

2006

ANNUAL REPORT

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PIONEER

The main target of Finans Leasing is to add value through providing leasing products and services to its vast range of clientele from different segments of the economy.

Finans Leasing has built its servicing tenets upon proactive business approach, dynamism, speed and high-quality service.

THE MOST-ADMIRE

In the survey of Capital magazine, Finans Leasing was chosen as the most-admired company in the Turkish leasing industry.

MARKET VALUE UP BY 1,779% IN THE LAST DECADE

In another survey of Capital magazine, Finans Leasing was selected as the company with the highest opportunity share.

Ba1 STABLE

Finans Leasing was rated by Moody's with Ba1 (long-term senior unsecured foreign currency issuer rating)—the same level with Turkey's foreign rating.

VALUE-ADDING

COMPANY PROFILE

Established in 1990, Finans Leasing is one of the leading leasing service providers in Turkey. One of the first companies of the Turkish leasing industry, Finans Leasing is renown for its value-adding, efficient and solution-oriented products in the local market, and for its high-credibility in the international arena.

The main target of Finans Leasing is to add value through providing leasing products and services to its vast range of clientele from different segments of the economy.

Regarded as the leasing company in Turkey that is the most-admired and that has the highest opportunity share with its record-high growth in the last decade, Finans Leasing has built its servicing tenets upon proactive business approach, dynamism, speed and high-quality service. Through these, Finans Leasing easily meets its customers' changing demands at the most satisfactory levels possible.

Finans Leasing has developed an intense and highly-synergetic cooperation with its parent company, Finansbank. Finansbank's nationwide 309 branches make up an important service delivery channel of Finans Leasing.

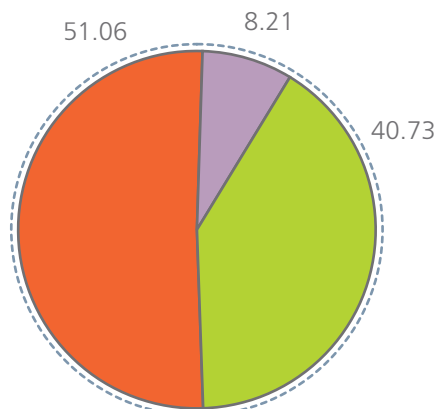
Having fulfilled 16 years in service in 2006, Finans Leasing ranks 3rd in the industry it operates with a total business turnover of USD 414.9 million representing a market share of 7.9%. Total assets of the Company reached YTL 678.9 million at year-end 2006.

The Company is a member of FİDER, the Association of Turkish Leasing Companies.

SHAREHOLDING STRUCTURE (%)

as of 31 December 2006

- Finansbank A.Ş.
- Finans Invest
- Traded in the ISE and Other



The year 2006 stands for a milestone for Finans Leasing. 46% shares of Finansbank, which is the main shareholder of Finans Leasing with 51% interest, are sold to the NBG Group, a very strong banking group in Southeastern Europe.

As a result of the public tender offer to minority shareholders from December 11 through December 25, NBG acquired 2.55% of the shares in the Company's share capital.



Finans Leasing's shares are listed and traded on the Istanbul Stock Exchange (ISE) under the ticker symbol FFKRL.

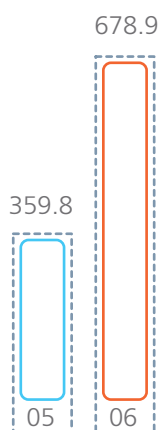
GROWING

KEY INDICATORS

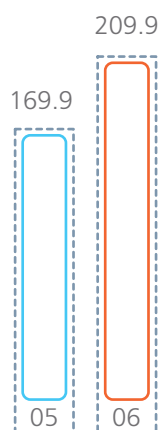
YTL MILLION	2005	2006
TOTAL ASSETS	359.8	678.9
TOTAL LIABILITIES	189.9	469.0
TOTAL SHAREHOLDERS' EQUITY	169.9	209.9
MINIMUM LEASE PAYMENT RECEIVABLE	311.1	583.3
NET PROFIT	41.7*	40.0
RETURN ON ASSETS	14%*	8%
RETURN ON EQUITY	33%*	24%
BUSINESS TURNOVER (USD MILLION)	305.6	414.9
NUMBER OF CONTRACTS	2,897	3,624
MARKET SHARE	7.2%	7.9%

* The 2005 net income figure included YTL 10.6 million extraordinary income from sale of associates, affiliates and a subsidiary which had a remarkably positive effect on ROE and ROA.

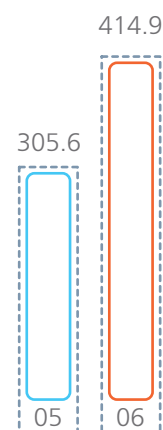
TOTAL ASSETS YTL MILLION



SHAREHOLDER'S EQUITY YTL MILLION



BUSINESS TURNOVER USD MILLION



STRONG

Finans Leasing's strategy

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

The foundations of Finans Leasing's strategy

Customer focus

- High product and service quality and innovation
- Unrivalled competency, experience, and skill

Focus on continuous technological innovation

- Technology that is the best, the fastest, and fully integrated with all business processes

Focus on human resources

- Continuous development of HR competencies

Focus on disciplined growth

- Sustainable and profitable balance sheet growth
- Superior asset quality

Focus on risk management and control

- Risk measurement at international standards
- Proactive risk control systems

Focus on corporate governance

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

Finans Leasing's principal competitive advantages

- Customer focus
- Superior technological infrastructure
- Strong delivery channel strategy
- Solid brand and reputation in leasing industry

- Sound capitalization and strong funding base
- Leading position and continuously increasing market shares in its business line
- Young, dynamic and highly-experienced team

HIGHLY-RATED

MOODY'S RATED FINANS LEASING

Category Moody's Rating	
Outlook	Stable
Issuer Rating	Ba1
Ult Parent: National Bank of Greece S.A.	
Outlook	Stable
Bank Deposits	A2/P-1
Bank Financial Strength	C
Parent: Finansbank A.Ş.	
Outlook	Stable
Bank Deposits -Foreign Currency	B1/-
Bank Deposits -Domestic Currency	A3/P-2
Bank Financial Strength	D+



Finans Leasing was rated by Moody's Investors Service with Ba1 (long-term senior unsecured foreign currency issuer rating). Finans Leasing's rating is at the same level with Turkey's sovereign rating assigned by Moody's for foreign currency loans. It is also the first credit rating that Moody's assigned to a leasing company in Turkey.

In the announcement made by Moody's, it is said that "Finans Leasing's Ba1 foreign currency issuer rating is supported by its good niche franchise in the small, but growing Turkish leasing sector. Finans Leasing has an important distribution advantage, as it has access to Finansbank's entire branch network in addition to its own network of 19

sales points, and benefits from synergies with its parent bank, as its products can be offered in conjunction with those of Finansbank A.Ş.

The rating further reflects Finans Leasing's adequate overall financial fundamentals, underscored by a relatively well-diversified client lease portfolio, exhibiting good sector and name diversification, as well as good lease portfolio quality for the Turkish operating environment. In addition, Finans Leasing's high equity levels provide significant downside cushion against adverse events. Recent equity participation sales have improved its free capital and will allow management to better focus on the Company's core leasing business."

FINANS LEASING: THE MOST-ADMIRED COMPANY IN ITS INDUSTRY

In the "Turkey's most-admired companies" survey which has been organized by Capital magazine for the last 6 years, Finans Leasing was chosen as the most-admired company in the Turkish leasing industry. Made with the participation of 1,350 mid-and senior level professionals from 546 companies, the survey defined the top-20 most-admired companies in overall and top-3 most-admired companies in 29 industries. In the survey that is based on such criteria as customer satisfaction and product-service quality, attitudes towards employees and focus on corporate social responsibility gain importance each passing day.

THE COMPANY WITH THE HIGHEST OPPORTUNITY SHARE

In the survey made by the Capital magazine that analyzed the players of the leasing industry according to the increase of their market values in the last decade, Finans Leasing was selected as the company with the highest opportunity share. The Company surpassed its competitors with an impressive growth rate of 1,779%—a figure well above the sectoral average of 442%.



A MESSAGE FROM MANAGEMENT



Ömer A. Aras
Chairman



A. Murat Alacakaptan
General Manager

Quality, respect, innovation and talent...

A solid promise to provide first-class service to our clients, sustainable returns to our shareholders and a superior workplace to our teammates. Our commitment is backed by our guiding principles: quality, respect, innovation and talent. Although Finans Leasing has grown and changed spectacularly in the 17 years we have been in existence; our guiding principles still serve as the base of our achievement.

2006 was an important turning point in Finans Leasing's corporate history. With the sale of a 46% stake in our biggest shareholder Finansbank to the NBG Group, there was also a change in our own partnership structure. Our new group's vision and market reputation are likely to open up new opportunities for our Company. In a related issue, since May 2005 foreign institutional investors have been showing great interest in our Company and have been buying shares from Finansbank. This new partnership structure and our Company's internal dynamics will further strengthen our vision while its ramifications will also contribute towards maintaining our position as one of the leading companies of our sector.

During 2006, Finans Leasing was chosen the most-admired company in its sector by Capital, a worldwide financial magazine, in its "most-admired" poll. This distinction strongly underscores Finans Leasing's customer and quality-focused approach to service. In another study published by the same magazine regarding the changes in companies market shares over the last decade and how they utilized opportunity share benefit, Finans Leasing's "opportunity share" took place with a growth of 1,779% during this period, fairly above the sector average. One of the most important factors in this opportunity share growth at Finans Leasing is the company's strong market perception and vision, which led it to spot the importance of small to medium-sized enterprises (SMEs) to its sector before any of its competitors did and to change its customer profile in favor of them, design specially-tailored solutions for their needs, and be the first company to pioneer this segment and tap its potential.

On account of their flexibility and innovative energy, medium-sized enterprises look set to become a major economic driving force in today's business world. In order to fulfill this role, they need to maintain sufficient levels of liquidity. Supplying this liquidity with suitable services is a task that demands our own expertise. One of the key factors in Finans Leasing's ability to deliver service to SMEs effectively and develop long-term partnerships with them is its extensive national representative office network. The representative office network that the Company began to build in 2003 with its pioneer's vision gained increasingly more momentum and in 2006 we authored another importance success by adding 12 points more to our service network. Today our Company has a substantial degree of geographical coverage as a leasing company thanks to its own 19 representative offices and to the 309 branches of Finansbank. This service competency supports our efforts to supply SMEs and microenterprises with ever more comprehensive financing concepts that will give them a competitive edge.

Making optimum use of technology in all its business processes and decision-making mechanisms, Finans Leasing transforms its ability to reach the customer into a more powerful and effective service platform. The credit scoring system that the Company uses gives it an important upper hand in the sector. The Company is also involved in a number of IT investments in which a new software is being prepared that will create a fully integrated service infrastructure.

Finans Leasing is also the first leasing company in Turkey to have been assigned a financial rating by Moody's Investors Service. In December 2006 Moody's increased our Company's Ba3 long-term senior unsecured foreign currency issuer rating to Ba1. This rating is further confirmation of Finans Leasing's strong financial structure, its high credibility in international markets, and its funding abilities.

Ever since it was founded, Finans Leasing has consistently ranked among the leaders of its sector in terms of profitability, high growth rates and business volume.

In 2006 Finans Leasing has grown faster than the leasing industry and wrote USD 414.9 million worth of business. According to figures for the year ending 31 December 2006, Finans Leasing's net income for the year was YTL 40 million while net leasing receivables amounted to YTL 583.3 million a year-on increase of 88% and total assets grew by 89% and reached YTL 678.9 million.

Finans Leasing has a well-structured portfolio in terms of its geographical and sectoral diversification. Regional concentration-except İstanbul, the economic heart of the country-is below 15% and on a sectoral basis the maximum concentration is 20%. Effective risk management and principle of serving as broad a customer base as possible are to important contributors to our ability to work with a high-quality portfolio. Finans Leasing has a low level of average contract value of about USD 114,500.

Although our operating and financial results are impressive, we prefer not to rest on our laurels. In 2007 we will continue to devote a considerable amount of time preparing ourselves for the future and keeping ahead of changes in the market for investment finance products. We are aware that traditional leasing products are increasingly being replaced with customized financing models and specialized solutions and we intend to lead the way forward with them.

In the period ahead our objectives will be to:

- remain among the top three firms in our sector,
- continue to grow by opening new representative offices and further expanding our service network,
- reach new customers through greater product and service diversification,
- keep our sectoral risk exposure levels low.

As we advance towards these objectives, our professionalism, our ability to reflect our knowledge and experience in our products and services, and our vision as a company will provide the energy that we need. We extend our sincerest thanks and appreciation to all our employees, customers, shareholders and stakeholders who have helped us take our successes to even higher levels.

Ömer A. ARAS A. Murat ALACAKAPTAN

BOARD OF DIRECTORS

Ömer A. Aras

Chairman (non-executive)

Yağmur Şatana

Vice Chairman (non-executive)

Mehmet Güleşçi

Member (non-executive)

Bekir Dildar

Member (non-executive)

A. Murat Alacakaptan

Member (executive) and General Manager

MANAGEMENT



A. Murat Alacakaptan

General Manager and Board Member

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



Semra Karsu
Assistant General Manager

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



Fatih Kızıltan
Group Manager

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



Emre Ödemiş
Group Manager

Born in 1975, Mr Ödemiş holds a BA in Business Administration from Middle East Technical University. Previously, he worked in the audit department of Ernst & Young between 1998 and 2003. Mr. Ödemiş joined Finans Leasing in October 2003, as Manager responsible from the Financial Control and Accounting Department and he was promoted as Group Manager in April 2005. He is responsible from the Financial Control and Accounting, Risk Control and Finance Departments together with the investor relations of Finans Leasing.



