Akbank AG
Frankfurt am Main

Short form report
Financial Statements and Management Report
December 31, 2008
Translation of the German Report

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

ERNST & YOUNG

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Audit Opinion

We have audited the annual financial statements, comprising the balance sheet, income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Akbank AG, Frankfurt am Main, Germany, for the fiscal year from January 1, 2008 to December 31, 2008. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Bank's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report, based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [in Deutschland] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Bank's position and suitably presents the opportunities and risks of future development.

Eschborn/Frankfurt am Main, April 22, 2009

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

signed	signed
Griess	Binder
Wirtschaftsprüfer	Wirtschaftsprüfer
[German public auditor]	[German public auditor]

Balance Sheet as of December 31, 2008 of Akbank AG, Frankfurt am Main

Assets

	EUR	EUR	EUR	31.12.2007 K EUR
1. Cash reserve				
a) Cash on hand		1.122,92		3
b) Balances at central banks		20.392.464,54		11.742
thereof: at Deutsche Bundesbank			20.393.587,46	11.745
EUR	20.392.464,54			
2. Loans and advances to banks				
a) Payable on demand		7.773.642,38		57.278
b) Other loans and advances		217.493.445,70		81.635
			225.267.088,08	138.913
3. Loans and advances to customers			951.804.181,31	876.564
thereof: secured by				
property charges EUR	0,00			
Municipal loans EUR	0,00			
4. Debentures and other fixed-interest securities				
Bonds and debentures				
aa) from public sector		2.181.174,86		2.163
thereof: eligible as collateral at Deutsche Bundesbank				
EUR	0,00			
ab) from other issuers		93.927.014,93		50.425
thereof: eligible as collateral at Deutsche Bundesbank			96.108.189,79	52.588
EUR	72.587.467,65			
5. Intangible assets			47.473,35	106
6. Property and equipment			181.804,29	170
7. Other assets			3.020.503,10	14.797
8. Prepaid expenses			53.973,51	0
Total Assets			1.296.876.800,89	1.094.883

Liabilities and Shareholders' Equity

	EUR	EUR	EUR	31.12.2007 K EUR
1. Liabilities to banks				
a) Payable on demand		1.012.966,86		3.254
b) with agreed term or period of notice		225.242.877,13		117.836
			226.255.843,99	121.090
2. Liabilities to customers				
a) Savings deposits				
aa) with an agreed period of notice of three months	4.861,93			
ab) with an agreed period of notice of more than three months	0,00	4.861,93		12
b) Other liabilities				
ba) payable on demand	3.633.270,88			3.787
bb) with an agreed term or period of notice	845.435.391,11	849.068.661,99		758.503
			849.073.523,92	762.302
3. Other liabilities			425.268,50	1.353
4. Deferred income			2.675.578,85	2.339
5. Accruals				
a) Tax accruals		3.296.123,15		81
b) Other accruals		1.339.014,23		1.307
			4.635.137,38	1.388
6. Subordinated liabilities			2.110.177,78	2.110
7. Shareholders' equity				
a) Subscribed capital		50.000.000,00		50.000
b) Capital reserve		150.519.907,93		150.520
c) Revenue reserves				
ca) Legal reserves		0,00		0
cb) Other revenue reserves		3.780.708,82		2.665
d) Net profit for the year		7.400.653,72		1.116
			211.701.270,47	204.301
Total Liabilities and Shareholders' Equity			1.296.876.800,89	1.094.883

	EUR	EUR	EUR
1. Contingent liabilities			
Liabilities from guarantees and warranty agreements		2.859.626,86	731
2. Other obligations			
Irrevocable loan commitments		4.300.102,04	17.523

Income Statement for Akbank AG, Frankfurt am Main
for the Period from January 1 to December 31, 2008

	EUR	EUR	EUR	31.12.2007 K EUR
1. Interest income from				
a) Lending and money market business	66.460.727,26			57.606
b) Fixed-interest securities and government-inscribed debt	4.503.335,22			1.079
		70.964.062,48		58.685
2. Interest expenses		49.300.711,97		42.474
			21.663.350,51	16.211
3. Commission income		2.007.345,96		1.207
4. Commission expenses		346.089,22		248
			1.661.256,74	959
5. Net income or net expenses from financial transactions			-235.287,00	0
6. Other operating income			17.497,57	230
7. General and administrative expenses				
a) Personnel expenses				
aa) wages and salaries	2.043.754,22			1.831
ab) social security and other pension costs	257.136,01	2.300.890,23		232
thereof: for old age pensions EUR 16.315,44 (Prior year K EUR 5)				
b) Other administrative expenses		2.232.400,16		2.856
			4.533.290,39	4.919
8. Write-downs and adjustments to intangible assets and property, plant and equipment			153.140,11	295
9. Write-downs and allowances on loans and advances and certain securities and allocations to provisions for possible loan losses			7.498.739,45	10.833
10. Result from ordinary activities			10.921.647,87	1.353
11. Income taxes		3.520.363,15		220
12. Other taxes		631,00		17
			3.520.994,15	237
13. Net result for the year			7.400.653,72	1.116
14. Profit carried forward from the prior year			1.115.516,92	2.665
15. Transfer to reserves in other revenue reserve			1.115.516,92	2.665
16. Net profit for the year			7.400.653,72	1.116

Translation of the German Report

AKBANK AG

Frankfurt am Main

NOTES FOR THE BUSINESS YEAR FROM 1 JANUARY TO 31 DECEMBER 2008

1. General information

The sole shareholder of Akbank AG, Frankfurt on Main, is Akbank N.V., Amsterdam, Netherlands. Its sole shareholder again is Akbank T.A.S., Istanbul, Turkey. The bank is member of the deposit insurance fund of Bundesverband deutscher Banken e.V. Furthermore, it is a member of Bundesverband deutscher Banken e.V., Bankenverband Hessen e.V., Verband der Auslandsbanken in Deutschland e.V., Prüfungsverband deutscher Banken e.V. and Vereinigung für Bankbetriebsorganisation e.V.

The annual accounts of Akbank AG were prepared according to the regulations of the German Commercial Code and the German Stock Corporation Act. The preparation was made in observation of the regulation of the Bank Accounting Directive (RechKredV).

2. Balancing, valuation and conversion methods

For the financial statements as of 31 December 2008, apart from the general valuation regulations of Secs. 252 et seq. HGB (German Commercial Code), the supplementary regulations for credit institutions of Secs. 340 et seq. HGB have to be applied.

The cash reserve, the loans and advances to banks and the loans and advances to customers are disclosed at acquisition costs or the low nominal value plus delimited interest.

Individual value adjustments, general loan loss allowances and country value allowances on loans and advances to banks and the loans and advances to customers are deducted from them.

a) Individual value adjustments are built in consideration of existing securities with the occurrence of defined criteria.
b) General loan loss allowances are computed on the basis of historical default data.
c) For loans loans in which the borrowers have their domicile in specific countries there are country risks. They include all risks from lending transactions, whose causes arise from an economic, social or political environment of a specific country. They encompass individually, country specific economic risks, national insolvency risks, transfer risks, risks that arise from financial crisis, legal risks and socio-political risks.

At the balance sheet date, similar to the previous year, the method for calculating the country risk precaution according to the draft of the letter of the Federal Finance Minister (IV B2 – S2174-/97) of 1997 is applied. The recommendations of the federal central office for taxes (Bundeszentralamt für Steuern) are taken into consideration. Country value allowances are always set up, if, with respect to the financial institution of the customer, a risk from lending funds to a specific country exists and no defined securities are provided. The allocation of the transactions to a specific country risk is effected to the risk domicile principle, i.e., basically the allocation is effected according to the borrower's country of domicile. If the transfer risk according to the parent country principle (seat of the parent bank) is more favourable than according to the principle of the country of domicile and if the joint liability of the parent bank exists, the allocation is to the parent country. If the risk liability or any other security from a non-EU state, whose transfer risk is more favourable than under the country of domicile principle, the procedure adopted is similar to that of the parent country.

