



IS INVESTMENT
BOARD OF DIRECTORS
QUARTERLY REPORT
JANUARY 1, 2010 -
MARCH 31, 2010

Contents

- 01** Overview of the Economy
- 02** Board of Directors and Executives
- 03** Summary Balance Sheet and Income Statement
- 04** Domestic Capital Markets
- 06** Domestic Sales and Marketing
- 07** International Capital Markets
- 08** Corporate Finance
- 09** New Products and Service Network
- 10** Information Policy
- 12** Risk Management Policy
- 13** Corporate Governance Principles Compliance Report

Overview of the Economy

The Turkish economy showed a growth beyond expectations with 6% in the last quarter of 2009 and it will not be a surprise if it shows a double-digit growth in the first quarter of 2010.

As the crisis of the century has influenced the entire world, especially developed countries have entered unprecedented cooperation in the struggle against the crisis. Therefore the year 2009 will be remembered as a year of combined power in monetary as well as fiscal policies. The first quarter of 2010 will also take its place in the history of economics as a period during which the outcome of the united power has been collected gradually.

While the expansionary fiscal policies affect the economic activity in a relatively short time, the effect of the loosening of the monetary policy on credit canals spreads to midterm. Therefore, the year 2010 was being waited to see if the target was reached although the central banks used their policy tools effectively worldwide in 2009.

The form of the recovery, which was awaited in this period, came to the foreground as the most important question. Some of the economist worldwide claimed a more optimistic scenario with a "V" formed recovery. Other economists with a "W" formed, i.e. "Double Dip" recovery scenario gave warnings about the fact that the global economy might experience another shock in the first quarter of 2010. The first quarter of the year was a period in which these scenarios were tested.

Asian countries which supported their economic growth with fiscal expansions and some South American countries that were able to keep their domestic demand alive drew a picture, which supported the optimistic scenario. In addition, the news of interest rate increases in some countries began to be seen in 2010.

If we look at it from Turkey's economic point of view, it is helpful to follow the developments in Europe more closely. As the exporter sectors are strong within the manufacturing industry and the European countries have more weight in the export markets, for a lasting recovery of the Turkish economy, the demand conditions of European countries have to be improved. The high public debt problem of some countries in the European Union ("EU") and the fact that important countries of the EU, such as Germany and France attach great importance to fiscal discipline do not bring any good news for Turkey in the short run regarding foreign demand.

However, the domestic demand was much more optimistic in this period. The rapidly consumed stocks in 2009 came to the foreground as a factor which supports the manufacturing industry in 2010. The improvement in the credit conditions also revive the domestic demand and provide a recovery in the economic activity. The Turkish economy showed a growth beyond expectations with 6% in the last quarter of 2009 and it will not be a surprise if it shows a double-digit growth in the first quarter of 2010.

In regards to the ISE Stock Market, we retain our "ACCUMULATE" advice, where price falls are utilized in the buy direction of the stocks in "IS Investment Most Recommended List" for investors who are less sensitive to the volatility in the stock market.

The "IS Investment Most Recommended List", which outperformed the ISE-100 index in the first quarter of 2010 by 6.5%, seems more attractive than the market in general with a 28% upward potential as of the end of March.

Board of Directors and Executives

Board of Directors

Özcan Türkakın	Chairman
Güzide Meltem Kökden	Dep. Chairman
Emre Duranlı	Member
Serpi Kılıboz	Member
Ebru Özşuca	Member
Senar Akkuş	Member
Feray Demir	Member

Board of Directors has been assigned in the Ordinary General Meeting of Shareholders held on April 26, 2010 till the date of next Ordinary General Meeting of Shareholders. The memberships of Mr. Turan Gökçen Bali and Ms. İzlem Erdem have ended by April 26, 2010.

Members of the Board do not play an execution role at IS Investment.

Auditors

Engin Ekşi, Fatma Nilüfer Başarrı Kutlutürk

The auditors have been assigned in the Ordinary General Meeting of Shareholders held on April 26, 2010 till the date of next Ordinary General Meeting of Shareholders. The memberships of Mr. Uygur Şafak Ögün and Mr. Engin Topaloğlu have ended by April 26, 2010.

Executives

İlhami Koç	General Manager
Murat Kural	Assistant General Manager
Ufuk Ümit Onbaşı	Assistant General Manager
Ertuğ Yıldırımcan	Assistant General Manager
Mert Erdoğan	Assistant General Manager
Funda Çağlan Mursaloğlu	Assistant General Manager

Shareholding Structure

IS Bank	65.65%
IS Leasing	2.43%
IS Factoring	2.43%
Sisecam	1.45%
Camis Investment Holding	0.17%
Free Float	27.87%

Summary Balance Sheet and Income Statement*

Summary Balance Sheet (TL 000)	31 March 2010	31 Dec. 2009
Assets		
Current Assets	2,513,382	2,388,299
Long-term Assets	67,698	66,220
Total Assets	2,581,080	2,454,519
Liabilities		
Short-term Liabilities	2,053,053	1,937,222
Long-term Liabilities	1,863	1,690
Minority Interest	173,361	181,427
Shareholders' Equity	352,803	334,180
Total Liabilities & Shareholders' Equity	2,581,080	2,454,519
Summary Income Statement (TL 000)		
	1 Jan. - 31 March 2010	1 Jan.- 31 March 2009
Sales Revenue	11,921,118	4,748,419
Cost of Sales	(11,915,743)	(4,744,031)
Interest and Derivative Income from Operating Activities	15,637	15,126
Income from Services (net)	28,057	12,942
Other Operating Income/Expenses (net)	1,991	2,034
Gross Profit/(Loss)	51,060	34,490
Operating Expenses	(25,280)	(21,434)
Other Income/Expenses	(10)	(178)
Operating Profit/(Loss)	25,770	12,879
Share in Net Profit/(Loss) of Investments Accounted for Under Equity Method	1,691	605
Non-Operating Income/Expenses (net)	4,840	7,408
Profit/(Loss) Before Taxation from Continued Operations	32,301	20,892
Tax	(5,181)	(4,705)
Minority Interest	8,556	6,160
Net Profit (Equity holders of the parent)	18,564	10,027
Earnings per Share	0.1555	0.0840

*The financial statements and footnotes of IS Investment are disclosed to public at isyatirim.com.tr

Financial Highlights	31 March 2010	31 Dec. 2009
Current Assets/Short-term Liabilities	1.22	1.23
Total Liabilities/ Equity	3.91	3.76

Domestic Capital Markets

The global liquidity, which was created thanks to the expansionary fiscal and monetary policies, that were simultaneously implemented on a global scale, formed a suitable environment for the rise of the equity markets.

