yatırım Finansman will be one of the most active players in the Stock Market and TurkDEX with a “boutique” investment house approach.

Sultan Deliklitaş



## Research

In addition to domestic and international economic and political developments, which have an impact on the value of all investment instruments, company performances and sectoral developments, play an important role in the dynamics of equity markets. All these factors must be monitored closely and professionally to obtain the highest possible return on investment instruments.

For this reason, Yatırım Finansman Research Department keeps a close eye on macroeconomic and political developments and interprets them wisely. Companies with reliable and transparent balance sheets are given priority to analyze equity investments. Great value is attributed to research at Yatırım Finansman, which provides its customers with technical and basic analytical data presented in a concise and to-the-point manner.

In 2009, the Research Department continued to play an active role in recruiting and meeting the needs of both domestic and international institutional investors. Consistently aware of the significance of producing value-added information and advising investors accurately in the face of increasing competition, Yatırım Finansman's research activities target both internal and external customers. Internal research caters specifically to the needs of the Fund Management and Portfolio Management departments. The target audience for external research is generally international fund managers, traders and local customers trading at the branches. Research reports and commentaries are distributed to a wide customer base via telephone, e-mail, Bloomberg and the Company's website as well as through personal visits.



*In 2010, we are eager to enhance our company's market share and remain as one of the most preferred brokerage houses for foreign institutional investors.*

*Emre Birkan*

High-quality research products consist of company and industry specific reports in Turkish and English, daily and weekly bulletins, and macro and quantitative analysis reports. Careful implementation of global analysis methodologies, diligent evaluations and Yatırım Finansman's unique interpretative perspective together enrich the quality and content of the reports. Yatırım Finansman possesses a team not only capable of closely monitoring the economy in macroeconomic terms, but one that can also make accurate predictions based on detailed analyses. In addition to providing periodical reports, this team with its dynamic structure also prepares reports tailored to domestic and international clients.

### Corporate Finance

#### *Competitive Edge of Yatırım Finansman's Corporate Finance Practices*

With a broad customer base accessed via an extensive branch network, 32 years of experience and deep-rooted relationships built with foreign corporate investors, Yatırım Finansman has an unparalleled competitive edge in corporate finance activities, particularly in public offerings.

#### *Corporate Finance Services*

Yatırım Finansman has a unique position in the corporate finance industry with its experienced associates, well-deserved reputation on the domestic and international markets, high-quality and comprehensive consultation services and solutions customized for local and foreign institutional investors.

The target audience for corporate finance services consists of medium and large-scale companies operating in high-growth sectors in need of new resources. Yatırım Finansman provides consultation services on both buy-side and sell-side transactions for foreign institutional investors and fund managers domiciled abroad.



*Yatırım Finansman has positioned itself as an indispensable strategic partner in public offerings with its broad investor base and widespread brand network.*

*Zümrüt Can Ambarcı*

#### *Corporate Finance at Yatırım Finansman*

Public offerings are among the most popular corporate finance instrument in Turkey. Yatırım Finansman's team offers excellent services from the preparation of customers to the structuring of the IPO, using the Company's extensive sales channels and advanced technological solutions.

Yatırım Finansman has acted as a consortium member in numerous privatization projects and offers prudent and selective corporate finance solutions.

Yatırım Finansman also offers advisory and brokerage services for mergers and acquisitions, strategic/financial partnerships, due diligence, financial consulting, capital increases, dividend payments, secondary public offerings, restricted sales, intermediation of shareholder sales and execution of tender calls.

#### *Corporate Finance Services in 2009*

Looking back on the global economic situation, 2009 was a year of restructuring and preparation. In 2009, Yatırım Finansman organized the arrangements for the corporate finance activities of the companies to which it offers consultancy services. The Corporate Finance Department enjoyed a fast start during 2010 and started to work on critical projects concerned with both IPOs and SPOs. During 2010, Yatırım Finansman is pursuing to participate more actively in the upcoming projects and to increase its market share in corporate finance activities.



We have a dynamic structure.  
Our decision making process is quick and simple. We provide our clients with a high degree of flexibility within the scope of the law.  
Halil Akyıldız

# Investor Base and Service Channels

Yatırım Finansman serves an extensive investor base with reliable value-added operations. The Company's target audience includes all investors investing their savings in capital market instruments lacking the time or knowledge to monitor markets and who therefore seek customized and reliable services. The Company serves large-scale investors through various channels and reaches small and medium-scale investors through its Special Transactions Center and an internet and telephone branch.

With high service quality and state-of-the-art technology, Yatırım Finansman gives its customers the opportunity to access and trade on the stock market through various channels. The Company is successful in the capital markets because it offers uninterrupted high-quality services at its 13 branches and liaison offices in seven major cities, a Special Transactions Center and an internet and telephone branch. Thanks to these channels, investors are able to make inquiries on the markets, get guidance and buy or sell shares through customer representatives or directly over the internet or via the telephone branch. CMB-licensed investment consultants assist investors at the Head Office and branches in the purchase and sale of all types of capital market instruments.

Each Yatırım Finansman branch has two to five special trading rooms. Customers monitor markets utilizing a special computer and data terminals and send their orders to traders on the floor or directly to the ISE using the YFAS Trade software application.



*We created significant value-added by utilizing our expertise in a year of low interest rates.*

*Didem Helvacıoğlu*

# Yatırım Finansman Internet Branch

[www.yatirimfinansman.com](http://www.yatirimfinansman.com)

Yatırım Finansman provides investors with many internet functions so they can carry out transactions at any time, from anywhere in the world. One of the first brokerage houses to launch an internet branch, Yatırım Finansman offers a full range of online investment services.

The internet branch of Yatırım Finansman was renewed in 2009. The aim of Yatırım Finansman is to follow the technological advancements closely in order to enable its customers to use services that are provided by its corporate website and internet branch in a modern environment with a more sophisticated, more secure and easily customized infrastructure.

The new internet branch features an information and analysis portal with rich content and a transaction platform capable of handling all types of investment transactions. The internet branch also offers an advanced investment platform to investors who closely monitor markets and make their investments online.

The BrokerAktif and VOBAktif applications offered on the internet branch give Yatırım Finansman a significant competitive edge by enabling investors to trade on the ISE and the TurkDEX swiftly and easily. Thanks to these applications, developed by the Company's IT Department and with the support of the ISE and TurkDEX Real-Time Data (JavaMatrix), customers are able to trade swiftly and monitor price changes in real time.

Another solution developed by the IT Department is the YFAS Trade program installed on computers in special trading rooms or on the clients' personal computers. This product allows customers to monitor sessions and make their transactions faster compared to other investors.

Thanks to BrokerAktif, VOBAktif and YFAS Trade, investors access market sessions regardless of where they are and make swift and secure transactions.

## *Services Available on the Internet Branch*

Real-Time Stock Market Data  
Research Analysis Portal  
Stock Trading  
VOB Transactions  
Mutual Fund Transactions  
Government Bond and Treasury Bill Transactions  
Public Offerings  
Repo Transactions  
EFT and Wire Transfers  
Other Investment Transactions and Inquiries

# Special Transactions Center

[444 11 44](tel:4441144)

Yatırım Finansman has always offered high-quality and timely services best able to meet client needs. In line with this commitment, the Special Transactions Center was established at the Head Office to offer swift, high-quality brokerage services for investors. The Center targets investors who do not receive investment advisory or portfolio management services and prefer to utilize investment specialists, instead of interactive channels such as telephone or internet banking.

The Special Transactions Center offers brokerage services for stocks, mutual funds, government bonds, treasury bills, repos, transfers/EFTs, public offerings and other investment account services. Only CMB-licensed consultants are employed at the Center, which can be accessed by dialing 444 11 44.

# Risk Management

## Internal Audit and Risk Management Systems

Since its inception, prudent risk management has been one of the most important building blocks of Yatırım Finansman's corporate culture. Risk management activities include the identification, measurement, minimization and management of risk.

With its Risk Management System, Yatırım Finansman aims to monitor, control and when necessary, change the nature and level of its activities, considering its financial structure and risk-return balance involving future cash flow. This system requires the identification and swift implementation of mechanisms on standard-setting, information, compliance, decision-making and implementation.

The Risk Committee, which operates independently, systematically manages the risk encountered by the Company and then reports directly to the Board of Directors. It is chaired by the Director responsible for Internal Control; its members include the Assistant General Managers, the Treasury Officer, the Sales Manager and the Fiscal Affairs and Operations Manager. In addition to these members, other individuals and managers may contribute for a period of time, either definite or indefinite, provided that their function is limited to advisory tasks and as long as they do not participate in the decision-making process. The Risk Management Department, reporting to the Risk Committee, measures the risks in regard to the positions taken by the Company using daily market data, analyzes the results and prepares reports to be submitted both to management and concerned departments.

The internal audit system is a process composed of internal control and inspection. The internal control system aims to ensure that all acts and transactions of Yatırım Finansman, including its branches, are carried out efficiently, effectively and in compliance with the Company's management strategies and policies as well as with applicable legislation. This system ensures integrity and reliability of accounts and records and the timely and accurate availability of data. The system also identifies and prevents any mistake, fraudulence and compliance deficiencies. The internal control system includes the organizational plan and relevant principles and procedures of the brokerage house.

The Inspection Department acts independently of day-to-day activities and through inspectors monitors compliance with applicable legislation and corporate policies, according to the needs of the management and structure of the Company. The Inspection Department is responsible for the smooth functioning of the internal control system as well as all other activities and units. The Department conducts inspections, examines, monitors and reports evidence and findings.



*Our customers know that our expert staff is ready to serve them in the best manner possible, within the scope of the law. Our customers know this and trust us.*

*Hüsnü Aydoğan*

# Human Resources

## Committed to Human Resources

Human resources are a most valuable asset on the capital markets. Yatırım Finansman always keeps in mind that the key to sustainable success and constant customer satisfaction is the quality of its people.

In line with its human resources policy, a merit-based compensation plan has been adopted, using performance evaluations twice a year. In these performance evaluations, the professional and basic competencies of employees and their achievement rates are evaluated both by the employee and by his/her supervisors. Employees are paid a basic salary and a benefit package composed of position allowances, five bonuses a year, achievement bonuses, health insurance, transportation and free lunches.

The Company's transparent evaluation system, fair compensation policy, investments in the personal and career development of employees, well-equipped and comfortable workplaces and social events help keep turnover rates low and motivation high.

## Recruitment

The recruitment process is composed of various stages handled with the utmost care and diligence. Openings are filled by candidates from inside or outside the Company. Candidates are evaluated in a preliminary interview which is then followed by an interview with the Personnel Committee. Necessary control mechanisms are in place to ensure the optimum result for each position. Even local recruitment by branches is conducted under the supervision of the Head Office. The Company's website, [www.yatirimfinansman.com](http://www.yatirimfinansman.com), also accepts job applications.

## Training Programs

The key to Yatırım Finansman's success is to recruit employees who are able to understand the needs of customers while offering high-quality services and to continuously support these employees with the optimum training.



*Our dedicated employees form a core part of our foundations and the value-added they create is due to their efficiency, respect for the law, team spirit, unique edge experience, and knowledge and trust they have earned from our customers.*

*Enayit Ertugrul*

## Human Resources

Yatırım Finansman is well aware that maintaining a long-lasting position in the finance industry is only possible through continuous development and learning. Accordingly, the Company organizes training programs to develop the professional and personal skills of its employees.

### The Company's training strategy aims to:

- Train the right person, at the right time, with the right method, for the right job
- Provide career-linked training
- Ensure that members of the Yatırım Finansman family believe in the success of teamwork and possess strong communications skills
- Strengthen the sense of being part of a large family

Employees are invited to participate in training programs offered in-house or to enroll in training programs held by independent training firms in Turkey and abroad.

Yatırım Finansman increases its investments in training from year to year. To support employees' development in accordance with their career plans, priority is given to training programs offered by professional organizations such as the Banks Association and the Brokerage House Association. Employees are also offered in-house training on motivation and personal development. The Company makes use of outsourced courses to give hands-on-learning opportunities to employees.

Courses to improve motivation and develop personal skills contribute to the harmony among employees. Employees from different departments find the opportunity to come together and strengthen their relationships during these courses.