In the past the bank´s own rating for the country risk Turkey - in agreement with the fiscal authorities - was always considerable lower than the recommendations of the federal central office for taxes.

In comparison with the prior year there are the following quotes for the country risk allowance:

	2007 Recommendation of federal central office for taxes %	Bank´s rating %	2008 Recommendation of federal central office for taxes %	Bank´s rating %
Turkey	20-30%	13,33%	30-40%	20%
Russia	20-30%	23%	10-20%	20%
Romania	20-30%	30%	20-30%	30%
Bahrain	0-10%	10%	0%	0%
Saudi-Arabia	0-10%	10%	0%	0%

Bonds and debentures of the current assets are valued strictly according to the lowest value principle.

Bonds and debentures of the fixed assets are balanced at acquisition costs. The difference between higher acquisition costs and the nominal value is allocated for the proportionate period for the remaining term of the bonds.

The intangible assets and the property and equipment are valued at acquisition costs, reduced by scheduled depreciations. With permanent impairments of value, unscheduled depreciations were effected on the lower attributable value. Low value assets are written off in the acquisition year. According to the new regulations of Sec. 6 (2a) EstG (Income Tax Act) all fixed asset items with acquisition costs between EUR 150 and EUR 1.000 are booked to a collection account and written off within 5 years using the straight line method.

The remaining assets were valued strictly according to the lowest value principle.

The liabilities are balanced at the repayment amounts plus deferred interest.

Other reserves take into consideration all discernible risks and uncertain obligations, as well as impending losses from pending transactions.

Interest accruals for receivables and liabilities will be allocated to the corresponding balance sheet item.

The currency claims and obligations (including deferred interest) contained in the individual items (including deferred interest) will be evaluated at the applicable reference prices as of December 31, 2008 of the European Central Bank (ECB).

Unsettled foreign exchange swap transactions also are to be valued with reference to prices of the ECB at December 31, 2008. Unrealised profits from foreign exchange swap transactions, for which a special cover exists according to Sec. 340 h HGB, are activated and disclosed in other assets.
Unsettled forward transactions are valuated with market prices. Unrealised losses deriving from the difference between forward- and market prices are disclosed in other liabilities.

3. Notes to balance sheet and income statement

BALANCE SHEET

Preliminary remarks

The individual balance sheet items containing foreign currency items and receivables from and payables to affiliates are presented separately in an own section below.

Cash reserves

At the balance sheet date, the bank held reserves in the amount of KEUR 20,394 (previous year KEUR 11,745). Of this, KEUR 20,393 (previous year KEUR 11,742) accounted for the balance with Deutsche Bundesbank and KEUR 1 (previous year KEUR 3) for euro cash assets.

Loans and advances to banks

Broken down according to remaining terms, the claims on financial institutions are composed as follows:

	31.12.2008 KEUR	31.12.2007 KEUR
Daily due	7,774	57,278
Time to maturity		
- up to three months	134,787	4,047
- from three months to one year	56,839	39,150
- from one year to five years	25,867	38,438
	225,267	138,913

The allowance for country risks for loans and advances to banks amounts to KEUR 9,476 (previous year KEUR 11,529).

Loans and advances to customers

The loans and advances to customers, broken down according to remaining terms, are composed as follows:

	31.12.2008 KEUR	31.12.2007 KEUR
Daily due	9,025	2,807
Time to maturity		
- up to three months	297,881	244,231
- from three months to one year	283,141	281,059
- from one year to five years	277,551	260,783
- more than five years	84,206	87,684
	951,804	876,564

The individual value adjustments at the balance sheet date are KEUR 74 (previous year KEUR 75).

In order to cover the latent default risk, a general loan loss allowance exists in the amount of KEUR 6 (previous year KEUR 6).
The value adjustment for the country risks of the loans and advances to customers is in the amount of KEUR 64,586 (previous year KEUR 56,369).

In order to secure the loans and advances to customers in the amount of KEUR 128.877 at the balance sheet date, customer credit balances have been pledged in the amount of KEUR 129,062.

Bonds and debentures

Bonds and debentures in the book value amount of KEUR 96,108 (previous year: KEUR 38,953) were listed at a stock exchange at the balance sheet date. In the previous year a further KEUR 13,635 were eligible for a stock exchange listing.
They were allocated in the amount of KEUR 19,844 (previous year: KEUR 25,421) to the liquidity reserve and in the amount of KEUR 76,265 (previous year: KEUR 27,167) to the financial investments. The development of the financial investments is presented in the fixed asset movement schedule (Supplement I of the Annex).

Hidden reserves exist in the amount of KEUR 618 (previous year: KEUR 242).

During the 2009 business year, bonds and debentures with a book value of KEUR 17.662 will be due.

Intangible assets

During the year under review, the portfolio included intangible assets (data processing standard software) in the amount of KEUR 47 (previous year: KEUR 106). During the 2008 business year, unplanned depreciations were effected in the amount of KEUR 8 (previous year: KEUR 36).

The development of intangible assets is presented in the fixed asset movement schedule (Supplement I of the Annex).

Property and equipment

The classification of property and equipment in the amount of KEUR 182 (previous year: KEUR 170) at the balance sheet date is presented in the fixed asset movement schedule. During the 2008 business year, unplanned depreciations were effected in the amount of KEUR 43 (previous year: KEUR 30).
The development of property and equipment is presented in the fixed asset movement schedule (Supplement I of the Annex).

Other assets

Other assets in the amount of KEUR 3,021 (previous year: KEUR 14,797) essentially relate to swap claims in the amount of KEUR 2,355 (previous year: KEUR 14,376) from the foreign exchange hedging of the foreign currency receivables, which are included in various balance sheet items. The other assets also include reimbursement claims for VAT in the amount of KEUR 493 (previous year: KEUR 253) and for overpaid corporate income taxes including solidarity taxes in the amount of KEUR 158 (previous year: KEUR 158).

Liabilities to banks

Subdivided according to the remaining terms, the liabilities banks are composed as follows:

	31.12.2008 KEUR	31.12.2007 KEUR
Daily due	1,013	3,254
Time to maturity		
- up to three months	224,066	117,836
- from three months to one year	1,177	0
	226,256	121,090

Liabilities to customers

Liabilities to customers are subdivided according to remaining terms, composed as follows:

	31.12.2008 KEUR	31.12.2007 KEUR
Saving deposits		
- with statutory notice period	5	12
Other liabilities		
Daily due	3.633	3.787
Time to maturity		
- up to three months	584.930	385.162
- from three months to one year	237.662	350.952
- from one year to five years	10.000	5.103
- more than five years	12.844	17.286
	849.069	762.290
	849.074	762.302

Other liabilities

Other liabilities cover mainly liabilities from foreign currency forward contracts in the amount of KEUR 183 (previous year: KEUR 0), source tax on interest, including solidarity contribution of KEUR 59 (previous year: KEUR 224), wage and church taxes of KEUR 41 (previous year: KEUR 31) and accounts payable to suppliers and other payables of KEUR 142 (previous year: KEUR 180). The prior year balance included additionally swap liabilities in the amount of KEUR 918.

Deferred income

The deferred income in the amount of KEUR 2,676 (previous year: KEUR 2.339) was formed exclusively for accrued up-front commissions of the loan business

Accruals

Tax accruals in the amount of KEUR 3,296 (previous year: KEUR 81) are for corporate income tax and trade tax, in previous year only for trade tax.