E. Esin Barutçu
Group Manager

Born in 1973, Ms. Barutçu holds a BA in Economics from İstanbul University. Ms. Barutçu started her business career in 1993 and worked in several positions in the leasing sector. After working for Aktif Leasing-Garanti Factoring for 5 years as a Marketing Manager, she joined Finans Leasing in 2002 as Marketing Manager responsible from İzmir, Bursa, Gaziantep and Adana representative offices. She became Group Manager in the Marketing Department in June 2004. In addition to her responsibilities in the Marketing Department, Ms. Barutçu is also responsible from IT & Projects and PR & Advertising Departments.



Oğuz Çaneri
Group Manager

Born in 1973, Mr. Çaneri holds a BA and an MBA in Industrial Engineering from Bilkent University. After working as an academician for one year in the same university, he started his business career in BNP Ak Dresdner Leasing and then worked for İktisat Leasing. Mr. Çaneri joined Finans Deniz Leasing in 2000 as an Assistant Marketing Manager. He was promoted as Manager in the Marketing Department in 2003 and as Group Manager in March 2006.



Neslihan Uluşık
Group Manager

Born in 1972, Mrs. Uluşık holds a BA in Political Sciences from İstanbul University. Mrs. Uluşık started her business career in 1995 in Yapı Kredi Bank, and then worked for Yapı Kredi Leasing between 1997 and 2004. She joined Finans Leasing in 2004 as Operation Manager. She was promoted as Operation Group Manager in March, 2007. She is responsible from Operation, Insurance, Asset Management and Call Center Departments.

SUSTAINABLE

THE TURKISH ECONOMY

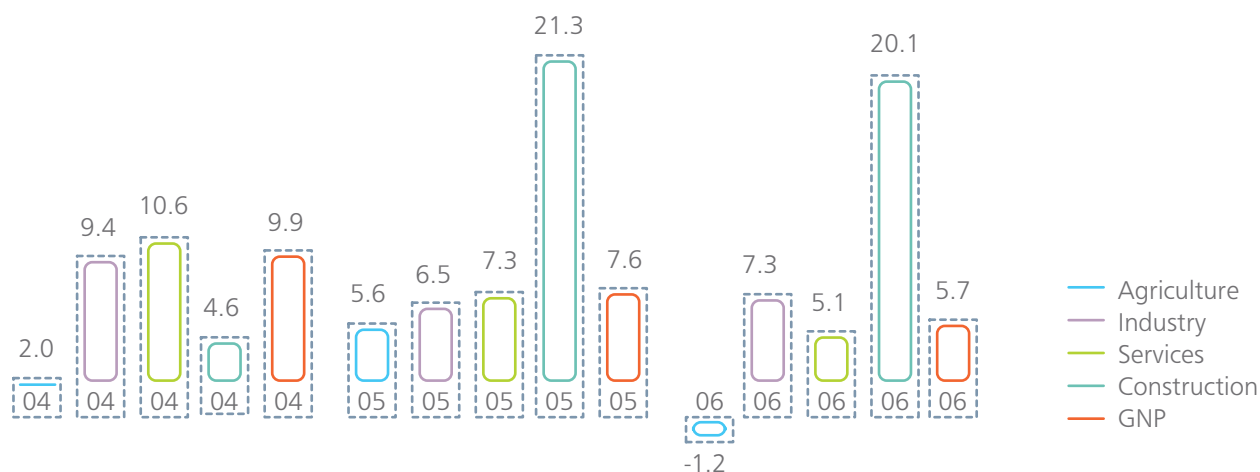
In 2006 the Turkish economy grew 6% exceeding the government's target of 5%. The contribution of the public sector to growth shrank and expenditures on the public side went more to consumption than to investment. Private sector consumption and investment outlays, on the contrary, continued to be the primary sources of this growth. While the manufacturing performed strongly during this period, services appeared to lose some of their momentum.

Exports in 2006 increased 15.9% and reached USD 85.1 billion while imports rose a slightly faster 17.3% and weighed in at USD 137 billion. The growth in imports was driven largely by increased use of imported inputs and by high international commodity prices, particularly that of oil. Exports for their part gained momentum brought on by a weak Turkish lira in the wake of market volatilities in May and by a relative cutback in domestic demand resulting from higher interest rates.

The current account deficit reached USD 31.3 billion in 2006. In previous years, the country's current account deficit was largely financed by portfolio investments and by loans secured by banks and other private sector companies from abroad. In contrast to this, some 60.2% of it was financed by foreign direct investment last year.

While the central budget showed an overall YTL 4 billion deficit, the primary surplus amounted to YTL 42 billion. Such a huge primary surplus helped reduce the rate at which the Treasury had to roll over the amount of public debt needing to be financed.

GNP GROWTH BY SECTORS (%)



In 2006 the Turkish economy grew 6% exceeding the government's target.

Exports in 2006 increased 15.9% and reached USD 85.1 billion while imports rose a slightly faster 17.3% and weighed in at USD 137 billion.

In response to lively domestic demand in the first quarter of 2006, to price resistance in services, and to high raw material and food prices, inflation began to rise once again. The depreciation in the Turkish lira beginning in May also contributed towards the upwards pressure on inflation as well. The 12-month rise in inflation as measured in producer prices was 11.58%; in terms of consumer prices it was 9.65%, almost double the government's target of 5% for 2006.

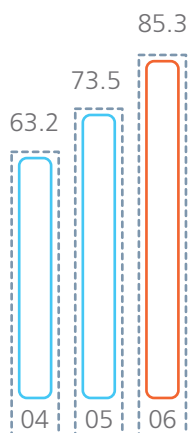
In a climate of political and economic stability and with expectations that inflation would continue to subside, the Central Bank's (CBT) overnight borrowing rate, which was 13.50% at the beginning of the year, slipped to 13.25% in April.

In May however, market uncertainties that were provoked by domestic concerns and were accelerated by changes in global risk perceptions forced the CBT to take measures and in the May to June period, its short-term interest rates were raised 425 basis points to the 17.50% level.

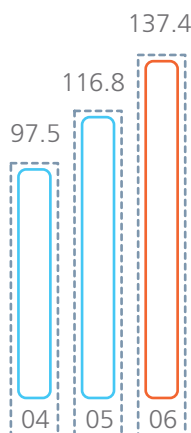
Similarly, the compound yield on benchmark government borrowing instruments went from around 13.8% at the beginning of 2006 to the 21% level by year-end. On the other hand, the risk premium on Turkish eurobonds, which was 223 basis points at end-2005, contracted to 207 basis points by end-2006, though it followed a rather unsteady course getting there.

During the first five months of the year, foreign currency rates looked solid and on course. This appearance changed in the wake of the market volatilities of May and the depreciation of the Turkish lira. As of year-end, the Turkish lira had lost 5.2% of its value against the US dollar, 16.9% against the euro.

TOTAL EXPORTS USD BILLION



TOTAL IMPORTS USD BILLION



PROMISING

THE LEASING SECTOR

The sustained growth and development of Turkey in the last 4 years resulted in a reasonably high level of increase of investment outlays of the manufacturing industry. In this process, leasing gained more importance as an alternative financing tool.

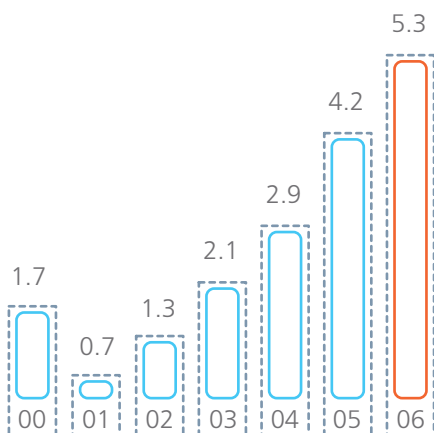
The overall business turnover of the Turkish leasing industry in 2006 was USD 5,270 million in value-24% up versus 2005 in US dollar terms. Total number of projects financed was registered as 42,963 while the average transaction size was USD 123 thousand.

A breakdown of leasing transactions by goods shows that machinery and equipment leases has the highest share with 27% and they are followed by heavy-duty machinery which account for 26%.

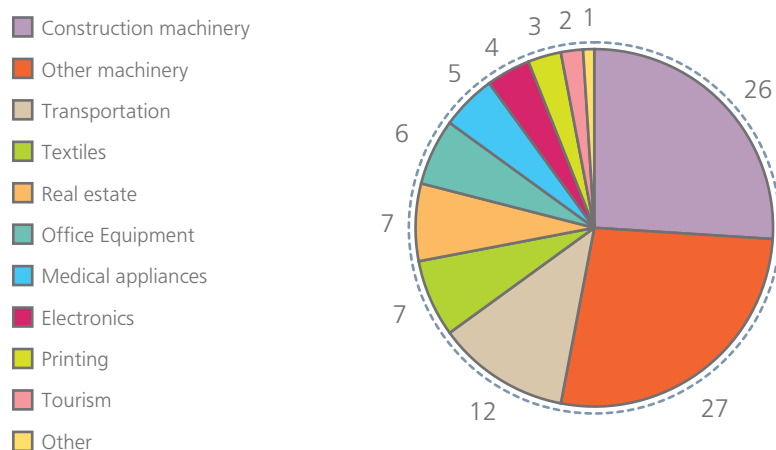
In 2006, 48% of the projects that were financed with leasing was from manufacturing industry whereas the share of services industry was 43%. In the manufacturing industry's share, the highest portions come from textiles and textile products (8.92%), food&beverage and tobacco (5.40%), metal manufacturing (4.94%). In the services industry, on the other hand, construction has a high portion of 21.74% and is followed by transportation with 7.39% and financial intermediation with 4.93%.

An eye-catching development is that the agriculture industry maintained its share in the total lease transactions that had an assumably sustainable increase recently. The share of agriculture industry, which used to float at 1-1.5% in the previous years, rose to 4% in 2004. In 2005, the economic growth provided the necessary impetus for the industry and its share rose to 8%. In 2006 the share captured by the agriculture industry exceeded 7% and total amount of leases reached USD 360 million.

TOTAL LEASING VOLUMES BY YEAR USD BILLION



BREAKDOWN OF LEASING INDUSTRY TRANSACTIONS IN TURKEY BY PRODUCT GROUP (%)



The overall business turnover of the Turkish leasing industry in 2006 was USD 5,270 million.

A relatively lower penetration ratio compared with developed economies evidences that the Turkish leasing industry has a high growth potential.

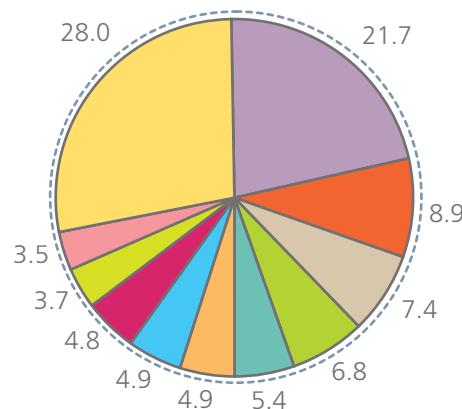
Today, almost all of the top-10 leasing companies are bank subsidiaries. The top-10 companies account for approximately 79% of the industry in terms of business turnover and number of transactions. As a result of the changes in the capital structures of the Turkish banks, the shareholding of foreign companies in the bank-owned leasing companies rose apparently. It is believed that this will lead to fiercer competition in the industry and smaller leasing companies that will have expertise on a specific product will appear in the market.

A relatively lower penetration ratio (8%) compared with developed economies (15-30%) evidences that the Turkish leasing industry has a high growth potential. Leasing will continue to develop and to be one of the most important financing tools for the economic growth.

The vitality of the construction industry is envisaged to continue also in 2007. With the start-up of EU negotiations investments in packaging industry is expected to increase and the demand for tourism equipment and medical appliances is expected to be maintained.

BREAKDOWN OF LEASING INDUSTRY TRANSACTIONS IN TURKEY BY SECTOR (%)

- Construction
- Textiles and textile products
- Transport, storage, and communications
- Farming, animal husbandry, forestry
- Foods, beverages, tobacco
- Primary metal and metal manufacturing
- Financial services
- Health and social services
- Wholesale and retail trade; motor vehicle services
- Paper, paper products and printing
- Other



PREFERRED

ACTIVITIES IN 2006

Finans Leasing is a visionary pioneer in Turkey's leasing industry

Finans Leasing pioneered the introduction of leasing in Turkey as a separate business line in the early 1990s and having been the author of many firsts in the industry, the Company added yet other new dimensions. Finans Leasing today is a service provider that major national and multinational companies active in Turkey prefer to do business with.

Finans Leasing's strength in leasing is derived from its superior service quality, its respected corporate identity, its effective technological infrastructure, and its skill in tailoring products.

A year of record-breaking growth

Commanding a significant share of the leasing market in Turkey, Finans Leasing successfully deployed its competitive advantages in 2006 to reinforce its strong position in the leasing business and become the primary service provider that an increasing number of customers work with. Calling on its customer-focused and innovative business approach, the Company responded to its customers' increasing needs for financing with the result that it registered rises in both its business volumes and number of new contracts.

Since its establishment, Finans Leasing has always adhered to its target of being a leading company in the industry in terms of business volume and profitability and has succeeded in doing so with its unceasing performance.

The data announced by the Turkish Leasing Association show that Finans Leasing ranked second in terms of business turnover with USD 145.9 million in Q1 and third in Q2, Q3 and Q4 with USD 226.6 million, USD 319.9 million and USD 414.9 million, respectively.

During the period 2004-2006 Finans Leasing's total business turnover rose by 128% while the growth rate in the last year was 36%. These figures are well above the sectoral averages that were 80.5% and 24.4%. In 2006, the Company continued to increase its market share and captured a remarkable share of 7.9%.