Equity Market

The ISE Equity Market closed the first quarter of 2010 with an increase parallel to the overseas markets. We entered the year 2010 with a conjuncture where the inflation was not a threat although the global economies started to recover. The global liquidity, which was created thanks to the expansionary fiscal and monetary policies, that were simultaneously implemented on a global scale, formed a suitable environment for the rise of the equity markets. Developing countries has become the locomotive of growth in this period as filling the gap created by developed markets in terms of growth. The ISE Equity Market was one of the markets which gained the most advantages from this conjuncture. The growth expectations of 2010 and afterwards and the strong banking sector were among the most important factors which made the market attractive.

The most important incident, which caused fluctuations in the domestic as well as the overseas markets during the first quarter, was the high public debts in the European markets. The problems originated in Greece also affected countries which had high debt rates such as Portugal and Spain in a short time. The ISE Equity Market was also influenced by this negative fluctuation, but it recovered soon and continued its upward trend.

Another important development, which was important in terms of testing the power of the markets, was that the negotiations with the International Monetary Fund ("IMF") were ended without coming to an agreement. This important development did not affect the ISE Equity Market very much. The notch up from credit rating agencies during the period also supported the upward trend of the ISE Equity Market.

IS Investment maintained its leading position during the first quarter of 2010 with TL 25.4 billion trading volume and a market share of 7.2% in the ISE Equity Market.

Securities Lending and Borrowing Market

The Securities Lending and Borrowing Market ("Securities L/B Market") continued its ISE-indexed course in the first quarter of 2010. Due to the global conjuncture and the improvement in economic data, there was an upward trend in ISE in the first quarter of the year. While the investors were more willing to make short sales due to the increase of share prices, the increased short sales caused the trading volume of Securities L/B Market to increase as well. The average trading volume in January and February was TL 157.8 million and increased 70% to TL 268.9 million due to the extreme rise of the equity market in March. While 113 shares were traded on Securities L/B Market in 2009 on average, this number increased to 135 in the first quarter of 2010. The increase in both the trading volume and the number of traded shares shows that the importance of Securities L/B Market increases day by day.

IS Investment continued to be the most active player of Securities L/B Market with a trading volume of TL 260.6 million and a market share of 22.3% in the first quarter of 2010.

Bonds and Bills Market

While the expectations increased regarding taking steps to tighten monetary policies in global economies since the end of 2009, the negative effect of the price adjustments for the budgetary discipline in Turkey was effective in the Bond and Bills Market in the first quarter of 2010.

Although a debt roll-over rate of 100% is planned for 2010, the affirmative budget performance prevented a supply-side pressure on interest rates. However, the high inflation came one after the other formed expectations in the direction of interest rate increases by the Central Bank of the Republic of Turkey ("CBRT") higher and sooner than expected. The interest rates, which were at

9% compound level during the first days of the year and decreased to 8.50% later on, increased to 9% compound levels again when the inflation outlook deteriorated. The price adjustments as well as the rise in food prices increased the annual consumer price index to above 10% in February and 9.56% in March. The periodic inflation during the first three months of 2010 was 3.93%. This increase formed a pressure on the interest rates; it also increased the demand on inflation-indexed bonds. The real return of bonds with 2015 term decreased to 3% levels.

The Undersecretariat of Treasury ("Treasury") continued to issue floating rate notes during the first three months of 2010. The Treasury tenders and CPI Linker received the attention of domestic banks since the maturity risk was limited. In 2010, a 10-year Turkish Lira bond issuance was realized for the first time. After this successful issuance of bond with a fixed interest rate, the Treasury also issued a 10-year inflation-indexed bond.

Regarding the exchange rate, we saw that the Turkish Lira followed a strong course in January due to the global developments. While the Turkish Lira gained value against the exchange basket in this period, the USD/TL rate decreased to 1.45 levels. However, the credibility problems of Greece and also South European countries such as Portugal and Spain caused a decrease in the risk appetite. After a long pause in the agenda of the domestic politics had a short-term effect on the markets and this caused TL lose value against the exchange basket. Although the USD/TL exchange rate increased to 1.54 levels at the beginning of March, the fact that the political tension had limited effects on the markets and

that the credit rating of Turkey was increased by rating agencies, increased the trust in TL and it started to be appreciated.

IS Investment ranked first among brokerage houses during the first quarter of 2010 with TL 8.2 billion trading volume and a market share of 18.5%.

Derivatives Market

The Turkish Derivatives Exchange ("TurkDEX") maintained its course under the leadership of "TurkDEX-ISE 30" and "TurkDEX-TRYUSDollar" futures contracts during the first quarter of 2010. Despite the volatility caused by the doubts about Greece in the global markets, the "TurkDEX-ISE 30" futures maintained its strong stand in the spot market and continued its buyer oriented course. It was observed that the April contract, the nearest expiration month, was traded with a premium compared to the spot market, but was realized to be discounted through the end of the term. In the "TurkDEX-TRYUSDollar" contracts, the general price course was realized close the theoretical price. In the "TurkDEX-T-Benchmark" contracts, IS Investment continued to give two sided quotes during the first three months of 2010. Our Company, which acts as a market maker in "TurkDEX-Gold" futures as well, maintained its market leading position in terms of trading volume during the first three months of the year.

IS Investment retained its leadership in the TurkDEX during the first quarter of 2010 with TL 23.5 billion trading volume and a market share of 12.3%.

Domestic Sales and Marketing

The number of investors who use TradeMaster International increased about 15% during the first three months of the year.

During the first three months of 2010, which was a recovery period after the financial crises of the global markets, IS Investment successfully continued its domestic sales and marketing activities.

A number of potential/new customer visits were realized during the first quarter of the year to gain new customers. During these visits new investors were gained. Therefore, as a result of marketing activities with effective coordination, important acquisitions were achieved.

In the first quarter of the year, after the Akaretler, Kalamış, Maslak, Yeniköy and Yeşilköy branches in Istanbul, we also opened our sixth branch in Levent in line with our growth strategy and our total branch number together with Izmir and Ankara was increased to eight.

Furthermore, regions where we do not have any branches yet, but that are believed to have significant potential were visited and the marketing activities were continued. New investors were gained from various regions in Anatolia in line with this strategy.

The usage of TradeMaster Mobile -the mobile portal of electronic trading platform TradeMaster that provides investors the possibility to make national and international transactions via their own computers- was expanded even more and the investors were given the opportunity to follow the market and also make transactions through their mobile phones. The number of investors who use TradeMaster International increased about 15% during the first three months of the year.

International Capital Markets

The equity markets as well as the bond markets gained value since the FED declared that they continued to be positive on economic developments and the positive effects of the balance sheets for the first quarter of the year, announced in the USA, met a major part of the expectations.

After the upswing witnessed in the equity as well as in the bond markets during the first months of 2010 due to the liquidity surplus in the market, the markets were under pressure by the uncertainties on how member countries of the European Union, especially Greece, will finance their budget deficits. On the other hand, despite the worries about the European economies, the equity markets as well as the bond markets gained value since the FED declared that they continued to be positive on economic developments and the positive effects of the balance sheets for the first quarter of the year, announced in the USA, met a major part of the expectations.