The other accruals are composed of the following:

	31.12.2008 KEUR	31.12.2007 KEUR
Fiscal risks from a tax audit	300	300
Premiums to the deposit fund	275	220
Personnel costs	150	0
Audit and tax consultant costs	148	97
Off-balance sheet credit risk	133	74
Outstanding invoices	129	175
Payables from leasing agreements	124	337
Outstanding holiday	73	97
Others	7	7
	1.339	1.307

Subordinated liabilities

At the balance sheet date, subordinated liabilities existed according Sec. 10 (5a) KWG (German Banking Act) in the amount of KEUR 2,000 (previous year: KEUR 2,000) plus deferred interest in the amount of KEUR 110 (previous year: KEUR 110). The loan was raised by a domestic organisation without profit purpose at an interest rate of 6.70% p.a., which matures on 5 March 2012. The interest expense during the year under review was KEUR 134 (previous year: KEUR 134). Both parties can not cancel the loan, unless the Federal Financial Supervisory Authority (BaFin) does not recognise the funds provided under this contract as equity capital or a fiscal change occurs, which will result in additional payments on the part of the borrower. A premature reacquisition or other form of repayment must be granted to the borrower irrespective of agreements to the contrary, unless the capital has been replaced by a deposit of another at least equivalent liable equity or the BaFin agreed to the premature repayment.

Subscribed capital, capital reserve and net profit for the year

The capital stock is EUR 50,000,000 and subdivided into 50,000,000 non-par value share certificates. The shares are bearer shares.

The capital reserve is unchanged compared with the previous year EUR 150,519,907.93. According to the decision of the shareholders' meeting as of April 21, 2008 the profit for the business year 2007 in the amount of EUR 1,115,516.92 was fully allocated to the other revenue reserve. The profit shown on the balance sheet for the year 2008 is EUR 7,400,653.72.

The bank intends to distribute the profit shown on the balance sheet.

Country value allowances

The total country value allowance is split up to the following balance sheet positions:

	31.12.2008 KEUR	31.12.2007 KEUR
Loans and advances to banks	9.476	11.529
Loans and advances to customers	64.586	56.369
Other Accruals	133	74
	74.195	67.972

Foreign currency assets and liabilities

The Euro counter-value of the assets in foreign currencies amount to KEUR 690,738 (previous year: KEUR 553,490). The Euro counter-value of the liabilities in foreign currencies amount to KEUR 184,288 (previous year: KEUR 35,594)

The foreign currencies, when converted into Euro, are divided into the following individual balance sheet items:

	31.12.2008 KEUR	31.12.2007 KEUR
Gross loans and advances to banks	103.038	91.555
Gross loans and advances to customers	573.294	448.349
Bonds and debentures	14.406	13.586
	690.738	553.490
Liabilities to banks	51.435	22.612
Liabilities to customers	132.853	12.982
	184.288	35.594

The balance of the foreign currency position at the balance sheet day in the amount of KEUR 506.450 is secured with foreign currency hedges in the amount of KEUR 506.179.

Receivables and liabilities payable to affiliates

At the balance sheet date, the following receivables and liabilities to affiliates exist:

	31.12.2008 KEUR	31.12.2007 KEUR
Loans and advances to banks		
- daily due	669	0
- other Loans and advances	15,399	0
Loans and advances to customers	4,434	26,308
Other Assets	807	0
	21,309	26,308
Liabilities to banks		
- daily due	783	3.235
- with negotiated term or notice period	14.360	35.261
Liabilities to customers	953	202
Other liabilities	0	85
	16,096	38,783
Balance	5,213	-12,475

Contingent liabilities

Contingent liabilities consist from guarantees and warranty agreements in the amount of KEUR 2,860 (previous year: KEUR 731).

Irrevocable loan commitments

On the balance sheet date irrevocable loan commitments exist in the amount of KEUR 4,300 (previous year: KEUR 17,523)

Restraints of disposal

The liabilities to the German Central Bank are secured with pledged assets with a book value including deferred interest in the amount of KEUR 195.786.

INCOME STATEMENT

Interest income and interest expenses from credit and money market transactions as well as commission income and expenses largely result from business relations with customers and credit institutions in Germany and Turkey.

Other operating income amounts to KEUR 17. The previous year income of KEUR 230 essentially results from reversal of accruals in the amount of KEUR 171.

Write-downs and allowances on loans and advances and certain securities and allocations to provisions for possible loan losses in the amount of KEUR 7,499 (previous year: KEUR 10,833) essentially are composed of the country value allowances in the amount of KEUR 6,223 (previous year: KEUR 10,481) and the write-down of bonds of the liquidity reserve of KEUR 1,295 (previous year: KEUR 446), balanced with income from write-ups of loans and bonds and the release of the reserves from lending business in the amount of KEUR 19 (previous year: KEUR 94).

Taxes on income

Taxes on income in the amount of KEUR 3,520 (previous year: KEUR 220) exclusively relate to corporate income tax in the amount of KEUR 1,745 (previous year: KEUR 0) and trade taxes for the current year in the amount of KEUR 1,775 (previous year: KEUR 219).

4. Other information

Other financial obligations

The other financial obligations essentially concern future contractually agreed upon rent payments for the bank's new office premises in Frankfurt on Main (new lease). The rent payments until the year 2013 accumulate to KEUR 2,282 (previous year: KEUR 2,734)

Derivatives

On the balance sheet date, the still unexecuted currency swaps were in the nominal amount of KEUR 501,796 (previous year: KEUR 531,826). The unexecuted forwards were in the amount of KEUR 4,383 (previous year: KEUR 0). Both serve exclusively to cover currency risks. The fair value of the currency swaps at the balance sheet date is KEUR 502,638 (previous year: KEUR 517,075) and the fair value of forwards KEUR 4,394.

For the purpose of hedging the general interest rate risk, interest rate swaps in the amount of nominal KEUR 129,194 (previous year: KEUR 148,135) were concluded, thereof KUSD 28,591 (previous year: KUSD 68,680). At 31 December 2008, a commitment surplus resulted in the amount of KEUR 1,856 (previous year: KEUR 1,462). The commitment surplus valued at the fair value of the interest rate swap at the balanced sheet date is KEUR 5,566 (previous year: 1,240).

The credit equivalent amount of the interest rate swaps, which is concluded with Akbank T.A.S. and Akbank T.A.S. Malta following the remaining terms, are broken down as follows:

	31.12.2008 KEUR	31.12.2007 KEUR
Remaining term up to one year	20	0
Remaining term one year to two years	34	40
Remaining term over two years up to three years	30	150
Total	84	190

All Fx-swaps and forwards, which are placed with Akbank T.A.S. und Akbank T.A.S., Malta, have, as in previous year, a maturity of less than one year. The credit equivalent amount is KEUR 1,566 (previous year: KEUR 194).

Employees

In the 2008 annual average, the bank had 22 employees, previous year 21 (both including Management Board).

Executives

During the past business year, the Management Board was composed of the following members:

- Mr. Karl-Friedrich Rieger, Bad Vilbel, in charge of corporate and correspondent banking, money and foreign exchange trading
- Mr. Bülent Menemenci, Frankfurt on Main, responsible for credit business, payment transactions, document transactions, internal audit, accounting and data processing
- Mr. Sabri Tütüncü, Istanbul, Turkey, without special business sector (until 30 November 2008)

The bank is jointly represented by two board members.

Until 10 December 2008 the Supervisory Board had 6 members. The number of Supervisory Board members was reduced to 3 members on 10 December 2008.