Having made 3,624 new contracts in 2006, Finans Leasing had an average contract value of about USD 114.5 thousand during the year.

	2004	2005	2006	2006-2005 (%)	2006-2004 (%)
Business volume (in USD million)	181.9	305.6	414.9	35.8	128.1
Number of new contracts	2,106	2,897	3,624	25.1	72.1
Market share (%)	6.2	7.2	7.9	9.7	27.4
Total leasing industry volume	2,921	4,236	5,271	24.4	80.5
Average contract size (in USD million)	86,372	105,488	114,486		

2006 was a year in which Finans Leasing achieved one of the best performances in its corporate history.

Commanding a significant share of the leasing market in Turkey, Finans Leasing successfully deployed its competitive advantages in 2006 to reinforce its strong position.

Exemplary financial results

The growth of Finans Leasing in 2006 was nourished by its balance sheet. The increase in revenues was both steady and first-rate. Having foreseen the advent of Turkey's disinflation well in advance, the Company was able to prepare itself to cope with it properly. Success in managing the balance sheet properly, a strategy of focusing on the customer, and perfection in service quality all enabled Finans Leasing to increase its profitability progressively and soundly.

The result was that 2006 was a year overflowing with success, a year in which Finans Leasing achieved one of the best performances in its corporate history. At YTL 678.9 billion, our Company announced its highest asset size; at YTL 209.9 billion, it reached its highest level of total equity. Financial lease receivables, on the other hand, amounted to YTL 583.3 billion, a year-on increase of 88%.

Expanding business volumes, increasing total assets, and rising profitability all proved once again the validity and sustainability of Finans Leasing's strategy.

Prudent asset-liability management

Finans Leasing employs prudent techniques in asset-liability management. In order to sustain its strong financial structure cash flow, maturity gap, FX position, value at risk and interest rate sensitivity analyses are regularly made and used efficiently in financial decision-making mechanisms. This enables the Company further enhance its financial structure that is built upon strong fundamentals and create increasingly higher value to all of its stakeholders.

89%

INCREASE IN
TOTAL ASSETS

88%

INCREASE IN
FINANCIAL LEASE
RECEIVABLES

Finans Leasing: smart financing solutions

Besides its traditional leasing services, Finans Leasing's aim is to develop a wide range of innovative financing packages that can be tailored exactly to the customer's requirements. The Company aims at helping its customers transform their ideas into working reality.

Devising solutions in a most cost-effective way and safeguarding the liquidity is a question of achieving an intelligent mix of classical and innovative forms of financing. Finans Leasing's market perception, customer-oriented approach, professionalism and excellent service guarantee financing solutions that fit the customer's needs.

Finans Leasing is in business to help small and medium-sized enterprises achieve long-term financial stability with its focused approach and strong partnership. It offers flexible solutions that allow its customers to easily meet the challenges that can arise in their core businesses and in related fields of activity.

Steady steps towards institutionalization

A cutting edge feature of Finans Leasing that endows it a pioneering role in its industry is its strong corporate structure.

Striving to continuously increase the efficiency and effectiveness of its organizational structure and processes in line with its ultimate goal of excellent service quality, Finans Leasing established an Internal Control Department in the last quarter of 2005 and an Asset Management Division operating under Operations Department in the last quarter of 2006.

Additionally, the rating system Finans Leasing employed in order to minimize risk in lendings and to create a further healthier portfolio distinguishes the Company as another first in the industry.

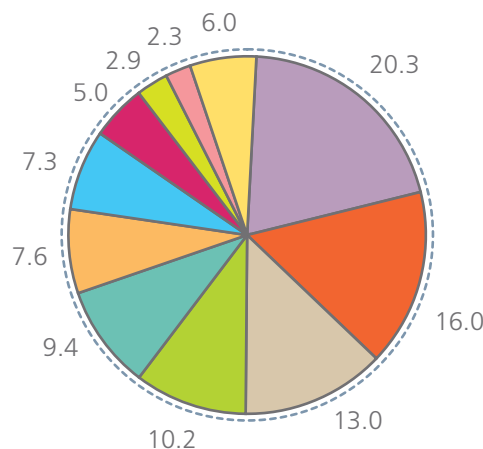
Well-diversified and qualified client portfolio

Finans Leasing has a well-diversified client lease portfolio. Finans Leasing has no sectoral preferences or avoidances. The Company's criteria to evaluate a project is quite simple and lean: risk level, economic efficiency and productivity.

Finans Leasing manages its customer portfolio with an efficient risk management approach. In the credit management process of the Company, an advanced standardized credit scoring system is utilized. The portfolio has high risk diversification since the leasing portfolio heavily consists of low-volume leasing transactions.

BREAKDOWN OF NET LEASE RECEIVABLES ON INDUSTRY BASIS AS OF 31 DECEMBER 2006 (%)

- Construction
- Agriculture
- Health
- Manufacturing
- Textiles
- Transportation and communication
- Metal and mining
- Wholesale & retail trade
- Printing
- Financial institutions
- Other



Two million businesses

There are thought to be nearly two million businesses in Turkey that fall in the small to medium-sized enterprise (SME) category.

Active in many different manufacturing and service sectors, SMEs make up the backbone of the Turkish economy and also contribute significantly to job creation and employment. Geographically dispersed, SMEs engage in production and industrial activities all over the country.

SMEs have become an important avenue of growth for the Turkish leasing industry in recent years. Paralleling developments taking place in developed countries, leasing gained importance in Turkey as well and SMEs found themselves at the focal point of competition among the country's financial institutions. Finans Leasing is the first leasing company in Turkey to identify and target SMEs as a distinct market segment. Today, the Company employs a specialized team to supply product and service packages specifically designed to meet the needs of such enterprises.

Finans Leasing's activities in this segment continued to gather momentum and attention in 2006 with the result that Finans Leasing has become an important service provider that more and more SMEs choose to work with. As the pioneer of the sector, Finans Leasing's innovative approach to SME servicing is widely used as a model by competitors.

Supporting SMEs with different products

SMEs differ from corporate and commercial customers in virtually every aspect-be it their dimensions, their ways of management, their modes of behavior, their requirements, or their expectations of leasing companies. What they are looking for is not a leasing company that will just sell them products but a partner service provider that can come to their support on every level.

Aware of this simple truth, Finans Leasing serviced the SME segment at a much earlier time than its competitors through special financing facilities and sharpened its competitive edge with its expertise in this arena.

2006 saw an increasing trend in the agricultural sector, animal breeding projects, and turnkey hospital projects in the healthcare sector. The Company aims to sustain the leadership secured in the healthcare sector also in 2007.

Distinguishing ourselves from our competitors with an approach to service that is at world-class quality standards

However much market and competitive conditions may change, one thing that remains unchanged is Finans Leasing's approach to customer-focused service.

This approach puts the customer at the center of everything, is committed to service quality, and seeks to achieve unconditional customer satisfaction. It is within the framework of this approach that our Company makes it a principle to establish and deepen long-term relationships with its customers. Finans Leasing ranks among the most successful adherents of this approach in Turkey.

RISK BREAKDOWN OF THE PORTFOLIO

	2004	2005	2006
Top-10 customers in the portfolio			
Turnover (YTL million)	70.8	61.4	57.4
Share in total	32%	18%	10%
Top-20 customers in the portfolio			
Turnover (YTL million)	84.5	82.0	84.7
Share in total	38%	24%	15%
Top-50 customers in the portfolio			
Turnover (YTL million)	107.8	116.9	137.7
Share in total	48%	34%	24%

GEOGRAPHICAL BREAKDOWN OF LEASING TRANSACTIONS IN 2006 (%)

Regions	2005	2006
Marmara	7	9
Aegean and Mediterranean	10	12
Çukurova	12	8
Eastern and Southeastern Anatolia	12	14
Central Anatolia and Black Sea	14	15
İstanbul	45	42

Efforts to upgrade the service quality

Offering customized solutions and support with its effective and prompt work and management processes, flexible repayment terms and innovative approach, Finans Leasing possesses a quality concept that is born out of the combination of its corporate culture and technological facilities.

In line with its goal of continuously improving the quality of its services, Finans Leasing has accelerated its investments in technology and corporate infrastructure.

Funding and financing policies

Since its inception, Finans Leasing developed relations with credible and well known domestic & international banks & financial institutions such as FMO, IFC, and DEG.

Having expanded its existing correspondent network in and out of national borders, and having improved the variety and amount of borrowing available thereto in parallel with its robust financial structure and the growth achieved in 2006, Finans Leasing succeeded in securing financing in the reporting period, which attested to its growth built on solid foundations.

The Company consummated two syndication loans from the international market, one in the amount of USD 50 million under the leadership of HSBC Plc and the other in the amount of USD 25 million under the leadership of ABN AMRO N.V., and secured another loan of EUR 20 million from International Finance Corporation, a member of the World Bank. The other links of the chain covered EUR 30 million received from the European Investment Bank via TSKB to be extended as loan to the SMEs, and USD 10 million and EUR 15 million secured from The International Bank for Reconstruction and Development IBRD/The World Bank, again via TSKB, to be used for financing exporter customers.

Extensive and efficient service network

In 2006, Finans Leasing set about establishing itself as a broad-based provider of leasing services throughout Turkey.

Aiming to sustain the advantage of being the first Company to have set up a representative office network in Anatolia by increasing the number of its

representative offices, the Company made an aggressive move in the last quarter of 2006 and opened up 8 representative offices. At year end the number of Finans Leasing representative offices was brought up to 19 which stood at 9 at the end of 2005. The service network with an extensive geographical reach equips Finans Leasing with great speed in perceiving and identifying the market's needs, enabling the Company to present its customers with customized solutions. This strong coverage that allows the Company to serve the numerous SMEs that exist, particularly in Anatolia, brings along a significant competitive advantage, as well.

Information technologies

Finans Leasing concluded an agreement with a software company in 2006 and initiated a project for the introduction of a new software program. Commenced in 2006, the project will be rendered active in 2007. Designed in a parametric structure and comprising of modules that will fulfill the different requirements of the

SERVICE NETWORK

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

- * Operative regional offices
- * Regional offices to be opened in 2007



Company's individual departments, by this software it is aimed to ensure integrity within the framework of certain rules in the operation of the processes in terms of integrating the workflow, and to effectively use it in the formation of CRM (Customer Relations Management).

At the software development stage, task analyses were performed on the basis of departments in 2006. This enabled a review of the workflow of each department and their updating in accord with the Company's organization and requirements. The Company will craft a differentiation in the sector with regard to speed, security and effectiveness with the new software.

Human resources

Human resources vision at Finans Leasing is erected on the principles of;

- employing people with high personal and professional qualifications,
- furthering professional knowledge through practices and training programs,
- creating a strong team that has adopted the corporate culture,
- strengthening participative management concept.

In keeping with its human resources vision, Finans Leasing gives utmost importance to ensure continuous development of its employees through training programs and updating their knowledge base in line with the market trends. The training programs in place concentrate on improving the employees' technical knowledge and personal skills on one hand, while targeting to ensure job satisfaction with its orientation towards reinforcing the corporate culture, customer-focus, team spirit, and achieving increased motivation, on the other.

**FINANCIAL SERVICES
INDUSTRY EXPERIENCE**

Years	2005	2006
8+ years	73	55
6-7 years	11	13
3-5 years	10	20
0-2 years	7	13

Commitment to the society

In accord with its commitment to social responsibility principle, Finans Leasing undertook interior and exterior renovation of the Küçükyalı Home for Children affiliated to the Social Services and Children Protection Agency (SHÇEK) in 2006, with a view to support the protection and education of children.

In 2004, contribution was provided to the construction of "Dilnihat Özyeğin High School" on the land allocated by Beyoğlu Municipality so as to support and contribute to National Education, and to offer better educational facilities to the Turkish youngsters.

In addition, Finans Leasing grants donations to Mother Child Education Foundation (AÇEV). Devoted to the cause of contributing to the society under the social responsibility principle, Finans Leasing aims to take part in new projects.

OUR PARENT COMPANY: NATIONAL BANK OF GREECE GROUP

National Bank of Greece, the oldest commercial bank in Greece, heads the largest and strongest financial group in the country. The NBG Group provides a full range of financial products and services that meet the constantly changing needs of private individuals and corporate customers alike.

The Bank has 568 branches and 1,370 ATMs in Greece and 868 branches overseas. The Group boasts by far the largest network for the distribution of financial products and services in Greece. Overseas the NBG

Group is active in 12 countries and controls 7 banks and 46 other companies. With equity capital of over EUR 6 billion and a capital adequacy ratio of 17.5% (BIS ratio), the Group is a leading player in the domestic and regional markets. The NBG Group is the first Greek financial group to successfully float its stock on the New York Stock Exchange, the world's principal capital market.

By the acquisition of United Bulgarian Bank in Bulgaria (2000), Stopanska Banka in FYROM (2000), Banca Romaneasca in

Romania (2003), Finansbank in Turkey (2006) and Vojvodjanska Banka in Serbia (2006), NBG aims to be the leading banking group in a market of 125 million.

The NBG Group also includes leasing companies in Greece (Ethniki Leasing), Bulgaria (Interlease), Romania (Eurial Leasing) and Serbia (NBG Leasing).



**NATIONAL BANK
OF GREECE**

Finans Finansal Kiralama Anonim Şirketi

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Corporate Governance Principles Compliance Statement

Our Company was in compliance with the corporate governance principles published by the Capital Markets Board (CMB) in 2006 in all matters save for the following:

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

Work on bringing the Company into compliance with these issues will be ongoing in 2007 as well. Detailed information about the activities currently in progress and the corporate governance principles with which compliance have been achieved are presented below under the separate headings of "Shareholders", "Public disclosure and transparency", "Stakeholders", and "Board of Directors".

