Akbank AG
Frankfurt am Main

Short form report
Financial Statements and Management Report
December 31, 2009
Translation of the German Report

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

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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, 2009 to December 31, 2009. 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, March 31, 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

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

Balance Sheet as of December 31, 2009 of Akbank AG, Frankfurt am Main Appendix 1

Assets

	EUR	EUR	EUR	31.12.2008 KEUR
1. Cash reserve				
a) Cash on hand		2.275,01		1
b) Balances at central banks		12.449.100,49		20.393
thereof: at Deutsche Bundesbank			12.451.375,50	20.394
EUR 12.449.100,49				
2. Loans and advances to banks				
a) Payable on demand		2.132.193,87		7.774
b) Other loans and advances		126.850.367,69		217.493
			128.982.561,56	225.267
3. Loans and advances to customers			908.618.334,43	951.804
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		2.181.150,68		2.181
thereof: eligible as collateral at Deutsche Bundesbank				
EUR 0,00				
ab) from other issuers		122.394.808,25		93.927
thereof: eligible as collateral at Deutsche Bundesbank			124.575.958,93	96.108
EUR 122.394.808,25				
5. Intangible assets			25.523,37	47
6. Property and equipment			160.720,50	182
7. Other assets			368.090,00	3.021
8. Prepaid expenses			208.959,54	54
	Total Assets		1.175.391.523,83	1.296.877

Liabilities & Shareholder's Equity

	EUR	EUR	EUR	31.12.2008 KEUR
1. Liabilities to banks				
a) Payable on demand		2.587.381,95		1.013
b) with an agreed term or period of notice		233.256.664,06		225.243
			235.844.046,01	226.256
2. Liabilities to customers				
a) Savings deposits				
aa) with an agreed period of notice of three months	2.349,02			
ab) with an agreed period of notice of more than three months	0,00	2.349,02		5
b) Other liabilities				
ba) payable on demand	20.837.939,16			3.633
bb) with an agreed term or period of notice	678.620.217,66	699.458.156,82		845.435
			699.460.505,84	849.073
3. Other liabilities			6.330.437,08	426
4. Deferred income			3.566.690,01	2.676
5. Provisions				
a) Tax provisions		3.332.765,15		3.296
b) Other provisions		498.541,10		1.339
			3.831.306,25	4.635
6. Subordinated liabilities			2.110.177,78	2.110
7. Shareholder's 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		0,00		3.780
d) Profit available for distribution		23.728.452,93		7.401
			224.248.360,86	211.701
Total Liabilities and Shareholders' Equity			1.175.391.523,83	1.296.877

	EUR	EUR	EUR
1. Contingent liabilities			
Liabilities from guarantees and warranty agreements		4.812.805,72	2.860
2. Other obligations			
Irrevocable loan commitments		36.959.074,85	4.300

Income Statement for Akbank AG, Frankfurt am Main
for the Period from January 1 to December 31, 2009

Appendix 2

	EUR	EUR	EUR	31.12.2008 KEUR
1. Interest income from				
a) Lending and money market business	30.359.099,82			66.461
b) Fixed-interest securities and government-inscribed debt	4.554.253,03			4.503
		34.913.352,85		70.964
2. Interest expenses		24.050.992,31		49.301
			10.862.360,54	21.663
3. Commission income		2.243.159,34		2.007
4. Commission expenses		314.257,32		346
			1.928.902,02	1.661
5. Net income or net expenses from financial transactions			17.605,79	-235
6. Other operating income			112.276,88	17
7. General and administrative expenses				
a) Personnel expenses				
aa) wages and salaries	1.743.954,83			2.044
ab) social security and other pension costs	258.399,08	2.002.353,91		257
thereof: for old age pensions EUR 22.934,54 (previous year: KEUR 16)				
b) Other administrative expenses		1.600.580,39		2.232
			3.602.934,30	4.533
8. Write-downs and adjustments to intangible assets and property, plant and equipment			58.924,31	153
9. Write-downs and allowances on loans and advances and certain securities and allocations to provisions for possible loan losses			0,00	7.498
10. Income from write-ups on loans and advances and certain securities and from the reversal of provisions for possible loan losses			17.409.409,03	0
11. Result from ordinary activities			26.668.695,65	10.922
12. Income taxes		6.710.599,57		3.520
13. Other taxes		10.351,97		1
			6.720.951,54	3.521
14. Net result for the year			19.947.744,11	7.401
15. Profit carried forward from the prior year			0,00	1.116
16. Transfer from revenue reserves - from other revenue reserves			3.780.708,82	0
17. Transfer to revenue reserves - to other revenue reserves			0,00	1.116
18. Profit available for distribution			23.728.452,93	7.401

NOTES TO THE FINANCIAL STATEMENTS FOR THE BUSINESS YEAR FROM 1 JANUARY TO 31 DECEMBER 2009

1. General information

The sole shareholder of Akbank AG, Frankfurt on Main, is Akbank N.V., Amsterdam, Netherlands. The sole shareholder of Akbank N.V. is Akbank T.A.S., Istanbul, Turkey. The Bank is a 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 financial statements of Akbank AG were prepared according to the regulations of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) as well as the Bank Accounting Directive (RechKredV).

2. Accounting, valuation and conversion methods

For the financial statements as of 31 December 2009, the general valuation regulations of Sec. 252 et seq. HGB and 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 cost or the lower nominal value plus accrued interest.

Individual allowances, general loan loss allowances and country risk allowances on loans and advances to banks and loans and advances to customers are deducted directly from these loans and advances.

a) Individual allowances are recognized based on the occurrence of defined criteria in consideration of existing collateral.
b) General loan loss allowances are computed on the basis of historical default data.
c) Loans to borrowers domiciled in countries with lower credit ratings are subject to country risks. These include all risks from lending transactions which arise from the economic, social or political environment of a specific country. Country risks comprise country-specific economic risks,

sovereign default risks, transfer risks, risks that arise from financial crises, legal risks and socio-political risks.

At the balance sheet date, the method for calculating the country risk provisions according to the draft letter from the Federal Finance Minister (IV A6 – S2174-/02) of 2003 was applied, as in the previous year. The recommendations of the Federal Central Office for Taxes (Bundeszentralamt für Steuern) were taken into consideration. Country risk allowances are always set up if a borrower is subject to a country risk and no defined collateral is in place. Transactions are allocated to a specific country risk in accordance with the risk domicile principle, i.e., the allocation is made according to the borrower's country of domicile. If the transfer risk according to the parent country principle (parent company's domicile) is more favourable than according to the country of domicile principle and if a joint liability of the parent company exists, the allocation is made to the parent country. If a risk liability or any other collateral has been provided from a third country where the transfer risk is more favourable than under the country of domicile principle, the procedure adopted follows the parent country principle.

The rates used by the Bank to account for Turkey's country risk have always been considerably lower than the recommendations made by the Federal Central Office for Taxes in agreement with the fiscal authorities.

In comparison with the prior year, the rates used for the country risk allowance are as follows:

	2008 Recommendation by the Federal Central Office for Taxes %	Bank's rate %	2009 Recommendation by Federal Central Office for Taxes %	Bank's rate %
Turkey	30-40%	20%	20-30%	13.33%
Russia	10-20%	20%	20-30%	30%
Romania	20-30%	30%	20-30%	30%
Saudi-Arabia	0%	0%	0-10%	10%

Bonds and debentures recognized under current assets are valued according to the strict lower of cost or market principle.