During the past business year, the Supervisory Board was composed of the following members:

- Mr. Zafer Kurtul, Chief bank executive, Chairman, Istanbul, Turkey (until 28 July 2008)
- Mr. Bülent Adanir, Chief bank executive, Chairman, Istanbul, Turkey (as of 28 July 2008)
- Mr. Ziya Akkurt, Chief bank executive, Deputy Chairman, Istanbul, Turkey (until 21 April 2008)

- Mr. Cem Mengi, Chief bank executive, Istanbul, Turkey, Deputy Chairman from 21 April 2008 until 30 November 2008 (until 10 December 2008)
- Ms. Kamile Banu Özcan, Chief bank executive, Deputy Chairman, Amsterdam, Netherlands (as of 30 November 2008)
- Mr. Ahmet Fuat Ayla, Chief bank executive, Istanbul, Turkey (until 10 December 2008)
- Mr. Kemal Atil Özus, Chief bank executive, Istanbul, Turkey (until 10 December 2008)
- Ms. Sevilay Özsöz, Chief bank executive, Istanbul, Turkey (from 21 April 2008 to 30 November 2008)
- Mr. Salih Tuncer Mutlucan, Chief bank executive, Amsterdam, Netherlands (as of 30 November 2008)

The salaries of the Management Board during the business year were in the amount of KEUR 335 (previous year: KEUR 357). No compensations were paid to the Supervisory Board.

<u>Relations with affiliated companies</u>

Akbank N.V, Amsterdam, Netherlands, is Akbank AG's sole shareholder at the reporting date. Akbank N .V. is a wholly-owned subsidiary of Akbank T.A.S.; Istanbul. As of 31 December 2008, Akbank T.A.S. is owned in the percentage of 40.85% by Haci Ömer Sabanci Holding A.S., Istanbul, and its subsidiaries, of 14.61% by the Sabanci family, of 20% by City Bank Overseas Investment Corporation and of 24.54% is independently held.

Haci Ömer Sabanci Holding A.S., Istanbul, and all its subsidiaries are considered to be the company's affiliates.

During the reporting period there existed business relations with various affiliated companies, in which all transactions were concluded under conditions that are also common among third parties.

Consolidated financial statements

The financial statements of Akbank AG will be included both in the consolidated financial statements of Akbank N.V., Amsterdam, Akbank T.A.S., Istanbul, and in the consolidated financial statements of Haci Ömer Sabanci Holding A.S., Istanbul. The consolidated financial statements of Akbank N.V., Amsterdam, can be seen on the webpage www.akbank.nl, the consolidated financial statements of Akbank T.A.S. on the webpage www.akbank.com, and the consolidated financial statements of Haci Ömer Sabanci Holding A.S. on the webpage www.sabanci.com.

Frankfurt am Main,

25 March 2009 Management Board

Karl-Friedrich Rieger Bülent Menemenci

Akbank AG
Development of fixed assets in business year 2008

		At cost				Accumulated depreciation				Net book value	
		01.01.2008 EUR	Additions EUR	Retirements EUR	31.12.2008 EUR	01.01.2008 EUR	Additions EUR	Retirements EUR	31.12.2008 EUR	31.12.2007 EUR	31.12.2008 EUR
A.	**Property and equipment**										
1.	Leasehold improvements	696.296,30	83.704,93	696.296,30	83.704,93	696.296,30	5.066,58	696.296,30	5.066,58	0,00	78.638,35
2.	IT-equipment	270.409,74	15.494,99	148.097,84	137.806,89	223.651,54	41.940,16	148.050,84	117.540,86	46.758,20	20.266,03
3.	Office furniture and equipment	448.768,42	4.585,61	56.744,83	396.609,20	325.746,98	44.698,14	56.735,83	313.709,29	123.021,44	82.899,91
	Total	1.415.474,46	103.785,53	901.138,97	618.121,02	1.245.694,82	91.704,88	901.082,97	436.316,73	169.779,64	181.804,29
B.	**Intangable Assets**										
	Standard software	1.081.558,57	3.428,41	661.053,77	423.933,21	976.042,40	61.435,23	661.017,77	376.459,86	105.516,17	47.473,35
C.	**Financial Assets**										
	Bonds and debentures	26.412.500,00	51.057.575,28	0,00	77.470.075,28	35.285,77	1.170.246,58	0,00	1.205.532,35	26.377.214,23	76.264.542,93
	Total amount	28.909.533,03	51.164.789,22	1.562.192,74	78.512.129,51	2.257.022,99	1.323.386,69	1.562.100,74	2.018.308,94	26.652.510,04	76.493.820,57

Translation of the German Report

Management Report for the Business Year 2008

PRELIMINARY REMARKS

2008 was the most successful business year in Akbank AG´s history. In particular, credit and deposit banking were clearly expanded. Compared with the previous year, the balance sheet total was increased by 18% from EUR 1,1 billion to EUR 1,3 billion. Profit after taxes increased from EUR 1,1 million to EUR 7,4 million.

At the same time, the bank reported – as since many previous years – that not a single loan commitment failed.

The general finance and economic crisis 2008 also did not spare Akbank AG at all. Against the background of the intensification of the finance market turbulences and the encroaching of the money market restraints the money market was hit in the 4th quarter 2008 with a scarcity of liquidity and an increase in deposit interest rates. In conjunction with some loans which were not refinanced with matching maturities this development resulted in a decrease of the profit margin. Therefore the bank has practiced a conservative loan policy since the 4th quarter 2008. Loan transactions were only granted in the frame of the existing liquidity and were preferred with short maturity terms.

THE OWNERS OF THE BANK

Akbank AG is owned of 100% by Akbank N.V, Amsterdam, which is a 100%-owned subsidiary of Akbank T.A.S.; Istanbul.
As of 31 December 2008, it is owned of 40.85% by Haci Ömer Sabanci Holding A.S., Istanbul, and its subsidiaries, of 14.61% by the Sabanci family, of 20% by City Bank Overseas Investment Corporation and is independently held of 24.54%.

THE CORE BUSINESS

Akbank AG focuses on classical corporate banking with renowned and international companies. The following corporate groups include its preferred target customers:

- Turkish companies (including factoring companies) with good credit standing
- Subsidiaries of multi-national groups in Turkey
- Subsidiaries and/or branches of Turkish companies in Germany and central Europe provided a specific order of magnitude is given.
- Companies which have regularly business relations with Turkey (import / export)
- Companies and banks with unquestioned credit standing in selected countries (including emerging markets).

By the end of the year 2008, customers in Turkey made up around 46% (previous year: 62%) and customers in Germany made up around 23% (previous year: 7%) of the bank's customer credit volume. Additional major credit commitments are distributed to Russia, The Netherlands and Great Britain.

THE ECOMOMIC SURROUNDING

Worldwide Finance- and Economic Crisis

As a consequence of the crisis in the international financial markets, triggered by the revaluation of US-mortgage backed securities, many German and foreign credit institutions and funds suffered billion losses. Many investors drew off their money from risk weighted assets and switched it into non-risk investments. In 2008 it came to liquidity scarcities in the money market and to a heavy financial market crisis, which was sharpened by the insolvency of Lehman Brothers. Money market transactions between Banks were only limited possible and with high risk premiums.

The Central Banks counteracted with cheap and generally short term refinancing possibilities for banks and the governments of the countries passed extensive help packages to support the financial markets.

During the year 2008 the influence of the financial crisis to the countries' real economies became increasing stronger, first in the USA, Europe and Japan, then in the whole world. Especially since autumn 2008 the demand for important industry and consumer goods decreased strongly. As a result it came to massive production cuts, an increase of insolvencies and demand collapses in the commodity markets.