### Number of Employees and Branches

	2009	2008	2007	2006
Head Office	65	72	69	67
Branches	64	61	61	63
Investment Trust	0	3	3	3
Total Number of Employees	129	136	133	133
Number of Branches	10	10	10	10

### Training in 2009

Number of Trainees	129
Total Duration of Training (hours)	1,547
Training per Person (hours)	11.99225

### Personal Development Training

53

### Professional Training

58

Derivatives & Futures	4
License Renewal	13
Finance	7
Sales and Marketing	7
Economics	2
Human Resources	1
Treasury	2
Management	7
Psychology	13
Auditing	1
Financial Crimes	1



# Information Technology

Yatırım Finansman offers its high-tech solutions and its expertise on the capital markets to domestic and international individual and institutional investors.

Yatırım Finansman is one of the few brokerage houses in the industry that uses in-house software applications. This brings great flexibility and operational simplicity in customer transactions and allows the Company to take into account customer needs and to develop customized solutions in the product development process.

Yatırım Finansman has a large, experienced IT team capable of meeting the technology needs of the future. Members of the IT team are able to develop complete software applications for the infrastructure of the Company. When necessary, the IT team cooperates with the Company's solutions partners as well.

Yatırım Finansman has built its IT infrastructure using Turkish and international hardware brands renowned for their reliability. The Company continued to invest heavily in IT during 2009. It has updated its website and internet security utilizing the latest technology and keeps backups of all customer information and transactions at another center.

Yatırım Finansman prepared itself for a possible disaster by allocating necessary resources for the infrastructure investment and established a disaster center. Accordingly, in case of a disaster, operations will continue uninterrupted.



We maintain our investments  
in order to improve our technological  
infrastructure in line with our  
HR expertise and high-speed  
service approach  
Mehmet Sarıkan

# Board of Auditors' Report

To the General Assembly of Yatırım Finansman Menkul Değerler A.Ş.

Name of Company : Yatırım Finansman Menkul Değerler A.Ş.  
Head Office : İstanbul  
Capital : TL 38,500,000-(thirty eight million five hundred thousand)  
Line of Activity : Brokerage in Capital Markets  
Term of Office of Auditors : 1 year  
Auditors' Shareholding : None  
Name, Address of Auditors : **Özgür Temel**  
İşbank Group Capital Markets Department/Unit Manager  
4. Levent, İstanbul  
**Ali Yavuz Özçiçek**  
TSKB Securities Director  
Fındıklı, İstanbul  
**Ayşe Nazlıca**  
T. Sınai Kalkınma Bankası AŞ  
Budget and Planning Director  
Fındıklı, İstanbul

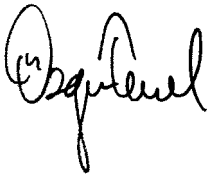
Pursuant to Paragraphs 3 and 4 of Article 353(1) of the Turkish Commercial Code, Yatırım Finansman Menkul Değerler A.Ş. was audited four times during the year. As a result of these audits, the Company's inventories were found to be in conformity with its records and its books and records were found to be in compliance with the requirements of the Turkish Commercial Code and the Tax Procedure Law.

We have audited the accounts and transactions of the Company between December 31, 2008 and December 31, 2009, in accordance with the Turkish Commercial Code, the Company's Articles of Association, other applicable legislation, GAAP and GAAS.

In our opinion, the accompanying balance sheet as of December 31, 2009 presents accurately, in all material respects, the actual financial standing of the Company as of said date. The profit-and-loss statement for the period between December 31, 2008 and December 31, 2009 accurately reflects the actual operating results of said period and the dividend proposal is in compliance with applicable laws and the Company's Articles of Association.

We submit the balance sheet and profit-and-loss statement to your approval and request the release of the Board of Directors of their liabilities.

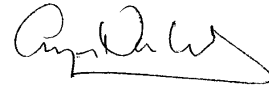
Board of Auditors



Özgür TEMEL



Ali Yavuz ÖZÇİÇEK



Ayşe NAZLICA



**YATIRIM FİNANSMAN  
MENKUL DEĞERLER A.Ş.**

**FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 2009**

(Translated into English from the Original Turkish Report)



## CONVENIENCE TRANSLATION OF THE REPORT AND FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

To The Board of Directors of  
Yatırım Finansman Menkul Değerler A.Ş.  
İstanbul

### INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2009-31 DECEMBER 2009

#### Introduction

We have audited the accompanying financial statements of Yatırım Finansman Menkul Değerler A.Ş. ("the Company") which comprise the balance sheet as at 31 December 2009, the statement of income, changes in equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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

#### Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Yatırım Finansman Menkul Değerler A.Ş. as of 31 December 2009 and of its financial performance and its cash flows for the year then ended in accordance with financial reporting standards published by the Capital Markets Board.

İstanbul, 4 February 2010

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of DELOITTE TOUCHE TOHMATSU



Hasan Kılıç  
Partner

# Yatırım Finansman Menkul Değerler A.Ş.

## Audited Balance Sheet

As of 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note	31 December 2009	31 December 2008
<b>ASSETS</b>			
<b>Current Assets</b>			
		<b>324.665.215</b>	<b>119.251.799</b>
Cash and cash equivalents	6	201.561.284	52.354.430
Financial assets	7	19.694.134	25.080.052
Trade receivables	10	99.589.019	38.406.921
Other receivables	11	116.317	124.356
Other current assets	26	3.704.461	3.286.040
<b>Non-current Assets</b>			
		<b>7.545.816</b>	<b>7.727.784</b>
Financial assets	7	5.415.006	5.900.109
Tangible fixed assets	18	1.267.369	1.084.493
Intangible fixed assets	19	385.966	299.962
Deferred tax assets	35	477.475	443.220
<b>TOTAL ASSETS</b>			
		<b>332.211.031</b>	<b>126.979.583</b>

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

# Yatırım Finansman Menkul Değerler A.Ş.

## Audited Balance Sheet

As of 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note	31 December 2009	31 December 2008
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>280.829.688</b>	<b>72.878.496</b>
Financial liabilities	8	92.606.578	18.073.852
Trade payables	10	186.087.106	52.382.363
Other payables	11	1.219.216	1.833.713
Provisions	22	-	65.356
Current tax payable	35	284.206	142.333
Provisions related to employee benefits	24	467.800	353.220
Other current liabilities	26	164.782	27.659
<b>Non-current Liabilities</b>		<b>962.368</b>	<b>845.355</b>
Provisions related to employee benefits	24	962.365	845.351
Other non-current liabilities		3	4
<b>EQUITY</b>	<b>27</b>	<b>50.418.975</b>	<b>53.255.732</b>
<b>Equity attributable to the owners of the Company</b>		<b>50.418.975</b>	<b>44.566.928</b>
Paid-in capital		38.500.000	38.500.000
Inflation adjustment to share capital		3.795	3.795
Premium in excess of par		-	1.107
Valuation funds		1.423.940	851.532
Legal reserves		1.054.125	1.009.041
Special reserves		804	804
Retained earnings/(accumulated losses)		3.002.289	3.485.615
Net profit/(loss) for the year		6.434.022	715.034
<b>Minority Interest</b>		<b>-</b>	<b>8.688.804</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>332.211.031</b>	<b>126.979.583</b>

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

# Yatırım Finansman Menkul Değerler A.Ş.

## Audited Statement of Comprehensive Income

For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note	1 January- 31 December 2009	1 January- 31 December 2008
<b>CONTINUED OPERATIONS</b>			
Revenue	28	1.900.828.595	2.136.440.625
Cost of sales (-)	28	(1.880.204.477)	(2.121.219.013)
<b>GROSS PROFIT/(LOSS)</b>		<b>20.624.118</b>	<b>15.221.612</b>
Marketing, sales and distribution expenses (-)	29	(1.987.442)	(979.361)
General administrative expenses (-)	29	(17.650.617)	(16.643.805)
Other operating income	31	362.425	701.830
Other operating expenses (-)	31	-	(542.873)
<b>OPERATING PROFIT/(LOSS)</b>		<b>1.348.484</b>	<b>(2.242.597)</b>
Finance income	32	9.117.689	7.268.884
Finance expenses (-)	33	(3.129.473)	(3.375.660)
<b>PROFIT/(LOSS) BEFORE TAXATION FROM CONTINUED OPERATIONS</b>		<b>7.336.700</b>	<b>1.650.627</b>
<b>Tax benefit/(charge) from continued operations</b>			
-Current tax benefit/(charge)	35	(1.323.953)	(492.842)
-Deferred tax benefit/(charge)	35	44.988	240.198
		<b>(1.278.965)</b>	<b>(252.644)</b>
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUED OPERATIONS</b>		<b>6.057.735</b>	<b>1.397.983</b>
<b>DISCONTINUED OPERATIONS</b>			
<b>Profit/(Loss) After Taxation</b>			
<b>From Discontinued Operations</b>	34	<b>2.045.058</b>	<b>(3.711.690)</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>8.102.793</b>	<b>(2.313.707)</b>
<b>Other Comprehensive Income</b>			
Change in value increase fund of financial assets		715.510	17.886
Other Comprehensive Income tax benefit/(charge)		(143.102)	(3.577)
<b>OTHER COMPREHENSIVE INCOME (AFTER TAXATION)</b>		<b>572.408</b>	<b>14.309</b>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>		<b>8.675.201</b>	<b>(2.299.398)</b>
<b>Profit/Loss Attributable to:</b>			
Minority interest		1.668.771	(3.028.741)
Equity holders of the parent		6.434.022	715.034
		<b>8.102.793</b>	<b>(2.313.707)</b>
<b>Total Comprehensive Income Attributable to:</b>			
Minority interest		1.668.771	(3.028.741)
Equity holders of the parent		7.006.430	729.343
		<b>8.675.201</b>	<b>(2.299.398)</b>

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



**Yatırım Finansman Menkul Değerler A.Ş.**  
**Audited Statement of Changes In Shareholders' Equity**  
**For the Year Ended 31 December 2009**

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Paid-in capital	Premium in excess of par	Valuation funds	Inflation adjustment to share capital	Legal reserves	Special reserves	Net profit/(loss) for the year	Retained earnings/(accumulated losses)	Total equity attributable to equity holders of the Parent	Minority interest	Total
<b>Balance as of 1 January 2008</b>	30.000.000	1.107	837.223	3.795	631.481	426.804	8.137.961	3.799.214	43.837.585	11.717.545	55.555.130
Transfer to retained earnings	-	-	-	-	-	-	(8.137.961)	8.137.961	-	-	-
Transfer to reserves	-	-	-	-	377.560	-	-	(377.560)	-	-	-
Capital increase (internal sources)	8.500.000	-	-	-	-	(426.000)	-	(8.074.000)	-	-	-
Total comprehensive income	-	-	14.309	-	-	-	715.034	-	729.343	(3.028.741)	(2.299.398)
<b>Balance as of 31 December 2008</b>	38.500.000	1.107	851.532	3.795	1.009.041	804	715.034	3.485.615	44.566.928	8.688.804	53.255.732
<b>Balance as of 1 January 2009</b>	38.500.000	1.107	851.532	3.795	1.009.041	804	715.034	3.485.615	44.566.928	8.688.804	53.255.732
Transfer to retained earnings	-	-	-	-	-	-	(715.034)	715.034	-	-	-
The effect of business combination under common control	-	(1.107)	-	-	(37.058)	-	-	(1.116.218)	(1.154.383)	(10.357.575)	(11.511.958)
Transfer to reserves	-	-	-	-	82.142	-	-	(82.142)	-	-	-
Total comprehensive income	-	-	572.408	-	-	-	6.434.022	-	7.006.430	1.668.771	8.675.201
<b>Balance as of 31 December 2009</b>	38.500.000	-	1.423.940	3.795	1.054.125	804	6.434.022	3.002.289	50.418.975	-	50.418.975

# Yatırım Finansman Menkul Değerler A.Ş.

## Audited Statement of Cash Flows

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note	1 January- 31 December 2009	1 January- 31 December 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit/(loss) for the year		8.102.793	(2.313.707)
Adjustments to reconcile net income to net cash provided by operating activities:			
Decrease/(increase) on financial assets		606.041	659.859
Depreciation and amortization charges	18, 19	474.835	502.922
Provision for employee termination benefits	24	255.103	281.577
Interest accruals on loans		6.578	512.353
Unused vacation accrual	24	118.141	136.381
Provisions	22	-	65.356
Provision for doubtful receivable		-	542.873
Interest accruals on time deposits and reverse repos		(306.254)	(269.164)
Tax provision	35	1.278.965	252.644
<b>Cash flows generated from operating activities before changes in working capital</b>		<b>10.536.202</b>	<b>371.094</b>
Net change in financial assets at fair value through profit or loss		(5.648.440)	14.315.613
Net change in trade receivables	10	(61.182.098)	5.435.138
Net change in other receivables	11, 26	(410.382)	(233.773)
Net change in trade payables	10	133.704.743	4.629.926
Net change in other liabilities	11, 26	(539.937)	13.336
Taxes paid	35	(1.193.624)	(811.762)
Employee termination benefits paid	24	(138.089)	(148.187)
<b>Cash flows generated from operating activities</b>		<b>75.128.375</b>	<b>23.571.385</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of available for sale financial assets		-	(500.000)
Purchases of tangible and intangible fixed assets	18, 19	(743.715)	(182.338)
Cash outflows from sale of subsidiary	34	(10.208)	-
<b>Cash flows (used in)/provided from investing activities</b>		<b>(753.923)</b>	<b>(682.338)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Payments)/proceeds of financial liabilities (net)	8	74.526.148	6.724.144
<b>Net cash provided from/(used in) financing activities</b>		<b>74.526.148</b>	<b>6.724.144</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>148.900.600</b>	<b>29.613.191</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>51.914.661</b>	<b>22.301.470</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6</b>	<b>200.815.261</b>	<b>51.914.661</b>

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

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 1. COMPANY'S ORGANIZATION AND OPERATIONS

Yatırım Finansman Menkul Değerler A.Ş. ("the Company") operates in Turkey and its headquarters is located in Nispetiye Cad. Akmerkez E 3-4, Etiler/İstanbul. The Company started its operations on 25 October 1976. Türkiye Sınai Kalkınma Bankası A.Ş. owns 95,78% of the Company shares and it has been operating under Türkiye İş Bankası A.Ş. Group.