Bonds and debentures recognized under fixed assets are recognized at acquisition cost. The difference between higher acquisition cost and the nominal value is allocated pro rata temporis over the remaining term of the bonds.

The intangible assets and the property and equipment are valued at acquisition cost, reduced by amortisation and depreciation. In the event of permanent impairments of value, write-downs to the lower net realisable value are made. Low-value assets are written off in the acquisition year. According to Sec. 6 (2a) EStG (German Income Tax Act) all fixed asset items with acquisition costs of between EUR 150 and EUR 1,000 are posted to an annual collective item and written down over 5 years using the straight-line method.

The remaining assets were valued according to the strict lower of cost or market principle.

The liabilities are recognized at the repayment amounts plus accrued interest.

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

Interest accruals for receivables and liabilities are allocated to the corresponding balance sheet items.

Foreign currency receivables and liabilities (including deferred interest) contained in the individual items are valued at the applicable reference rates of the European Central Bank (ECB) as of 31 December 2009.

Foreign exchange swap transactions are also valued using the reference rates of the ECB at 31 December 2009. Unrealised losses from foreign exchange swap transactions for which special cover exists according to Sec. 340 h HGB are recognized under other liabilities.

Open forward transactions are valued at market prices. Unrealised losses deriving from the difference between forward and market prices are disclosed in other liabilities.

3. Notes to the balance sheet and income statement

BALANCE SHEET

Preliminary remarks

The individual balance sheet items containing foreign currency items and receivables from and payables to affiliated companies are presented in a separate section below.

Cash reserve

At the balance sheet date, the Bank held cash reserves in the amount of KEUR 12,451 (previous year: KEUR 20,394). Thereof, KEUR 12,449 (previous year: KEUR 20,393) was attributable to the balance with Deutsche Bundesbank and KEUR 2 (previous year: KEUR 1) to euro cash assets.

Loans and advances to banks

Loans and advances to banks, subdivided according to remaining terms, are composed as follows:

	31.12.2009 KEUR	31.12.2008 KEUR
Payable on demand	2,132	7,774
Remaining term to maturity		
- up to three months	20,734	134,787
- from three months to one year	106,117	56,839
- from one year to five years	0	25,867
	128,983	225,267

The country risk allowance on loans and advances to banks amounts to KEUR 2,568 (previous year: KEUR 9,476).

Loans and advances to customers

Loans and advances to customers, subdivided according to remaining terms, are composed as follows:

	31.12.2009 KEUR	31.12.2008 KEUR
Payable on demand	7,549	9,025
Remaining term to maturity		
- up to three months	202,293	297,881
- from three months to one year	289,983	283,141
- from one year to five years	376,200	277,551
- more than five years	32,593	84,206
	908,618	951,804

The individual allowances at the balance sheet date are KEUR 74 (previous year: KEUR 74).
In order to cover the latent default risk, a general loan loss allowance in the amount of KEUR 6 (previous year: KEUR 6) is in place.
The country risk allowance on loans and advances to customers amounts to KEUR 55,829 (previous year: KEUR 64,586).

For securing loans and advances to customers in the amount of KEUR 61,467 (previous year: KEUR 128,877), customer deposits have been pledged in the amount of KEUR 61,521 (previous year: KEUR 129,062) at the balance sheet date.

Debentures and other fixed-interest securities

All debentures and other fixed-interest securities in the book value amount of KEUR 124,576 (previous year: KEUR 96,108) are listed at a stock exchange as at the balance sheet date.
They were allocated in the amount of KEUR 2,181 (previous year: KEUR 19,844) to the liquidity reserve and in the amount of KEUR 122,395 (previous year: KEUR 76,265) to the financial investments. The development of the financial investments is presented in the “Development of fixed assets” (appendix I to the notes).

Hidden reserves exist in the amount of KEUR 4,250 (previous year: KEUR 618), hidden charges in the amount of KEUR 10 (previous year: KEUR 0).

During the 2010 business year, no debentures and other fixed-interest securities will fall due.

Intangible assets

During the year under review, the portfolio included intangible assets (standard software) in the amount of KEUR 26 (previous year: KEUR 47). During the 2009 business year, no write-downs had to be made (previous year: KEUR 8).

The development of intangible assets is presented in the “Development of fixed assets” (appendix I to the notes).

Property and equipment

The classification of property and equipment in the amount of KEUR 161 (previous year: KEUR 182) at the balance sheet date is presented in the “Development of fixed assets”. During the 2009 business year, no write-downs had to be made (previous year: KEUR 43).
The development of property and equipment is presented in the “Development of fixed assets” (appendix I to the notes).

Other assets

Other assets in the amount of KEUR 368 (previous year: KEUR 3,021) relate exclusively to receivables from the fiscal authorities from input VAT refund claims (previous year: KEUR 493). Last year, the other assets also included swap receivables in the amount of KEUR 2,355 from the hedging of the foreign currency receivables (which were included in various balance sheet items) and receivables from overpaid corporate income taxes including the solidarity surcharge in the amount of KEUR 158.

Liabilities to banks

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

	31.12.2009 KEUR	31.12.2008 KEUR
Payable on demand	2,587	1,013
Remaining term to maturity		
- up to three months	41,507	224,066
- from three months to one year	191,750	1,177
	235,844	226,256

Liabilities to customers

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

	31.12.2009 KEUR	31.12.2008 KEUR
Saving deposits		
- with statutory notice period	2	5
Other liabilities		
Payable on demand	20,838	3,633
Remaining term to maturity		
- up to three months	278,482	584,930
- from three months to one year	321,066	237,662
- from one year to five years	63,851	10,000
- more than five years	15,222	12,844
	699,459	849,069
	699,461	849,074

Other liabilities

Other liabilities mainly consist of swap liabilities in the amount of KEUR 5,572 from hedging of foreign currency receivables (contained in various balance sheet items), liabilities from foreign currency forward contracts in the amount of KEUR 76 (previous year: KEUR 183), source tax on interest including the solidarity surcharge of KEUR 28 (previous year: KEUR 59), salary and church taxes of KEUR 27 (previous year: KEUR 41) and accounts payable to suppliers and other payables of KEUR 627 (previous year: KEUR 142).

Deferred income

The deferred income in the amount of KEUR 3,567 (previous year: KEUR 2,676) was recognized exclusively for deferred up-front commissions from the loan business.

Provisions

Tax provisions in the amount of KEUR 3,333 (previous year: KEUR 3,296) are for corporate income tax and trade tax.
The other provisions are composed of the following:

	31.12.2009 KEUR	31.12.2008 KEUR
Audit and tax consultant costs	177	148
Outstanding invoices	95	129
Outstanding holiday	91	73
Off-balance sheet credit risk	89	133
Payables from rental agreements	20	124
Fiscal risks from a tax audit	0	300
Premiums to the deposit insurance fund	0	275
Personnel costs	0	150
Others	27	7
	499	1.339

Subordinated liabilities

At the balance sheet date, subordinated liabilities according Sec. 10 (5a) KWG (German Banking Act) existed 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 which matures on 5 March 2012 was raised by a domestic non-profit organisation at an interest rate of 6.70% p.a. The interest expense during the year under review was KEUR 134 (previous year: KEUR 134). Neither party may 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 would 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 payment of other, at least equivalent liable equity or the BaFin has agreed to the premature repayment.