For 2009 it is assumed that the crisis will increase, there will be decreasing growth rates and rising unemployment worldwide. According to estimates of the IMF the world trade will shrink with about 2,75%.

Economic framework conditions in Turkey

Since the main business of Akbank AG is with customers in Turkey, the economic development of Turkey is of particular interest to the bank.

In spite of the finance and economic crisis the Turkish economy – as reported by the agency "Germany trade and invest" (Bundesagentur für Außenwirtschaft) - reached an increase in its gross domestic product of approx. 1,5 to 2,0% in 2008, after 4,6 % in 2007. For the year 2009, due to the decrease in exports and the withdrawal of foreign investments, a decrease of the gross domestic product of 1,5 to 2% is expected. A recovery of the economic situation is expected earliest at the end of 2009.

The economic weakness in the main customer countries puts a strain especially to the automobile, chemical and textile industry. But the domestic demand for consumer goods, the construction industry and the tourism partially compensate these losses.

The inflation rate, however, still is at a high level, was in 2008 about 11.8% (previous year: 8.4%). For 2009 a decrease of the inflation rate to 7.6% is estimated.

By the end of 2008, unemployment was around 11.5%, and thus slightly higher than the previous year's value of 10.1%. An increase of the unemployment rate to 12% is estimated for 2009.

In the year 2009 Turkish exports reach with USD 132 billion a new all time high. Compared with the previous year's result of USD 107.3 billion this is an increase of 23%. In the same period the imports increased from USD 170.1 billion in the year 2007 with about 18.6% to USD 201.8 billion in the year 2008. The trade balance deficit increased from USD 62.8 billion in 2007 to USD 69.8 billion in 2008.

Germany with its share of 9.8% in 2008 (previous year: 11.2%) was again Turkey's most important export market. Among the supplier countries Germany with a share of 9.3% in 2008 (previous year: 10.3%), was on position 2 after Russia.

According to the Turkish Central Bank the Turkish trade deficit increased to USD40.42 billion in 2008. In the previous year it still was at USD38.20 billion.

The year 2009 started weak and stimulations for the economy were mainly expected from a recovery of the most important export markets On a medium and long term view the expectations for the diversified and worldwide competitive industries continue to be good and are marked with a positive spirit.

Economic development in Germany

The German economy got into in a strong recession since autumn 2008. Thus the price adjusted gross national product for the total year showed only an increase of 1.3% compared with the previous year. In 2007 the increase still was 2.5%. For the year 2009 the Federal Government expects it its annual economic report even a gross national product decrease of 2.25%.

At the end of 2008 Germany slipped in an exceptional strong and suddenly appearing economic regression. Starting with the worldwide crisis in the finance sector it came to a sharp liquidity shortage for banks and business companies as well. Due to the severe order drop in the export sector the utilization of the production capacities degreased. In certain cases factories have been shut down and workers were on short hours. Also, with a short delay, the service industries were met by the crisis.

The Federal Government tries to counter steer with extensive, debt financed economic stimulus packages

In its annual economic report of the Federal Government expects for the year 2009 that the average unemployment rate will rise from 7.8% in 2008 to 8.4% in 2009.

Economic development in the other European countries

For Akbank AG not only the development of the Euro area is important, but also the economic development in Eastern Europe.

For the Euro area, the IMF estimates a decrease of economic growth of 3.2%, the OECD even thinks a minus of 4.1% is possible.

The Eastern European countries, after years with high economic growth rates, are far stronger hit by the economic crisis. Some Eastern European countries even fight to survive.

EARNINGS, ASSET AND FINANCIAL SITUATION OF AKBANK AG

Business performance:

For the 2008 business year, the bank chose an annual net profit of KEUR 7,401 million. It thus is KEUR 6,285 higher than the annual net profit of 2007 in the amount of KEUR 1,116.

Earnings performance:

The interest surplus of EUR 21,6 million in 2008 clearly increased compared with the previous year when it was EUR 16,2 million. Approximately 94% (previous year 98%) of the interest income results from credit and money market transactions, while only a relatively small portion of approx. 6% (previous year: 2%) is due to bonds interests.

Due to the bank's business model, the commission surplus only plays a subordinate role and only amounts to EUR 1.7 million (previous year: EUR 1.0 million).

Development of expenses:

The general administration expenses of around EUR 4.5 million are with EUR 0.4 million under the prior year’s value of EUR 4.9 million. The personnel costs of EUR 2.3 million, which are included in the general administration expenses, increased KEUR 0.2 compared with the previous year. The other administrative expenses decreased from EUR 2.9 million to EUR 2.2 million.

The bank has moved into new premises at the beginning of April 2008. After expiring of the old rental contract and with a considerable smaller office space it got savings in the rent expenses in amount of EUR 0.4 million. In the year 2007 the other administrative expenses included additional expenses for a tax audit in the amount of EUR 0.3 million.

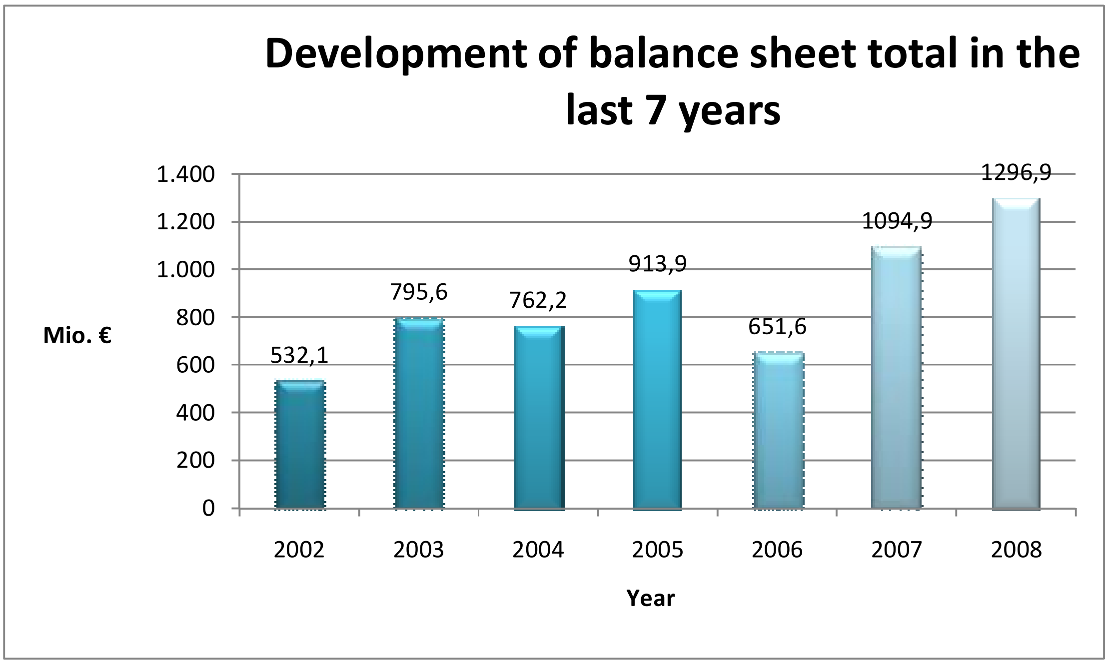
The depreciations on property and equipment and intangible assets decreased negligibly from EUR 0.3 million in the previous year to EUR 0.2 million. The higher expenses in the previous year were mainly caused by unexpected depreciations on leasehold improvements from giving up the old office premises and the change to a new bank software.