In addition to the increase in the risk appetite of investors, as a result of an increase in signals regarding interest rate increases especially in BRIC (Brazil, Russia, India, and China) countries, we observed that with the advantage of low funding costs, often Eurobond primary markets were referred to.

In terms of the bond market, while our investors tend towards alternative country and corporate bonds in foreign markets due to the increase in the credit rating of Turkey and the indirectly decreasing return levels, we observed a more active behaviour in the booming primary market compared to last year.

Thanks to the wider customer network of the TradeMaster International, the futures contracts during the first quarter of 2010 registered an increase compared to the same period of 2009.

We continue to support our investors in managing their portfolio risks and to offer new investment opportunities.

Corporate Finance

In the privatization project of 4 electricity distribution regions, which was the most important activity during the period, the company which received the consultancy services from IS Investment won the tenders of 2 regions.

Merger & Acquisition Operations

The Merger & Acquisition (“M&A”) operations, which slowed down in Turkey like it did worldwide due to the influence of the global crisis, started to speed up since the first months of 2010, especially under the leadership of privatization projects. During the first quarter of the year, 31 deals were realized worth US\$ 2.2 billion. In the privatization project of 4 electricity distribution regions, which was the most important activity during the period, the company which received the consultancy services from IS Investment won the tenders of 2 regions.

IS Investment started to give consultancy services to a domestic large-scale holding for the 52 hydropower plants tender that were separated into 19 groups and put up for sale by the Privatization Administration. In addition to these activities, the consultancy services provided to seller and buyer parties in various projects were continued.

Moreover, IS Investment won the consultancy service tender and operations were started for a domestic large-scale holding for the Elektrik Üretim A.Ş. tenders planned by the Privatization Administration.

Public Offerings

The Koza Gold shares with a public offering amounting to TL 662 million were offered to the public in February 2010 and the shares of the company were listed on ISE on February 12, 2010.

IS Investment as the intermediary institution to offer the Akfen Holding shares to the public made relevant applications to the CMB and ISE in March 2010.

The operations relating to the public offerings of Torunlar Real Estate Investment Trust and Pegasus Airlines to the public are continued.

Corporate Bonds Issuance

In the first quarter of 2010, IS Investment acted as an intermediary to offer the floating rate bonds of Akfen Holding with a nominal value of TL 100 million to the public.

The operations are continued in order to maintain the corporate bonds issuance in the rest of 2010.

New Products and Service Network

As disclosed earlier, it is expected to conclude the opening of the fully owned subsidiary in Dubai in 2010.

IS Investment continued to take the necessary steps to diversify its new products/services and to sustain its geographical growth in the first quarter of 2010. In this respect, our Levent Branch was opened on March 29, 2010 and became our sixth branch in Istanbul and eighth together with our branches in Ankara and Izmir throughout Turkey.

Parallel to our growth policy, it is planned that a new branch in Bursa will be up and run in May 2010 as per the permission of CMB. With our new branches, it is expected to broaden our customer base and to increase our market share.

As disclosed earlier, it is expected to conclude the opening of the fully owned subsidiary in Dubai in 2010.

Information Policy

The main purpose of the Information Policy is to transmit the necessary information and declarations, which are not within the scope of trade secret, to shareholders, investors, employees, customers and other related parties equally, on time, correctly, completely, comprehensible, easy and to the most possible minimum costs.

The Information Policy of IS Investment was approved by the Board of Directors and disclosed to the public.

The Main Frame of the Information Policy

IS Investment makes declarations and gives information about developments, which do not carry any trade secret characteristics within the frame of the Turkish Commercial Code, applicable regulations and the Capital Market Law in particular and which could affect the investment decisions of investors and the value of our capital market instruments traded at the exchange and while doing so it follows the corporate governance principles.

The main purpose of the Information Policy is to transmit the necessary information and declarations, which are not within the scope of trade secret, to shareholders, investors, employees, customers and other related parties equally, on time, correctly, completely, comprehensible, easy and to the most possible minimum costs.

IS Investment, which makes an active approach regarding the adoption and application of the corporate governance principles, also puts in great effort to public disclosure and briefing about applicable regulations and to accomplish the best practices on an international basis. The Information Policy of IS Investment has been prepared within the above-mentioned scope, approved by the Board of Directors and put into effect.

Power and Responsibility

The Information Policy has been prepared by the Board of Directors. In IS Investment, the public disclosure and the monitoring, inspection and development of the Information Policy are under the power and responsibility of the Board of Directors. The Investor Relations department and the Assistant General Manager, who receives

the reports of this department, are responsible for the coordination of the information function. The aforesaid authorized persons fulfil their duties in close cooperation with the Board of Directors and the Audit Committee.

Some of the Methods and Instruments used for Public Disclosure

Some of the methods and instruments to inform the public about the capital market regulations, the Turkish Commercial Code and other applicable regulations and the used instruments and applied methods are given below:

- The material event statements about the developments, which could affect the investment decisions of investors and the value of our capital market instruments traded at the exchange within the scope of the capital market regulations are reported to the concerned stock exchange or if necessary to the Capital Markets Board accurately and on time. The material event statements are signed by the authorized persons, whose names have been announced to the concerned stock exchange, and published on our web site the same day in Turkish and in English and submitted for the investors' information.
- The financial statements, which have been prepared according to the capital market regulations, are delivered to ISE and to CMB within the legal periods and then published on the web site of IS Investment.
- The Board of Director's annual and quarterly reports including the minimum information according to the concerned regulations are disclosed to the public together with financial statements. The annual report is prepared according to given times in the corporate governance principles and before the Annual General Meeting of Shareholders every year, submitted for the shareholders' information. In case the report is requested in printed version, it can be obtained by the Investor Relations department.

- If and when necessary, press statements are made via media by the Chairman, the General Manager or his/her representative or by other authorities who are approved by the aforesaid persons. During the press statements, necessary steps are taken to protect the trade secret which has not been disclosed to public yet.

- The teleconferences organized during various times and the road shows organized on a national and international basis provide shareholders and other related parties with necessary information. The investor presentations used in these meetings and other disclosure documents are published on our web site to inform our individual investors as well. If it is within the bounds of their responsibility the General Manager, concerned managers and Investor Relations department's managers attend these meetings organized by the Investor Relations department. If it is considered necessary the mentioned contact teams can also be extended.

- Investor Relations department submits all necessary information, particularly our financial and market performance, to shareholders and when necessary to rating agencies and corporations which prepare research reports about IS Investment and it assures that the information is interpreted correctly.

- All questions, asked by the shareholders by means of e-mail, mail, and phone or during face-to-face meetings, are answered by the coordination of the Investor Relations department and while doing so necessary steps are taken to protect the confidentiality of trade secret.