Subscribed capital, capital reserve and profit available for distribution

The capital stock is EUR 50,000,000 and subdivided into 50,000,000 no-par value shares. The shares are bearer shares.

The capital reserve is unchanged compared with the previous year at EUR 150,519,907.93.

The profit available for distribution of EUR 7,400,653.72 for 2008 was paid out in full in accordance with the shareholder’s resolution dated 20 May 2009.

The net result for the year 2009 is EUR 19,947,744.11. The Company’s Management Board decided to reverse the revenue reserves of EUR 3,780,708.82 and transferred these funds to the profit available for distribution when preparing the annual financial statements for 2009. The profit available for distribution of EUR 23,728,452.93 will be distributed in full.

Country risk allowances

The total country risk provisions are contained in the following balance sheet items:

	31.12.2009 KEUR	31.12.2008 KEUR
Loans and advances to banks	2,568	9,476
Loans and advances to customers	55,829	64,586
Other provisions	89	133
	58,486	74,195

Foreign currency assets and liabilities

The foreign currencies, converted into euro, are included the following individual balance sheet items:

	31.12.2009 KEUR	31.12.2008 KEUR
Gross loans and advances to banks	31,095	103,038
Gross loans and advances to customers	596,389	573,294
Debentures and other fixed-interest securities	0	14,406
	627,484	690,738
Liabilities to banks	22,196	51,435
Liabilities to customers	62,221	132,853
Other liabilities	560	0
Deferred income	494	0
	85,471	184,288
Balance	542,013	506,450

The euro equivalent of the assets in foreign currency amounts to KEUR 627,404 (previous year: KEUR 690,738), the euro equivalent of the liabilities amounts to KEUR 84,967 (previous year: KEUR 184,288)

The foreign currency position value as at the balance sheet date in the amount of KEUR 542,013 (previous year: KEUR 506,450) is hedged through foreign currency transactions in the amount of KEUR 542,274 (previous year: KEUR 506,179).

Loans and advances and liabilities to affiliated companies

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

	31.12.2009 KEUR	31.12.2008 KEUR
Loans and advances to banks		
- payable on demand	9	669
- other loans and advances	1,116	15,399
Loans and advances to customers	4,967	4,434
Other assets	0	807
	6,092	21,309
Liabilities to banks		
- payable on demand	596	783
- with an agreed term or period of notice	15,065	14,360
Other liabilities to customers	680	953
	16,341	16,096
Balance	-10,249	5,213

Contingent liabilities

Contingent liabilities comprise guarantees in the amount of KEUR 4,813 (previous year: KEUR 2,860), of which KEUR 340 (previous year: KEUR 295) were to affiliated companies.

Irrevocable loan commitments

On the balance sheet date irrevocable loan commitments exist in the amount of KEUR 36,959 (previous year: KEUR 4,300)

Restraints on disposal

The liabilities to the Deutsche Bundesbank are secured by pledged assets with a book value including deferred interest in the amount of KEUR 256,992 (previous year: KEUR 195,786).

INCOME STATEMENT

Interest income and interest expenses from lending and money market business 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 112 (previous year: KEUR 17). It mainly resulted from the reversal of provisions by KEUR 75 (previous year: KEUR 3).

The income from write-ups on loans and advances and certain securities and from the reversal of provisions for possible loan losses in the amount of 17,409 KEUR is composed of the reversal of the country risk allowance on loans and advances in the amount of KEUR 15,664 (previous year: allocation to the allowance of KEUR 6,223) and the write-up in the amount of KEUR 1,745 on debentures held in the liquidity reserve (previous year: net write-down of KEUR 1,276).

Total remuneration of the auditors of the financial statements

The total fees charged in the business year 2009 by the auditors amounts to KEUR 158, divided into fees for audit services in the amount of KEUR 153 (previous year: KEUR 24) and fees for audit-related services in the amount of KEUR 5.

Taxes on income

Taxes on income in the amount of KEUR 6,711 (previous year: KEUR 3,520) relate to corporate income tax in the amount of KEUR 2,470 (previous year: KEUR 1,745) and trade tax in the amount of KEUR 4,241 (previous year: KEUR 1,775).

4. Other information

Other financial obligations

The other financial obligations essentially concern future contractually agreed upon rent payments for the Bank's office premises in Frankfurt on Main. The rent payments until 2013 will total KEUR 1,794 (previous year: KEUR 2,282).

Derivatives

On the balance sheet date, open currency swaps were in the nominal amount of KEUR 539,845 (previous year: KEUR 501,796). Open forward transactions were in the amount of KEUR 2,429 (previous year: KEUR 4,383). Both serve exclusively to cover currency risks. The fair value of the currency swaps at the balance sheet date is KEUR 540,126 (previous year: KEUR 502,638) and the fair value of forward transactions is KEUR 2,354 (previous year: KEUR 4,394).

Currency swaps and forward contracts with Akbank T.A.S. and Akbank T.A.S, Malta, did not exist on the balance sheet date. The swaps of the previous year had maturities of less than one year and their credit equivalent amount was KEUR 1,566.

For the purpose of hedging the general interest rate risk, interest rate swaps in the nominal amount of KEUR 117,580 (previous year: KEUR 129,194) were concluded, including KUSD 10,764 (previous year: KUSD 28,591). At 31 December 2009, there was a net obligation in the amount of KEUR 2,326 (previous year: KEUR 1,856). The net obligation valued at the fair value of the interest rate swaps at the balance sheet date is KEUR 4,561 (previous year: KEUR 5,566).

The credit equivalent amounts of interest rate swaps with Akbank T.A.S. and Akbank T.A.S., Malta, break down according to remaining terms as follows:

	31.12.2009 KEUR	31.12.2008 KEUR
up to one year	6	20
from one year to two years	8	34
from two years to three years	0	30
	14	84

Employees

The Bank had an average of 21 employees in 2009 (previous year: 22) (both including the Management Board).

Corporate bodies

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 am Main, responsible for lending business, payment transactions, documentary transactions, internal audit, accounting and data processing

The Bank is jointly represented by two board members.

The Supervisory Board consisted of 3 members and was composed of the following persons during the past business year:

- Mr. Bülent Adanir, Chairman; Member of the Executive Board of Akbank T.A.S., Istanbul, Turkey
- Ms. Kamile Banu Özcan, Deputy Chairwoman, Senior Executive of Akbank N.V., Amsterdam, Netherlands
- Mr. Salih Tuncer Mutlucan, Senior Executive of Akbank N.V., Amsterdam, Netherlands

<u>Remuneration of corporate bodies</u>

The Management Board received total remuneration of KEUR 365 (previous year: KEUR 335) during the business year. No compensation was paid to the Supervisory Board.

<u>Relations with affiliated companies</u>

Akbank N.V., Amsterdam, Netherlands, was 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 2009, Akbank T.A.S.'s shareholders and the percentage of their shares are: Haci Ömer Sabanci Holding A.S., Istanbul, and its subsidiaries 44.45%, the Sabanci family 6.92%, the Citibank Overseas Investment Corporation 20% and free float 28.63%.