The risk provisions (depreciations and value adjustments on loans and advances and on bonds and debentures as well as the transfer of provisions in the lending business) decreased from EUR 10.8 million in the previous year to EUR 7.5 million.
Apart from the provision to the country value allowances in the amount of EUR 6.2 million (previous year: EUR 10.4 million), the amount includes write-downs on bonds of the liquidity reserve of EUR 1.3 million (previous year: 0.4 million).
Based on the bank's conservative business policy, again no loan losses fortunately occurred during the year under review. Due to a higher country value allowance range for Turkey, the country value allowance had to be increased.. Decreases of the country value allowance appeared in particular for Russia and Romania. ,When determining the country value allowance the bank always follows of the annually determined variation range on the basis of the draft of the BMF letter. Due to the parent company's proximity to the Turkish market, only for Turkey loans the variation range falls short,

Development of the financial and asset situation

On 31 December 2008, the expansion of the lending business with customers and bonds resulted in a balance sheet total of EUR 1.297 billion. It now is around EUR 202 million higher than the balance sheet total of the previous year with an amount of EUR 1.095 billion.

The development of the balance sheet sum for the years 2002 to 2008 can be presented as follows:



[2002-2005 AKBANK T.A.S. Branch in Germany; from 2006 AKBANK AG]

Cash reserve and loans and advances to banks increased from EUR 150.7 million in 2007 to EUR 245.7 million in 2008. This amount includes loans to the German Central Bank in the amount of EUR 135.4 million (previous year: EUR 11.7 million).

The loans and advances to customers increased during the same period from EUR 876.6 million to EUR 951.8 million. This produced merely 73.4% of the balance sheet total (previous year: 80.1%).

From the portfolio of bonds and debentures in the amount of EUR 96.1 million (previous year: EUR 52.6 million), EUR 19.9 million (previous year: 25.4 million) are part of the bank's liquidity reserve and EUR 76.2 million (previous year: EUR27.2 million) are part of the investment portfolio which is pledged for refinancing purposes to the German Central Bank.

The intangible assets and property and equipment were reduced due to retirements and depreciations from KEUR 276 in 2007 to KEUR 229 in the year under review.

Other assets in the amount of EUR 3.0 million (previous year: EUR 14.8 million) essentially contain claims from foreign exchange hedging transactions in the amount of EUR 2.4 million (in the previous year: 14.4 million)

At balance sheet date, liabilities to banks are EUR 226.3 million (previous year: EUR 121.1 million) or 17.4% (previous year: 11.1%) of the balance sheet total. This amount contains EUR 169.8 million (previous year: EUR 58 million) for refinancing purposes to German Central Bank.

Liabilities to customers are in the amount of EUR 849.1 million (previous year: 762.3 million). This corresponds to 65.5% (previous year: 69.6%) of the balance sheet total. The bank's main customers are communities, social insurance carriers and companies.

Other liabilities, deferred income and accruals increased - mainly due to higher tax accruals in the amount of EUR 3.2 million,- from EUR 5.1 million in 2007 to EUR 7.7 million in 2008.

Subordinated liabilities are unchanged compared with the previous year in the amount of EUR 2.1 million.

The shareholders' equity increased at the balance sheet date by the net income for the year 2008 in the amount of 7.4 million from EUR 204.3 million in 2007 to EUR 211.7 million in 2008.

The capital stock is held 100% by AKBANK N.V., Amsterdam, which again is a wholly-owned subsidiary of Akbank T.A.S., Istanbul.

The contingent liabilities are in the amount of EUR 2.9 million (previous year: EUR 0.7 million) and result from guarantees and warranty agreements.

The amount of irrevocable loan commitments during the year under review decreased from EUR 17.5 million to EUR 4.3 million.

Financial situation

During the year under review, Akbank AG solvency was ensured at all times. The minimum reserve obligations, vis-à-vis the German Central Bank also were maintained as well as the principles of liquidity in accordance with the German Banking Act (LiqV).

Akbank AG is a member of the Deposit Insurance Fund of Bundesverband deutscher Banken e.V., Cologne, through which liabilities to non-credit institutions (in particular private persons and commercial enterprises) are secured up to a deposit amount of 30% of the liable equity capital according to § 6 of the statutes of the Deposit Insurance Fund. On the basis of this membership, which promises customers high security for their investment, it always enabled the bank to increase the portfolio of customer deposits in the short term, and thus to adjust the liquidity without delay to the respective refinancing requirements.

Due to the bank and financial crisis and under the influence of the Lehman Brother's insolvency, the last third of the year 2008 it came partly to refinancing shortages.

The regulatory liquidity ratio according to LiqV was 1,26 (previous year: 1,32 according to liquidity principle) and thus clearly above the regulatory required minimum value of 1.

The solvability ratio, which describes the relationship between the liable shareholders' capital (according to Sec. 10 (2) German Banking Act) of the bank and its weighed risk assets, may not fall below 8%.
The bank never fell below this minimum limit during the year under review. The average total parameter according to Sec. 2 (6) German Solvability Act rather was 18.8%.

RISK REPORT 2008

Risk is defined as the potential, negative deviation of the actual development from the expected development.

The overall bank control of Akbank AG focuses on achieving growth and value enhancement with risks that are controlled at all times. The possibilities of future positive and negative effects to the bank's economic situation have to be measured and evaluated. For this reason, all strategic and operative measures are subject to a careful evaluation between opportunities and risks. At regular intervals, these are re-evaluated in consideration of the current market and corporate development, as well as new regulatory requirements.

Apart from the objectives of shareholders, the requirements and regulations of the banking supervisory authority and the German Deposit Insurance Fund must also be taken into consideration.

Counterparty default risks

Counterparty risk generally refers to the risk of losses due to changes in credit-worthiness and/or default by a person or enterprise with which a business relationship exists.

Some of the most particularly noteworthy risks affecting Akbank AG include the individual borrower risk, the country risk and the industry risk.

Individual borrower risks

Default risk in this context exists, on the one hand, in the possibility that payment obligations to the financial institution will be only partially met or not at all. Secondly, the possibility exists that the creditworthiness of a borrower will worsen during the term of the loan (creditworthiness reduction risk = risk of dropping into a lower rating class). Credit risk generally encompasses both of these aspects. For the purpose of estimating the risk importance, risks with a direct impact on P&L will be evaluated first and foremost.

At the level of the bank as a whole, the degree of diversification in the credit portfolio is also important (structure risk as a component of credit risk). Risk can result from a lack of diversification in the credit portfolio with regard to structure (cluster risk) and size classes.

Country risks

Country risk relates to individual countries and is based on the inability or unwillingness to pay. It arises from the possibility of
(a) partial or complete default on contractually agreed-upon interest or liquidation payments by market participants from the country in question or
(b) a drop in the value of securities or financial derivatives that depend on market participants from the country in question.

Industry risks

Industry risk encompasses borrowers who operate the same or similar type of business and/or whose creditworthiness is dependent on the same service or good

Industry risk relates to individual industries and is brought about by economic and market-dependent factors, impacting the ability or willingness to pay and thus raising the probability of partial or complete default on contractually agreed-upon interest or liquidation payments on the part of businesses belonging to the industry in question.

Risk control measures - Counterparty default risk

Based on the conservative business policy of Akbank AG in the past the bank is able to manage the credit default risks well. This can be documented with the fact that there are no appreciable losses within the last five years.

Counterparty default risk is handled and minimized in accordance with the principles of diversification, limitation and maturity. Credit default scenarios are evaluated for both individual and total risks using internal bank analyses and rating instruments. Akbank AG’s borrowers are categorized into different risk groups by means of an internal rating system, using the criteria for credit ratings and analysis results. Credit lines are established for each individual borrower, counterparty and group at the end of the approval process. In evaluating counterparty default risk, country limits are established using risk analyses and supervised. Credit obligations exceeding EUR 1 million must be unanimously approved by the Board of Directors.