SECTION I: SHAREHOLDERS

2. Shareholders' Relations Unit

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

In essence, the Investor Relations Division works to;

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

3. Shareholders' Exercise of Their Right to Obtain Information

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

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

4. Information About General Assembly Meetings

Finans Finansal Kiralama A.Ş.'s ordinary general assembly meeting for 2005 was held on March 13, 2006 at 10:30 hours in the Conference Room at the address Finansbank A.Ş. Büyükdere Caddesi No: 129 Mecidiyeköy-İstanbul under the supervision of İper Tunguç, a commissioner of the Ministry of Industry and Trade, who was assigned with this task by letter 9353, dated 10 March 2006 from the Istanbul Provincial Directorate of Industry and Trade.

As required by law and by the Company's articles of incorporation, the meeting and its agenda were duly announced in issue 6500 dated 24 February 2006 of the Turkish Trade Registry Gazette and in issue 9876 dated 24 February 2006 of the newspaper Hürses. Invitations announcing the date and agenda of the meeting were also sent out in due time by registered mail to shareholders who own bearer shares and had placed at least one share of stock in the Company's custody.

Finans Finansal Kiralama Anonim Şirketi

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

It is revealed from the examination of the attendance roster that 2,547,622,107 shares corresponding to YTL 25,476,221 in share capital of total outstanding shares of 4,300,000,000 corresponding to total share capital YTL 43,000,000 were represented in person, and 502,013 shares corresponding to TRY 5,020 in share capital were represented in proxy, adding up to 2,548,124,120 shares in total that were represented at the meeting.

Therefore it was ascertained that the minimum meeting quorum required both by law and by the articles of incorporation had been satisfied.

Stakeholders and members of the media participated in the general assembly meeting. Before the meeting, the annual report, the independent auditor's report, and information about our Company were announced to shareholders on the Company's corporate website. During the meeting no shareholders made any suggestions or exercised their right to ask questions. The minutes of the general assembly meeting are available for shareholders examination at the Company's headquarters and on the Company's website.

Extraordinary General Assembly Meeting

In 2006, no extraordinary general assembly meeting was convened.

5. Voting Rights and Minority Rights

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

6. Dividend Distribution Policy and Timing

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

In accord with the CMB letter dated 27.01.2006 and numbered B.02.1.SPK.0.13-124, dividend distribution policies for 2006 and subsequent years were set as follows taking into consideration the probability that the obligation to distribute profits can be abolished.

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

7. Transfer of Shares

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

Finans Finansal Kiralama Anonim Şirketi**CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT****SECTION II: PUBLIC DISCLOSURE AND TRANSPARENCY****8. Company Disclosure Policy**

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

9. Disclosure of Material Events

A total of ten material event disclosures were made during 2006 in compliance with the CMB regulations. Neither the CMB nor the ISE requested any additional information concerning these material event disclosures. Because all material event disclosures were made in due time, no sanctions were imposed by the CMB on their account. The Company's shares are not quoted on stock exchanges outside Turkey.

10. Company Internet Site and its Content

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

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

Non-corporate shareholders who have a controlling interest in the Company are publicly disclosed in the footnotes to the financial statements for 2006 in such a way as to reveal and net out the effects of any indirect and cross-shareholding interests.

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

Due to our Company's open management policy and to the limited number of its personnel and the fact they are all in the "white collar" category, all our personnel have knowledge about the Company's activities.

SECTION III: STAKEHOLDERS**13. Informing Stakeholders**

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

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

14. Stakeholder Participation in Management

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

Finans Finansal Kiralama Anonim Şirketi

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

15. Human Resources Policy

The basic principles of our Company's human resources policy are as follows:

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

No representative has been appointed to oversee employee relations. Instead, these relations are conducted by a personnel member who is responsible for human resources functions and by the assistant general manager to whom he reports. The reason for this is the low number of employees. During the reporting period, there were no employee complaints concerning unfair treatment.

16. Relations with Customers and Suppliers

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

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

17. Social Responsibility

In line with the Company's commitment to the principle of social responsibility, it has been resolved in 2005 to make a donation in the total amount of YTL 30,000 to T.R. İstanbul Governor's Office Children's Homes for the purpose of contributing to better and healthier development of orphaned and underprivileged children. The mentioned donation was made in 2006.

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

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

The Board of Directors

- Ömer A. Aras, Chairman (non-executive)
- Yağmur Şatana, Vice Chairman (non-executive)
- Mehmet Güleşçi, Member (non-executive)
- Bekir Dildar, Member (non-executive)
- A. Murat Alacakaptan, Member (executive) and General Manager

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

19. Qualifications of Board Members

Provisions in our Company's articles of incorporation concerning the minimum qualifications required to be elected to a seat on the Board of Directors coincide with the ones spelled out in article 3.1.1 of section IV of the CMB's Corporate Governance Principles. The principles spelled out in articles 3.1.2 and 3.1.5 of section IV of the CMB's Corporate Governance Principles are also taken into account in the election of Board members although these principles are not stipulated in the Company's articles of incorporation.

Finans Finansal Kiralama Anonim Şirketi**CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT****20. The Company's Mission, Vision, and Strategic Goals**

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

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

21. Risk Management and Internal Control Mechanisms

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

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

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

23. Operating Principles of the Board of Directors

The Chairman of the Board of Directors sets the agenda for Board meetings after discussions with other Board members and with the General Manager (Chief Executive Officer). Seventy-two Board meetings were held during 2006. While no secretariat has been set up to inform board members and manage communication among them, maximum care is given to ensuring that all information and documents pertaining to matters on meeting agendas are made equally available to all Board members in a timely manner. When differences of opinion are expressed at meetings, reasoned and detailed justifications for dissenting votes are included in the memoranda of resolutions that are passed. Actual attendance is provided at Board meetings on the issues stipulated in article 2.17.4 of section IV of the CMB's Corporate Governance Principles. No Board members have preferential voting rights or the right to veto Board decisions.

Finans Finansal Kiralama Anonim Şirketi**CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT****24. Prohibition on Doing Business or Competing with the Company**

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

25. Codes of Ethics

The Board of Directors is developing a code of ethics that will be binding on the Company and its employees. This work is still in progress and not yet completed.

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

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

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

27. Remuneration of the Board of Directors

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

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

Finans Finansal Kiralama Anonim Şirketi**FINANCIAL STATEMENTS TOGETHER WITH
INDEPENDENT AUDITORS' REPORT DECEMBER 31, 2006****TABLE OF CONTENTS**

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**Akis Bağımsız Denetim ve Serbest
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Finans Finansal Kiralama Anonim Şirketi
INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Finans Finansal Kiralama Anonim Şirketi ("the Company"), which comprise the balance sheet as at December 31, 2006, the income statement, statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The corresponding figures presented are based on the financial statements of the Company as at and for the year ended December 31, 2005, which were audited by another auditor whose report dated February 14, 2006, expressed an unqualified opinion on those statements.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 principles 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 opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

8 March 2007
Istanbul,
Turkey

Finans Finansal Kiralama Anonim Şirketi

BALANCE SHEET

As of December 31, 2006

(Currency – New Turkish Lira)

	Notes	2006	2005
ASSETS			
Cash and cash equivalents	6	51,272,232	17,658,559
Finance lease receivables, net	7	583,344,064	311,047,963
Available-for-sale investments	8	60,897	60,747
Derivatives	15	498,541	-
Investments in associates	9	-	2,368,257
Equipment to be leased	10	30,432,782	24,284,050
Tangible assets	11	779,294	866,695
Intangible assets	12	391,104	23,355
Other assets	13	12,108,629	3,533,712
Total assets		678,887,543	359,843,338
LIABILITIES AND EQUITY			
Funds borrowed	14	422,163,077	161,486,949
Trade payables		30,397,896	21,318,156
Advances from customers		8,087,276	5,862,649
Derivatives	15	6,040,846	-
Other liabilities and provisions	16	1,980,841	768,352
Reserve for employee termination benefits	17	312,567	505,579
Total liabilities		468,982,503	189,941,685
Equity			
Share capital issued	19	123,459,788	119,139,088
Share premium		1,211,022	1,211,022
Legal reserves	20	8,741,615	6,880,384
Retained earnings	20	76,492,615	42,671,159
Total equity		209,905,040	169,901,653
Total liabilities and equity		678,887,543	359,843,338

Finans Finansal Kiralama Anonim Şirketi

INCOME STATEMENT

For the year ended December 31, 2006

(Currency – New Turkish Lira)

	Notes	2006	(Consolidated) 2005
Income from finance leases			
Interest		81,992,613	50,646,334
Foreign exchange (loss)/gain		15,434,361	(4,573,743)
Total income from finance leases		97,426,974	46,072,591
Insurance technical income	23	-	74,853,578
Insurance technical expense	23	-	(67,202,478)
Insurance technical income, net		-	7,651,100
Finance income	24	16,343,105	20,091,043
Finance expenses	24	(62,771,757)	(10,320,698)
Net finance (expense)/income		(46,428,652)	9,770,345
(Provision)/recovery for possible lease receivables losses and other receivables	7, 13	3,261,739	(3,017,967)
Income after finance (expense)/income, net and provision for possible lease receivables losses and other receivables		54,260,061	60,476,069
Other operating income, net	26	4,806,213	10,884,169
Marketing, general and administrative expenses		(11,402,829)	(12,938,371)
Salaries and employee benefits	25	(8,816,195)	(10,092,997)
Depreciation, amortization and impairment	11, 12	(432,764)	(4,963,253)
Profit from operating activities		38,414,486	43,365,617
Income from associates	9	1,588,901	4,548,694
Profit from operating activities before income tax and monetary loss		40,003,387	47,914,311
Income taxes	18	-	128,123
Monetary loss		-	(6,327,190)
Net profit for the year		40,003,387	41,715,244
Attributable to:			
Equity holders of the Parent		40,003,387	41,272,522
Minority interest		-	442,722
Net profit for the year		40,003,387	41,715,244
Weighted average number of shares		6,433,333,333	4,300,000,000
Basic and diluted earnings per share	21	0.00622	0.00960

The accompanying policies and explanatory notes on pages 32 through 62 form an integral part of the financial statements.

Finans Finansal Kiralama Anonim Şirketi
STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2006
(Currency – New Turkish Lira)

	Adjustment to							
	Share Capital	Share Capital	Share Premium	Legal Reserves	Retained Earnings	Total	Minority Interest	Total Equity
At December 31, 2004	43,000,000	76,139,088	1,211,022	3,196,535	28,474,370	152,021,015	7,114,814	159,135,829
Dividend paid	-	-	-	-	(23,391,884)	(23,391,884)	-	(23,391,884)
Transfer to legal reserves	-	-	-	3,683,849	(3,683,849)	-	-	-
Net profit for the year	-	-	-	-	41,272,522	41,272,522	442,722	41,715,244
Minority interest of disposed consolidated subsidiary	-	-	-	-	-	-	(7,557,536)	(7,557,536)
At December 31, 2005	43,000,000	76,139,088	1,211,022	6,880,384	42,671,159	169,901,653	-	169,901,653
Transfer from inflation adjustment to share capital	27,679,300	(27,679,300)	-	-	-	-	-	-
Transfer from retained earnings	4,320,700	-	-	-	(4,320,700)	-	-	-
Transfer to legal reserves	-	-	-	1,861,231	(1,861,231)	-	-	-
Net profit for the year	-	-	-	-	40,003,387	40,003,387	-	40,003,387
At December 31, 2006	75,000,000	48,459,788	1,211,022	8,741,615	76,492,615	209,905,040	-	209,905,040

Finans Finansal Kiralama Anonim Şirketi
CASH FLOW STATEMENT
For the year ended December 31, 2006
(Currency – New Turkish Lira)

	Notes	2006	2005
Cash flows from operating activities			
Net profit before minority interest		40,003,387	41,715,244
Adjustments for			
Provision for deferred tax liability	18	-	(358,014)
Provision for current income tax	18	-	229,891
Depreciation, amortization and impairment	11, 12	432,764	4,963,253
Provision for termination benefits	17	(175,303)	245,119
Provision for vacation pay liability	16	308,453	-
Provision for bonuses	16	900,000	-
Fair value loss on derivative transactions, net	15	5,542,305	-
Provision for possible lease receivable losses and other receivables	7, 13	(3,261,739)	3,017,967
Gain on sale of subsidiary	9, 26	-	(2,124,482)
Income from associates	9	(1,588,901)	(4,548,694)
Income on disposal of tangible assets and assets acquired through foreclosure proceedings	26	(1,000,218)	(930,372)
Income from available-for-sale investments	8, 26	-	(2,065,117)
Gain on sale of investments	26	-	(2,103,222)
Unrealized foreign exchange losses/(gains)		19,825,761	(13,545,431)
Interest expense	24	20,985,530	7,827,891
Accrued interest income	7	(8,817,596)	(3,103,003)
Receivables written off	7	(1,651,437)	(360,622)
Operating profit before changes in net operating assets and liabilities		71,503,006	28,860,408
Purchases of assets to be leased	7	(604,878,986)	(392,080,377)
Principal payments received under leases	7	340,595,286	300,103,257
Net decrease/(increase) in receivables from lease payments outstanding	7	1,464,929	(6,778,168)
Net increase in premium and other insurance receivables		-	(6,820,519)
Net decrease in deferred acquisition costs		-	(3,297,002)
Net increase in other assets	13	(8,574,917)	(2,074,641)
Net increase in trade payables		9,079,740	6,003,972
Net increase in advances from customers		2,224,627	2,026,823
Net increase in due to insurance and reinsurance companies		-	4,772,361
Net increase in insurance technical reserves		-	16,775,121
Net increase in deferred commission income		-	855,628
Net increase in other liabilities and provisions	16	4,036	247,283
Income taxes paid	18	-	(268,667)
Retirement benefits paid	17	(17,709)	(340,978)
Net cash used in from operating activities		(188,599,988)	(52,015,499)
Cash flows from investing activities			
Purchases of furniture and equipment	11	(359,772)	(1,181,033)
Purchases of intangible assets	12	(386,192)	(164,413)
Net increase in equipment to be leased	10	(6,148,732)	(14,049,431)
Proceeds from sale of tangible assets	11	1,033,070	1,290,306
Proceeds from sale of associates	9	3,957,158	14,979,975
Net increase in available-for-sale investments	8	(150)	(18,754,286)
Disposal of subsidiary, net of cash disposed	28	-	687,777
Proceeds from sale of available-for-sale investments		-	5,216,835
Share capital increase of disposed subsidiary		-	8,264,000
Cash paid due to share capital increase of subsidiary		-	(4,255,960)
Net cash used in investing activities		(1,904,618)	(7,966,230)
Cash flows from financing activities			
Proceeds from funds borrowed		396,572,034	130,516,942
Repayments of funds borrowed		(155,721,667)	(70,531,291)
Dividend payment to shareholders		-	(23,391,884)
Interest paid		(16,732,088)	(6,928,903)
Net cash provided from financing activities		224,118,279	29,664,864
Net increase/(decrease) in cash and cash equivalents		33,613,673	(30,316,865)
Cash and cash equivalents at beginning of year	6	17,658,559	47,975,424
Cash and cash equivalents at end of year	6	51,272,232	17,658,559
Cash received as interest during the years ended December 31, 2006 and 2005 are as follows:			
Interest received		79,935,035	63,517,354

The accompanying policies and explanatory notes on pages 32 through 62 form an integral part of the financial statements.