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

During the reporting period business relations were maintained with various affiliated companies. All transactions were concluded on arm's length terms and conditions.

Consolidated financial statements

The financial statements of Akbank AG are 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 viewed on the website www.akbank.nl, the consolidated financial statements of Akbank T.A.S. on the website www.akbank.com, and the consolidated financial statements of Haci Ömer Sabanci Holding A.S. on the website www.sabanci.com.

Frankfurt am Main, 29 March 2010

The Management Board

Karl-Friedrich Rieger Bülent Menemenci

Akbank AG

Development of fixed assets in business year 2009 **Appendix I to the notes**

		At cost				Accumulated amortisation, depreciation and write-downs				Net book value	
		01.01.2009 EUR	Additions EUR	Retirements EUR	31.12.2009 EUR	01.01.2009 EUR	Additions EUR	Retirements EUR	31.12.2009 EUR	31.12.2008 EUR	31.12.2009 EUR
A.	**Property and equipment**										
1.	Leasehold improvements	83.704,93	0,00	0,00	83.704,93	5.066,58	8.369,80	0,00	13.436,38	78.638,35	70.268,55
2.	IT equipment	137.806,89	773,50	0,00	138.580,39	117.540,86	12.639,55	0,00	130.180,41	20.266,03	8.399,98
3.	Office furniture and equipment	396.609,20	13.802,09	0,00	410.411,29	313.709,29	14.650,03	0,00	328.359,32	82.899,91	82.051,97
	Total	618.121,02	14.575,59	0,00	632.696,61	436.316,73	35.659,38	0,00	471.976,11	181.804,29	160.720,50
B.	**Intangible Assets**										
	Standard software	423.933,21	1.314,95	0,00	425.248,16	376.459,86	23.264,93	0,00	399.724,79	47.473,35	25.523,37
C.	**Financial Assets**										
	Bonds and debentures	77.470.075,28	47.529.626,17	0,00	124.999.701,45	1.205.532,35	1.399.360,85	0,00	2.604.893,20	76.264.542,93	122.394.808,25
	Total amount	78.512.129,51	47.545.516,71	0,00	126.057.646,22	2.018.308,94	1.458.285,16	0,00	3.476.594,10	76.493.820,57	122.581.052,12

Management Report for the Business Year 2009

PRELIMINARY REMARKS

Despite the financial and economic crisis, 2009 was a successful business year from the perspective of Akbank AG, even if the lending and deposit business declined slightly. Compared with the previous year, the balance sheet total decreased by 9% from EUR 1.3 billion to EUR 1.2 billion. Profit after taxes increased from EUR 7.4 million to EUR 19.9 million.

At the same time, the Bank can report – as for many previous years – that there were no loan losses.

The general financial and economic crisis that broke out in autumn 2008 did not spare Akbank AG during the reporting year. Although there were no further liquidity shortages in the deposit market during the year, a clear gap opened between the effective interest rates for deposits and the published interbank rates. The increased deposit rates could not always be passed on to borrowers to a sufficient extent. As a result, the Bank held back on its lending business in the first three quarters of 2009 in order to protect its liquidity, and loan commitments were made only within the context of available liquidity and preferably in the short term. It was not until the 4th quarter of 2009 that loan and deposit commitments significantly increased as the economy began to stabilise.

THE OWNERS OF THE BANK

Akbank AG is wholly owned by Akbank N.V, Amsterdam, which is a 100%-owned subsidiary of Akbank T.A.S., Istanbul.
As of 31 December 2009, the latter bank was held by Haci Ömer Sabanci Holding A.S., Istanbul, and its subsidiaries (44.45%), the Sabanci family (6.92%), City Bank Overseas Investment Corporation (20%) and in free float (28.63%).

THE CORE BUSINESS

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

- Turkish companies (including factoring companies) with good credit standing
- Subsidiaries of internationally active groups in Turkey
- Subsidiaries and/or branches of Turkish companies in Germany and Central Europe of a certain size
- Companies which have regular business dealings with Turkey (import/export)
- Companies and banks with unquestioned credit standing in selected countries (including emerging markets)

At the end of the year 2009, customers in Turkey made up around 57% (previous year: 46%) and customers in Germany made up around 17% (previous year: 23%) of the Bank's customer loan volume. Additional major loan commitments relate to the UK, the Netherlands, the USA and Russia.

THE ECOMOMIC ENVIRONMENT

Worldwide financial and economic crisis

As a consequence of the global financial and economic crisis in the autumn and winter 2008/2009, global economic output and trade experienced a sharp decline. However, a significant recovery began in the 2nd half of 2009 and gained strength in 2010.

The financial packages and economic programs introduced worldwide helped to mitigate the recession. Central banks responded with cheap and mostly short-term refinancing options for banks, and national governments adopted extensive aid packages to support the financial markets and the real economy.

In particular, the emerging markets in a number of Asian countries were already showing a significant recovery in late 2009 as well as those in Latin America and Africa/Middle East. It is expected that in developed economies the recovery will take several years to return to the pre-crisis level.

According to estimations by international organizations, the world economy will grow between 3% and 4% in 2010.

Economic 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.

Due to the financial and economic crisis, the Turkish economy – as reported by the OECD – experienced a decrease in its gross domestic product of 6.5% in 2009, after a plus of 0.9% in 2008. Due to the increase in exports and an influx of foreign investments, an increase in gross domestic product of around 3.7% is expected for 2010.

The economic weakness of the year 2009 in the main customer countries put a strain especially on the automobile, petrochemical and steel industries. Domestic consumer demand fell by 3.3%.

The inflation rate is still at a high level in comparison to EU countries. As reported by the Turkish Central Bank, it was 6.5% in 2009 (previous year: 10.1%). An inflation rate of 6.5% is estimated for 2010 as well.

At the end of 2009, the unemployment rate was 13.1%, and thus well above the previous year's figure of 11.0%. A further increase in the unemployment rate to 14.6% is estimated for 2010 by the Turkish Government.

In the year 2009, Turkish exports reached USD 102 billion. Compared with the previous year’s result of USD 132 billion, this is a decrease of 22.6%. In the same period, imports dropped by 30.3% from USD 201.8 billion in 2008 to USD 140.8 billion in 2009. The trade balance deficit thus decreased from USD 69.8 billion in 2008 to USD 38.8 billion in 2009.

Germany, with its share of 9.6% in 2009 (previous year: 9.8%), was again Turkey’s most important export market. Among the supplier countries, Germany, with a share of 10.0% in 2009 (previous year: 9.3%), was again in 2nd place behind Russia.

According to the Turkish Central Bank, the Turkish current account deficit decreased to USD 13.85 billion in 2009. In the previous year, it still was at USD 41.95 billion.

It is expected that the economic recovery that began in the 4th quarter of 2009 will strengthen over the course of 2010. Stimulation for the economy is mainly expected to come from a recovery of the most important export markets. In the medium and long term, the outlook for diversified, internationally competitive industries continues to be good and the mood is positive. At the beginning of 2010, the rating agencies increased the country rating of Turkey by up to 2 points. The current country ratings are: S&P BB- (stable), Moody's Ba2 (stable), Fitch BB+ (stable).