The Company's shares are not traded on the Istanbul Stock Exchange.

Main operations of the Company are explained below:

The main business of the Company is to perform capital market activities in accordance with the Articles of Association and Capital Markets Law numbered 2499. In this respect, the Company performs the following services for its clients; brokerage activities of the capital market instruments that were offered to the public before or sales to investors of the initially offered capital markets instruments and the trading of such securities during public offering, trading of marketable securities with repurchase or sale commitments, portfolio management, investment advisory, margin trading short-selling, borrowing-lending and acting as an intermediary and custodian for the purchase and sale of derivative instruments.

As of 31 December 2009, the total number of the employees of the Company is 129. (31 December 2008: 133).

#### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

##### 2.1. Basis of Presentation of Financial Statements

###### Basis of Presentation of Financial Statements and Significant Accounting Policies

The Company and its Turkish subsidiary maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation.

The Capital Markets Board ("CMB") Communiqué Serial: XI, No: 29 "Communiqué on Financial Reporting Standards in Capital Markets" ("Communiqué Serial: XI, No: 29") provides principals and standards on the preparation and presentation of financial statements. The Communiqué is applicable commencing from the first interim financial statements prepared subsequent to 1 January 2008, and Communiqué Serial: XI, No: 25 "Communiqué on Capital Market Accounting Standards" is annulled with this communiqué. Based on this communiqué, the financial statements should be prepared in accordance with the International Financial Reporting Standards ("IAS/IFRS") as endorsed by the European Union ("EU"). However companies will apply IASs/IFRSs until the differences between the standards accepted by the European Union and the standards issued by International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"). In this context, Turkish Accounting/Financial Reporting Standards issued by TASB ("TAS/TFRS") which do not contradict to the standards accepted will be adopted.

As the differences between the International Financial Reporting Standards ("IAS/IFRS") as endorsed by the European Union and the Turkish Accounting/Financial Reporting Standards ("TAS/TFRS") have not been declared as of the date of this report, the accompanying financial statements and notes are prepared in accordance with IAS/IFRS as declared in the Communiqué Serial: XI, No: 29 with the recommended formats and the required information announced by the CMB on 17 April 2008 and 9 January 2009. In prior periods, the financial statements and notes were prepared in accordance with IAS/IFRS as declared in the Communiqué Serial: XI, No: 27 which was amending on the Communiqué Serial: XI, No: 25 with the recommended formats and the required information.

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

###### Approval of Financial Statements

Financial statements are approved by the board of directors and has been authorized for publication on 4 February 2010. The General Assembly has the authority to change its financial statements.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Functional Currency

The Company's financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in Turkish Lira, which is the functional and presentation currency of the Company.

#### Preparation of Financial Statements in Hyperinflationary Periods:

Based on the decision numbered 11/367 dated 17 March 2005, for the companies operating in Turkey and preparing financial statements in accordance with CMB Accounting Standards, the inflation accounting application has been ceased beginning from 1 January 2005. Within this context, IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by IASB has not been applied beginning from 1 January 2005.

#### Consolidation:

The changes of the status of the Company's subsidiary "Yatırım Finansman Yatırım Ortaklığı A.Ş." are explained in detail in Note 3 and Note 7. Additionally, in the current period until the registered merger date, 25 June 2009, all the revenues and expenses of Yatırım Finansman Yatırım Ortaklığı A.Ş., are consolidated and shown under discontinued operations in the statement of comprehensive income of the Company.

#### 2.2 Changes in the Accounting Policies

Company has made no significant changes in the accounting policies during the current year.

#### 2.3 Changes in the Accounting Estimates and Errors

Company has made no significant changes in the accounting estimates during the current year.

#### 2.4 Adoption of New and Revised International Financial Reporting Standards

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported and disclosures in these financial statements. Details of other standards and interpretations adopted in these financial statements but that have had no impact on the financial statements are set out in following section.

#### Standards affecting presentation and disclosure in 2009 financial statements

- IAS 1(Revised), "Presentation of financial statements"

According to the revised standard, the Company presents in the statement changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Therefore, this kind of changes in the expenses and revenues shall present in "the statement of comprehensive income" apart from the statement of changes in shareholder's equity. Companies are free to choose either one: the statement of comprehensive income, or both of the two performance tables: the statement of comprehensive income and statement of income. Accordingly, the Company has applied the changes in IAS 1 since 1 January 2009 and the Company has chosen to disclose one statement, "the statement of comprehensive income".

Moreover, according to IAS 1 (Revised), when the companies revised and classified financial statements of the previous period in the current period, they are expected to show the current period, previous period and the earliest period which could be compared. The Company has not made any changes in the financial statements of prior period, there is no need to add the balance sheet of the opening date, 1 January 2008 to the accompanying financial statements.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### IFRS 7 (Revised), 'Financial Instruments: Explanations'

The amendments published in March 2009 are applicable for the Company beginning from 1 January 2009. The amendments require enhanced disclosures about fair value measurements and liquidity risk. The amendment requires additional disclosures for any change in the method for determining fair value and the reasons for the change. Besides, it is required to establish a three-level hierarchy for making fair value measurements. It is also required to give additional disclosures regarding any change in the method for determining fair value and transfers between levels. A reconciliation of the beginning balances and the ending balances of fair values should be presented for the fair value measurements using observable inputs. If changing one or more of the inputs based on unobservable data would change fair value significantly, the effects of those changes through sensitivity analysis should also be disclosed.

Additionally, for non-derivative financial liabilities including issued financial guarantee contracts, the maturity analysis is required. It is also required to give separate maturity analysis for derivative financial liabilities.

The Company applied the changes about UFRS 7 in 2009 and disclosed fair value levels in the Note 39. In the current period, the Company did not make a specific classification in the three levels of input used in fair value judgments of financial instruments.

#### Standards and interpretations effective in 2009 but not effecting 2009 financial statements

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

- IFRS 1 "First time adoption of IFRS" and IAS 27 "Consolidated and unconsolidated financial statements" (Amendment relating to cost of an investment on first-time adoption)
- IFRS 8 "Operating Segments"
- IAS 23 (Revised) "Borrowing Costs"
- IAS 38 "Intangible Assets"
- IAS 40 "Investment Property"
- IAS 20 "Government Grants and Disclosure of Government Assistance"
- IFRIC 13 "Customer Loyalty Programmes"
- IFRS 2 "Share-based Payment" (Amendment relating to vesting conditions and cancellations)
- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"
- IAS 1 ("Presentation of Financial Statements" and IAS 32 'Financial Instruments-Presentation') (Amendments relating to disclosure of puttable instruments and obligations arising on liquidation)
- Amendments to IAS 32, "Financial Instruments: Presentation" and IAS 1, "Presentation of Financial Statements-Financial Assets and Liabilities on Liquidation"
- IAS 39 "Financial Instruments: Recognition and Measurement" (Amendments for embedded derivatives when reclassifying financial instruments)
- Improvements 2008 (IAS 1 "Presentation of Financial Statements", IAS 16 "Property, Plant and Equipment", IAS 19 "Employee Benefits", IAS 20 "Government Grants and Disclosure of Government Assistance", IAS 23 "Borrowing Costs", IAS 27 "Consolidated and Separate Financial Statements", IAS 28 "Investment in Associates", IAS 31 "Interests in Joint Ventures", IAS 29 "Financial Reporting in Hyperinflationary Economies", IAS 36 "Impairment of Assets", IAS 39 "Financial Instruments: Recognition and Measurement", IAS 40 "Investment Property", IAS 41 "Agriculture")
- IFRIC 15, "Agreements for the Construction of Real Estate"
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"
- IFRIC 18 "Transfers of Assets From Customers"

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

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

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

#### Amendments related to Annual Improvements to IFRS (2009)

As part of the Annual Improvement project, in addition to the amendments mentioned above, other amendments were made to various standards and interpretations. These amendments are effective for annual periods beginning on or after 1 January 2010. The Company has not yet had an opportunity to consider the potential impact of the adoption of these amendments.

#### 2.5 Summary of Significant Accounting Policies

##### Revenue recognition

Fees and commissions, fund and portfolio management commissions and agency commissions are accounted for on an accrual basis.

The Company immediately recognizes gain on sale of marketable securities in its portfolio, when proceeds on such sale transactions are deemed to be collectable while dividend and similar type of revenue are recognized when such proceeds are deemed to be collectable at maturity.

##### Interest Income and Expenses:

Interest income and expenses are recognized on an accrual basis by using effective interest rate. Interest income consists of interest on bank deposits, gained coupons on the fixed income securities and valuations of discounted treasury bills.

##### Dividend Income:

Dividend income from equity investments is recognized when the shareholders' rights to receive payment have been established.

##### Tangible Fixed Assets

Tangible fixed assets are carried at cost less accumulated depreciation and any permanent impairment loss.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. These assets are depreciated, on the same basis as other tangible fixed assets, when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of tangible fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

## Yatırım Finansman Menkul Değerler A.Ş.

### Notes to the Financial Statements

#### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Leasing Transactions

##### Leasing-the Company as Lessee

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

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

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

#### Intangible Fixed Assets

##### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary/associate at the date of the acquisition. Goodwill on acquisitions of associates is included in "affiliates" and is tested for impairment as part of the overall balance. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocations made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

##### Intangible Fixed Assets Acquired:

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

##### Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (5 years).

##### Intangible Fixed Assets Acquired in a Business Combination

Intangible fixed assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible asset and their fair value can be measured reliably. Cost of such intangible fixed assets is the fair value at the acquisition date.

Subsequent to initial recognition, intangible fixed assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible fixed assets acquired separately.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Impairment of Assets

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

#### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

#### Financial Instruments

##### Financial Assets

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

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

##### *Effective interest rate method*

The effective interest rate method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset or where appropriate a shorter period.

The income generated from the financial assets, except for the financial assets at fair value through profit or loss, is calculated by using the effective interest rate method.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedging instruments. Assets in this category are classified as current assets.

##### *Held-to-maturity investments:*

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



## Yatırım Finansman Menkul Değerler A.Ş.

### Notes to the Financial Statements

#### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### *Available for sale financial assets*

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

Dividends on AFS equity instruments are recorded in the income statement in case of Company's right to receive.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

#### *Repurchase and reverse repurchase agreements*

Marketable securities sold as part of repurchase agreement commitments ("repo") are accounted for in the financial statements and liabilities to counterparties are presented as payables to customers. Marketable securities held as part of commitments to resale ("reverse repo") are accounted for as funds loaned under marketable securities reverse repurchase agreements and accounted for under cash and cash equivalents in the balance sheet. The difference between purchase and resale prices is accounted for as interest and amortized during the period of the agreement.

#### *Loans and Receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

The Company enters into margin trading transactions with its customers for equity share purchases.