- If there are news or reports in order to inform the public published by press organs on a national basis with different contents than the already announced information and if they are important enough to affect the investment decisions of investors and the value of our capital market instruments traded at the exchange, then Investor Relations department makes necessary announcements to the public without waiting for any warning, notice or request from CMB or any other responsible board. In addition, necessary disclosures are made about the news or reports, which do not require a public disclosure liability according to applicable regulations but do affect the investment decisions of investors and the value of our capital market instruments traded at the exchange and if it is considered necessary the public is informed via material event

statements. The Investor Relations department takes the necessary measures to closely monitor the news and reports announced by press organs or released to the public.

IS Investment Corporate Web Site (www.isinvestment.com)

The "Investor Relations" sections of our corporate web site with Turkish and English language options are used as active information tools to carry out the Information Policy of our company and to inform the public.

Our Investor Relations web site provides any kind of information, considered necessary by the corporate governance principles and regulatory authorities, including information such as investor presentations about our annual and quarterly market and financial performance, Company policies and the Annual General Meeting of Shareholders, research and rating reports published about our company and share price performance. The Investor Relations section of our web site is regularly updated by the Investor Relations department and used as an active information tool.

Persons with Administrative Responsibility and Protection of the Trade Secret

The Board of Directors, Auditors and Executive Board Members of IS Investment are considered as "Persons with Administrative Responsibility" because they have regular direct and indirect access to trade secret due to their duties and authorities to make decisions, which could affect the commercial goals of the company.

Apart from that, information about which authorities will declare the material event statements to the public and how the confidentiality of the trade secret will be protected are determined by our internal regulations and announced to our employees.

In addition to this, the people, who are among the "List of persons, who have access to trade secret", which is updated regularly, are informed in written form and against signature about the protection of the confidentiality of the trade secret and the responsibility not to use this information in the trade of capital market instruments of IS Investment.

Risk Management Policy

The responsibility and accountability for these risks remain primarily within the businesses. Risk Management Department ensures that these risks are properly identified, monitored, measured and managed proactively throughout the firm.

Effective risk management is fundamental to success in financial services in line with the expanding needs of shareholders, regulators and customers. In a challenging and changing risk business environment, however the bar that forms effective risk management concept is constantly being raised. Risk measurement and management activities which are operated separately from executive units are integral part of IS Investment's core businesses. In the course of operational management, IS Investment can be exposed to a variety of risks. These risks are market, credit, liquidity, process, and other risks that are material and require comprehensive proactive controls and management. The responsibility and accountability for these risks remain primarily within the businesses. Risk Management Department ensures that these risks are properly identified, monitored, measured and managed proactively throughout the firm.

Risk Management Vision & Strategy

- Risks should be fully understood and managed transparently throughout the organization,
- Risk management function is independent from executive units in the group,
- Corporate risk policy boundaries are defined in a detail manner with risk procedures and catalogues,
- Business units allocate risk taking capacity to optimize their risk-adjusted performance within risk management constraints,
- Corporate risk measures that drive risk monitoring and control activities are targeted for business performance evaluations,
- Risk management group should achieve forecasting financial position risks over time,
- Risk is measured and managed not only by mathematical sophisticated models, but also by experience gained so far,
- Business decisions are taken by considering the risk and return of the possibilities

Risk Management Policy of IS Investment is disclosed to our shareholders and all related parties via our website.

Corporate Governance Principles Compliance Report

In accordance with the principles of Corporate Governance, IS Investment manages the rights and responsibilities to its shareholders, employees, clients and all related parties by utilizing the universal principles of accountability, equality, transparency and responsibility encompassed within the perspective of effective management and control.

1. Corporate Governance Compliance Statement

As a developing country, increasing the quality and quantity of international inflow of capital to our country is of vital importance. The financial crisis, which began to have an effect since the third quarter of 2008, while dragging the world economies, including primarily the United States of America into recession, brought the significance of corporate governance practices to the attention of companies, investors and all related parties.

IS Investment, whose "IS" emblem is a representative of the corporate approach in the financial sector where it operates, is aware that a solid strategy for good governance can be achieved through determining the management strategy, implementing effective risk management and internal control mechanisms, setting ethical rules, carrying out full public disclosure under the scope of the existing disclosure policy in a high quality fashion and transparency in the activities of the Board of Directors.

In accordance with the principles of Corporate Governance, IS Investment manages the rights and responsibilities to its shareholders, employees, clients and all related parties by utilizing the universal principles of accountability, equality, transparency and responsibility encompassed within the perspective of effective management and control.

Performing activities in accordance with the ethical values determined in parallel with the Turkish Commercial Code, Capital Markets Law and related legislation, IS Investment is in compliance with the Corporate Governance Principles and deems them as important as financial performance for providing long-term added value for its investors.

PART I - SHAREHOLDERS

2. Investor Relations Department

IS Investment demonstrated the emphasis it places on relationships with investors by establishing an Investor Relations Department prior to its IPO. This Department implements the necessary work to fulfil public disclosure requirements and for maintaining healthy relationships with shareholders and stakeholders.

The Investor Relations Department operates as the responsible body to the shareholders and all related parties for the execution of public disclosure in accordance with the capital markets regulations and the IS Investment Information Policy in particular and for the coordination of relations with the shareholders and stakeholders in general.

The Investors Relations Department bears the responsibility for the coordination of the IS Investment Information Policy, which was approved by the Board of Directors and disclosed to the public. The main activities of the Department are as listed below.

- Ensure the delivery of necessary information and explanations, which does not bear the quality of trade secrets, to the shareholders and stakeholders in a timely manner, accurately, comprehensibly, in full, easily and at the lowest cost possible access on equal terms and to ensure the accurate interpretation of the information provided.
- Ensure that all queries from the shareholders and stakeholders are replied to in the shortest time possible by engaging the necessary coordination and diligently preserving the confidentiality of trade secrets.

Corporate Governance Principles Compliance Report

- Perform the disclosure liability of the Company regarding material events, which might have an impact upon the market capitalization of the capital market instruments traded in the stock exchange and/or might affect the investment preferences of investors.
- Monitor the preparation of the quarterly financial statements in compliance with the capital markets legislation and ensure the disclosure of the statements to the public within the legal deadlines.
- Maintain solid relationships with existing and potential investors.
- Monitor the holding of the General Meetings of Shareholders in compliance with the legislation in force, Articles of Association and the Corporate Governance Principles published by the Capital Markets Board and the accurate recording of the results of minutes of the meeting.
- Ensure the utilization of the Company's website in Turkish and English versions in the "Investor Relations" tab actively in public disclosures and the content regarding the public disclosures, informative presentations, corporate information and the information and the data stipulated by the Capital Markets Board Corporate Governance Principles to be updated regularly.
- Observe the Corporate Governance Principles declared by the Capital Markets Board while publishing public disclosures and informing the shareholders and stakeholders.
- Report the activities of the Investor Relations Department on semi-annual and annual terms and when deemed necessary to the Board of Directors.