Economic development in Germany

The export-oriented German economy suffered under the international recession in 2009. Thus the price-adjusted gross domestic product for the whole year showed a decrease of 5% compared with the previous year. In 2008, the increase was still 1.3%. The Federal Government in its annual economic report expects a recovery and a slight increase in gross domestic product by 1.4% for 2010.

The international economic crisis led to a sharp decline in foreign trade for Germany in 2009. Imports fell by 8.9% (previous year: +4.3%) and exports by 14.7% (previous year: +2.9%). Gross fixed asset investment decreased by 8.6% (previous year: +3.1%). Only stable private consumption helped – also due to massive government stimulus packages – to boost domestic demand.

For 2010, the Federal Government expects an increase in imports of 3.4% and in exports (particularly exports to the Asian region) of 5.1%. Gross fixed capital formation is expected to increase by only 2.1% due to high excess capacities.
Private consumption is expected to decline by 0.5%.

Despite the severe economic crisis, the unemployment rate was 8.2% in 2009, only slightly higher than the unemployment rate of 7.8% in 2008. An increase to 8.9% is expected in 2010.

The inflation rate was very low at 0.4% in 2009 after 2.6% in 2008 and is also expected to be very low in 2010 at 0.6%.

Key interest rates for 2010 are expected to increase only slightly, by between 0.25 and 0.5%, if at all.

Economic development in other European countries

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

After a sharp decline in economic output in the euro area in 2009, the IMF expects a growth rate of 1% in 2010. The development of individual countries is very heterogeneous.

The Eastern European countries, after years with high economic growth rates, were hard hit by the economic crisis, although the end of 2009 and the beginning of 2010 brought a recovery. For 2010, the German Committee on Eastern European Economic Relations expects a growth rate of 2% for Central/Eastern Europe (excluding Central Asia) and 3.5% for Russia.

EARNINGS, FINANCIAL AND ASSET SITUATION OF AKBANK AG

EARNINGS

Business performance:

For the 2009 business year, the Bank reports a net result of KEUR 19,948. This is KEUR 12,547 higher than the net result for 2008 in the amount of KEUR 7,401.

Earnings performance:

The net interest income of EUR 10.9 million in 2009 decreased significantly compared with the previous year, when it was EUR 21.6 million. Approximately 87% (previous year: 94%) of the interest income results from lending and money market business, while only approximately 13% (previous year: 6%) is due to bond interest.

Due to the Bank's business model, net commission income plays a subordinate role and only amounts to EUR 1.9 million (previous year: EUR 1.7 million).

Development of expenses:

The general and administrative expenses of around EUR 3.6 million are EUR 0.9 million below the prior year's figure of EUR 4.5 million. Personnel expenses of EUR 2.0 million, which are included in the general and administrative expenses, decreased KEUR 0.3 due to the decrease in the average number of employees compared to the previous year. The other administrative expenses decreased from EUR 2.2 million to EUR 1.6 million since the previous year was burdened with higher costs of EUR 0.5 million due to the introduction of the new core banking system.

The depreciation, amortization and write-downs of office furniture and equipment and intangible assets decreased negligibly from EUR 0.2 million in the previous year to EUR 0.1 million as most of the fixed assets have been already written off.

In the business year 2009, there was income from write-ups on loans and advances and certain securities and allocations to provisions for possible loan losses in the amount of EUR 17.4 million. Due to increased risk provisions in the previous year, there were write-downs and allowances on loans and advances and certain securities and allocations to provisions for possible loan losses in the amount of EUR 7.5 million.
Apart from the reversal of the country risk allowances in the amount of EUR 15.7 million (previous year: allocation to the allowance of EUR 6.2 million), the income in 2009 includes write-ups on bonds held in the liquidity reserve of EUR 1.7 million (previous year: write-downs of EUR 1.3 million).

As a result of the Bank's conservative business policy, fortunately again no loan losses occurred during the year under review. Due to a lower country risk allowance range for Turkey, the country risk allowance had to be reduced. There were also reductions in the country risk allowance in particular for Russia, Romania and Kazakhstan, whereas the allowance for Saudi Arabia increased. When determining the country risk allowance, the Bank always follows the ranges set annually in the draft letter from the Federal Finance Minister. Due to the parent company's proximity to the Turkish market, the Bank only falls below the set range for Turkey.

FINANCIAL SITUATION

During the year under review, Akbank AG's solvency was ensured at all times. The minimum reserve obligations vis-à-vis the Deutsche Bundesbank were also maintained as well as the principles of liquidity in accordance with the German Liquidity Regulation (LiqV).

Akbank AG is a member of the deposit insurance fund of Bundesverband Deutscher Banken e.V., Cologne, through which liabilities to non-banks 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. This membership, which promises customers high security for their investment, has always enabled the Bank to increase the portfolio of customer deposits in the short term, and thus to adjust liquidity without delay to the respective refinancing requirements.

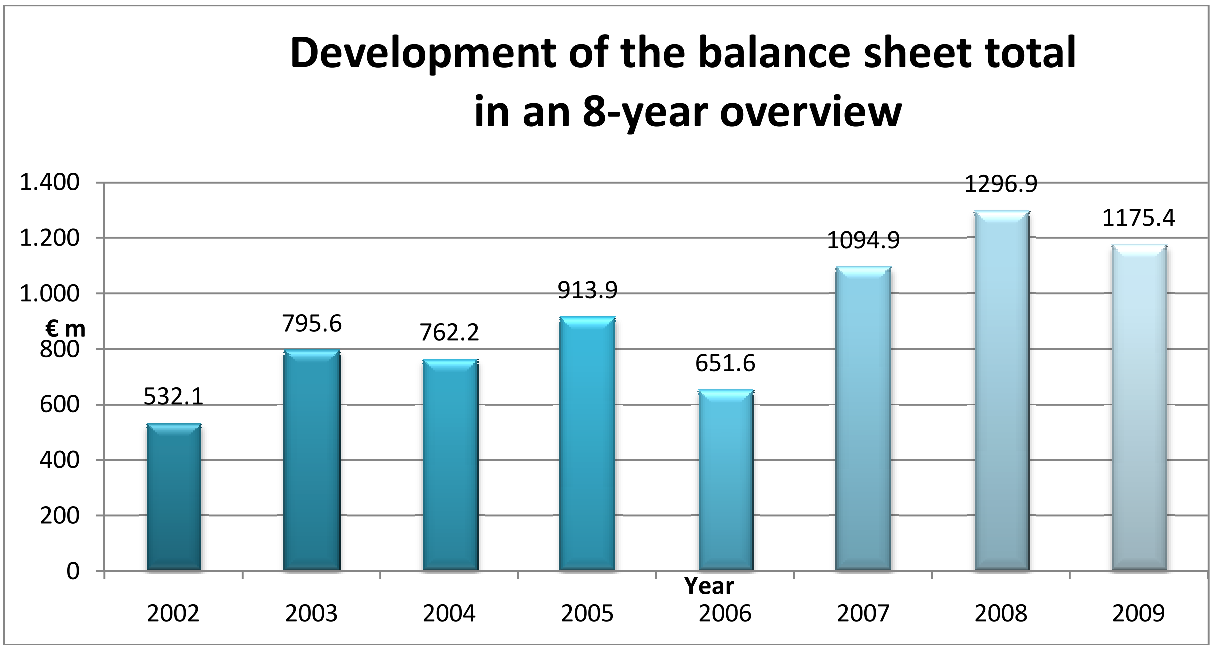
The average regulatory liquidity ratio according to LiqV was 1.59 (previous year: 1.26) and thus well above the regulatory minimum of 1.