The bank uses suitable computer-aided verification systems for administering, supervising and verifying the above-mentioned credit risks. These systems are in compliance with the minimum requirements for the risk management activities of financial institutions (MaRisk in German). A checks and balances system, in which corporate client marketing (Front Office / Market Level 1) and credit risk management (Back Office / Market Level 2), including risk verification, are separated, is adhered to at all levels of the company, from the ground level all the way to the Board of Directors. The Company's credit operations manual, in which, among other topics, the levels of credit approval, risk supervision and risk management are explained meets the requirements of MaRisk.

Diversification and, if necessary, an appropriate collateralisation of the loan commitment are additional qualitative instruments for risk limitations. Limitations in view of the commitment orders of magnitude, sectors and credit terms are applied as quantitative control elements.

Akbank AG has also enlisted the help of external consultants in reviewing and/or implementing the use of suitable instruments for supervising risks and for reporting (e.g. reports on the classification of borrowers in accordance with different criteria such as rating, country, size or industry).

For latent credit risks, general loan loss allowances are determined once yearly on the basis of loan losses in the past and fiscal projections. Based on low losses in the past, they are, however, low in terms of the amount.

The bank has borne the risk with loans to borrowers in risk-afflicted countries such as Turkey or Russia by forming country value allowances. Though the credit value of these countries decreased about EUR 53 million according to last year, but the country value allowances increased from EUR 67.9 million to EUR 74.1 million because the risk percentage for Turkey grew from 13,33% to 20%. In view of the high weight affecting the risk exposure of Turkey's commitment, the country value allowance for Turkey is in the amount of EUR 48.3 million (previous year: EUR 35.9 million).

In assessing the country value allowance rate for Turkey, the bank clearly lies below the fiscally acknowledged variation ranges, since Akbank AG indirectly is owned by Akbank T.A.S., Istanbul, which is one of the leading banks in Turkey. Consequently, the company is put in a position to recognise developments in the Turkish market and looming crises early and, if necessary, take relatively timely countermeasures.

Market price risks

Market price risk is understood as the possibility that market prices for material goods or financial securities will change to the disadvantage of the bank due to changes in market parameters (for example, interest rates, exchange rates, bond rates or stock prices), thereby negatively affecting the bank's results. All market price risks may lead to depreciations from a statement-of-accounts perspective on the balance sheet date (December 31) or to realized losses in the case of fixed-income securities on the redemption date. Interest rate and exchange rate risks are of particular importance to Akbank AG.

Currency risks

Currency risk is understood as the danger that, in the case of transactions requiring the conversion of one currency into another, the market value will fall below the book value..

Foreign currency assets lose value whenever exchange rates fall, and liabilities in foreign currencies will lead to losses whenever exchange rates rise. In a similar fashion to the above-mentioned stock price and interest rate fluctuation risks, only the balance of all positions in a single foreign currency with the same maturities are exposed to currency risk.

Interest rate fluctuation risks (Interest rate spread risks)

Interest rate spread risk may be understood as the negative deviation of interest surplus (net interest income) from a previously expected value.

Interest rate spread risk can be broken down into interest rate fluctuation risk and transaction structure risk. The former represents a deviation in the interest rate spread in the case of changing market interest rates and a constant transaction structure, while the latter describes a deviation in the interest rate spread in the case of a changing transaction structure and constant market interest rates.

Interest rate fluctuation risks (Depreciation risks)

Depreciation risk represents losses that arise through market price fluctuations for interest-bearing securities whenever the market value falls below the book value. In accordance with MaRisk, depreciation risk is to be presented for all investments.

This type of risk represents the possibility of the loss of an interest rate position that would be solely attributable to a change in the market price.

Liquidation risks

Liquidation risk occurs in the case of transactions that have not been completed by the fulfillment deadline. Delayed liquidation can result in losses for the financial institution due to the required use of its own capital if the market value has changed unfavorably for the financial institution. Liquidation risk occurs both in the case of cash transactions as well as derivative transactions.

Replacement risks

Replacement risk is the danger that a transaction cannot be fulfilled by a counterparty, possibly requiring the bank to enter into a new contract at more unfavorable terms. Replacement risk occurs both in the case of cash transactions as well as derivative transactions. It is closely tied to market price risk (e.g., replacement risk exists in the market value of a derivative at the time of the counterparty’s default; it is therefore a market price-dependent risk).

Risk control measures - Market price risks

Interest rate risks with regard to credit-based assets and securities portfolios are avoided or minimized through refinancing with mostly equal maturity dates on the liabilities side or using interest rate hedging instruments.

Due to their high importance level, currency risks at Akbank AG are promptly hedged against (micro hedging) and are thus limited to a small number of open positions (primarily interest receivables in foreign currencies) resulting from loans granted in foreign currencies. Foreign-currency loans are hedged using currency swaps against the Euro, such that open positions remain within the scope of currency positions intended for non-trading-book institutions. Other than minor interest receivables in foreign currencies, no open positions exist with regard to foreign currencies.

By means of this procedure, the market risks are limited to an amount, which is insignificant in proportion to the Company’s capital, A residual risk results exclusively from the circumstance that no suitable hedging partners can be found for small transactions. Nevertheless - for the purpose of preserving market opportunities – there are the opportunities of finding parameters within a limited scope and within the framework of engaging in market price risks to a limited extent and within the scope of defined parameters.

Liquidity risks

Short-term liquidity risk and refinancing risk

Liquidity risk or, in the stricter sense, short-term liquidity risk, is understood as the possibility that the bank will no longer be able to meet its payment obligations without limitations.
Refinancing risk is generally understood as the possibility that the bank will no longer be able to maintain its desired refinancing level.

Market liquidity risk

Market liquidity risk is understood as the danger that Akbank AG will not be able to sell assets that under normal circumstances could be sold problem-free, or sell them only at an unacceptable price, with losses or not in the requested size due to the disability of market depth and the market disruption.

Risk control measures- Liquidity risk

Akbank AG observes daily the liquidity risk and pays attention accomplish the liquidity ratio according to LiqV.
The liquidity control of Akbank AG is monitored daily by the Treasury Department by means of specially developed tools (such as the "Daily Financial Dealing Position" or the “Liquidity Position Report”) and by means of which the corresponding liquidity parameters are determined. The anticipated inflow and outflow of funds are computed on a daily basis.

The bank always has sufficient liquidity. This results directly and indirectly from the relatively high equity capital in the amount of around EUR 200 million (EUR 50 million capital stock and EUR 150 million capital reserves). In addition, the bank is in a position to acquire high-volume customer deposits in the short term in that it uses the services of various brokers who again negotiate cash investments on behalf of potential investors.

A short-term liquidity demand can also be covered via friendly correspondence banks that have approved credit limits in favour of the bank.

Part of the securities portfolio, which meets the lending requirements of the German Central Bank, can be pledged to the Central Bank, to enable it to daily draw upon by the overdraught of the Central Bank account or in order to participate at the Central Bank’s open market tenders.

In an individual case, the portfolio of securities for covering short-term or unscheduled liquidity demands on repo transactions with friendly banks can be utilised.

Additionally, there is the option in principle of selling part of the securities portfolio of the bank, as well as of selling selected (as a rule syndicated) loans in order to bridge possible liquidity bottlenecks.

Based on the current business model, the bank considers the implemented liquidity measuring and control procedure appropriate. The term transformation is used only in limited amount.

Operational risks

All risks from operational systems and processes are referred to as operational risks, which, provided they occur, may have a negative influence on the business procedure of Akbank AG.

Operational risks

Essentially, operational risks are attributed to technical or human failures, which, for example, can be caused by the use of inappropriate processes (operating risks). In addition, there are external events, such as natural disasters, that count as operational risks.