#### *Impairment of financial assets*

Financial assets or financial asset groups, other than those at fair value through profit or loss are subject to impairment testing at each balance sheet date to determine whether there is any indication of impairment. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets and loans carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

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

In respect of AFS equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in the statement of comprehensive income.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### *Cash and cash equivalents*

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

#### *Financial Liabilities*

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

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

#### *Other financial liabilities*

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

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

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

#### *Business Combinations*

The acquisition of subsidiaries are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the subsidiary and any costs directly attributable to the business combination. The acquired company's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria under IFRS 3, "Business Combinations" are recognized at fair value at the date of acquisition, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquired company's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of minority shareholders in the acquired company is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

In business combinations under common control, assets and liabilities subject to business combination are accounted for at carrying value in the consolidated financial statements. Statement of comprehensive income are consolidated starting from the beginning of the fiscal year in which the business combination is realized. Financial statements of previous fiscal years are restated in the same manner in order to maintain consistency and comparability. Any positive or negative goodwill arising from such business combination is not recognized in the consolidated financial statements. The residual balance calculated by netting off investment in the entity under common control and the share acquired in its equity is directly accounted for under equity in retained earnings.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Foreign Currency Transactions

In preparing the financial statements, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences are recognized in profit or loss in the period.

#### Earnings per Share

In the statement of comprehensive income, earnings per share is calculated by dividing net profit to weighted average number of the shares outstanding.

The companies in Turkey increase their capitals by distributing bonus shares from their previous period profits to their holder of stocks. Such bonus shares are considered as issued shares while calculating the earning per shares. Accordingly, weighted average number of the shares is calculated by considering the previous effects of such distributions.

In accordance with IAS 33 "Earnings per Share", companies of whose shares are not traded in the stock exchange are not obliged to disclose earnings per share. Therefore, earnings per share have not been calculated in the accompanying financial statements.

#### Subsequent Events

Events after balance sheet date comprise any event between the balance sheet date and the date of authorization of the financial statements for publication, even if any event after balance sheet date occurred.

The Company restates its financial statements if such subsequent events arise.

#### Provisions, Contingent Liabilities, Contingent Assets

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

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

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

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

#### Changes in the Accounting Estimates and Errors

Significant accounting errors that are detected in the current period are applied retrospectively and prior year financial statements are restated accordingly. If the application of changes in the accounting estimates affects the financial results of a specific period, the accounting estimate change is applied in that specific period, if they affect the financial results of current and following periods; the accounting policy estimate is applied prospectively in the period in which such change is made.

#### Segmental Information

For segment reporting, the Company has only one operating and one geographic segment as it is mainly operating in Turkey engaging solely in securities and its top management reporting is based on the IFRS financial statements.

#### Construction Agreements:

None.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Discontinued Operations

The changes of the status of the Company's subsidiary "Yatırım Finansman Yatırım Ortaklığı A.Ş." are explained in detail in Note 3 and Note 7. Additionally in the current period until the registered merger date, 25 June 2009, all the revenues and expenses of Yatırım Finansman Yatırım Ortaklığı A.Ş., are consolidated and shown under discontinued operations in the statement of comprehensive of the Company.

#### Government Incentives and Grants

None.

#### Investment Properties

None.

#### Taxation and Deferred Tax

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

##### *Current Tax*

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

##### *Deferred Tax*

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

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

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

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

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

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### *Current and Deferred Tax for the Year*

Current and deferred tax for the period are recognised as an expense or income in profit or loss, except when they relate to items that are recognised directly in comprehensive income as receivables or payables (in which case deferred tax related to such items is also recognised in comprehensive income) or where they arise from the initial accounting for a business combination. Tax effect is taken into account in the accounting of the business combinations, goodwill or the excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition.

#### *Provisions Related to Employee Benefits/Retirement Pay Provision*

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

The retirement benefit obligation recognized in the balance sheet represents the net present value of the defined benefit obligations of all employees'. All actuarial gains and losses have been recognized in statement of income.

#### *Statement of Cash Flows*

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

Cash flows from operating activities reflect cash flows mainly generated from brokerage and portfolio management operations of the Company.

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

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

#### *Transactions at Turkish Derivatives Exchange*

Cash guarantees given in consideration of performing transactions on the Turkish Derivatives Exchange are classified as cash and cash equivalents. Gains and losses arising from the transactions in the current period are accounted for in the current period profit/loss. The valuation differences arising from the valuation of open transactions at market prices that are accounted for in the income statement are offset with the commissions paid and the interest income from the accumulation of the remaining guarantees are accounted for as cash and cash equivalents.

#### *Share Capital and Dividends*

Common shares are classified as equity. Dividends on common shares are reclassified as dividend payables by netting off from the retained earnings in the period in which they are approved and disclosed.

#### **2.6 Significant Accounting Estimates**

The Company has no other significant accounting evaluations, estimates or assumptions which need to be disclosed during the application of accounting policies set out in Note 2.5.

### **3. BUSINESS COMBINATIONS**

The resolution made at the Yatırım Finansman Yatırım Ortaklığı A.Ş.'s Extraordinary General Meeting held on 19 June 2009 in relation to the merger with TSKB Yatırım Ortaklığı A.Ş. through the entire transfer of Yatırım Finansman Yatırım Ortaklığı A.Ş.'s (the Company's subsidiary) assets and liabilities was registered with the Trade Registry Office of Istanbul on 25 June 2009. Following the merger, the Company has lost its control power over the subsidiary as of 25 June 2009 and its participation in the subsidiary has decreased from 18,4% to 7%. As the Company has no significant influence over the subsidiary in the current period, its financial statements are not consolidated. It is no longer operating as a subsidiary and recognized at fair value under the available for sale financial assets as explained in Note 7.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 4. JOINT VENTURES

None.

#### 5. SEGMENT INFORMATION

For segment reporting, the Company has only one operating and one geographic segment as it is mainly operating in Turkey engaging solely in securities and its top management reporting is based on the IFRS financial statements.

#### 6. CASH AND CASH EQUIVALENTS

	31 December 2009	31 December 2008
Cash	62.734	37.608
Cash in banks	200.808.394	51.047.156
Demand deposits	1.483.106	658.253
Time deposits (with maturities three months or less)	199.325.288	50.388.903
Guarantees given for Turkish Derivatives Exchange Transactions	546.872	516.354
Receivables from reverse repurchase agreements	143.284	753.312
	201.561.284	52.354.430

Maturities and interest rates of time deposits as of 31 December 2009 and 31 December 2008 are as follows:

Currency type	Interest rate	Maturity	31 December 2009
TL	9,00%-10,75%	4.1.2010-2.3.2010	199.325.288

Currency type	Interest rate	Maturity	31 December 2008
TL	20,00%-23,00%	5.1.2009-25.03.2009	42.393.324
USD	2,50%-7,25%	2.1.2009	7.995.579
			50.388.903

As of 31 December 2009 and 31 December 2008, the Company's cash and cash equivalents are presented by excluding interest and valuation accruals in the statement of cash flows:

	31 December 2009	31 December 2008
Cash and cash equivalents	201.014.412	51.838.076
Guarantees given for Turkish Derivatives Exchange Transactions	546.872	516.354
Interest accruals	(746.023)	(439.769)
	200.815.261	51.914.661

Receivables from reverse repurchase agreements are stated below:

31 December 2009			
Interest rate	Maturity	Cost	Carrying Value
5,53%	04.01.2010	143.262	143.284
		143.262	143.284

31 December 2008			
Interest rate	Maturity	Cost	Carrying Value
15,13%	2.1.2009	753.000	753.312
		753.000	753.312

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 7. FINANCIAL INVESTMENTS

Current financial assets are stated below:

Current financial assets	31 December 2009	31 December 2008
Financial assets at fair value through profit or loss	6.088.969	16.217.822
Available for sale financial assets	10.443.556	8.248.532
Held to maturity financial assets	3.161.609	613.698
	<b>19.694.134</b>	<b>25.080.052</b>

31 December 2009			
Financial assets at fair value through profit or loss	Cost	Fair Value	Carrying Value
<b>Debt securities</b>			
Government bonds	2.923.260	3.139.045	3.139.045
Treasury bills	154.383	155.718	155.718
Foreign marketable securities	35.864	34.022	34.022
Other (mutual funds)	510.658	717.764	717.764
<b>Equity shares</b>			
Equity shares traded on stock exchange	1.876.487	2.042.420	2.042.420
	<b>5.500.652</b>	<b>6.088.969</b>	<b>6.088.969</b>

31 December 2008			
Financial assets at fair value through profit or loss	Cost	Fair Value	Carrying Value
<b>Debt securities</b>			
Government bonds	8.317.687	8.427.441	8.427.441
Treasury bills	3.411.906	3.591.823	3.591.823
Foreign marketable securities	47.376	47.947	47.947
Other (mutual funds)	327.143	360.736	360.736
<b>Equity shares</b>			
Equity shares traded on stock exchange	4.873.663	3.789.875	3.789.875
	<b>16.977.775</b>	<b>16.217.822</b>	<b>16.217.822</b>

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

The Company has the following government bonds and treasury bills, as of 31 December 2009 with carrying values of TL 8.168.540 (31 December 2008: TL 6.845.737) and nominal values of TL 7.903.004 (31 December 2008: TL 7.167.004) given as collateral:

	31 December 2009		
	Nominal	Cost	Carrying Value
T.R. Central Bank	3.690.000	3.483.741	3.663.301
İstanbul Stock Exchange-Shares Market	2.368.004	2.577.632	2.640.209
Capital Markets Board	1.250.000	1.164.708	1.270.148
Turkish Derivatives Exchange	595.000	520.755	594.882
	<b>7.903.004</b>	<b>7.746.836</b>	<b>8.168.540</b>

	31 December 2008		
	Nominal	Cost	Carrying Value
T.R. Central Bank	4.475.000	3.583.068	4.166.310
İstanbul Stock Exchange-Shares Market	550.004	563.339	592.152
Capital Markets Board	1.451.000	1.330.133	1.407.279
Turkish Derivatives Exchange	691.000	596.957	679.996
	<b>7.167.004</b>	<b>6.073.497</b>	<b>6.845.737</b>

Available for sale financial assets	31 December 2009		31 December 2008
	Cost	Fair Value	Carrying Value
Debt securities		858.595	815.200
Equity shares		9.584.961	7.433.332
	<b>10.443.556</b>		<b>8.248.532</b>

Details of debt securities are as follows:

Available for sale financial assets	31 December 2009		
	Cost	Fair Value	Carrying Value
Debt Securities			
Foreign marketable securities (Eurobonds)	740.908	858.595	858.595
	<b>740.908</b>	<b>858.595</b>	<b>858.595</b>

Available for sale financial assets	31 December 2008		
	Cost	Fair Value	Carrying Value
Debt Securities			
Foreign marketable securities (Eurobonds)	740.908	815.200	815.200
	<b>740.908</b>	<b>815.200</b>	<b>815.200</b>



# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

The details of equity investments are as follows:

	Share (%)	31 December 2009	Share (%)	31 December 2008
<b>Listed</b>				
TSKB Yatırım Ortaklığı A.Ş. (*)	7,01	1.710.629	-	-
<b>Unlisted</b>				
İş Portföy Yönetimi A.Ş.	4,90	1.290.891	4,90	849.891
İMKB Takas ve Saklama Bankası A.Ş.	1,80	4.583.440	1,80	4.583.440
Terme Metal San. Tic. A.Ş.	0,94	931.948	0,94	931.948
TSKB Gayrimenkul YO A.Ş.	0,20	2.000.000	0,20	2.000.000
TSKB Gayrimenkul Değerleme A.Ş.	0,00	1	0,00	1
Yıfaş Yeşilyurt Tekstil San. ve Tic. A.Ş.	0,23	159.987	0,23	159.987
<b>Total</b>		<b>10.676.896</b>		<b>8.525.267</b>
Impairment on financial assets (-)		(1.091.935)		(1.091.935)
		<b>9.584.961</b>		<b>7.433.332</b>

(\*) Following the completion of registry procedures in regards to the business combination of TSKB Yatırım Ortaklığı A.Ş. and Yatırım Finansman Yatırım Ortaklığı on 25 June 2009, all of the shares of Yatırım Finansman Yatırım Ortaklığı held by the Company have converted into TSKB Yatırım Ortaklığı shares (1 unit Yatırım Finansman Yatırım Ortaklığı A.Ş. share is equal to 1.1067736 TSKB Yatırım Ortaklığı A.Ş. share merger ratio). The related shareholding eliminated from the consolidation in the prior periods are recognized as financial assets available for sale at the fair value of TSKB Yatırım Ortaklığı A.Ş. as of 31 December 2009 in the financial statements because of the loss of the controlling power as of the balance sheet date.