The solvency ratio, which describes the ratio of the liable shareholder's equity (according to Sec. 10 (2) KWG (German Banking Act)) of the Bank to its risk-weighted assets, may not fall below 8%.
The Bank never fell below this minimum during the year under review. The average overall ratio according to Sec. 2 (6) SolvV (German Solvency Regulation) was 23.85% (previous year: 18.80%).

ASSETS

The balance sheet total amounted to EUR 1.175 billion, which is around EUR 121 million lower than last year (EUR 1.297 billion). This was due to the slight decline in loans and advances to customers and a lower cash position as of 31 December 2009 compared to the previous year.

The development of the balance sheet total for the years 2002 to 2009 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 decreased from EUR 245.7 million in 2008 to EUR 141.4 million in 2009. This amount includes receivables from the Deutsche Bundesbank in the amount of EUR 22.4 million (previous year: EUR 135.4 million).

The loans and advances to customers decreased during the same period from EUR 951.8 million to EUR 908.6 million. They account for 77.3% of the balance sheet total (previous year: 73.4%).

From the portfolio of debentures and other fixed-interest securities in the amount of EUR 124.6 million (previous year: EUR 96.1 million), EUR 2.2 million (previous year: EUR 19.9 million) are part of the Bank's liquidity reserve and EUR 122.4 million (previous year: EUR 76.2 million) are part of the investment portfolio, which is pledged for refinancing purposes to the Deutsche Bundsbank.

The intangible assets and property and equipment were reduced due to amortization and depreciation from KEUR 229 in 2008 to KEUR 186 in the year under review.

Other assets include tax receivables in the amount of EUR 0.4 million. The previous year’s figure of EUR 3.0 million essentially contained receivables from foreign exchange hedging transactions in the amount of EUR 2.4 million

At the balance sheet date, liabilities to banks are EUR 235.8 million (previous year: EUR 226.3 million) or 20.1% (previous year: 17.4%) of the balance sheet total. This amount contains EUR 190.0 million (previous year: EUR 169.8 million) in refinancing amounts from the Deutsche Bundesbank.

Liabilities to customers amount to EUR 699.5 million (previous year: EUR 849.1 million). This corresponds to 59.6% (previous year: 65.5%) of the balance sheet total. The Bank's main customers are communities, social insurance carriers and companies.

Other liabilities, deferred income and provisions increased – mainly due higher liabilities from foreign exchange hedging transactions in the amount of EUR 5.6 million, – from EUR 7.7 million in 2008 to EUR 13.7 million in 2009.

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

The shareholder’s equity was increased at the balance sheet date by the net income for the year 2009 in the amount of 19.9 million and reduced by the dividend paid in the amount of 7.4 million, bringing the total from EUR 211.7 million in 2008 to EUR 224.2 million at the balance sheet date 2009.

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

The contingent liabilities amount to EUR 4.8 million (previous year: EUR 2.9 million) and result from guarantees and warranty agreements.

The amount of irrevocable loan commitments during the year under review increased from EUR 4.3 million to EUR 37.0 million.

SUBSEQUENT EVENTS

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

RISK REPORT

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. Potential future positive and negative effects on the Bank's economic situation have to be measured and evaluated. For this reason, all strategic and operative measures are subject to careful evaluation in terms of 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 targets set by shareholders, the requirements and regulations of the banking supervisory authorities and the deposit insurance fund must also be taken into consideration.

Risk-bearing capacity, risk limits and risk parameters

Due to the nature of the business operated by AKBANK AG (essentially the financing of large companies), there is a risk of loan losses which potentially could have negative effects on the assets, earnings and liquidity position of the Bank. This type of potential losses must be constantly covered by sufficient capital resources. The overall risk of the Bank results from a variety of individual decisions and transactions subject to risk. Therefore, from an economic as well as regulatory point of view based on the overall risk profile, the Bank must ensure that the principal risks of the Bank are constantly covered by the risk coverage potential.

The risk manual reflects the Bank's overall risk profile. The risk-bearing capacity of the Bank is determined and monitored under the ICAAP (Internal Capital Adequacy Assessment Process).

Based on the calculation of the risk-bearing capacity, the different types of risk are assigned limits. These make an important contribution to reducing risks and preventing risks that do occur from exceeding the volume of the existing risk coverage capital. Risk limits are designed to ensure that the risk exposure is in line with the Bank's risk-bearing capacity.

The sum of all risks may not exceed the available risk coverage in relation to the global limit.

The relevant limits and parameters for monitoring and managing the risks as well as the control mechanisms in respect of their compliance are defined in the risk strategy.

Counterparty default risks

A counterparty default risk generally refers to the risk of losses due to changes in creditworthiness and/or default by a person or enterprise with which a business relationship exists.

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

Individual borrower risks

In this context, default risks exist, on the one hand, in the possibility that payment obligations to the Bank 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). For the purpose of risk assessment, risks with a direct impact on the income statement are evaluated first and foremost.

At the level of the Bank as a whole, the degree of diversification in the loan portfolio is crucial (the structure risk is a component of the credit risk). The risks result in these cases from a lack of diversification in the loan portfolio with regard to structure (cluster risk) and size classes.

Country risks

Country risks relate to individual countries and are based on inability or unwillingness to pay. They arise from the possibility of

(a) partial or complete default on contractually agreed-upon interest or principal 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

Risks from loans and advances to borrowers who operate the same or similar type of business and/or whose creditworthiness is dependent on the same service or goods are grouped under industry risks.
Industry risks relate to individual industries and are 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 principal payments on the part of businesses belonging to the industry in question.

Risk control measures – counterparty default risks

Based on its conservative business policy when granting loans, the Bank has already demonstrated in the past that it is able to manage credit risks successfully. This is documented by the fact that there have been no appreciable loan losses within the last five years.

Counterparty default risks are handled and minimized in accordance with the principles of diversification, limitation and maturity. Loan default scenarios are evaluated for both individual and aggregate 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 risks, country limits are established using risk analyses and are monitored. Due to rules of internal procedure, loan obligations exceeding EUR 1 million must be unanimously approved by the Management Board.

The Bank uses suitable computer-aided control systems for administering, monitoring and verifying the above-mentioned credit risks. These systems are in compliance with the minimum requirements for risk management activities of financial institutions (MaRisk). Functional segregation of corporate client marketing (Front Office) and credit risk management (Back Office), including risk control is in place at all levels of the Bank, all the way to the Management Board. The Company's loan operations manual, in which, among other topics, the stages of loan approval, risk monitoring 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 limitation. Limits based on loan size categories, industries and credit terms are applied as quantitative control elements.

Akbank AG has also enlisted the help of external consultants in reviewing and monitoring 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 authority specifications. Based on low losses in the past, they are, however, low in terms of their amount.