Finans Finansal Kiralama Anonim Şirketi**NOTES TO THE FINANCIAL STATEMENTS****As of and for the Year Ended December 31, 2006**

(Currency – New Turkish Lira)

1. Corporate information**General**

Finans Finansal Kiralama Anonim Şirketi (a Turkish Joint Stock Company – “the Company”) was established in İstanbul in March 1990, pursuant to the license obtained from the Undersecretariat of the Treasury and Foreign Trade for the purpose of financial leasing as permitted by the law number 3226. 42.13% (2005 - 42.13%) of the shares of the Company are listed on İstanbul Stock Exchange. The address of the registered office of the Company is Nispetiye Caddesi, Akmerkez B Kulesi, Kat: 10, 34620 Etiler, İstanbul - Turkey.

The Company has a branch operating in Atatürk Havalimanı Free Trade Zone.

On July 31, 2006, the Company sold its 40% shares in Finans Leasing S.A., Romania. 39,536 of 39,538 shares representing 40% of Finans Leasing S.A. were sold to Finans International Holding N.V. for Euro 2,085,793; 1 share was sold to Fiba Holding A.Ş. (“Fiba Holding”) for Euro 52.76 and the remaining 1 share was sold to Fina Holding A.Ş. (“Fina Holding”) for Euro 52.76.

For the period January 1, 2005 - November 15, 2005, Finans Sigorta A.Ş. (“Finans Sigorta”); which is registered in İstanbul, Turkey, on March 30, 2001; was included in consolidation. Finans Sigorta operates in all types of property and casualty insurance and reinsurance business. On November 15, 2005, the Company sold its 51.5% share in Finans Sigorta to Fiba Holding for U.S. Dollars (“USD”) 10,933,450 and recognized subsidiary sale gain amounting to YTL 2,124,482.

On August 17, 2005, the Company sold its 43.31% share in Finans Gayrimenkul Geliştirme İnşaat ve Yatırım A.Ş. (“Finans Gayrimenkul”).

On August 5, 2005, the Company sold its 44% share in Kültür ve Gösteri Merkezleri A.Ş. (“Kültür ve Gösteri Merkezleri”).

The financial statements of the Company are authorized for issue by the Management on March 8, 2006. The General Assembly has the power to amend the financial statements after issue.

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

2. Basis of preparation**2.1 Statement of compliance**

The Company maintains its books of account and prepares its statutory financial statements in New Turkish Lira (“YTL”) in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the Turkish Capital Market Board, Turkish Commercial Code, Tax Legislation and Financial Leasing Law.

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

2.2 Basis of measurement

The financial statements have been prepared on an historical cost convention, except for the derivative financial instruments.

2.3 Functional and presentation currency

These financial statements are presented in YTL, which is the Company’s functional currency. All financial information presented in YTL is rounded to the nearest digit.

2.4 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2006, and have not been applied in preparing these financial statements:

Finans Finansal Kiralama Anonim Şirketi

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2006

(Currency – New Turkish Lira)

IFRS 7 Financial Instruments: Disclosures and the Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures require extensive disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the Company's 2007 financial statements, will require extensive additional disclosures with respect to the Company's financial instruments and share capital.

IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies addresses the application of IAS 29 when an economy first becomes hyperinflationary and in particular the accounting for deferred tax. IFRIC 7, which becomes mandatory for the Company's 2007 financial statements, is not expected to have any impact on the financial statements.

IFRIC 8 Scope of IFRS 2 Share-based Payment addresses the accounting for share-based payment transactions in which some or all of goods or services received cannot be specifically identified. IFRIC 8 will become mandatory for the Company's 2007 financial statements, with retrospective application required. IFRIC 8 is not expected to have any impact on the financial statements.

IFRIC 9 Reassessment of Embedded Derivatives requires that a reassessment of whether embedded derivative should be separated from the underlying host contract should be made only when there are changes to the contract. IFRIC 9, which becomes mandatory for the Company's 2007 financial statements, is not expected to have any impact on the financial statements.

IFRIC 10 Interim Financial Reporting and Impairment prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. IFRIC 10 will become mandatory for the Company's 2007 financial statements, and will apply to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date that the Company first applied the measurement criteria of IAS 36 and IAS 39 respectively.

2.5 Significant accounting judgments and estimates

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

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

3. Summary of significant accounting policies

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

Reclassification

The Company started to follow the interest income from overdue finance lease receivables outstanding which were previously followed in other operating income, net; in interest income from finance leases. The same reclassification has been made for the prior year financial statements.

3.1 Accounting in hyperinflationary economies

International Accounting Standard ("IAS") 29, which deals with the effects of inflation in the financial statements, requires that financial statements prepared in the currency of a hyperinflationary economy to be stated in terms of the measuring unit current at the balance sheet date and the corresponding figures for previous periods be restated in the same terms. One characteristic that necessitates the application of IAS 29 is a cumulative three year inflation rate approaching or exceeding 100%.

The cumulative three-year inflation rate in Turkey has been 35.61% as of December 31, 2005, based on the Turkish nation-wide wholesale price indices announced by Turkish Statistical Institute ("TURKSTAT"). This, together with the sustained positive trend in the quantitative factors such as financial and economical stabilization, decrease in the interest rates and the appreciation of YTL against the USD, have been taken into consideration to categorize Turkey as a non-hyperinflationary economy under IAS 29 effective from January 1, 2006. Therefore, IAS 29 has not been applied to the financial statements as of and for the year ended December 31, 2006.

Finans Finansal Kiralama Anonim Şirketi**NOTES TO THE FINANCIAL STATEMENTS****As of and for the Year Ended December 31, 2006**

(Currency – New Turkish Lira)

The statements of income and cash flows for the year ended December 31, 2005 have been adjusted for the effects of inflation in YTL units current at December 31, 2005. Such indices and conversion factors used to restate the statements of income and cash flows for the year ended December 31, 2005 are given below:

Date	Index	Conversion factor
December 31, 2005	8,785.74	1.000
December 31, 2004	8,403.80	1.045

The main procedures for the application of IAS 29 are as follows:

- Financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the measuring unit current at the balance sheet date, and corresponding figures for previous periods are restated in the same terms.
- Monetary assets and liabilities, which are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date, and components of equity are restated by applying the relevant (monthly, yearly average, year end) conversion factors. Additions to property and equipment in the year of acquisition are restated using the relevant conversion factors.
- All items in the statement of income are restated by applying the monthly conversion factors except for those amounts deriving from non-monetary items, which are calculated, based on the restated values of the related items.

The effect of general inflation on the Company's monetary position is included in the income statement as of and for the year ended December 31, 2005 as "Loss on net monetary position".

3.2 Basis of consolidation

The consolidated financial statements for 2005 comprise the financial statements of the Company and its subsidiary, Finans Sigorta ("the Subsidiary").

The Subsidiary is an entity over which the Company has power to govern the financial and operating policies so as to benefit from its activities. Subsidiaries in which the Company owns directly or indirectly more than 50% of the voting rights, or has power to govern the financial and operating policies under a statute or agreement are consolidated. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The Subsidiary is consolidated from the date on which control is transferred to the Company and ceased to be consolidated from the date on which control is transferred out of the Company.

The financial statements of the subsidiary are prepared for the same reporting year as the parent Company, using consistent accounting policies.

All intra-group balances, transactions, and unrealized gains on intra-group transactions are eliminated; unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The equity and net income attributable to minority shareholders' interests are shown separately in the balance sheet and income statement, respectively.

3.3 Foreign currency translation

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

Finans Finansal Kiralama Anonim Şirketi

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2006

(Currency – New Turkish Lira)

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

Dates	EUR/YTL (Full YTL)	USD/YTL (Full YTL)
December 31, 2005	1.5875	1.3418
December 31, 2006	1.8515	1.4056

3.4 Tangible assets

Tangible assets which consist of office machinery, furniture and fixtures and vehicles acquired before January 1, 2006 are measured at cost restated for the effects of inflation in YTL units current at December 31, 2005 pursuant to IAS 29, less accumulated depreciation and impairment losses. Tangible assets acquired in 2006 are measured at cost, less accumulated depreciation, and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, which is 5 years.

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

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

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

3.5 Intangible assets

Intangible assets represent computer software licences and rights. Intangible assets acquired before January 1, 2006 are measured at cost restated for the effects of inflation in YTL units current at December 31, 2005 pursuant to IAS 29, less accumulated amortization, and impairment losses. Intangible assets acquired in 2006 are measured at cost, less accumulated amortisation, and impairment losses. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets.

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

3.6 Investments in associates

As of December 31, 2005 the Company's investment in Finans Leasing S.A. Romania by 40% is accounted for under the equity method of accounting. This is the entity in which the Company has significant influence and which is neither subsidiary nor joint venture of the Company. The investment in this associate is carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associates, less any impairment in value. The income statement reflects the Company's share of the results of operations of this associate.

3.7 Financial instruments**Non-derivative financial instruments**

Non-derivative financial instruments comprise finance lease receivables and other receivables, available for sale assets, cash and cash equivalents, bank borrowings, and trade and other payables.

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

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Company. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or

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(Currency – New Turkish Lira)

convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets i.e. for assets carried at cost or amortized cost, change in value is not recognized; for assets classified as available-for-sale, the change in value is recognized in equity, respectively.

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

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses on remeasurement to fair value are recognized as a separate component of equity until the investment is derecognized, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. However, interest calculated on available-for-sale financial assets using effective interest method is reported as interest income, and dividends are included in dividend income when the entity's right to receive payment is established.

For investments that are traded in an active market, fair value is determined by reference to stock exchange or current market bid prices, at the close of business on the balance sheet date. For investments where there is no market price or market price is not indicative of the fair value of the instrument, fair value is determined by reference to the current market value of another instrument which is substantially the same, recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used. Equity securities whose fair values cannot be measured reliably are recognized at cost less impairment.

Bank borrowings

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

Other

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

Demand deposits and trade and other payables are measured at cost.

Derivative financial instruments

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

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

Economic hedges

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

3.8 Offsetting

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

3.9 Impairment**Financial assets**

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

Finans Finansal Kiralama Anonim Şirketi

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2006

(Currency – New Turkish Lira)

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

Individually significant financial assets are tested for impairment on a individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in income statement.

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

Non-financial assets

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

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

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

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

3.10 Employee benefits

Defined benefit plans

In accordance with the existing social legislation in Turkey, the Company is required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of an agreed formula, are subject to certain upper limits and are recognized in the accompanying financial statements as accrued. The reserve has been calculated by estimating the present value of the future obligation of the Company that may arise from the retirement of the employees.

Defined contribution plans

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

3.11 Leases

Finance leases

(a) The Company as lessor

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

(b) The Company as lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease

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payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

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

Operating leases

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

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

3.12 Provisions

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

3.13 Related parties

For the purpose of this report, the shareholders of the Company, Finansbank and NBG Group of companies, the ultimate shareholders of the Company and the companies controlled by/associated with them are referred to as related parties.

3.14 Income and expense recognition

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

3.15 Income tax

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

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

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

4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price.

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

The Company utilizes currency forward derivative instruments. "Currency forwards" represent commitments to purchase or to sell foreign and domestic currency, including undelivered spot transactions. The Company conducts these transactions in order to hedge foreign currency position on the balance sheet. The fair values of derivative instruments held at December 31, 2006 and 2005, are disclosed in note 15.