Short-term held to maturity financial assets are as follows:

	31 December 2009		
Debt securities	Cost	Fair Value	Carrying Value
Government bonds	638.659	654.518	654.518
Private sector bonds	2.500.000	2.507.091	2.507.091
	<b>3.138.659</b>	<b>3.161.609</b>	<b>3.161.609</b>
	31 December 2008		
Debt securities	Cost	Fair Value	Carrying Value
Government bonds	539.609	613.698	613.698
	<b>539.609</b>	<b>613.698</b>	<b>613.698</b>

Long-term held to maturity financial assets are as follows:

	31 December 2009		
Debt securities	Cost	Fair Value	Carrying Value
Government bonds	5.177.916	5.415.006	5.415.006
	<b>5.177.916</b>	<b>5.415.006</b>	<b>5.415.006</b>
	31 December 2008		
Debt securities	Cost	Fair Value	Carrying Value
Government bonds	3.165.185	3.388.344	3.388.344
Private sector bonds	2.500.000	2.511.765	2.511.765
	<b>5.665.185</b>	<b>5.900.109</b>	<b>5.900.109</b>

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 8. FINANCIAL LIABILITIES

Details of the short-term financial liabilities as of 31 December 2009 are stated below:

	Interest rate	Maturity	31 December 2009
TL	7,75%	4 January 2010	29.106.578
TL	7,55%	Revolving	9.000.000
TL	7,75%	Revolving	14.500.000
TL	8,50%	Revolving	40.000.000
			<b>92.606.578</b>

Details of the short-term financial liabilities as of 31 December 2008 are stated below:

	Interest rate	Maturity	31 December 2008
USD	%5,49	5 January 2009	7.989.408
TL	%19,00	20 January 2009	10.084.444
			<b>18.073.852</b>

#### 9. OTHER FINANCIAL LIABILITIES

None (31 December 2008: None).

#### 10. TRADE RECEIVABLES AND PAYABLES

Current trade receivables	31 December 2009	31 December 2008
Receivables from customers for the purchases of equity shares (*)	68.864.288	25.058.241
Receivables from customers	128.947	75.027
Receivables from derivative clearing house	10.502.497	6.233.344
Receivables from clearing house	3.164.594	1.700.121
Doubtful trade receivables	542.873	542.873
Allowance for doubtful trade receivables (-)	(542.873)	(542.873)
Receivables and commissions for the management of mutual funds (Note 37)	409.427	279.907
Receivables from stock exchange money market	168.000	334.000
Receivables from margin trading	16.338.529	4.711.146
Other trade receivables	12.737	15.135
	<b>99.589.019</b>	<b>38.406.921</b>

(\*) Consists of receivables from customers arising from share transactions on 30 and 31 December 2009 (31 December 2008: Consist of receivables from customers arising from share transactions on 30 and 31 December 2008).

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

<b>Current trade payables</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
Payables to customers for the equity share transactions(*)	72.093.878	26.730.362
Payables to derivative clearing houses	10.502.497	5.768.648
Funds obtained from repurchase agreements	-	1.592.199
Payables to stock exchange money market	98.780.788	13.500.000
Payables to customers on their investments in foreign currencies	3.539.932	3.218.632
Payables to customers related to the Stock Exchange Money Market transactions (**)	168.000	334.000
Other payables to customers	1.002.011	1.238.522
	<b>186.087.106</b>	<b>52.382.363</b>

(\*) Consists of payables to customers arising from share transactions on 30 and 31 December 2009. (31 December 2008: Consists of payables to customers arising from share transactions on 30 and 31 December 2008.)

(\*\*) Liabilities to the customers due to Stock Exchange Money Market transactions are classified from financial liabilities to accounts payable in the prior period.

#### 11. OTHER RECEIVABLES AND LIABILITIES

<b>Current other receivables</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
Deposits and guarantees given	116.317	124.356
	<b>116.317</b>	<b>124.356</b>

<b>Current other payables</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
Taxes and dues payable (*)	1.099.543	1.719.827
Social security premiums payable	119.673	113.886
	<b>1.219.216</b>	<b>1.833.713</b>

(\*) Consists of withholding tax paid amounting to TL 755.070 on behalf of customers. (31 December 2008: TL 1.452.296).

#### 12. RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

Because the Company operates in the financial sector, this item of account is not used. (31 December 2008: None).

#### 13. INVENTORIES

None (31 December 2008: None).

#### 14. BIOLOGICAL ASSETS

None (31 December 2008: None).

#### 15. ASSETS RELATED TO ONGOING CONSTRUCTION CONTRACTS

None (31 December 2008: None).

#### 16. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

None (31 December 2008: None).

#### 17. INVESTMENT PROPERTIES

None (31 December 2008: None).

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 18. TANGIBLE FIXED ASSETS

	Vehicles	Furniture and fixtures	Leasehold improvements	Total
<b>Cost</b>				
Opening balance, 1 January 2009	315.443	4.874.624	3.988.111	9.178.178
Additions	-	345.822	279.506	625.328
Disposals	-	(3.130)	-	(3.130)
<b>Closing balance, 31 December 2009</b>	<b>315.443</b>	<b>5.217.316</b>	<b>4.267.617</b>	<b>9.800.376</b>
<b>Accumulated depreciation</b>				
Opening balance, 1 January 2009	176.748	4.261.821	3.655.116	8.093.685
Charge for the period	53.910	222.498	166.044	442.452
Disposals	-	(3.130)	-	(3.130)
<b>Closing balance, 31 December 2009</b>	<b>230.658</b>	<b>4.481.189</b>	<b>3.821.160</b>	<b>8.533.007</b>
<b>Carrying value as of 31 December 2008</b>	<b>138.695</b>	<b>612.803</b>	<b>332.995</b>	<b>1.084.493</b>
<b>Carrying value as of 31 December 2009</b>	<b>84.785</b>	<b>736.127</b>	<b>446.457</b>	<b>1.267.369</b>
<b>Cost</b>				
Opening balance, 1 January 2008	315.443	4.820.235	3.919.562	9.055.240
Additions	-	54.389	68.549	122.938
<b>Closing balance, 31 December 2008</b>	<b>315.443</b>	<b>4.874.624</b>	<b>3.988.111</b>	<b>9.178.178</b>
<b>Accumulated depreciation</b>				
Opening balance, 1 January 2008	117.503	4.041.815	3.452.541	7.611.859
Charge for the period	59.245	220.006	202.575	481.826
<b>Closing balance, 31 December 2008</b>	<b>176.748</b>	<b>4.261.821</b>	<b>3.655.116</b>	<b>8.093.685</b>
<b>Carrying value as of 31 December 2007</b>	<b>197.940</b>	<b>778.420</b>	<b>467.021</b>	<b>1.443.381</b>
<b>Carrying value as of 31 December 2008</b>	<b>138.695</b>	<b>612.803</b>	<b>332.995</b>	<b>1.084.493</b>

Expected useful life's of the tangible fixed assets are as follows:

	Useful life
Vehicles, Furniture and fixtures	5 year
Leasehold improvements	5 year

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 19. INTANGIBLE FIXED ASSETS

	Rights and other intangible fixed assets (*)	Total
<b>Cost</b>		
Opening balance, 1 January 2009	373.219	373.219
Additions	118.387	118.387
<b>Closing balance, 31 December 2009</b>	<b>491.606</b>	<b>491.606</b>
<b>Accumulated depreciation</b>		
Opening balance, 1 January 2009	73.257	73.257
Charge for the period	32.383	32.383
<b>Closing balance, 31 December 2009</b>	<b>105.640</b>	<b>105.640</b>
<b>Carrying value as of 31 December 2008</b>	<b>299.962</b>	<b>299.962</b>
<b>Carrying value as of 31 December 2009</b>	<b>385.966</b>	<b>385.966</b>

	Rights and other intangible fixed assets (*)	Total
<b>Cost</b>		
Opening balance, 1 January 2008	313.819	313.819
Additions	59.400	59.400
<b>Closing balance, 31 December 2008</b>	<b>373.219</b>	<b>373.219</b>
<b>Accumulated depreciation</b>		
Opening balance, 1 January 2008	52.161	52.161
Charge for the period	21.096	21.096
<b>Closing balance, 31 December 2008</b>	<b>73.257</b>	<b>73.257</b>
<b>Carrying value as of 31 December 2007</b>	<b>261.658</b>	<b>261.658</b>
<b>Carrying value as of 31 December 2008</b>	<b>299.962</b>	<b>299.962</b>

(\*) Expected useful lives for intangible fixed assets are 15 years.

#### 20. GOODWILL

None (31 December 2008: None).

#### 21. GOVERNMENT INCENTIVES AND GRANTS

None (31 December 2008: None).

#### 22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 December 2009	31 December 2008
BITT provision (*)	-	65.356
	-	<b>65.356</b>

(\*) Turkish Republic of Ministry of Finance Revenue Administration Department has initiated a review of Banking and Insurance Transactions Tax ("BITT") for accounting periods of 2003, 2004, 2005, 2006 and 2007 regarding entire securities investment trust sector.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

Companies in the sector, considering that their operations do not comprise of any BITT activities, did not calculate and pay any BITT for their operations between 2003 and 2007. Reports on investigations conducted for 31 December 2007 and prior periods are prepared on 11 April 2008 and submitted to the Yatırım Finansman Yatırım Ortaklığı, which is the Company's prior period subsidiary, on 1 August 2008. In accordance with the investigation reports, principal amount of TL 259.689 tax penalty was imposed to the subsidiary and the subsidiary management has provided TL 259.689 provision in its financial statements following the assessment accordingly. On 28 November 2008, as a result of the negotiations with the Beşiktaş Tax Office Reconciliation Commission, a settlement is reached upon the issues stating that tax penalties to be reset and 70% discount to be applied on the original principle tax amounts. In accordance with this settlement, on 25 December 2008, a total of TL 138.148 was paid to the tax office as the principal and interest amount. The Subsidiary changed its BITT provision as TL 65,356 as of 31 December 2008 for its transactions in 2008.

As explained in detail in Note 7, as of 31 December 2009, government bonds in the Company's portfolio amounting to TL 7.903.004 (31 December 2008: TL 7.167.004) in nominal value are kept in the blocked account of Settlement and Custody Bank ("Takasbank"), Istanbul Stock Exchange ("ISE") and T.R. Central Bank as collateral for equity share transaction limit and the capital blockage.

Treasury bills and government bonds, equity shares, Eurobonds and mutual funds that are kept in custody on behalf of customers are presented as below:

	31 December 2009	31 December 2008
Equity shares	205.053.249	189.941.894
Government bonds	287.347.887	282.717.684
Treasury bills	31.960.057	78.968.712
Mutual funds-units	5.184.843.692	782.565.999
Turkish Derivatives Exchange transactions short/long position (unit)	68	375
Foreign marketable securities	16.226.627	16.804.797

As of 31 December 2009 and 31 December 2008, letters of guarantee and promissory notes given by the Company are as follows:

	31 December 2009	31 December 2008
Letters of guarantee given to Capital Markets Board	901.776	901.776
Letters of guarantee given to Istanbul Stock Exchange	7.190.130	12.190.130
Letters of guarantee given to the Stock Exchange		
Money Market	123.000.000	20.000.000
Others	-	3.620
	<b>131.091.906</b>	<b>33.095.526</b>

The Company operating in Turkey with activities in securities brokerage and portfolio management maintain their capitals in compliance with the Capital Markets Board Communiqué Serial: V, No: 34 "Principles of Capital and Capital Adequacy of Brokerage Houses" ("Communiqué Serial: V, No: 34").

### 23. COMMITMENTS

None (31 December 2008: None).

### 24. PROVISIONS RELATED TO EMPLOYEE BENEFITS

	31 December 2009	31 December 2008
Unused vacation accrual	467.800	353.220
	<b>467.800</b>	<b>353.220</b>

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Provision for Employee Termination Benefits

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

The applicable retirement pay provision ceiling as of 31 December 2009 is TL 2.365,16 for the calculation of employment termination benefits (31 December 2008: TL 2.173,19).

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

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2009, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provision at the balance sheet date have been calculated assuming an annual inflation rate of 4,80% (31 December 2008: 5,40%) and a discount rate of 11,00% (31 December 2008: 12,00%), resulting in a real discount rate of approximately 5,92% (31 December 2008: 6,26%). The anticipated rate of forfeitures is also considered. The retirement pay provision ceiling is revised semi-annually, and TL 2.427,04, which is effective from 1 January 2010, is taken into consideration in the calculation of provision for employment termination benefits (The retirement pay provision ceiling effective from 1 January 2009 amounts to TL 2.260,05).