The Bank has addressed the risk from loans to borrowers in risk countries such as Turkey or Russia by recognizing country risk allowances. Though the loan volume to these countries increased by EUR 11 million compared to the previous year, the country risk allowances decreased from EUR 74.1 million to EUR 58.4 million because the risk percentage for Turkey decreased from 20% to 13.33%. In view of the high volume of commitments subject to Turkey's country risk, the country value allowance for Turkey amounts to EUR 39.5 million (previous year: EUR 48.3 million).

In assessing the country risk allowance rate for Turkey, the Bank remains well below the range recognized by the fiscal authorities, since Akbank AG is indirectly owned by Akbank T.A.S., Istanbul, which is one of the leading banks in Turkey. Consequently, the Company is in a position to recognise developments in the Turkish market and looming crises early and, if necessary, can take relatively timely countermeasures.

Market price risks

Market price risks are understood as the possibility that market prices for material goods or loans and securities will change to the disadvantage of the Bank due to changes in market parameters (e.g., interest rates, exchange rates, bond or stock prices), thereby negatively affecting the Bank's results. All market price risks may lead to write-downs under German commercial law on the balance sheet date (31 December) or to realised losses in the case of fixed-interest securities on the redemption dates. Interest rate and currency risks are of particular importance to Akbank AG.

Currency risks

Currency risks are understood as the possibility 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 line with the above-mentioned share price and interest rate risks, only the balance of all positions in a single foreign currency with the same maturity is exposed to a currency risk.

Write-down risks arising from interest rate changes

Write-down risks represent losses that arise through market price fluctuations for interest-bearing securities whenever the market value falls below the book value. In accordance with MaRisk, write-down risks have to be presented for all securities held by a bank.

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.

Settlement risks

Settlement risks occur in the case of transactions that have not been settled by the settlement date. A delayed settlement can result in losses for the Bank due to the required use of capital charges if the market value has changed unfavourably for the Bank. Settlement risk occurs both in the case of cash transactions as well as derivative transactions.

Replacement risks

Replacement risks are the possibility that transactions cannot be fulfilled by the counterparty, possibly requiring the Bank to enter into a new contract at less favourable terms. Replacement risks occur both in the case of cash transactions as well as derivative transactions. They are closely tied to market price risks (e.g., a 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 loan assets and the securities portfolio are avoided or minimized by refinancing the assets with mostly matching maturities on the liabilities side or using interest rate hedging instruments.

Due to their high importance to Akbank AG, currency risks are promptly hedged 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 fact that it may not be possible to find suitable hedging partners for small transactions. Nevertheless – for the purpose of exploiting market opportunities – there is the option of entering into market price risks to a limited extent and within the framework of predefined parameters.

Interest rate fluctuation risks (interest rate spread risks)

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

Interest rate spread risks can be broken down into interest rate fluctuation risks and transaction structure risks. The former represent 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.

Risk control measures – interest rate fluctuation risks

Interest rate risks in relation to loan assets and the securities portfolio can be avoided mainly through refinancing with mostly matching maturities on the liabilities side or interest rate hedging instruments. The interest rate risk is monitored using a list that is updated daily (daily financial transaction items) and arranges the deposits and loans according to their remaining term to maturity.

The interest rate risk in the banking book is tested by an internal model (stress test) against plus/minus 200 bps interest rate shocks. In accordance with the internal guidelines of the Bank, the market value of the equity is allowed to change by up to plus/minus 3% after an interest rate shock. To ensure this, open interest positions are hedged regularly.

Concentration risks

Concentration risks are defined as those risks that occur from an uneven distribution of counterparty default risk, both at the level of individual borrowers or borrower groups and as a result of the industrial or geographical focus of business (industry and country risks).

Risk control measures – concentration risks

In addition to the Banking Act rules limiting large exposures and loans to managers (Secs. 13-15, 19 (2) KWG) as well as the requirements of the Solvency Regulation, which specifies limits for various types of borrowers, criteria and significance limits for risk concentration (in terms of industry and country risks) are set under the ICAAP and models for the assessment of concentration risk are defined terms of risk-bearing capacity.

Liquidity risks

Short-term liquidity risks and refinancing risks

Short-term liquidity risks or liquidity risks in the stricter sense are understood as the possibility that the Bank will no longer be able to meet its payment obligations without limitations.

Refinancing risks are generally understood as the possibility that the Bank will no longer be able to maintain its desired refinancing level.

Market liquidity risks

Market liquidity risks are understood as the possibility that Akbank AG will not be able to sell the desired amount of assets that under normal circumstances could easily be sold, or will have to sell or close-out a position at a loss due to inadequate market depth or a market disruption.

Risk control measures – liquidity risks

Akbank AG monitors liquidity risks and conformity with the liquidity ratio according to LiqV on a daily basis.

The liquidity management of Akbank AG is monitored daily by the treasury department using specially developed tools (such as the "Daily Financial Dealing Position" or the “Liquidity Position Report”) by means of which the corresponding liquidity ratios are determined. The anticipated inflow and outflow of funds are computed on a daily basis.

The Bank always has sufficient liquidity. This is due directly and indirectly to 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 by using the services of various brokers who, in turn, negotiate cash investments on behalf of potential investors.

Short-term liquidity requirements can also be covered via associated correspondent banks that have approved credit limits in favour of the Bank. That part of the securities portfolio which meets the lending requirements of the Deutsche Bundesbank can be pledged to the Bundesbank to enable Akbank AG to overdraw its Bundesbank account for several days or in order to participate in the Bundebank's open market transactions.

In an individual case, the portfolio of securities can be used for covering short-term or unscheduled liquidity requirements through repo transactions with associated banks.

Additionally, there is the option of selling part of the securities portfolio of the Bank, as well as of selling selected (as a rule syndicated) loans on the secondary market in order to cover any cash shortages.

As a precautionary measure, the Bank has prepared a contingency plan for cash shortages and monitors liquidity through internal parameters:

- The LiqV liquidity ratio should not fall below 1
- Net cash inflow/outflow ratio within 6 months should not be below 80%
- The ratio of cash reserves to total assets should not fall below 5%

Based on the current business model, the Bank considers the implemented liquidity measurement and control procedures appropriate. Maturity transformation is used only to a limited extent.

Operational risks

All risks from operational systems and processes are referred to as operational risks, which, if they occur, may have a negative influence on the business performance 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 basic legal conditions.

Legal risks can arise as a result of a change in the basic legal conditions in relevant markets of the Bank and also on account of legal disputes with business partners or customers.

Personnel risks

The Bank's success is highly dependent on the competence and motivation of its employees. The possible loss of key personnel represents a risk. This risk can be counteracted through regular employee discussions.

Risk control measures – operational risks

The Bank has not had any significant operational risks in the past. It expects that operational risks will also play a minor role in future. Organisational and technical measures serve to avoid losses and/or to limit losses from all operational risks. Such measures include, for example, organisational instructions, employee training, quality management, as well as contingency plans. These measures and risk limitation rules are documented in the various internal guidelines that are regularly updated.