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

	Carrying amount		Fair value	
	2006	2005	2006	2005
Financial assets				
Finance lease receivables, net (Note 7)	583,344,064	311,047,963	595,639,529	327,413,576
Financial liabilities				
Funds borrowed (Note 14)	422,163,077	161,486,949	422,054,331	161,699,009

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

	Interest Rates Applied (%)	
	2006	2005
New Turkish Lira	23.81	17.50
USD	8.75	9.20
EURO	6.63	8.00
CHF	9.00	7.00

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5. Segment information

Since the Company operates only in leasing activities and in a single geographical area, segment information for 2006 is not provided. For the year ended December 31, 2005, the subsidiary included in consolidation is Finans Sigorta, which operates in all types of property and casualty insurance. The Company sold its 51.5% share in Finans Sigorta to Fiba Holding on November 15, 2005. Accordingly, the segment reporting was presented according to business activities in the leasing and insurance areas for the year ended December 31, 2005 as follows:

	Leasing	Insurance	Eliminations	Group
Income from finance leases	46,083,747	-	(11,156)	46,072,591
Insurance technical income, net	-	7,111,154	539,946	7,651,100
Finance income	5,747,988	4,011,201	11,156	9,770,345
Provision for possible lease receivables losses and other receivables	(3,017,967)	-	-	(3,017,967)
Other operating income, net	11,228,872	195,243	(539,946)	10,884,169
Other total operating expense	(18,612,015)	(9,382,606)	-	(27,994,621)
Profit from operating activities	41,430,625	1,934,992	-	43,365,617
Income from associates	4,548,694	-	-	4,548,694
Income taxes	-	128,123	-	128,123
Monetary loss	(5,176,905)	(1,150,285)	-	(6,327,190)
Net profit for the year	40,802,414	912,830	-	41,715,244

Other segment information

Segment assets	357,475,081	-	-	357,475,081
Investments in associates	2,368,257	-	-	2,368,257
Total assets	359,843,338	-	-	359,843,338
Segment liabilities	189,941,685	-	-	189,941,685
Total liabilities	189,941,685	-	-	189,941,685

Capital expenditures

Tangible assets	488,785	692,248	-	1,181,033
Intangible assets	4,776	159,637	-	164,413
Depreciation	440,986	756,771	-	1,197,757
Amortization	30,814	249,697	-	280,511
Impairment losses - goodwill	3,484,985	-	-	3,484,985

6. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

	2006	2005
Cash on hand	23,883	10,614
Cash at banks	51,248,349	17,647,945
Cash and cash equivalents	51,272,232	17,658,559

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As of December 31, 2006 and 2005, interest range of deposits is as follows:

	2006			
	Amount		Effective interest rate	
	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency
Bank accounts	1,530,271	49,718,078	17.50	3.00 – 5.00
Total	1,530,271	49,718,078		

	2005			
	Amount		Effective interest rate	
	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency
Bank accounts	8,135,547	9,512,398	13.50 – 18.00	1.50 – 7.25
Total	8,135,547	9,512,398		

7. Finance lease receivables, net

Gross investment in finance lease receivables:

	2006	2005
Short-term finance lease receivables		
Finance lease receivables outstanding	20,729,855	22,194,785
Minimum lease payments receivable, gross	315,343,821	196,404,524
Less: Unearned interest income	(60,455,170)	(39,434,292)
Less: Impairment reserve for finance lease receivables outstanding	(9,436,342)	(11,333,650)
Less: Impairment reserve for minimum lease payments receivable	(1,120,836)	(2,715,276)
Short-term finance lease receivables, net	265,061,328	165,116,091
Long-term finance lease receivables		
Minimum lease payments receivable, gross	375,930,580	174,210,907
Less: Unearned interest income	(57,647,844)	(26,804,177)
Less: Impairment reserve for minimum lease payments receivable	-	(1,474,858)
Long-term finance lease receivables, net	318,282,736	145,931,872
Total finance lease receivables, net	583,344,064	311,047,963

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

	2006	2005
2007	-	89,817,439
2008	169,811,256	42,092,037
2009	96,370,955	13,124,842
2010	39,415,830	813,594
2011	10,490,432	83,960
2012	2,194,263	-
Total	318,282,736	145,931,872

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As of December 31, 2006 and 2005, YTL 367,404,784 and YTL 138,723,636 of minimum lease payments receivable, gross are denominated in foreign currency (mainly USD and Euro). As of December 31, 2006 effective interest rates for USD, Euro and YTL are 12.10%, 10.40% and 23.50% (2005 – 13.15% for USD, 11.18% for Euro and 26.54% for YTL). Finance lease receivables mainly have fixed interest rates.

Movements in the specific reserve for finance lease receivables outstanding:

	2006	2005
Reserve at the beginning of the year	11,333,650	10,311,182
Provision for impairment	1,205,026	2,326,606
Recoveries	(1,450,897)	(499,493)
(Reversal)/Provision net of recoveries	(245,871)	1,827,113
Receivables written off	(1,651,437)	(360,622)
Monetary gain	-	(444,023)
Reserve at end of the year	9,436,342	11,333,650

Movement in the specific reserve for minimum lease payments receivable:

	2006	2005
Reserve at the beginning of the year	4,190,134	3,599,788
(Reversal)/provision for impairment	(2,824,009)	745,361
Recoveries	(245,289)	-
(Reversal)/Provision net of recoveries	(3,069,298)	745,361
Monetary gain	-	(155,015)
Reserve at end of the year	1,120,836	4,190,134

8. Available-for-sale investments

	2006	2005
Equity instruments – unlisted	60,897	60,747
	60,897	60,747

Available-for-sale investments at cost represent the Company's equity holdings in the companies, shares of which are not publicly traded.

The list of participations at affiliated companies which are included in equity instruments is as follows:

	2006		2005	
	Amount	Participation-%	Amount	Participation-%
Equity instruments - unlisted				
Finans Yatırım Menkul Değerler A.Ş.	60,747	Less than 1	60,747	Less than 1
Finans Portföy Yönetimi A.Ş.	150	Less than 1	-	-
	60,897		60,747	

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9. Investments in associates

The following is a list of the investments in associates:

Entity	2006			2005		
	Carrying Value	Ownership Interest	Company's Share of Income	Carrying Value	Ownership Interest	Company's Share of Income
Finans Gayrimenkul	-	-	-	-	-	3,190,885
Finans Leasing S.A. Romania	-	-	1,588,901	2,368,257	40.00	1,357,809
	-	-	1,588,901	2,368,257	-	4,548,694

Finans Leasing S.A. Romania is mainly engaged in all types of leasing operations in Romania.

Summarised financial information of the Company's investment in Finans Leasing Romania is as follows:

	2005
Share of the associate's balance sheet:	
Total assets	13,696,715
Total liabilities	11,328,458
Net assets	2,368,257
Share of the associate's revenue and profit:	
Revenue	1,255,290
Profit	1,357,809
Carrying amount of the investment	2,368,257

On July 31, 2006, the Company sold its 40% shares in Finans Leasing S.A., Romania. 39,536 of 39,538 shares representing 40% of Finans Leasing S.A., Romania, are sold to Finans International Holding N.V. for Euro 2,085,793, 1 share is sold to Fiba Holding for Euro 52.76 and the remaining 1 share is sold to Fina Holding for Euro 52.76. Operations of Finans Leasing S.A., Romania have been accounted by the equity method of accounting until the date of disposal and the Company incurred income at the amount of YTL 1,588,901 for the year ended December 31, 2006.

On August 17, 2005, the Company sold its 43.31% share in Finans Gayrimenkul to Fiba Holding. Operations of Finans Gayrimenkul have been accounted by the equity method of accounting until the date of disposal, and the Company incurred income at the amount of YTL 3,190,885. Such amount is accounted as income from associates on the income statement.

On August 5, 2005, the Company sold its 44% share in Kültür ve Gösteri Merkezleri to AFM Uluslararası Film Prodüksiyon ve Ticaret A.Ş. and incurred associate sale income amounting to YTL 1,477,063. Such amount is accounted as other income on the income statement. Equity method of accounting has not been applied for the investment due to the operations of Kültür ve Gösteri Merkezleri being insignificant to the Company's financial statements and carried at cost, until the date of disposal.

10. Equipment to be leased

The Company purchases machinery and equipment from foreign and domestic vendors in relation to the finance lease agreements signed in the current year for projects in progress of its customers, which will be completed in the subsequent year. As of December 31, 2006 and 2005, the equipment to be leased balance includes cost of the equipment to be leased as described above together with related expenses.

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11. Tangible assets

	Furniture and Equipment	Motor Vehicles	Leasehold Improvements	Total
January 1, 2006, net of accumulated depreciation	548,870	170,896	146,929	866,695
Additions	345,521	-	14,251	359,772
Disposals	-	(32,852)	-	(32,852)
Depreciation charge for the year	(324,547)	(53,809)	(35,965)	(414,321)
At December 31, 2006, net of accumulated depreciation	569,844	84,235	125,215	779,294
At December 31, 2006				
Cost	5,957,858	273,222	186,740	6,417,820
Accumulated depreciation	(5,388,014)	(188,987)	(61,525)	(5,638,526)
Net carrying amount	569,844	84,235	125,215	779,294

As of December 31, 2006, net carrying value of assets acquired through finance leases amount to YTL 427,803 (2005 - YTL 350,156) and consist of vehicles, furniture and equipments which are pledged as securities for the related finance lease obligations.

12. Intangible assets

	Software	Licenses	Total
At January 1, 2006, net of accumulated amortization and impairment	-	23,355	23,355
Additions	325,909	60,283	386,192
Disposals	-	-	-
Amortization charge for the year	-	(18,443)	(18,443)
At December 31, 2006, net of accumulated amortization	325,909	65,195	391,104
At December 31, 2006			
Cost	325,909	286,108	612,017
Accumulated amortization and impairment	-	(220,913)	(220,913)
Net carrying amount	325,909	65,195	391,104

13. Other assets

	2006	2005
Prepaid expenses	5,800,714	1,373,934
Value Added Tax receivables	4,292,423	1,310,476
Receivables from lessees against insurance transactions, net	1,862,428	753,591
Advances and deposits given	71,888	88,188
Prepaid tax	70,446	7,523
Others	10,730	-
	12,108,629	3,533,712

The Company has provided YTL 53,430 (2005 – YTL 445,493) of provision for its receivables from lessees against insurance transactions.

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14. Funds borrowed

		2006		
		Original Amount	YTL Equivalent	Interest rate (%)
Short-term			4,075,728	
Fixed interest				
	EUR	2,201,311	4,075,728	3.35 – 4.37
Medium/Long-term			418,087,349	
Fixed interest				
	EUR	64,660,008	119,718,005	3.89 – 5.51
	USD	64,801,179	91,084,536	6.00 – 7.50
Floating interest				
	EUR	80,381,587	148,826,509	4.36 – 6.91
	USD	41,411,737	58,208,338	6.37 – 7.57
	CHF	217,300	249,961	3.19
Total			422,163,077	
		2005		
		Original Amount	YTL Equivalent	Interest rate (%)
Short-term			70,518	
Fixed interest				
	YTL	70,518	70,518	-
Medium/Long-term			161,416,431	
Fixed interest				
	EUR	33,799,554	53,656,792	3.29 – 5.89
	USD	35,828,975	48,075,319	4.95 – 7.00
	CHF	47,245	48,134	3.75
Floating interest				
	EUR	28,380,420	45,053,917	4.84 – 5.89
	USD	10,867,692	14,582,269	6.62 – 7.42
Total			161,486,949	

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

	2006		2005	
	Fixed rate	Floating rate	Fixed rate	Floating rate
2006	-	-	89,181,553	27,192,018
2007	188,236,399	37,219,858	12,598,692	5,450,784
2008	22,566,142	98,439,212	-	8,421,100
2009	-	24,424,573	-	8,421,100
2010	-	22,978,089	-	7,180,866
2011	-	16,794,477	-	2,970,318
2012	-	7,428,599	-	-
Total	210,802,541	207,284,808	101,780,245	59,636,186

The Company has obtained bank aval to its promissory notes amounting to EUR 3,000,000 (2005 – EUR 7,950,000) and letters of guarantee amounting to EUR 50,000 and USD 14,034 (2005 – EUR 50,000, USD 14,034 and CHF 46,421) and submitted to various banks as guarantee for loans obtained.

15. Derivatives

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

	Fair value assets	Fair value liabilities	Notional amount in YTL equivalent
Derivatives held for trading			
Forward purchase contracts	498,541	2,184,946	47,636,050
Currency swap purchase contracts	-	3,855,900	21,786,800
Total	498,541	6,040,846	69,422,850

16. Other liabilities and provisions

	2006	2005
Bonus accrual	900,000	-
Taxes and social security premiums payable	537,273	170,514
Vacation pay liability	308,453	-
Leasing obligation	50,725	29,126
Deferred income	-	410,154
Others	184,390	158,558
Total	1,980,841	768,352

17. Reserve for employee termination benefits

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay, maximum of YTL 1,857 at December 31, 2006 (2005 – YTL 1,727) per year of employment at the rate of pay applicable at the date of retirement or termination. The principal assumption used in the calculation of the total liability is that the maximum liability for each year of service will increase in line with inflation semi-annually.

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

IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. The reserve has been calculated by estimating the present value of future probable obligation of the Company arising from the retirement of the employees. Accordingly, the following actuarial assumptions were used in the calculation of the following liability by the independent actuary:

Inflation rate	5.50%
Discount rate	11%
Average working period	13.70

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

	2006	2005
Balance at the beginning of the year	505,579	628,504
Effect of restatement	-	(27,065)
Reserve for employee termination benefits for the investment sold	-	(203,062)
Payments during the year	(17,709)	(7,589)
(Decrease)/increase during the year	(175,303)	114,791
Balance at the end of the year	312,567	505,579

18. Income taxes

As of December 31, 2006, corporate income tax is levied at the rate of 20% (2005 – 30%) on the statutory corporate income tax base, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes. There is also a withholding tax levied at a certain rate on the dividends paid and is accrued only at the time of such payments. Some of the deduction rates included in the 15th and 30th articles of the Law no. 5520 on the Corporate Tax, have been refined according to the cabinet decision numbered 2006/10731, which has been announced at Trade Registry Gazette of July 23, 2006 - 26237. In this context, withholding tax rate on dividend payments which are made to the companies except those are settled in Turkey or generate income in Turkey via a business or a regular agent has been increased to 15% from 10%.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate and paid in one instalment within the month of preparation of annual tax return.