	2009	2008
Opening balance, 1 January	845.351	711.961
The effect of business combination under common control	(27.637)	-
Service cost	203.899	252.378
Interest cost	51.204	40.795
Retirement payments made	(110.452)	(148.187)
Actuarial gain/loss	-	(11.596)
<b>Closing balance, 31 December</b>	<b>962.365</b>	<b>845.351</b>

#### 25. RETIREMENT BENEFITS

None (31 December 2008: None).

#### 26. OTHER ASSETS AND LIABILITIES

Other current assets	31 December 2009	31 December 2008
Prepaid expenses	164.529	67.408
Other (*)	3.539.932	3.218.632
	<b>3.704.461</b>	<b>3.286.040</b>

(\*) Consists of the Company's placements made on behalf of its customers which are also presented in the payables to customers on their investments in foreign currencies account under trade payables in the accompanying financial statements.

Other current liabilities	31 December 2009	31 December 2008
Expense accruals	164.782	27.659
	<b>164.782</b>	<b>27.659</b>

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 27. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

##### Capital/Treasury share adjustment

The capital structure of the Company as of 31 December 2009 and 31 December 2008 are as follows:

Shareholders	Share (%)	31 December 2009	Share (%)	31 December 2008
T. Sınai Kalkınma Bankası A.Ş.	95,78	36.875.736	95,78	36.875.736
TSKB Gayrimenkul Değerleme A.Ş.	1,85	713.663	1,85	713.663
Şekerbank T.A.Ş.	0,60	231.967	0,60	231.967
T. Garanti Bankası A.Ş.	0,77	296.658	0,77	296.658
Yapı Kredi Bankası A.Ş.	0,11	44.081	0,11	44.081
Arap Türk Bankası A.Ş.	0,09	34.539	0,09	34.539
Anadolu Hayat Emeklilik A.Ş.	0,68	260.020	0,68	260.020
İş Factoring Finansman Hizmetleri A.Ş.	0,06	21.668	0,06	21.668
İş Yatırım Menkul Değerler A.Ş.	0,06	21.668	0,06	21.668
	<b>100,00</b>	<b>38.500.000</b>	<b>100,00</b>	<b>38.500.000</b>

The Company's capital consists of 3.850.000.000 shares of each having a nominal value of Turkish Cent (Kr) 1. 1.099.203.854 shares are classified as Group A shares, 604.557.108 shares are classified as Group B shares, 549.585.439 shares are classified as Group C shares, 505.627.838 shares are classified as Group D shares, 538.670.302 shares are classified as Group E shares and 552.355.459 shares are classified as Group F shares. Two members of the Board of Directors are selected from Group A shareholders' nominees, one is selected from Group B shareholders' nominees, one is selected from Group C shareholders' nominees, one is selected from Group D shareholders' nominees, and two members are selected from Group E shareholders' nominees.

As of 31 December 2009, the Company does not have any preferred shares. (31 December 2008: None).

##### Valuation Funds

	31 December 2009	31 December 2008
Valuation fund on financial assets	1.423.940	851.532
	<b>1.423.940</b>	<b>851.532</b>

Valuation fund on financial assets arises from the measurement of available-for-sale financial assets at their fair value. In case of disposal of assets carried at fair value, the cumulative gain or loss related to that assets previously recognized in equity is included in the profit or loss for the period. Gains and losses arising from changes in fair value are recognized directly in equity, until the asset is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period.

##### Restricted Reserves Appropriated from Profits

	31 December 2009	31 December 2008
Legal reserves	1.054.125	1.009.041
Gains on sale of properties and equity participations to be transferred to capital	804	804
	<b>1.054.929</b>	<b>1.009.845</b>

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code, are not distributable to shareholders. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.



# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Retained Earnings/Accumulated Losses

Extraordinary reserves included in the retained earnings on the financial statements of the Company as of 31 December 2009 is TL 3.836.904 (31 December 2008: TL 2.714.743)

As a result of the merger of the Company's prior period subsidiary Yatırım Finansman Yatırım Ortaklığı A.Ş., with TSKB Yatırım Ortaklığı A.Ş., the loss realized because of the business combination under common control amounting to TL 1.066.477 have been presented in the retained earnings.

#### 28. SALES REVENUE AND COST OF SALES

##### Sales

	1 January- 31 December 2009	1 January- 31 December 2008
<b>Sales revenue</b>		
Sales of equity shares and temporary share certifications	103.993.118	517.396
Sales of private sector bonds	8.509.385	21.823.627
Sales of Government bonds	443.617.354	1.159.186.219
Sales of Treasury bills	40.108.361	127.471.918
Sales of foreign marketable securities	4.162.510	25.288.728
Sales of mutual funds	1.280.193.200	787.910.747
	<b>1.880.583.928</b>	<b>2.122.198.635</b>
<b>Service income</b>		
Commission income on trading of equity shares	9.611.939	5.789.459
Commission income on trading of government bonds	407.911	516.881
Commission income on trading of derivative transactions	3.900.915	2.389.572
Commission income on trading of repurchase agreements and reverse repurchase agreements	168.946	253.128
Commission income on public offerings	69	8.748
Commission income on trading of mutual funds	3.855.185	3.345.216
Portfolio management fees	131.016	182.311
Agency commissions	246.759	196.107
Mutual fund intermediary commissions	268.159	2.350
Lending commissions	122.261	3.426
Other commissions and revenues	6.533	4.490
	<b>18.719.693</b>	<b>12.691.688</b>
<b>Deductions from service income</b>		
Commission reimbursements to customers	(384.927)	(337.808)
	<b>(384.927)</b>	<b>(337.808)</b>
<b>Other operating income</b>		
Interest income from customers	1.909.901	1.888.110
	<b>1.909.901</b>	<b>1.888.110</b>
<b>Sales</b>	<b>1.900.828.595</b>	<b>2.136.440.625</b>
<b>Cost of Sales</b>		
Purchases of equity shares and temporary share certifications	(103.844.832)	(780.266)
Purchases of private sector bonds	(8.506.328)	(21.807.094)
Purchases of Government bonds	(443.447.049)	(1.158.284.201)
Purchases of Treasury bills	(40.072.043)	(127.436.826)
Purchase of foreign currency bonds	(4.152.839)	(24.986.722)
Purchase of mutual funds	(1.280.181.386)	(787.923.904)
	<b>(1.880.204.477)</b>	<b>(2.121.219.013)</b>

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 29. RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	1 January- 31 December 2009	1 January- 31 December 2008
Marketing, sales and distribution expenses (-)	(1.987.442)	(979.361)
General administrative expenses (-)	(17.650.617)	(16.643.805)
	<b>(19.638.059)</b>	<b>(17.623.166)</b>
<b>Marketing, sales and distribution expenses (-)</b>		
Advertising and marketing	(179.649)	(131.102)
Stock Exchange fees and contributions	(1.252.342)	(338.290)
Banking and Insurance Transactions Tax Paid	(550.649)	(502.842)
Advertising-promotions expenses	-	(210)
Official announcement expenses	(142)	(4.661)
Other	(4.660)	(2.256)
	<b>(1.987.442)</b>	<b>(979.361)</b>
<b>General administrative expenses (-)</b>		
Personnel expenses	(9.095.726)	(8.687.225)
Operating expenses	(6.003.658)	(5.438.277)
Depreciation and amortization charges	(474.835)	(502.922)
Personnel social benefit expenses	(741.480)	(718.978)
Administrative expenses	(463.800)	(453.150)
Taxes and dues	(356.371)	(331.234)
Other general administrative expenses	(514.747)	(512.019)
	<b>(17.650.617)</b>	<b>(16.643.805)</b>
<b>Total general administrative expenses</b>	<b>(19.638.059)</b>	<b>(17.623.166)</b>

#### 30. EXPENSES BY NATURE

	1 January- 31 December 2009	1 January- 31 December 2008
Personnel expenses	(9.552.719)	(9.133.130)
Depreciation and amortization charges	(474.835)	(502.922)
Rent expenses (*)	(1.416.855)	(1.263.381)
Outsourcing expenses (data broadcasting)(*)	(1.097.838)	(885.664)
Marketing, sales and distribution expenses	(1.987.300)	(974.490)
Transportation expenses (*)	(284.487)	(273.073)
Administrative expenses	(463.800)	(453.150)
Operating expenses(*)	(2.979.939)	(2.776.427)
Communication expenses (*)	(509.026)	(512.805)
Publication and advertisement expenses	(142)	(4.871)
Taxes and dues	(356.371)	(331.234)
Other general administrative expenses	(514.747)	(512.019)
	<b>(19.638.059)</b>	<b>(17.623.166)</b>

(\*) These expenses are stated as operating expenses in Note 29.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 31. OTHER OPERATING INCOME/(EXPENSES)

	1 January- 31 December 2009	1 January- 31 December 2008
<b>Other operating income</b>		
Annual transaction charges	75.550	383.113
Gain on research activities conducted for foreign customers	-	67.998
Takasbank custody commissions recharged to customers	197.182	166.942
Money order commissions recharged to customers	19.585	21.004
Delivery expenses recharged to customers	50.694	31.117
Other income	19.414	31.656
	<b>362.425</b>	<b>701.830</b>
<b>Other operating expenses</b>		
Other (*)	-	(542.873)
	-	<b>(542.873)</b>

(\*) The "Other" item in other operating expenses incurred in prior year reflects the loss of the Company amounting to TL 541.992 as a result of the bankruptcy filing of one of its customers' Lehman Brothers International Europe's- parent company Lehman Brothers Holding Company. On 15 September 2008, Lehman Brothers Holding Company filed for bankruptcy following the Company's fulfillment of its buying-selling orders on 12 September 2008, and on 16 September 2008, the settlement day of these transactions, the settlement of these transactions could not be realised. Consequently, the Company had obligations to settle cash from purchase transactions and stock from sales transactions in its customer accounts. Due to the non-performance of settlement obligations by the customer, the Company made sales at the falling market prices on the same day in order to recover its cash and made purchases in order to recover its stock obligations. As a result of these transactions, a legal action has been initiated for the loss of TL 541.992 which was incurred in the customer account and a provision has been made for this loss and recognized under other operating expenses. The respective legal process is ongoing as of the balance sheet date.

#### 32. FINANCE INCOME

	1 January- 31 December 2009	1 January- 31 December 2008
Interest Income:		
Domestic government bonds	2.262.721	1.465.741
Deposits	4.984.039	4.946.911
Stock Exchange Money Market	2.203	11.593
Derivatives exchange market transactions	46.423	73.423
Income accruals on financial assets at fair value through profit or loss	53.821	-
Dividend income	1.012.659	475.819
Interest income on time deposits	746.023	281.289
Other	9.800	14.108
	<b>9.117.689</b>	<b>7.268.884</b>

#### 33. FINANCE EXPENSES

	1 January- 31 December 2009	1 January- 31 December 2008
Interest expenses on bank loans	(683.260)	(580.592)
Interest expenses on Stock Exchange Money Market	(2.256.098)	(1.262.932)
Commissions paid for letters of guarantee	(182.879)	(134.416)
Foreign currency gains/(losses) (net)	1.266	(1.163.303)
Expense accruals on financial assets at fair value through profit or loss	-	(224.956)
Derivatives Exchange transaction losses	(8.502)	(9.461)
	<b>(3.129.473)</b>	<b>(3.375.660)</b>

## Yatırım Finansman Menkul Değerler A.Ş.

### Notes to the Financial Statements

#### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 34. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Yatırım Finansman Yatırım Ortaklığı A.Ş. has lost its status of being a subsidiary as a result of the merger with TSKB Yatırım Ortaklığı A.Ş. through the entire transfer of Yatırım Finansman Yatırım Ortaklığı A.Ş.'s (the Company's subsidiary) assets and liabilities and it is recognized at fair value under the available for sale financial assets. The details of the business combination is presented below:

<b>Net book value of assets sold</b>	<b>25 June 2009</b>	
<b>Current Assets</b>		
Cash and cash equivalents		10.208
Financial investments		12.689.254
<b>Current Liabilities</b>		
Trade payables and other payables		(6.355)
<b>The net assets disposed of</b>		<b>12.693.107</b>
Minority interest		(10.357.575)
The effect of business combinations under common control		(1.154.383)
		<b>1.181.149</b>
<b>Cost of Sale</b>		
Fair value of shares changed in kind		1.181.149
<b>Total cost of sale</b>		<b>1.181.149</b>
<b>Net cash outflow arising from the sale</b>		
Paid in cash and cash equivalents		-
Less: Cash and cash equivalents disposed of		(10.208)
		<b>(10.208)</b>
<b>Profit for the period from discontinued operations</b>	<b>25 June 2009</b>	<b>31 December 2008</b>
Revenue	24.772.556	56.348.227
Other revenues	1.936	-
	<b>24.774.492</b>	<b>56.348.227</b>
Expenses	(22.729.434)	(60.059.917)
Profit before tax	2.045.058	(3.711.690)
Tax	-	-
<b>Net profit for the period from discontinued operations</b>	<b>2.045.058</b>	<b>(3.711.690)</b>

## Yatırım Finansman Menkul Değerler A.Ş.

### Notes to the Financial Statements

#### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 35. TAX ASSETS AND LIABILITIES (DEFERRED TAX ASSETS AND LIABILITIES ARE INCLUDED)

<b>Current tax payable</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
Current tax liability	1.323.953	492.842
Less: Advance taxes	(1.039.747)	(350.509)
	<b>284.206</b>	<b>142.333</b>

<b>Tax charge in the statement of income</b>	<b>1 January- 31 December 2009</b>	<b>1 January- 31 December 2008</b>
Current tax liability	1.323.953	492.842
Deferred tax (benefit)/charge	(44.988)	(240.198)
	<b>1.278.965</b>	<b>252.644</b>

#### Corporate Tax

The Company is subject to Turkish corporate taxes. Provision is provided for the estimated corporate tax charge based on the Company's operating results of the current period in the accompanying financial statements.