Since its inception, the Investor Relations Department has replied to the information requests transmitted either by phone calls, via e-mails or orally during investor visits within the scope of the IS Investment Information Policy, as well as having organized teleconferences for investors and attended meetings.

In accordance with the Board of Director's decision dated March 16, 2009, it was disclosed that Ozan Altan was appointed as Head of the Investor Relations Department and also authorized to coordinate the corporate governance practices and the obligations of IS Investment arising from the capital markets legislation as of March 17,2009.

Investor Relations contact information, publicly disclosed on IS Investment's website, is provided below:

Mert Erdoğan

Assistant General Manager

Level of Education: M.A.
Capital Markets Activity License Type: Advanced
Tel: +90 212- 350 24 12
Fax: +90 212- 350 20 01
E-Mail: merdogmus@isinvestment.com

Ozan Altan

Vice President

Level of Education: M.A.
Capital Markets Activity License Type: Advanced
- Derivative Instruments - Corporate Governance
Rating Specialist
Tel: +90 212-350 28 72
Fax: +90 212- 350 28 73
E-Mail: oaltan@isinvestment.com

3. The Use of Shareholders' Rights to Obtain Information

During the year, the Investor Relations Department was asked about IS Investment's financial statements, market and share price performance, General Meeting, dividend distribution policy, decision for the transition to the registered capital system, overseas investments and subsidiaries in general.

Questions directed by investors were answered as quickly as possible and accurately, under the scope of the IS Investment Information Policy announced on the corporate website concurrent to the IPO. It was ensured that the disclosed information did not constitute any trade secret.

The electronic environment has been effectively utilized concerning developments that may impact the exercise of shareholders' rights. Material event statements submitted to the ISE via the E-Public Disclosure Platform (KAP) are also published the same day on IS Investment's website in both Turkish and English. Investor presentations and other changes in Company structure were also immediately updated on the website.

Significant issues in these announcements are forwarded to leading media institutions as press releases. In addition, information about IS Investment's stock performance is also published on the Company website to the attention of investors.

The right to request the appointment of a special auditor is not included as a personal right in the Company's Articles of Association, which stipulates that this right applies to shareholders representing at least 5% (five percent) of the Company capital as set forth in the Capital Markets Law.

There was no request for the appointment of a special auditor during the year.

4. Information on the General Meetings of Shareholders

IS Investment held its Annual General Meeting of Shareholders on April 26, 2010 and held an Extraordinary General Meeting of Shareholders and General Meeting of Privileged Group A Shareholders on January 18, 2010.

Annual General Meeting of Shareholders on April 26, 2010

The invitation for the Annual General Meeting of Shareholders held on April 26, 2010, was announced within the deadlines stipulated in the Corporate Governance Principles on April 1, 2010 on the KAP and Company's website, on April 5, 2010 in domestic editions of two newspapers, namely Dünya and Referans and on April 5, 2010 in Turkey's Trade Registry Gazette ed.nr.7536 and registered shareholders were notified of the date and agenda via posted letter. Additionally, the above mentioned invitation and related notifications were also sent to our known foreign shareholders via e-mails.

The list of attendees revealed that out of the 119,387,000 shares representing TL 119,387,000 of the Company's capital, 85,194,173 shares in person and 6,949,934 shares by proxy at a total of TL 92,144,107 shares were represented at the meeting and thus, fulfilled the meeting quorum stipulated both in the related law and in the Articles of Association. There were no questions from the shareholders but it was requested to increase capital through bonus issue.

Corporate Governance Principles Compliance Report

Extraordinary General Meeting of Shareholders and General Meeting of Privileged Group A Shareholders on January 18, 2010

The Extraordinary General Meeting of Shareholders was held at 11:00 am and the General Meeting of Privileged Group A Shareholders was held at 11:30 am on January 18, 2010 in order to amend articles 3, 6 and 8 of the Articles of Association to authorize the Board of Directors for the issuance of capital markets instruments, to enable the Company's transition to the registered capital system of TL 300 million and to empower the Board of Directors to assess the requirements regarding the usage of the preemptive rights of shareholders when the increase of paid-in capital occurs.

The meeting invitation was announced within the deadlines stipulated in the Corporate Governance Principles on December 29, 2009 on the KAP and Company's website, on December 30, 2009 in domestic editions of two newspapers, namely Dünya and Referans, and on December 31, 2009 in Turkey's Trade Registry Gazette ed.nr.7470 and registered shareholders were notified of the date and agenda via posted letter. Additionally, above mentioned invitation and notifications regarding the amendment of the articles were also sent to our known foreign shareholders via e-mails.

The list of attendees for the Extraordinary General Meeting of Shareholders revealed that out of the 119,387,000 shares representing TL 119,387,000 of the Company's capital, 81,285,173 shares in person and 9,480,153 shares by proxy for a total of TL 90,765,326 shares were represented at the meeting and thus fulfilled the meeting quorum stipulated both in the related law and in the Articles of Association. There were no questions from the shareholders.

The list of attendees for the General Meeting of Privileged Group A Shareholders revealed that out of the 150,000 shares representing TL 150,000 of the Company's privileged Group A capital, 150,000 shares in person at a total of TL 150,000 shares were represented at the meeting and thus fulfilled the meeting quorum stipulated both in the related law and in the Articles of Association.

The invitations, agendas, proxy samples, minutes of the General Meetings of the Shareholders and the amendments to the Articles of the Association were published on the KAP's

website. The information regarding the General Meeting of the Shareholders was presented to the attention of shareholders and stakeholders on the Company's website both Turkish and English.

The Articles of Association do not include any provisions that significant decisions regarding the divisions, purchase, sale or lease of tangible/intangible assets in significant amounts and similar activities be taken by the AGM to enable decisions to be taken without delay in the rapidly changing conditions of the capital markets that are under the effects of increasing competition.

5. Voting Rights and Minority Rights

There are no voting rights privileges, however, Group A shareholders have privileges to designate candidates for the Board of Directors. Five members of the Board are nominated from among Group A shareholders, while two are nominated from among group B shareholders.

There is no cross ownership associated with any company. Minority shareholders are not represented on the Board and there is no cumulative voting system.

6. Dividend Policy and Deadline for Dividend Distribution

Distribution of the first obligatory dividend of the distributable profit at the price and amount determined by the Capital Markets Board has been adopted as a principle of Article 16 in the Articles of Association; there is also stipulation concerning advance dividend distribution to shareholders written in the same article.

The Board of Directors aims to increase the Company's diversity of activity and services, as well as to provide a high profit of return for its shareholders. In accordance with the related legislation, the Board of Directors takes the following into consideration:

- a) Maintaining a balance between the expectations of the shareholders and the growth policies of IS Investment,
- b) The general profitability of the Company.