Legal risks

Operational risks also comprise legal risks resulting from contractual agreements or legal basic conditions.
Legal risks can be provoked as a result of a change in the legal outlying conditions in relevant markets of the bank and beyond that on account of legal disputes with business partners or customers.

Personnel risks

The personnel risks are also a part of the operational risks. The bank's success essentially depends on the competence and motivation of its employees. The possible loss of key personnel basically represents a risk. This risk can be counteracted through regular employee discussions.

Risk control measures- Operational risks

The bank never had any significant operational risks in the past. It expects operational risks will also have also a subordinated role in future. Organisational and technical measures serve to avoid damages and/or to limit damages from all operational risks. For example, organisational instructions, employee training, quality management, as well as emergency plans are to be listed. These measures and regulations for risk limitations are documented in the various internal guidelines that are regularly updated.

Akbank AG continuously strives to maintain operational risks as low as possible. In order to reach this goal, backup systems for the important hardware and software are installed and in place. To guarantee security in the event of software failures, Akbank AG has entered into applicable maintenance agreements with external IT support providers. If needed, the bank may request immediate assistance.

The bank worked with two core banking systems in the year under review. Until 30 April 2008 it used the core banking system PABA/Q from the Company ACTIS, which operated on an IBM AS400, on 1 May 2008 the bank began to work with the banking core system Flexcube of the Company I-Flex, which operated first on the server of the parent company, Akbank N.V., Amsterdam, later on the servers of Akbank T.A.S., Istanbul, which took over the maintenance of the core banking system.

Apart from the physical infrastructure (especially the hardware equipment), the system architecture (e.g., multi-tier server structure, software equipment) is of special significance to Akbank AG. As a rule, both have a redundant and/or modular structure in order to always ensure a high availability of all necessary systems and/or components. Within the scope of emergency planning for the IT segment, external service providers (e.g. Bank-Verlag) and their emergency plans are taken into consideration.
The availability of major IT systems, especially the core banking systems PABA/Q and Flexcube, on average was 98.9% during the period under review and during the previous year. In the case of total system failure and/or the premises of the bank no longer being accessible, an agreement is made with a third company (SLA), which allows the use of their facilities and IT systems in emergency.

The Board of Directors is responsible for ensuring sufficient staff levels, such that during vacation times and in the event that several employees fall ill, the bank's course of business can be carried out without interruption.

With regard to personnel risks, the management shall search for suitable professionals on the job market as needed and will make an effort to hire employees with several years of experience in banking.

The following list clearly indicates that than one-half of the employees have been working for the bank for over 5 years, and thus key competencies are being maintained over an extended period.

Average seniority of our employees	**31.12.2008 Number of employees**	**31.12.2007 Number of employees**
0 to 2 years	9	6
3 to 5 years	2	3
6 to 8 years	3	8
Longer than 8 years	7	4
Total	**21**	**21**

The bank must also devise plans for improbable and unexpected emergencies. These safety measures are regularly reviewed and tested.

The four-eye principle is to be followed at all times and the entry and release functions shall be divided among separate staff members.

As a security against possible legal risks, all legal transactions of the bank must be concluded on the basis of unequivocal and properly documented agreements. If possible, bank typical basic standard contracts in conformity with the markets are used (e.g. forms , which are tested and recommend from the Cologne-domiciled Bank Verlag). The Bank Verlag forms are permanently actualized in accordance with the legal requirements and are available via web-based online-systems. In the event that the use of externally acquired document templates is not appropriate, agreements of significant legal importance shall be reviewed by outside attorneys. The responsible department head shall determine to what extent this is required (together with the Board of Directors if necessary).

The management of the above-mentioned risks is continuously supervised by internal auditors. The risk management system shall be correspondingly adjusted if required.

Miscellaneous risks

Miscellaneous risks include those arising from internal performance or those dependent on external factors.

Business risks

The business risk encompasses the risks from unexpected losses through a variation of income or expense figures from the target figures.
On the basis of target figures (budget), the actual business operation of the bank is monitored within the framework of the monthly target-performance comparison. Earnings and productivity control is directly subject to the Board of Management.
Continuous monitoring and control also is performed by means of daily balance sheets and daily profit and loss accounts, as well as a multitude of other daily reports and evaluations, which are created by the controlling and other respective operating departments and are submitted regularly to the Board of Management of the bank and, in an individual case, also to the Supervisory Board.

Strategic risks

Strategic risks are defined as risks, which are related to previous and future decisions regarding the business model (business risks). Emphasis is put on aspects of the company planning, the intensity of competition or product development of Akbank AG. Decisions regarding the business model are made by the Board of Management with the approval of the Supervisory Board on the basis of extensive analyses. The processing and preparation of such questions is effected depending on the decision-making object in the responsible departments, and if necessary, also with the support of external consultants.

Summary

In the business year there were no risks that could have put the continued existence of Akbank AG at risk.

RELATIONSHIPS WITH AFFILIATED COMPANIES

According to Sec. 312 German Stock Corporation Act, the Board of Management has prepared a subordinate status report regarding the relationships with affiliated companies, which contains the following concluding statement:

"We hereby confirm that the company according to the circumstances with which we were familiar at the time at which legal transactions were performed or measures were effected or refrained from, in which each legal transaction received reasonable compensation and in that the measure taken or refrained from was not put at a disadvantage."

EVENTS OF SPECIAL SIGNIFICANCE AFTER THE BALANCE SHEET DATE

After the balance sheet date, no major events and developments of special significance occurred that were not already mentioned in this status report.

OUTLOOK / FORECAST REPORT

As commented before, keeping the liquidity has the priority instead further growth. As soon as the financial crisis is over, the bank will take again a more intensive focus on the acquisition of new loans. As the loan portfolio with Turkish companies can only grow within the frame of the existing country limits, it is planned that the composition of the credit portfolio will develop in favour of Non-Turkish borrowers.

The Bank assumes – as a consequence of the strained situation at the finance sector –it can achieve higher profit margins than before in the credit business as well with Turkish and also with Non-Turkish customers. Nevertheless the bank continues under risk/profit aspects to strive especially for investments with a credit rating of a minimum low class investment-grade.

In future the bank also intends to keep in its portfolio more corporate bonds and promissory notes until final maturity and to use them, if possible, with appropriate measures to optimize its liquidity (Repo transactions).

ACKNOWLEDGEMENT

The Managing Board would like to take this opportunity to thank all employees for their extraordinary contribution. We are very proud of their technical and social competence, without which the bank's success would be unrealisable.

Frankfurt on Main, 25 March 2009

Management Board

Engagement Terms, liability and conditions of use

We, Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, conducted our audit of these financial statements on behalf of the Company. Besides satisfying the legal disclosure requirement (Sec. 325 HGB ["Handelsgesetzbuch": German Commercial Code]) for statutory audits, the audit opinion is addressed exclusively to the Company and was issued for internal purposes only. It is not intended for any other purpose or to serve as a decision-making basis for third parties. The result of voluntary audits summarized in the audit opinion is thus not intended to serve as a decision-making basis for third parties and must not be used for purposes other than those intended.

Our work is based on our engagement letter for the audit of these financial statements, the Special Engagement Terms for Assurance and Advisory Business of Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft (dated July 1, 2007) and the General Engagement Terms for "Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften" [German Public Auditors and Public Audit Firms] as issued by the Institute of Public Auditors in Germany ["Institut der Wirtschaftsprüfer": IDW] on January 1, 2002.

To clarify, we point out that we assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the audit opinion to reflect events or circumstances arising after it was issued, unless required to do so by law.

It is the sole responsibility of anyone taking note of the summarized result of our work contained in the audit opinion to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.