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

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

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate was 20% for 2008 (2008: 20%). Losses can be carried forward for offset against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods.

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

#### Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. As of 22 July 2006, this rate is changed as 15% in accordance with the Council of Ministers' decree No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

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

#### Deferred Tax:

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

20% of tax is applied in the calculation of deferred tax asset and liabilities (2008: 20%).

## Yatırım Finansman Menkul Değerler A.Ş.

### Notes to the Financial Statements

#### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

The components of deferred tax and corporate tax are as follows:

<b>Deferred tax (assets)/liabilities</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
Useful life differences on tangible and intangible fixed assets	(46.930)	(57.211)
Retirement pay provision	(192.473)	(163.543)
Financial assets at fair value through profit or loss	(50.246)	(47.536)
Unused vacation accrual	(93.560)	(69.932)
Financial assets available for sale	14.309	3.577
Provision for doubtful receivables	(108.575)	(108.575)
	<b>(477.475)</b>	<b>(443.220)</b>

<b>Movement of deferred tax (assets)/liabilities</b>	<b>2009</b>	<b>2008</b>
Opening balance, 1 January	(443.220)	(206.599)
Deferred tax benefit recognized in the statement of income	(44.988)	(240.198)
Deferred tax offset from valuation fund on financial assets recognised under equity	10.733	3.577
<b>Closing balance, 31 December</b>	<b>(477.475)</b>	<b>(443.220)</b>

Tax reconciliation for the year is as follows:

<b>Reconciliation of tax provision</b>	<b>1 January- 31 December 2009</b>	<b>1 January- 31 December 2008</b>
Profit/(loss) before tax	9.381.758	(2.061.063)
Tax calculated: (20%)	(1.876.352)	412.213
Effects of undeductible expenses	(14.156)	(17.682)
Exemptions	202.531	95.163
Deferred tax effect of subsidiary that is not subject to corporate tax	409.012	(742.338)
	<b>(1.278.965)</b>	<b>(252.644)</b>

### 36. EARNINGS PER SHARE

According to IAS 33 "Earnings per Share", companies whose shares are not publicly traded are not required to disclose earnings per share in their financial statements. Since the Company is not quoted on the Stock Exchange Market, earnings per share calculation is not provided in the accompanying financial statements.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### 37. RELATED PARTY TRANSACTIONS

Due from related parties	31 December 2009	31 December 2008
Receivables from Yatırım Finansman Investment Funds	345.965	279.907
Receivables from TSKB Investment Funds	63.462	-
	<b>409.427</b>	<b>279.907</b>

Related party expense transactions for the year ended 31 December 2009 and 2008 are stated below:

Related party service expenses	2009	2008
Türkiye Sınai ve Kalkınma Bankası A.Ş. (Letters of guarantee commissions)	2.000	1.000
Türkiye Sınai ve Kalkınma Bankası A.Ş. (interest on loans)	417.799	-

Related party service income transactions for the years ended 31 December 2009 and 31 December 2008 are stated below:

	2009	2008
Türkiye Sınai ve Kalkınma Bankası A.Ş. (*)	510.971	196.107
Yatırım Finansman Investment Funds(**)	3.855.185	3.345.216
	<b>4.366.156</b>	<b>3.541.323</b>

(\*) Consists of agency and mutual fund commissions.

(\*\*) Consists of mutual fund commissions.

Compensation of key management personnel for the year ended 31 December 2009 and 31 December 2008 are as follows:

	2009	2008
Salaries and other short-term benefits	1.544.620	1.409.902
Unused vacation accrual	23.667	21.576
Post retirement benefits	15.804	12.517
	<b>1.584.091</b>	<b>1.443.995</b>

Key management personnel consist of 14 people; members of Board of Directors (7), members of audit committee (3), assistant general manager (3) and the general manager.

#### 38. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

##### Capital risk management and capital adequacy requirements

The Company defines and manages its capital in accordance with The Capital Markets Board ("CMB") Communiqué Serial: V, No: 34 "Communiqué on Principles Regarding Capital and Capital Adequacy of Brokerage Companies" ("Communiqué Serial: V, No: 34"). Brokerage companies have to increase their initial capital in the following rates for each capital market activity. In this respect the minimum capital requirement for the Company is TL 2.006.000 (31 December 2008: TL 1.959.000).

- For intermediation in public offering, 50% of the initial capital amount required for intermediation in trading,
- For the sale and purchase of securities through repurchase and reverse repurchase agreements, 50% of the initial capital amount shall be required for intermediation in secondary trading,
- For portfolio management activity, 40% of the initial capital amount shall be required for intermediation in secondary trading,
- For investment advisory activity, 10% of the initial capital amount shall be required for intermediation in secondary trading,

According to Article 8 of the Communiqué Serial: V, No: 34, capital adequacy base of brokerage companies shall not be less than any of the following items; minimum initial capital corresponding to the certificates of authorization they have, risk provisions and operating expenses of the last three months prior to the balance sheet date.

The Company complied with its capital adequacy requirements as of 31 December 2009 and 31 December 2008.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the uncertainty of financial markets and seeks to minimize the potential negative effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by central Risk Management Department, under policies approved by the Board of Directors. The Board sets out written principles for overall risk management, as well as written policies covering specific areas, such as; foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Evaluation, analysis, monitoring and reporting of these risks are performed by risk management as well. Risk Management Department determines and defines the risk policies regarding operational, credit and market risks. The Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

#### Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations. Such risk is managed through ratings and limitations on credit lines to specific persons. Credit risk is also managed by obtaining listed equity shares as collaterals from customers. The Company's credit risk is mainly in Turkey.

#### Interest rate risk management

Interest rate risk represents the risk of fair value decrease in the Company's interest rate sensitive assets due to market fluctuations. The Company's exposure to interest rate risk sensitivity depends on the mismatch among maturities of interest rate sensitive assets and liabilities. The risk is managed by the Company by matching the assets sensitive to interest rate risk with the same type of liabilities.

As of 31 December 2009 and 31 December 2008, if the interest rate increases/decreases by 1 % and all other variables were held constant, the Company's net profit (before tax) would be as below:

	31 December 2009		31 December 2008	
	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
<b>Financial assets at fair value through profit or loss</b>				
Treasury bills, government bonds	(22.914)	21.376	(27.820)	28.334
Foreign currency bonds	(18)	20	(135)	136
<b>Total</b>	<b>(22.932)</b>	<b>21.396</b>	<b>(27.955)</b>	<b>28.470</b>
<b>Available for sale financial assets</b>				
Foreign marketable securities (*)	(42.248)	46.085	(41.959)	45.854
<b>Total</b>	<b>(42.248)</b>	<b>46.085</b>	<b>(41.959)</b>	<b>45.854</b>
<b>Held-to-maturity investments</b>				
Government bonds (short term)	276	(276)	359	(359)
Government bonds (long term)	953	(953)	1.666	(1.666)
Private sector bonds (short term)	69	(69)	140	(140)
<b>Total</b>	<b>1.298</b>	<b>(1.298)</b>	<b>2.165</b>	<b>(2.165)</b>

(\*) The related amount has no effect on the Company's net profit for the period; however, it has an effect over the equity and value increase/decrease fund.



# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Market risk management

If the Istanbul Stock Exchange Index were increased/decreased by 20% with the assumption of keeping all other variables constant, the effect on net profit of the Company for the period ended as at 31 December 2009 and 31 December 2008 would be as follows:

	31 December 2009		31 December 2008	
	20% increase	20% decrease	20% increase	20% decrease
<b>Financial assets at fair value through profit/loss</b>				
Equity shares	408.484	(408.484)	746.999	(746.999)
	<b>408.484</b>	<b>(408.484)</b>	<b>746.999</b>	<b>(746.999)</b>

As of 31 December 2009 and 31 December 2008, if the market prices of available for sale financial assets decreases/increases by 20% and all other variables are kept constant, the Company's valuation funds (before taxation) under equity would be as follows:

	31 December 2009		31 December 2008	
	20% increase	20% decrease	20% increase	20% decrease
Available for sale financial assets	1.258.814	(1.258.814)	916.688	(916.688)
	<b>1.258.814</b>	<b>(1.258.814)</b>	<b>916.688</b>	<b>(916.688)</b>

#### Liquidity risk management

Liquidity risk is the Company's default in meeting its net funding liabilities. Events causing a decrease in funding resources such as market deteriorations or decrease in credit ratings are major reasons of liquidity risk. The Company manages its liquidity risk by allocating its resources to obtain adequate reserves for recovering its current and potential liabilities.

The Company has TL 278.693.684 and TL 70.456.215 financial liabilities as of 31 December 2009 and 31 December 2008, respectively.

Maturity analysis of assets and liabilities are as follows;

	31 December 2009						Undistributed	Total
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years			
Cash and cash equivalents	77.329.347	124.231.937	-	-	-	-	201.561.284	
Financial assets	575.510	651.284	4.611.186	982.897	528.094	12.345.163	19.694.134	
Trade receivables	99.589.019	-	-	-	-	-	99.589.019	
Other receivables	116.317	-	-	-	-	-	116.317	
Other current assets	3.539.932	164.529	-	-	-	-	3.704.461	
Financial assets (long term)	-	-	-	5.415.006	-	-	5.415.006	
Tangible fixed assets	-	-	-	-	-	1.267.369	1.267.369	
Intangible fixed assets	-	-	-	-	-	385.966	385.966	
Deferred tax assets	-	-	-	-	-	477.475	477.475	
<b>Total assets</b>	<b>181.150.125</b>	<b>125.047.750</b>	<b>4.611.186</b>	<b>6.397.903</b>	<b>528.094</b>	<b>14.475.973</b>	<b>332.211.031</b>	
Financial liabilities	92.606.578	-	-	-	-	-	92.606.578	
Trade payables	186.087.106	-	-	-	-	-	186.087.106	
Other payables	1.219.216	-	-	-	-	-	1.219.216	
Current tax payable	-	284.206	-	-	-	-	284.206	
Provisions related to employee benefits	-	-	-	-	-	1.430.165	1.430.165	
Other current liabilities	-	-	-	-	-	164.782	164.782	
Other non-current liabilities	-	-	-	-	-	3	3	
<b>Total liabilities</b>	<b>279.912.900</b>	<b>284.206</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.594.950</b>	<b>281.792.056</b>	
<b>Liquidity surplus/(deficit)</b>	<b>(98.762.775)</b>	<b>124.763.543</b>	<b>4.611.186</b>	<b>6.397.903</b>	<b>528.094</b>	<b>12.881.023</b>	<b>50.418.975</b>	

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

31 December 2008							
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undistributed	Total
Cash and cash equivalents	36.900.225	15.454.205	-	-	-	-	52.354.430
Financial assets	9.073.320	3.537.750	6.858.285	969.546	490.521	4.150.630	25.080.052
Trade receivables	38.406.921	-	-	-	-	-	38.406.921
Other receivables	124.356	-	-	-	-	-	124.356
Other current assets	3.218.632	67.408	-	-	-	-	3.286.040
Financial assets (long term)	-	-	-	5.900.109	-	-	5.900.109
Tangible fixed assets	-	-	-	-	-	1.084.493	1.084.493
Intangible fixed assets	-	-	-	-	-	299.962	299.962
Deferred tax assets	-	-	-	-	-	443.220	443.220
<b>Total assets</b>	<b>87.723.454</b>	<b>19.059.363</b>	<b>6.858.285</b>	<b>6.869.655</b>	<b>490.521</b>	<b>5.978.305</b>	<b>126.979.583</b>
Financial liabilities	18.073.852	-	-	-	-	-	18.073.852
Trade payables	52.382.363	-	-	-	-	-	52.382.363
Other payables	1.833.713	-	-	-	-	-	1.833.713
Debt provisions	-	65.356	-	-	-	-	65.356
Current tax payable	-	142.333	-	-	-	-	142.333
Provisions related to employee benefits	-	-	-	-	-	1.198.571	1.198.571
Other current liabilities	-	-	-	-	-	27.659	27.659
Other non-current liabilities	-	-	-	-	-	4	4
<b>Total liabilities</b>	<b>72.289.928</b>	<b>207.689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.226.234</b>	<b>73.723.851</b>
<b>Liquidity surplus/(deficit)</b>	<b>15.433.526</b>	<b>18.851.674</b>	<b>6.858.285</b>	<b>6.869.655</b>	<b>490.521</b>	<b>4.752.071</b>	<b>53.255.732</b>

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Company can be required to pay. Interest payables on these liabilities are included in the table below.