Based on these conditions, the Board of Directors has adopted a dividend policy whereby the dividend payment would not be less than 30% of the total distributable profit and would be distributed as cash and/or stock dividend.

If it is decided in the AGM to pay a dividend, efforts will be made to make payments as soon as possible and within the period specified in the related legislation.

There are no redeemed shares or privileged shares in terms of dividend distribution.

IS Investment's Dividend Policy was disclosed to shareholders in the first AGM held as a listed company on April 28, 2008. IS Investment's Dividend Policy has been publicly disclosed on the corporate website as well.

7. Transfer of Shares

The Articles of Association stipulate that there is no restriction on the transfer of shares in accordance with the conditions set forth in the capital markets legislation.

PART II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Information Policy

IS Investment's Information Policy has been approved by the Board of Directors and announced on the corporate website as of May 17, 2007 before the Company's shares began to be traded at the stock exchange. The Information Policy complies with the Capital Markets Board Communiqué Serial VIII, Nr: 54 on Principles Regarding Public Disclosure of Material Events, dated February 6, 2009.

At IS Investment; the Board of Directors bears the responsibility for the fulfilment of public disclosure and the monitoring, maintenance and development of the Information Policy. The Investor Relations Department and the Assistant General Manager responsible for this Department have been assigned the coordination of this Information Policy and they fulfil this task in close collaboration with the Board of Directors and the Audit Committee.

The IS Investment Information Policy was presented to the shareholders at the first Annual General Meeting of the Shareholders after the IPO. It is included in the annual/quarterly reports. The Information Policy is also continuously available on the Company's Turkish and English websites (isyatirim.com.tr/isinvestment.com).

9. Material Event Statements

Material event statements, excluding information constituting trade secrets, are all significant activities for the Company and may impact on the value of Company shares and investors' investment decisions, and they must be submitted to the public via KAP and, when necessary, via CMB, utilizing the correct methods and within the time stipulated in the legislation in force. IS Investment fulfils this significant responsibility for public disclosure with the utmost fastidiousness. In the first quarter of 2010, 145 material event statements were submitted to the ISE on behalf of IS Investment and the ETFs established by IS Investment; IS Investment Dow Jones Turkey Equally Weighted 15 A Type Exchange Traded Fund and IS Investment iBoxx Turkey Benchmark Bond Exchange Traded Fund. No additional statement requests were made by the CMB or the ISE for the related statements.

The material event statements are also published at the Company's Turkish and English websites for the shareholders and stakeholders on the day of disclosure at KAP.

IS Investment shares are not listed on foreign stock markets.

Corporate Governance Principles Compliance Report

10. The Company's Website and its Contents

IS Investment websites, available in both Turkish and English, can be found at www.isyatirim.com.tr and www.isinvestment.com respectively. Information on the following topics is provided for shareholders and stakeholders under the heading Investor Relations, as stipulated in the relevant section of the CMB Corporate Governance Principles;

- Vision Mission and Corporate Values
- Corporate Information
- Trade Registry Information
- Ownership Structure & Subsidiaries
- Articles of Association
- Board of Directors and Executives
- Organizational Structure
- Rating Reports
- Research Reports About IS Investment
- Press Releases
- Corporate Governance Principles Compliance Report
- Declaration of the Independent Member of the Board
- Policy on Struggle against Laundering Proceeds of Crime and Terrorism Financing
- Dividend Policy
- Ethical Principles
- Risk Management
- Information Policy
- Investor Relations Contact Details
- Public Offering Circular
- Financial Statements and Independent Auditor Reports
- Investor Presentations – Voice Recordings
- Annual Reports
- Invitation to General Meeting of Shareholders
- Agenda of the General Meeting of Shareholders
- Power of Attorney
- Minutes of General Meeting of Shareholders
- List of Attendees
- Stock Performance
- Privileges Assigned to Shares
- Capital Increases
- Material Event Statements
- Contact Information

11. Disclosure of the Company's Ultimate Controlling Individual Shareholder(s)

IS Investment has no ultimate controlling individual shareholder(s). The ownership structure of IS Investment is published on the website for shareholders and stakeholders.

12. Disclosure on Insiders

All manipulation of previously undisclosed public information that may affect the value of capital market instruments, for deriving personal benefit or benefit for third parties or for making up for losses, in a way as to disrupt the equality of opportunity in capital markets are deemed insider trading.

The procedures regarding the act of insider trading and the preservation of confidentiality of trade secrets are set forth in the IS Investment Internal Corporate Codes and announced to employees.

Accordingly, IS Investment employees may not disclose any information obtained about individuals, institutions and customers due to their titles and duties, or to any party other than authorities clearly expressed by law. In addition, IS Investment employees and their relatives may not engage in the purchase or selling of shares.

The List of People Who Have Access to Trade Secrets was prepared at IS Investment as of May 1, 2009 and is ready to be sent on request to the Capital Markets Board and to the related Exchange in accordance with the capital markets legislation.

PART III - STAKEHOLDERS

13. Informing Stakeholders

IS Investment ensures that its employees, investors, analysts and media institutions are kept informed accurately and within the shortest possible time about material events.

Material event statements announced via KAP concerning important developments about IS Investment are published to the attention of stakeholders on the corporate website on the same day they are submitted, in both Turkish and English. In addition, press releases are forwarded to media institutions concerning material event statements that may stir public attention.

14. Stakeholders' Participation in the Company Management

Stakeholders may ask the Board of Directors to convene upon application to the Chairman; the Chairman may open the issue for discussion at the next Board meeting if the Chairman concludes that it is not necessary to convene immediately, as stipulated in the Articles of Association of the Company. There were no requests to the Board of Directors as to this end during the year.

IS Investment's employees, who hold a very special place among stakeholders, are provided with the opportunity to deliver their opinions and suggestions concerning Company management through both the Human Resources Manager and their own managers, in addition to the abovementioned right.

15. Company Policy on Human Resources

The IS Investment Human Resources Policy is prepared and disclosed to the public via the corporate website and annual reports.

The commitment to the code of ethics, continuous development and a customer-oriented approach are the values embraced in the IS Investment Human Resources Policy. The principle to provide equal opportunities to candidates equally is adopted as a recruitment policy and in career planning. Promotion brings about an increase in responsibility and salary. It is essential to have the necessary knowledge and experience required in the job description in order to be promoted to a higher position. The most important criterion in promotions is the performance of the employees.

IS Investment's main training policy is to provide equal opportunity and to contribute to the professional and personal development of its employees.

Job descriptions, performance and remuneration criteria for employees are determined by the Company and shared with the employees. IS Investment's performance management system is an integrated system in which both goals and competencies are assessed. Performance review is based on objective analysis and synthesis, designed to determine the extent to which employees meet job requirements, as well as their success on the job.

Measures are taken to prevent any discrimination based on religion, language, race and gender; to show respect for human rights and to protect employees against any physical, psychological and emotional maltreatment in the Company. No complaints concerning these subjects have been received.