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

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. As of December 31, 2006, the Company has carried forward tax losses amounting to YTL 7,699,554. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Major components of income tax expense for the years ended December 31, 2006 and 2005 are:

	2006	2005
Income statement		
Current income tax		
Current income tax charge	-	(229,891)
Adjustments in respect of current income tax of previous year	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	-	358,014
Income tax reported in consolidated income statement	-	128,123

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Deferred income tax

Under IAS 12, which deals with income taxes, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized and deferred tax assets should be reduced to the extent that it is no longer probable that the related tax benefit will be realized. Therefore, the deferred tax assets as of December 31, 2006 and 2005 were not recorded due to the fact that the Company will not be able to utilize deferred tax assets in the foreseeable future.

The Company's investment allowances related with capital expenditures are deductible from future taxable income for the years from 2006 through 2008. The total amount of investment allowances, which are deductible from future taxable income amounts to YTL 191,050,932 (2005 - YTL 181,641,421). Therefore, the Company's principal tax rate on temporary differences is calculated as nil as at December 31, 2006 and 2005 as the Company does not expect to pay any corporation tax in the foreseeable future.

The breakdown of deductible and taxable temporary differences for which neither deferred tax asset nor deferred tax liability have been provided for due to having a tax rate of nil at December 31, are as follows:

	2006	2005
Deductible temporary differences		
Tax credits of unused investment incentive allowances	49,940,749	46,417,640
Accounting of finance leases	2,835,715	16,145,791
Capitalized financial expense subject to deduction	2,483,657	3,725,486
Tax loss carry forward	2,309,866	1,074,256
Expense accruals on derivative transactions	1,812,254	-
Reserve for possible lease receivable losses	336,022	1,254,942
Bonus accrual	270,000	-
Employee termination benefit	93,770	151,674
Vacation pay liability	92,536	-
	60,174,569	68,769,789
Taxable temporary differences		
Leasing income accruals	2,381,084	1,186,160
Accrued interest income on overdue receivables	252,248	39,259
Income accruals on derivative transactions	149,562	-
Restatement effect on tangible and intangible assets	55,926	101,532
Expense accruals on funds borrowed	51,688	42,624
	(2,890,508)	(1,369,575)
Net deductible temporary differences	57,284,061	67,400,214

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

	2006	2005
Profit from operating activities before income tax and monetary loss	40,003,387	47,914,311
Accounting of finance leases and restatement effect of income statement items	4,318,418	(12,577,569)
Accounting of insurance technical income	-	(1,292,645)
(Reversal)/provision for possible lease receivable losses	(3,063,069)	21,218
Accounting of investment in associates	(828,693)	(4,548,694)
Fair value loss on derivative transactions	5,542,306	-
Tangible assets sales income	(48,685,340)	(29,279,073)
Gain(loss) from fair value changes in investments available for sale	-	614,138
Income from available for sale portfolio	-	(2,065,117)
Income from investment in associates	-	(2,103,223)
Income from sale of consolidated subsidiary	-	(2,124,482)
Amortization of goodwill	-	-
Impairment of goodwill	-	3,484,985
Other adjustments	303,540	(1,285,227)
Statutory (loss)/income before taxation	(2,409,451)	(3,241,378)
Income not subject to tax	(14,427,960)	(14,331,459)
Expenditure not deductible for income tax purposes	12,346,825	18,497,465
Deductible tax loss carry forwards	(3,580,853)	(660,604)
Current year profit of subsidiary	319,969	502,279
Corporate tax base	(7,751,470)	766,303
Corporate tax (effective rate 0% (2005 - 30%))	-	(229,891)
Income tax base	-	-
Income tax (effective rate 19.8%)	-	-
Tax effect of temporary differences (restated)	-	358,014
Adjustment effect of prior years tax allowance	-	-
Taxation charge per accompanying financial statements	-	128,123

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19. Share capital

	2006	2005
Number of common shares (authorized, issued and outstanding) 0.1 YTL par value	7,500,000,000	4,300,000,000

The Company increased its nominal share capital from YTL 43,000,000 to YTL 75,000,000 according to the Board of Directors' resolution on March 17, 2006. The movement of the share capital (in numbers and in historical YTL) of the Company during 2006 and 2005 is as follows:

	2006		2005	
	Number	YTL	Number	YTL
At January 1	4,300,000,000	43,000,000	4,300,000,000	43,000,000
Shares issued in:				
- transfer from inflation adjustment to share capital	2,767,930,000	27,679,300	-	-
- transfer from statutory retained earnings	432,070,000	4,320,700	-	-
At December 31	7,500,000,000	75,000,000	4,300,000,000	43,000,000

As of December 31, 2006 and 2005, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	2006		2005	
	Amount	%	Amount	%
Finansbank	38,292,090	51.06	21,945,082	51.04
Finans Yatırım Menkul Değerler A.Ş.	6,158,963	8.21	3,531,139	8.21
Publicly traded	30,548,947	40.73	17,523,779	40.75
Total in historical YTL	75,000,000	100.00	43,000,000	100.00
Restatement effect	48,459,788		76,139,088	
Total	123,459,788		119,139,088	

The sale and transfer of 46% of the ordinary shares of Finansbank belonging to Fiba Holding and other group companies and 100 founder shares of Finansbank belonging to Fina Holding; to National Bank of Greece S.A have been completed at August 18, 2006 and NBG has become the main shareholder of Finansbank.

NBG purchased 2.55% shares of the Company, with YTL 1,911,543 nominal value, on the tender call between December 11 and 25, 2006.

20. Legal reserves and retained earnings

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

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

Dividends

As of December 31, 2006, the Company has not resolved to distribute profit as of the date of these financial statements.

Finans Finansal Kiralama Anonim Şirketi

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2006

(Currency – New Turkish Lira)

21. Earnings per share

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

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and revaluation surplus. For the purpose of the EPS calculation, such Bonus Share issues are regarded as stock dividends. Dividend payments, which are immediately reinvested in the shares of the Company, are regarded similarly. Accordingly, the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares without consideration through December 31, 2006.

There have been no transactions involving ordinary shares or potential ordinary shares since the date of these financial statements and before the completion of these financial statements.

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

	2006	2005
Net profit attributable to ordinary equity holders of the parents for basic earnings per share	40,003,387	41,272,522
Weighted average number of ordinary shares for basic earnings per share	6,433,333,333	4,300,000,000
Basic earnings per share	0.00622	0.00960

22. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the operating decisions. The Company is controlled by Finansbank, which owns 51.06% (2005 - 51.04%) of ordinary shares. The ultimate owner of the Company is NBG. For the purpose of these financial statements, associates, shareholders and affiliated companies are referred to as related parties. Related parties also include individuals that are principal owners, management and members of the Company's Board of Directors and their families.

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

	2006	2005
Balances outstanding		
Cash and cash equivalents	7,774,235	11,899,786
Finance lease receivables, net	11,604,284	7,426,091
Funds borrowed	2,517,549	-
Advances from customers	59,188	56,581
Fair value loss on derivative transactions, net	1,686,404	-
Transactions		
Income from finance leases	1,825,173	2,158,562
Insurance income	-	27,148,275
Interest income on bank deposits	504,566	117,742
Commissions paid	297,570	4,131,751
Rent expense	53,998	173,924
Loss on derivative transactions, net	(1,686,404)	-

Additionally, the shareholder bank has given letters of guarantee amounting to EUR 50,000 and letter of comfort for the funds borrowed amounting to USD 63,806,873 and EUR 47,420,911 (2005 - USD 6,494,323 and EUR 20,468,520) and letters of guarantee amounting to YTL 31,885 (2005 - YTL 30,844) to customs authorities and courts.

Finans Finansal Kiralama Anonim Şirketi

NOTES TO THE FINANCIAL STATEMENTS

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(b) Balances outstanding and other transactions with other related parties:

	2006	2005
Balances Outstanding		
Cash and cash equivalents	3,126	222,973
Finance lease receivables, net	2,117,100	1,916,200
Advances from customers	58,964	-
Other liabilities	2,602,788	2,797,068
Transactions		
Income from finance leases	258,450	187,444
Insurance income	-	778,820
Interest income on bank deposits	601,028	1,144,968
Income from sale of subsidiary and associate	-	2,750,641
Rent expense	260,845	236,985
Insurance agency commission income	1,813,475	-

(c) In 2006, compensation of the key management personnel of the Company amounted to YTL 1,890,831 (2005 - YTL 1,921,198).

23. Insurance technical income

The breakdown of insurance technical income and expense is as follows:

	2006	2005
Insurance technical income		
Premiums written	-	114,860,148
Premium ceded to reinsurers	-	(39,086,821)
Unearned premium, net	-	(9,037,391)
Commission income	-	8,117,642
	-	74,853,578
Insurance technical expense		
Claims paid, net	-	(39,633,408)
Provision for outstanding claims	-	(9,350,295)
Commission paid	-	(18,218,775)
	-	(67,202,478)
Insurance technical income, net	-	7,651,100

Finans Finansal Kiralama Anonim Şirketi

NOTES TO THE FINANCIAL STATEMENTS

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(Currency – New Turkish Lira)

24. Finance (expense)/income

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

	2006	2005
Finance expenses		
Foreign exchange loss	(41,786,227)	(2,492,807)
Interest expense on funds borrowed	(20,985,530)	(7,827,891)
	(62,771,757)	(10,320,698)
Finance income		
Foreign exchange gain	13,879,050	11,075,815
Interest income on bank deposits, investments available for sale and reverse repo	2,464,055	9,015,228
	16,343,105	20,091,043
Finance (expense)/income, net	(46,428,652)	9,770,345

25. Salaries and employee benefits

	2006	2005
Staff costs		
Wages and salaries	4,710,571	6,691,993
Bonuses	2,801,894	1,229,533
(Reversal)/provision for employee termination benefits	(193,012)	245,119
Provision for vacation pay liability	308,453	-
Other fringe benefits	590,198	960,496
	8,218,104	9,127,141
Defined contribution share		
Social security premiums – employer share	598,091	965,856
	598,091	965,856
Total	8,816,195	10,092,997

Finans Finansal Kiralama Anonim Şirketi

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2006

(Currency – New Turkish Lira)

26. Other operating income, net

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

	2006	2005
Insurance commission income	1,842,962	400,212
Income from sale of tangible assets and assets acquired through foreclosure proceedings	1,000,218	1,086,750
Income from costs charged to customers	410,155	438,239
Income from sale of a subsidiary	-	2,124,482
Income from sale of associates	-	2,103,222
Income from sale of portfolio available for sale	-	2,065,117
Withholding tax taken from tax office	-	683,800
Miscellaneous income	1,846,561	2,621,846
Total other operating income	5,099,896	11,523,668
Miscellaneous expense	(293,683)	(639,499)
Total other operating expense	(293,683)	(639,499)
Total other operating income, net	4,806,213	10,884,169

Finans Finansal Kiralama Anonim Şirketi

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27. Financial risk management

The Company is exposed to following risks due to its transactions in financial instruments;

Credit Risk

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

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

The Company seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Company also obtains guarantees when appropriate. The concentration of the Company's minimum lease payments receivable to industry groups is as follows:

	2006	2005
Construction	20.3%	16.1%
Agricultural	16.0%	5.8%
Health and Social Services	13.0%	15.4%
Production	10.2%	11.2%
Textile	9.4%	8.5%
Transportation and Telecommunication	7.6%	6.8%
Mining and Metal	7.3%	8.4%
Wholesale and Retail Trade	5.0%	7.1%
Printing	3.0%	5.9%
Financial Institutions	2.3%	3.0%
Hotel, Food and Beverage services	1.6%	3.2%
Entertainment and Advertisement	1.5%	2.4%
Other	2.8%	6.2%
Total	100.00%	100.00%

Finans Finansal Kiralama Anonim Şirketi

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Liquidity Risk

The Company's policy is to match cash outflow mainly arising from repayments of the funds borrowed and cash inflow arising from lease receivables, maintained in the portfolio. Repayment schedules of leasing contracts made with the customers are structured considering the funding and equity base of the Company.