31 December 2009							
	Carrying Value	Total contractual cash outflow (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Total
Financial liabilities	92.606.578	92.606.578	92.606.578	-	-	-	92.606.578
Trade payables	186.087.106	186.087.106	186.087.106	-	-	-	186.087.106
	<b>278.693.684</b>	<b>278.693.684</b>	<b>278.693.684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278.693.684</b>

31 December 2008							
	Carrying Value	Total contractual cash outflow (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Total
Financial liabilities	18.073.852	18.073.852	18.073.852	-	-	-	18.073.852
Trade payables	52.382.363	52.382.363	52.382.363	-	-	-	52.382.363
	<b>70.456.215</b>	<b>70.456.215</b>	<b>70.456.215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70.456.215</b>

As the expected maturities are not different from the contractual maturities, no additional table is presented.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Foreign currency risk management

Foreign currency risk is the risk of volatility in the foreign currency denominated monetary assets, monetary liabilities and off-balance sheet liabilities due to changes in currency exchange rates. The breakdown of the Company's foreign currency denominated monetary assets and monetary liabilities as of 31 December 2009 and 31 December 2008 is as follows:

31 December 2009				
	USD	Euro	GBP	Total TL Equivalent
Cash and cash equivalents	61.647	12.092	100	119.185
Marketable securities	592.825	-	-	892.617
Other current assets	1.270.266	753.188	76	3.539.932
Trade payables	(1.270.266)	(753.188)	(76)	(3.539.932)
<b>Net foreign currency position</b>	<b>654.472</b>	<b>12.092</b>	<b>100</b>	<b>1.011.802</b>

31 December 2008				
	USD	Euro		Total TL Equivalent
Cash and cash equivalents	5.291.352	9.616		8.022.698
Marketable Securities	558.924	-		845.261
Other current assets	1.864.515	186.344		3.218.632
Financial liabilities	(5.282.952)	-		(7.989.408)
Trade payables	(1.864.515)	(186.344)		(3.218.632)
<b>Net foreign currency position</b>	<b>567.324</b>	<b>9.616</b>		<b>878.551</b>

Based on the net foreign currency positions of balance sheets as of 31 December 2009 and 2008, if the value the Turkish Lira would increase or decrease by 10% against other hard currencies assuming each other variables remained constant, the Company's net profit would change as follows:

	31 December 2009		31 December 2008	
	10% increase	10% decrease	10% increase	10% decrease
Cash and cash equivalents	11.919	(11.919)	802.270	(802.270)
Financial assets	89.262	(89.262)	84.526	(84.526)
Other current assets	353.993	(353.993)	321.863	(321.863)
Financial liabilities	-	-	(798.941)	798.941
Trade payables	(353.993)	353.993	(321.863)	321.863
	<b>101.181</b>	<b>(101.181)</b>	<b>87.855</b>	<b>(87.855)</b>

## 39. FINANCIAL INSTRUMENTS

Categories of Financial Instruments	31 December 2009	31 December 2008
Financial assets		
Cash and cash equivalents	201.561.284	52.354.430
Financial assets (short-term)	19.694.134	25.080.052
Financial assets at fair value through profit or loss	6.088.969	16.217.822
Available for sale financial assets	10.443.556	8.248.532
Held to maturity financial assets	3.161.609	613.698
Financial assets (long-term)	5.415.006	5.900.109
Held to maturity financial assets	5.415.006	5.900.109
Trade receivables	99.589.019	38.406.921
Financial liabilities		
Trade payables (net)	186.087.106	52.382.363
Financial liabilities	92.606.578	18.073.852

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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 develop the estimated fair value. Accordingly, the estimates presented herein may not necessarily be indicative of the amounts the Company could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value:

#### Financial Assets

Carrying amounts of financial assets measured at amortized cost including cash and cash equivalents and other financial assets approximate their fair values due to their short-term nature and the assumption of immaterial potential losses in exchange of these assets.

Market prices are used in determination of fair values of government bonds, treasury bills and equity shares.

Fair value level of the financial assets are as follows:

	31 December 2009	Level 1	Level 2	Level 3
Cash and cash equivalents	201.561.284	-	-	201.561.284
Trade receivables	99.589.019	-	-	99.589.019
Financial assets at fair value through profit or loss	6.088.969	6.088.969	-	-
Debt securities	4.046.549	4.046.549	-	-
Equity shares traded on stock exchange	2.042.420	2.042.420	-	-
Available for sale financial assets	10.443.556	2.569.224	-	7.874.332
Debt securities	858.595	858.595	-	-
Equity shares	9.584.961	1.710.629	-	7.874.332
Held to maturity financial assets	3.161.609	-	-	3.161.609
Debt securities	3.161.609	-	-	3.161.609
<b>Total</b>	<b>320.844.437</b>	<b>8.658.193</b>	<b>-</b>	<b>312.186.244</b>

	31 December 2008	Level 1	Level 2	Level 3
Cash and cash equivalents	52.354.430	-	-	52.354.430
Trade receivables	38.406.921	-	-	38.406.921
Financial assets at fair value through profit or loss	16.217.822	16.217.822	-	-
Debt securities	12.427.947	12.427.947	-	-
Equity shares traded on stock exchange	3.789.875	3.789.875	-	-
Available for sale financial assets	8.248.532	815.200	-	7.433.332
Debt securities	815.200	815.200	-	-
Equity shares	7.433.332	-	-	7.433.332
Held to maturity financial assets	613.698	-	-	613.698
Debt securities	613.698	-	-	613.698
<b>Total</b>	<b>115.841.403</b>	<b>17.033.022</b>	<b>-</b>	<b>98.808.381</b>

The fair value of financial assets and liabilities which are disclosed in the table above divided into three levels. "Level 1" are the financial assets accounted for at fair values (quoted prices in an active market), "Level 2" are the financial assets carried at direct or indirect observable market prices and "Level 3" are the financial assets carried at discounted future cash flows.

# Yatırım Finansman Menkul Değerler A.Ş.

## Notes to the Financial Statements

### For the Year Ended 31 December 2009

(Amounts are expressed in Turkish Lira ["TL"] unless otherwise indicated)

#### Financial Liabilities

The carrying amount of monetary liabilities approximates their fair values due to their short-term nature.

Credit risks through types of financial instruments:

	Receivables					Cash and cash equivalents		Guarantees given for Turkish Derivatives Exchange Transactions
	Trade Receivables		Other Receivables		Financial Assets	Cash at Bank and Reverse Repos		
	Related Party	Other	Related Party	Other				
<b>31 December 2009</b>								
Maximum credit risk exposure as of report date (A+B+C+D+E) (*)	409.427	99.179.592	-	116.317	25.109.140	201.014.412	546.872	
A. Net book value of financial assets that are neither past due nor impaired	409.427	99.179.592	-	116.317	25.109.140	201.014.412	546.872	
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	
D. Net book value of the impaired assets	-	-	-	-	-	-	-	
-Impairment (-)	-	(542.873)	-	-	-	-	-	
-Collateralised portion of the net carrying value	-	542.873	-	-	-	-	-	
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	

(\*) The elements, such as collaterals received, that increase credibility are not included in the determination of the amount.

	Receivables					Cash and cash equivalents		Guarantees given for Turkish Derivatives Exchange Transactions
	Trade Receivables		Other Receivables		Financial Assets	Cash at bank and reverse repos		
	Related Party	Other	Related Party	Other				
<b>31 December 2009</b>								
Maximum credit risk exposure as of report date (A+B+C+D+E) (*)	279.907	38.127.014	-	124.356	30.980.161	51.838.076	516.354	
A. Net book value of financial assets that are neither past due nor impaired	279.907	38.127.014	-	124.356	30.980.161	51.838.076	516.354	
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	
D. Net book value of the impaired assets	-	-	-	-	-	-	-	
-Fair Value	-	542.873	-	-	-	-	-	
-Impairment (-)	-	(542.873)	-	-	-	-	-	
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	

(\*) The elements, such as collaterals received, that increase credibility are not included in the determination of the amount.

#### 40. SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE

None.

#### 41. OTHER ISSUES THAT HAS SIGNIFICANT EFFECT ON THE UNDERSTANDING AND INTERPRETING OF FINANCIAL STATEMENTS

None.

# Directory

## Headquartes

Nispetiye Cad. Akmerkez  
E-3 Blok Kat: 4 Etiler  
Istanbul/Turkey  
Tel: +90 (212) 317 69 00  
Fax: +90 (212) 282 15 50-51

## Head Office

Nispetiye Cad. Şehit Ahmet  
Acarkan Sok. No: 1 A-B Etiler  
Istanbul/Turkey  
Tel: +90 (212) 263 00 24  
Fax: +90 (212) 263 89 24

## Çiftelhavuzlar Branch

Bağdat Cad. Rıfat Bey Sok.  
Güngören Apt No: 269 D: 2 K: 1  
Caddebostan, Istanbul/Turkey  
Tel: +90 (216) 302 49 24  
Fax: +90 (216) 302 86 10

## Bakırköy Branch

İstanbul Cad No: 47 K: 4/5  
Bakırköy, Istanbul/Turkey  
Tel: +90 (212) 543 05 04  
Fax: +90 (212) 543 28 66

## Kozyatağı Branch

Atatürk Cad. Onur İş Merkezi No: 3  
Kozyatağı, Istanbul/Turkey  
Tel: +90 (216) 386 74 00  
Fax: +90 (216) 386 74 05

## Agent

(Türkiye Sınai Kalkınma Bankası A.Ş.)  
Meclisi Mebusan Cad. No: 161 34427  
Fındıklı, Istanbul/Turkey  
Tel: +90 (212) 334 51 30  
Fax: +90 (212) 243 29 75

## Kızılay Branch

Gazi Mustafa Kemal Bulvarı  
No: 8 Kat: 5/6 Kızılay  
Ankara/Turkey  
Tel: +90 (312) 417 30 46  
Fax: +90 (312) 417 30 52

## Izmir Branch

Cumhuriyet Bly. No: 99  
Kat: 3 Kordon  
Izmir/Turkey  
Tel: +90 (232) 441 80 72  
Fax: +90 (232) 441 80 94

## Bursa Branch

Atatürk Cad. İskender İş Merkezi  
No: 43 Kat: 5 Heykel  
Bursa/Turkey  
Tel: +90 (224) 224 47 47  
Fax: +90 (224) 225 61 25

## Adana Liasion Office

Cevat Yurdakul Cad.  
Sular Plaza No: 65 Kat: 2  
Adana/Turkey  
Tel: +90 (322) 458 77 55  
Fax: +90 (322) 458 84 83

## Antalya Liasion Office

İsmet Paşa Cad. Tunca İş Merkezi  
No: 3 Kat:1 Daire: 6  
07100 Antalya/Turkey  
Tel: +90 (242) 243 02 01  
Fax: +90 (242) 243 32 20

## Samsun Branch

Kale Mah. Atatürk Bulvarı  
Çenesizler Han No: 584  
55030 İlkadım  
Samsun/Turkey  
Tel: +90 (362) 431 46 71  
Fax: +90 (362) 431 46 70