A representative has not been appointed to manage relations with the employees in accordance with the stipulations in Article 14.

Corporate Governance Principles Compliance Report

16. Information on Relations with Customers and Suppliers

IS Investment utilizes a customer-oriented investment banking approach and provides capital market services to its clients in line with its ethical values. Concurrent with these aims, the Company strives to identify client needs by analyzing changing market conditions and increasing demands by investors along with the development of products and services able to fulfil these needs.

The relations with the clients are conducted via the investment advisors and the aim of the investment advisors is to ensure the customers' assets are invested in the most appropriate capital market instruments in accordance with the risk-return expectations of the customers. In this regard, Customer Satisfaction Surveys were conducted at various times by the Company in order to assess and improve the Company's service quality. The final assessments of the surveys were presented to the Board of the Directors.

IS Investment has no suppliers due to the nature of its activities.

17. Social Responsibility

IS Investment is an important player in the Turkish capital markets with the level of employment provided by its founder and main shareholder, Isbank and its subsidiaries. This has grown out of an awareness of its social responsibilities - one of its core management principles.

In addition to IS Investment's contributions to the Turkish economy, it also provides support to society in a variety of social fields with its approach to employees and the support given to NGOs.

The activities of IS Investment have no contradiction to the environmental legislations and the Company has not faced any legal enforcement in this regard.

PART IV - THE BOARD OF DIRECTORS

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

Board of Directors*

Özcan Türkakın	Chairman
Güzide Meltem Kökden	Vice Chairman
Emre Duranlı	Member
Serpil Kılıboz	Member
Senar Akkuş	Member
Ebru Özşuca	Member
Feray Demir	Member

*Members of the Board do not have an executive role at IS Investment.

Executives

İlhami Koç	General Manager
Murat Kural	Assistant General Manager
Ufuk Ümit Onbaşı	Assistant General Manager
Ertuğ Yıldırımcan	Assistant General Manager
Mert Erdoğmuş	Assistant General Manager
Funda Çağlan Mursaloğlu	Assistant General Manager

It is stipulated in the Articles of Association that the General Manager cannot concurrently serve as Chairman of the Board of Directors.

Mr. Turan Gökçen Bali had been assigned as the Independent Board member for two years. In line with its status in capital markets, IS Investment is of the opinion that independent member/ members possessing the qualifications stated in CMB Corporate Governance Principles and the capacity to make significant contributions to the Company should hold a seat on the Board of Directors.

The conditions by which Board members may undertake duties outside IS Investment are prescribed by the general rules. However, it has been set forth in the Articles of Association that Board members will not obtain permission from the AGM for trading with IS Investment nor be exempt from prohibition of competition.

19. The Qualifications of Board Members

All Board members are university graduates and managers experienced in their fields. In this respect, qualifications for the IS Investment Board of Directors complies with the specifications listed under the relevant articles of the CMB Corporate Governance Principles.

The Articles of Association also embody the condition that more than half of the Board members must hold a university degree.

20. Vision, Mission and Corporate Values and Strategic Goals of the Company

The Vision, Mission and Corporate Values of IS Investment are approved by the Board of Directors and disclosed on the corporate website.

Vision;

To be the most preferred leader and reliable investment institution in Turkey and the region.

Mission;

- To offer all investment banking services under a single entity.
- To produce high-quality information, establish information based strategies and create value.
- To be innovative in product and service development.
- To pioneer the development of capital markets.
- To follow technologic developments and apply them to activities.
- To ensure customer satisfaction.
- To increase the value created for shareholders.

Corporate Values;

Customer Oriented: To be close to our customers; to accurately perform the risk-return analysis conforming their expectations; to offer services of required and desired quality in order to increase our customers' assets in parallel to this analysis.

Market Centric: To create the highest added value possible for our investors and our corporation based on developments by continually and closely following the domestic and international capital markets.

Dynamism and Innovation: To search for the best and newest through our efficient human resources specialized in their domain, in the most conforming way to market conditions, by respecting our corporate policies and with an endless energy in order to continuously develop our values, services and products.

Confidentiality: To respect confidentiality principles related to the matters of clients' identity, transactions and trade secrets that may affect our stock value within the context of laws, our corporate policies and ethical values.

Reputation: To continue to be the representative of the confidence and the successful atmosphere generated by the brand name "İş" that we proudly represent in capital markets.

Esteem the Employees: To ensure continuous training and development of our expert staff that we recruit in consideration of our corporate values and the corporate social responsibility concept; to exert a human resources policy granting equal rights under equal conditions by not applying any religious, linguistic and ethical discrimination, within the context of comfortable, secure and specific career plans.

Team Work: To bring the productivity to the highest possible level by creating a synergy combining the division of labour and cooperation, efficient sharing and solidarity.

Respect to Laws, Corporate Governance Principles and Ethical Values: To ensure the best international practice in the domain of corporate governance principles in order to sustain our success in markets and financial performance by respecting the laws and our ethical values through transparent management, efficient risk management and internal mechanisms.

Perfectionism: To be conscious that one can be even better if he always endeavours to be perfect.

Objectivity and Impartiality: To ensure conduction of relations with clients without causing any conflict of interest during the performance of capital market activities, informing our shareholders in an accurate, complete and timely manner, making objective commentaries on markets.

Corporate Governance Principles Compliance Report

Social Responsibility: To spend maximum effort in order that our employees, the environment and other internal and external entities get maximum benefit while trying to meet our objectives of growth and making a profit.

Strategic goals related to IS Investment activities are prepared and presented to the Board of Directors in a report authored by the executives. In this report, in addition to macroeconomic evaluations, information and expectations related to domestic and international markets are shared. Strategic goals are determined in accordance with this information and the Board of Directors approves expectations after reviewing the performance of the previous period.

21. Risk Management and Internal Control Mechanisms

Effective risk management is fundamental to success in the financial services sector since requirements of shareholders, regulators and the customers are continuously increasing. On the other hand, in a challenging and changing risk management environment, the level of effective risk management activities is constantly being raised. Risk measurement and management activities are integrated in IS Investment's core business activities; as a result, the Risk Management unit, which operates separately within the whole organization, was restructured in 2006 as a department.

In the course of managing its business operations, IS Investment might be exposed to a variety of risk. Proactive control and management activities are basically achieved in relation to market, credit, liquidity and operational risk categories.

An effective internal audit system, covering internal control and audit activities has been established. The organizational plan applied at IS Investment and all the relevant rules and procedures undertaken in transactions at IS Investment, including non-central organizations, are done so regularly, efficiently and effectively in accordance with the current internal and legal regulations. In addition, this system has been established to maintain the integrity and reliability of accounting and recording, to provide timely and correct access to information in the data system and to detect and prevent mistakes, forgeries and unlawful practices.