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

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

	2006					Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	
ASSETS						
Cash and cash equivalents	51,272,232	-	-	-	-	51,272,232
Finance lease receivables, net	42,906,809	44,595,054	61,755,837	115,803,628	318,282,736	583,344,064
Available-for-sale investments	-	-	-	-	60,897	60,897
Derivatives	420,809	77,732	-	-	-	498,541
Equipment to be leased	-	30,432,782	-	-	-	30,432,782
Other assets	6,647,298	618,133	769,046	1,253,192	2,820,960	12,108,629
Total assets	101,247,148	75,723,701	62,524,883	117,056,820	321,164,593	677,717,145
LIABILITIES						
Funds borrowed	26,060,938	46,760,670	102,765,101	53,945,276	192,631,092	422,163,077
Trade payables	25,191,706	1,265,040	1,641,008	2,300,142	-	30,397,896
Advances from customers	8,087,276	-	-	-	-	8,087,276
Derivatives	-	752,687	5,288,159	-	-	6,040,846
Other liabilities and provisions	610,663	900,000	50,725	419,453	-	1,980,841
Reserve for employee termination benefits	-	-	-	-	312,567	312,567
Total liabilities	59,950,583	49,678,397	109,744,993	56,664,871	192,943,659	468,982,503
Net liquidity gap	41,296,565	26,045,304	(47,220,110)	60,391,949	128,220,934	208,734,642

Finans Finansal Kiralama Anonim Şirketi

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	2005					Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	
ASSETS						
Cash and cash equivalents	17,658,559	-	-	-	-	17,658,559
Finance lease receivables, net	28,680,416	26,826,998	38,443,835	71,164,842	145,931,872	311,047,963
Available-for-sale investments	-	-	-	-	60,747	60,747
Investment in associates	-	-	-	-	2,368,257	2,368,257
Equipment to be leased	-	24,284,050	-	-	-	24,284,050
Other assets	2,346,641	273,562	415,961	458,277	39,271	3,533,712
Total assets	48,685,616	51,384,610	38,859,796	71,623,119	148,400,147	358,953,288
LIABILITIES						
Funds borrowed	7,758,804	18,766,286	40,674,395	49,244,604	45,042,860	161,486,949
Trade payables	17,078,377	28,777	-	1,275,388	2,935,614	21,318,156
Advances from customers	5,862,649	-	-	-	-	5,862,649
Other liabilities and provisions	396,833	78,514	84,860	208,145	-	768,352
Reserve for employee termination benefits	-	-	-	-	505,579	505,579
Total liabilities	31,096,663	18,873,577	40,759,255	50,728,137	48,484,053	189,941,685
Net liquidity gap	17,588,953	32,511,033	(1,899,459)	20,894,982	99,916,094	169,011,603

Finans Finansal Kiralama Anonim Şirketi

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Currency Risk

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

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

ASSETS	New Turkish Lira	USD	2006				Total
			Euro	CHF	Japanese Yen	Others	
Cash and cash equivalents	1,530,271	7,419,760	42,315,700	5,788	297	416	51,272,232
Finance lease receivables, net	263,188,699	89,489,530	229,966,413	307,134	392,288	-	583,344,064
Available-for-sale investments	60,897	-	-	-	-	-	60,897
Derivatives	498,541	-	-	-	-	-	498,541
Equipment to be leased	3,320,311	6,759,833	18,190,095	1,198,687	935,220	28,636	30,432,782
Other assets	11,812,750	133,262	162,617	-	-	-	12,108,629
Total assets	280,411,469	103,802,385	290,634,825	1,511,609	1,327,805	29,052	677,717,145
LIABILITIES							
Funds borrowed	-	149,292,874	272,620,242	249,961	-	-	422,163,077
Trade payables	2,916,938	6,663,688	19,013,078	1,196,857	606,505	830	30,397,896
Advances from customers	3,062,717	866,031	4,157,609	3	916	-	8,087,276
Derivatives	6,040,846	-	-	-	-	-	6,040,846
Other liabilities and provisions	1,930,116	-	50,725	-	-	-	1,980,841
Reserve for employee termination benefits	312,567	-	-	-	-	-	312,567
Total liabilities	14,263,184	156,822,593	295,841,654	1,446,821	607,421	830	468,982,503
Net balance sheet position	266,148,285	(53,020,208)	(5,206,829)	64,788	720,384	28,222	208,734,642
Net off balance sheet position	(69,422,850)	41,465,200	27,957,650	-	-	-	-
Net position	196,725,435	(11,555,008)	22,750,821	64,788	720,384	28,222	208,734,642

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ASSETS	New Turkish Lira	USD	2005			Others	Total
			Euro	CHF	Japanese Yen		
Cash and cash equivalents	8,135,547	1,517,367	8,005,306	14	306	19	17,658,559
Finance lease receivables, net	181,396,007	60,248,401	68,848,079	89,958	465,518	-	311,047,963
Available-for-sale investments	60,747	-	-	-	-	-	60,747
Investment associates	2,368,257	-	-	-	-	-	2,368,257
Equipment to be leased	6,674,993	6,782,590	10,056,425	770,042	-	-	24,284,050
Other assets	3,403,719	115,949	14,044	-	-	-	3,533,712
Total assets	202,039,270	68,664,307	86,923,854	860,014	465,824	19	358,953,288
LIABILITIES							
Funds borrowed	70,518	62,657,588	98,710,709	48,134	-	-	161,486,949
Trade payables	4,672,514	6,799,327	8,501,499	1,344,816	-	-	21,318,156
Advances from customers	3,461,615	1,241,340	1,159,468	6	220	-	5,862,649
Other liabilities and provisions	329,072	375,418	63,862	-	-	-	768,352
Reserve for employee termination benefits	505,579	-	-	-	-	-	505,579
Total liabilities	9,039,298	71,073,673	108,435,538	1,392,956	220	-	189,941,685
Net balance sheet position	192,999,972	(2,409,366)	(21,511,684)	(532,942)	465,604	19	169,011,603

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Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value or future cash flows of financial instruments. The Company is exposed to interest rate risk as a result of mismatches or gaps in the amounts of monetary assets and liabilities that mature or reprice in a given period. The Company manages this risk by matching the repricing of assets and liabilities through risk management strategies.

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

ASSETS	2006						Non interest bearing	Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year			
Cash and cash equivalents	49,840,378	-	-	-	-	1,431,854	51,272,232	
Finance lease receivables, net	42,906,809	44,595,054	61,755,837	115,803,628	318,282,736	-	583,344,064	
Available-for-sale investments	-	-	-	-	-	60,897	60,897	
Derivatives	-	-	-	-	-	498,541	498,541	
Equipment to be leased	-	-	-	-	-	30,432,782	30,432,782	
Other assets	-	-	-	-	-	12,108,629	12,108,629	
Total assets	92,747,187	44,595,054	61,755,837	115,803,628	318,282,736	44,532,703	677,717,145	
LIABILITIES								
Funds borrowed	41,231,218	140,223,385	162,404,472	56,618,302	21,685,700	-	422,163,077	
Trade payables	-	-	-	-	-	30,397,896	30,397,896	
Advances from customers	-	-	-	-	-	8,087,276	8,087,276	
Derivatives	-	-	-	-	-	6,040,846	6,040,846	
Other liabilities and provisions	-	-	-	-	-	1,980,841	1,980,841	
Reserve for employee termination benefits	-	-	-	-	-	312,567	312,567	
Total liabilities	41,231,218	140,223,385	162,404,472	56,618,302	21,685,700	46,819,426	468,982,503	
Total interest sensitivity gap	51,515,969	(95,628,331)	(100,648,635)	59,185,326	296,597,036	(2,286,723)	208,734,642	

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ASSETS	2005					Non interest bearing	Total
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year		
Cash and cash equivalents	13,684,684	-	-	-	-	3,973,875	17,658,559
Finance lease receivables, net	28,680,416	26,826,998	38,443,835	71,642,548	145,454,166	-	311,047,963
Available-for-sale investments	-	-	-	-	-	60,747	60,747
Investments in associates	-	-	-	-	-	2,368,257	2,368,257
Equipment to be leased	-	-	-	-	-	24,284,050	24,284,050
Other assets	-	-	-	-	-	3,533,712	3,533,712
Total assets	42,365,100	26,826,998	38,443,835	71,642,548	145,454,166	34,220,641	358,953,288
LIABILITIES							
Funds borrowed	8,432,314	59,356,608	29,968,098	46,695,538	17,034,391	-	161,486,949
Trade payables	-	-	-	-	-	21,318,156	21,318,156
Advances from customers	-	-	-	-	-	5,862,649	5,862,649
Other liabilities and provisions	-	-	-	-	-	768,352	768,352
Reserve for employee termination benefits	-	-	-	-	-	505,579	505,579
Total liabilities	8,432,314	59,356,608	29,968,098	46,695,538	17,034,391	28,454,736	189,941,685
Total interest sensitivity gap	33,932,786	(32,529,610)	8,475,737	24,947,010	128,419,775	5,765,905	169,011,603

Finans Finansal Kiralama Anonim Şirketi**NOTES TO THE FINANCIAL STATEMENTS****As of and for the Year Ended December 31, 2006**

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28. Acquisitions and disposals

On November 15, 2005, the Company sold its 51.5% share in Finans Sigorta to Fiba Holding.

The details of assets and liabilities disposed and disposal consideration are as follows:

Total assets	122,136,838
Total liabilities	97,548,693
Net asset	24,588,145
Proceeds from sale (discharged by cash)	14,787,377
Less: Cash and cash equivalents in subsidiary sold	(14,099,600)
Net cash inflow on sale	687,777

29. Subsequent events

Effective from January 1, 2007, the retirement pay ceiling has been increased to YTL 1,961.

Finans Finansal Kiralama Anonim Şirketi

SHAREHOLDERS' INFORMATION

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

Market Price per share by Quarter

High	1st	2nd	3rd	4th
2005	YTL 1.46	YTL 2.35	YTL 4.47	YTL 5.76
2006	YTL 6.77	YTL 5.99	YTL 4.44	YTL 4.36
Low	1st	2nd	3rd	4th
2005	YTL 0.79	YTL 0.96	YTL 2.32	YTL 3.33
2006	YTL 4.50	YTL 2.68	YTL 3.30	YTL 3.60

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

Investor Relations

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

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

Annual Meeting

The Annual Meeting of Shareholders of Finans Leasing will be held on 23 March 2007.

Stockbrokers

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

Auditors

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Yapı Kredi Plaza C Blok Kat:17
34330 Levent-İstanbul
Tel: (90 212) 317 74 00
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Tax Consultants

Sigma Yeminli Mali Müşavirlik A.Ş.
Büyükdere Cad. Onur İşhanı No: 118
Kat: 5 Zincirlikuyu
34394 Şişli-İstanbul
Tel: (90 212) 288 99 01
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Finans Finansal Kiralama Anonim Şirketi

COMPANY DIRECTORY

	Phone	Fax
Head Office		
Nispetiye Caddesi Akmerkez B Kulesi Kat: 10 Etiler 34620 İstanbul	(90 212) 349 1111	(90 212) 350 60 60
Branches		
Atatürk Airport Branch		
Atatürk Havalimanı Serbest Bölgesi 2. Kısım A Blok No: 443 Yeşilköy İstanbul	(90 212) 465 08 48	(90 212) 465 00 10
Representative Offices		
Adana Representative Office		
Atatürk Cad. Kemal Özülkü İş Hanı No: 7 Kat: 15 Seyhan Adana	(90 322) 457 66 00	(90 322) 457 79 58
Ankara Representative Office		
Atatürk Bulv. No: 140 Kavaklıdere Ankara	(90 312) 457 12 22	(90 312) 457 12 91
Antalya Representative Office		
Ali Çetinkaya Cad. No: 12 Antalya	(90 242) 244 53 41	(90 242) 244 53 41
Bursa Representative Office		
Davutdede Mah. Atatürk Cad. No: 102 Finansbank Marmara Bölge Md. Kat: 1 16230 Bursa	(90 224) 363 09 40	(90 224) 363 01 23
Denizli Representative Office		
İzmir Asfaltı Üzeri No: 365 Denizli	(90 258) 372 13 72	(90 258) 372 22 69
Diyarbakır Representative Office		
Kayapınar Sok. Urfa Yolu Kantar Kavşağı Güntaş Apt. No: 117 Kayapınar Diyarbakır	(90 412) 252 47 52	(90 412) 252 47 53
Eskişehir Representative Office		
İki Eylül Cad. No: 35 Kat 3 Eskişehir	(90 222) 231 51 32	(90 222) 230 20 74
Gaziantep Representative Office		
İncilipınar Mah. 3 Nolu Cad. Bayel İş Merkezi B Blok Kat: 1 No: 101 Şehitkamil Gaziantep	(90 342) 232 11 51	(90 342) 230 46 35
İstanbul-Dudullu Representative Office		
İmes Sanayi Sitesi C Blok 301. Sokak No: 1 Yukarı Dudullu İstanbul	(90 216) 527 44 24 (154)	(90 216) 527 45 47
İstanbul-İkitelli Representative Office		
Karaçalık Mevkii İmsan Küçük Sanayi Sitesi E Blok No: 14 İkitelli İstanbul	(90 212) 471 30 33	(90 212) 350 60 12
İstanbul-Topkapı Representative Office		
Mehmet Efendi Mah. Davutpaşa Cad. Tim 2 İş Merkezi No: 129 Topkapı İstanbul	(90 212) 674 98 00 (160)	(90 212) 674 98 10
İzmir Representative Office		
Şehir Nevres Bulv. No: 8/1 Montrö İzmir	(90 232) 488 11 76-77	(90 232) 488 11 84
Kahramanmaraş Representative Office		
Egemenlik Mah. Doğu Çevre Yolu İş Merkezi Ticari Şube No: 2 Kahramanmaraş	(90 344) 235 33 35 (117)	(90 344) 235 36 56
Kayseri Representative Office		
Osman Kavuncu Cad. No: 227 Melikgazi Kayseri	(90 352) 332 24 66	(90 352) 332 24 67
Kocaeli-Gebze Representative Office		
Sultan Orhan Mah. Hükümet Cad. No: 111/B Gebze Kocaeli	(90 262) 642 21 73	(90 262) 642 21 79
Kocaeli-İzmit Representative Office		
Yeni Gölcük Yolu Sanayii Sitesi Girişi No: 10 İzmit Kocaeli	(90 262) 335 17 80	(90 262) 335 47 80
Konya Representative Office		
Musalla Bağları Mah. Nalçacı Cad. Sonu No: 118 Selçuklu Konya	(90 332) 238 40 29	(90 332) 238 40 31
Samsun Representative Office		
19 Mayıs Bulv. Ulugazi Mah. İstiklal Cad. No: 30/B Samsun	(90 362) 435 46 25	(90 362) 435 26 45
Trabzon Representative Office		
Maraş Cad. İpekyolu İş Merkezi No: 6 Trabzon	(90 462) 323 22 72 (ext. 113)	(90 462) 323 22 82
NBG Group Leasing Companies		
Ethniki Leasing		
Athens-Greece	(30 210) 331 48 00-5	
Interlease		
Sofia-Bulgaria	(359 2) 971 82 82	
Eurial Leasing		
Bucharest-Romania	(40 1) 409 10 00	
NBG Leasing		
Belgrade-Serbia	(381 11) 322 87 05	