An audit system has been created covering all activities and units at IS Investment, primarily within the internal control system, which enables evaluation of these fields and includes the systematic auditing process where findings and evidence are obtained as a result of reporting and reviewing. The audits are performed by inspectors in conformity with the regulations and policies and are independent of IS Investment's daily activities, in accordance with the needs of management.

The Compliance Department in particular and all units in general, show the utmost care in protecting the Company's reputation and with regard to liabilities arising from legislation, compliance to corporate principles, customer satisfaction, reputation and credibility.

22. Authorities and Responsibilities of Board Members and Executives

The Board of Directors bears the responsibility to represent IS Investment as set forth in the Articles of Association. The Board of Directors may transfer its management and representation-related duties and authorities, in part or in full, to delegated Board members and managers who are not obliged to be shareholders, in accordance with the Turkish Commercial Code.

The Board of Directors fulfils activities under the scope of the Turkish Commercial Code, Capital Markets Law and related legislation.

23. Operating Principles of the Board of Directors

At IS Investment, the Board of Directors convenes at least once a month. The Board of Directors may meet more frequently when it is deemed necessary. The meeting's agenda is determined by the General Manager and with the knowledge of the Chairman; the Chairman or the Vice Chairman announces the meeting by invitation.

As noted earlier, stakeholder(s) representing a minimum of five percent of IS Investment capital and stakeholders, defined in the Capital Markets Board Corporate Governance Principles may invite the Board of Directors to convene by applying to the Chairman.

An Assistant General Manager has been appointed to the position of Reporter to notify Board members and establish communication.

Board members do not have weighted voting rights and/or the right to veto during a meeting.

24. Prohibition of Carrying out Transactions with the Company and Prohibition of Competing with the Company

Board members will not receive permission from the AGM to carry out trade with IS Investment; nor will they receive exemption from the prohibition of competition as stated in the Articles of Association, in accordance with Articles 334 and 335 of the Turkish Commercial Code.

25. Ethical Rules

The Board of Directors formulated a code of ethics in parallel with the regulations of the Association of Capital Market Intermediary Institutions of Turkey with the aim of increasing social and economic benefits, preserving the dignity of the brokerage vocation and preventing unfair competition in addition to legal and administrative regulations. The employees of IS Investment have been notified of the code of ethics in written format.

The code of ethics of IS Investment has also been publicly disclosed on the corporate website in accordance with IS Investment's Information Policy.

26. Numbers, Structures and Independency of Committees Established by the Board of Directors

It has been set forth in the Articles of Association that in order to fulfil its duties and responsibilities beneficially, the Board of Directors may set up committees and departments required by legislation and approved by the Board. The Board of Directors will observe Corporate Governance Principles disclosed by the CMB to set up these committees and departments.

In this respect, an Audit Committee and a Credit Committee was established within IS Investment's Board of Directors. The Audit Committee is composed of Chairman Özcan Türkakın, Güzide Meltem Kökden and Emre Duranlı.

This Committee convenes at least four times a year on the condition that the time between two meetings shall not exceed three months. The committee determines the results of executed activities, precautions that should be taken in the Company, other necessary implementations and other issues vital to maintaining IS Investment's activities securely and reports these results to the Board of Directors. The reporter for the Board of Directors is responsible for following up the activities of the Committee.

The Credit Committee, which is structured under the leadership of a responsible Board Member appointed by Board decision, convenes when necessary.

27. Remuneration of the Board of Directors

Monthly salaries and attendance fees for Board members are determined by the AGM, as stated in the Articles of Association. It was in the Annual General Meeting of Shareholders held on April 26, 2010 that the salary of Board members was determined as gross TL 5,000 per month. The minutes of the AGM were disclosed to the public through material disclosure as well as on the Company's website. A performance-based remuneration system is not implemented for determining the financial rights of Board Members.

At IS Investment, Board Members and executives do not engage in transactions with the Company such as lending money, extending credit or providing guarantees.

IS INVESTMENT

isinvestment.com

Head Office

İş Kuleleri, Kule-2 Kat: 12 34330 4. Levent, ISTANBUL, TURKEY
Tel: +90 212 350 20 00 Fax: +90 212 350 20 01

Kavacık Auxiliary Office

Rüzgarlıbahçe Mevkii, Kavacık Kavşağı, Sismar Plaza
Kat: 4, 34805 Kavacık, ISTANBUL, TURKEY
Tel: +90 216 538 14 00 Fax: +90 216 538 14 01

Akaretler Branch

Süleyman Seba Cad. No: 44 B1
Blok Daire: 10 34357 Akaretler,
ISTANBUL, TURKEY
Tel: +90 212 326 87 00
Fax: +90 212 326 87 01

Ankara Branch

Tahran Caddesi, No: 3/8
06700 Kavaklıdere,
ANKARA, TURKEY
Tel: +90 312 455 26 50
Fax: +90 312 466 60 62

Bursa Branch

Atatürk Caddesi No: 71/3
Nalbantoğlu Mahallesi
16160 Osmangazi,
BURSA, TURKEY
Tel: +90 224 294 80 00
Fax: +90 224 294 80 01

Izmir Branch

Akdeniz Cad. No: 14 Birsel İş
Merkezi, Daire: 501
35210 Alsancak, IZMIR, TURKEY
Tel: +90 232 488 90 00
Fax: +90 232 488 90 01

Kalamış Branch

Fener Kalamış Caddesi Tibas Belvu
Sitesi A2 Blok Daire: 3
34726 Fenerbahçe,
ISTANBUL, TURKEY
Tel: +90 216 542 72 00
Fax: +90 216 542 72 01

Levent Branch

İş Kuleleri Kule-2 Kat: 4
34330 4. Levent,
ISTANBUL, TURKEY
Tel: +90 212 350 29 00
Fax: +90 212 350 29 01

Maslak Branch

Büyükdere Caddesi, NuroI Plaza
No: 71/16 Maslak,
ISTANBUL, TURKEY
Tel: +90 212 36785 00
Fax: +90 212 367 85 01

Yeniköy Branch

Köybaşı Caddesi İskele Çıkmazı
No: 277 34464 Yeniköy,
ISTANBUL, TURKEY
Tel: +90 212 363 01 00
Fax: +90 212 363 01 01

Yeşilköy Branch

Havalimanı Kavşağı EGS Business
Park B3 Blok No: 470 Kat: 17
34149 Yeşilköy,
ISTANBUL, TURKEY
Tel: +90 212 463 20 00
Fax: +90 212 463 20 01

Kazakhstan Almaty Representative Office

Samal Towers
97, Zholdasbekov St., 480013
ALMATY, KAZAKHSTAN
Tel: +77273 340508
Fax: +77273 340509

Suadiye Representative Office

Bağdat Caddesi, Kılıçoğlu Apt
No: 489 Kat: 1 Daire: 4,
Suadiye, ISTANBUL, TURKEY
Tel: +90 216 665 46 00
Fax: +90 216 665 46 01