Akbank AG continuously strives to keep operating risks as low as possible. In order to reach this goal, backup systems for important hardware and software are installed and in place. To guarantee backups in the event of software failures, Akbank AG has entered into suitable maintenance agreements with external IT support providers as well as with providers belonging to Akbank Group. If needed, the Bank may request immediate assistance.

The Bank worked with the core banking system Flexcube by I-Flex in the year under review. The system operates on the servers of Akbank T.A.S., Istanbul, which provides support and maintenance for the core banking system.

Apart from the physical infrastructure (especially the hardware), the system architecture (e.g., multi-tier server structure, software) 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 contingency planning for the IT segment, external service providers (e.g. Bank Verlag) and their services in an emergency are taken into consideration.
The availability of major IT systems, especially the core banking system Flexcube, was 99% on average during the period under review and during the previous year. In the event of total system failure and/or the premises of the Bank no longer being accessible, an agreement has been made with a third company (SLA), which offers the use of their facilities and IT systems in an emergency.

In the **personnel** area, the Management Board is responsible for ensuring there is sufficient, qualified staff, such that during vacation times and in the event that several employees fall ill, the Bank’s business can be carried on without interruption.

With regard to personnel risks, the management looks for suitable professionals on the job market as needed and is in favour of hiring employees with several years of experience in banking.

The following table clearly indicates that nearly 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 length of service of our employees	31.12.2009 Number of employees	31.12.2008 Number of employees
0 to 2 years	4	9
3 to 5 years	6	2
6 to 8 years	2	3
Longer than 8 years	7	7
Total	**19**	**21**

The Bank has also devised plans for improbable and unexpected emergencies.
The principle of dual control is to be followed at all times and the entry and release functions are assigned to separate staff members.

To avoid or minimise **legal risks**, all legal transactions of the Bank must be concluded on the basis of unequivocal and properly documented agreements. If possible, the Bank uses standard form contracts for the banking industry (e.g. forms which are tested and recommended by the Bank Verlag in Cologne). The Bank Verlag forms are continuously updated 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 are reviewed by external attorneys. The responsible department head determines to what extent this is required (together with the Management Board if necessary).

Shortcomings, errors or other events occurring during business operations that could cause losses of any kind for the Bank are recorded in a loss database and notified to the Management Board on a regular basis.

The management of the above-mentioned risks is continuously monitored by internal auditors. The risk management system is adjusted if required.

In summary, the following monitoring measures and safeguards are in place:

- Audits by internal audit (external)
- Contingency planning
- System and process documentation (e.g., loan policy)
- Backup systems in IT
- Job descriptions/deputy arrangements
- Loss database

Miscellaneous risks

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

Business risks

Business risks encompass 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 performance of the Bank is monitored in monthly target-performance comparisons. Earnings and productivity management is the direct responsibility of the Management Board.

Continuous monitoring and control is also performed by means of daily balance sheets and daily income statements, as well as numerous other daily reports and evaluations, which are prepared by controlling and other respective operating departments and are submitted regularly to the Management Board of the Bank and, in individual cases, 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 Management Board with the approval of the Supervisory Board on the basis of extensive analyses. The processing and preparation of such decisions is performed, depending on the nature of the decision, 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.

FORECAST REPORT

In 2010, the Bank expects a moderate recovery of the real economy and therefore an increase in its customers' lending requirements. At the same time, liquidity maintenance will have a continuing priority. As the loan portfolio with Turkish companies can only grow within the scope of the existing country limits, the composition of the loan portfolio is expected to develop in favour of non-Turkish borrowers.

The Bank expects that, in the course of 2010, the general level of interest rates will rise only slightly. At the same time, it is unlikely that the relatively high margins on loans – due to the tense situation in the financial sector – will be able to be achieved. Nevertheless, the Bank will continue under risk/profit aspects to focus on lending to customers with a credit rating of at least investment grade.

Moreover, the Bank also intends to keep more corporate bonds and promissory notes in its portfolio until final maturity in the future and to use them, if possible, to optimize its liquidity through appropriate measures (lending transactions).

The Bank also intends to increase the current number of employees in the upcoming business year. in particular in the loan department, accounting, risk management and IT, to create additional resources.

For the year 2010, the Bank expects an increase in the profit before country risk allowances and taxes of about 40% due to a more favourable business climate and due to the – even if moderate – interest rate increase.

For the year 2011, the Bank estimates a further economic recovery accompanied by moderate increases in interest rates. The Bank aims to increase its profit before tax and country risk allowances by 20% based on the result for 2010.

RELATIONSHIPS WITH AFFILIATED COMPANIES

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

"We hereby confirm that the Company, according to the circumstances known to us at the time legal transactions were performed or measures were taken or not taken, received a reasonable consideration for each legal transaction and was not disadvantaged by the measure that was or was not taken."

ACKNOWLEDGEMENT

The Management Board would like to take this opportunity to thank all employees for their extraordinary contribution. We are very proud of their technical and social skills, without which the Bank's success would not be possible.
We also would like to thank our Supervisory Board, who always supported and worked with us constructively during the year.

Frankfurt am Main, 29 March 2010

The Management Board

Engagement Terms, liability and conditions of use

We, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, 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.

[Translator's notes are in square brackets]

General Engagement Terms
for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2002

This is an English translation of the German text, which is the sole authoritative version

1. Scope

(1) These engagement terms are applicable to contracts between Wirtschaftsprüfer [German Public Auditors] or Wirtschaftsprüfungsgesellschaften [German Public Audit Firms] (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

(2) If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

2. Scope and performance of the engagement

(1) Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services – not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäßiger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

(2) The application of foreign law requires – except for financial attestation engagements – an express written agreement.

(3) The engagement does not extend – to the extent it is not directed thereto – to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

(4) If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

3. The client's duty to inform

(1) The client must ensure that the Wirtschaftsprüfer – even without his special request – is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work.

(2) Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations – expecially quantity and cost computations – prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

7. Transmission of the Wirtschaftsprüfer's professional statement

(1) The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

(2) The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

8. Correction of deficiencies

(1) Where there are deficiencies, the client is entitled to subsequent fulfillment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfill [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned legal person under public law or a special government-owned fund under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfill [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

(2) The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

(3) Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected – and also be applicable versus third parties – by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw – also versus third parties – such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

9. Liability

(1) The liability limitation of § ["Article"] 323 (2)["paragraph 2"] HGB ["Handelsgesetzbuch": German Commercial Code] applies to statutory audits required by law.

(2) Liability for negligence; An individual case of damages

If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) no. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of any kind – except for damages resulting from injury to life, body or health – for an individual case of damages resulting from negligence is limited to € 4 million; this also applies if liability to a person other than the client should be established. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(3) Preclusive deadlines

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim – at the very latest, however, within 5 years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence.

The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

10. Supplementary provisions for audit engagements

(1) A subsequent amendment or abridgernent of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.

(2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.

(3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

(1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client – especially numerical disclosures – are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.

(2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records – especially tax assessments – material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.

(3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client

b) examination of tax assessments in relation to the taxes mentioned in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)

e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

(4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.

(5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:

a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax

b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and

c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

(6) To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisities nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

12. Confidentiality towards third parties and data security

(1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.

(2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.

(3) The Wirtschaftsprüfer is entitled – within the purposes stipulated by the client – to process personal data entrusted to him or allow them to be processed by third parties.

13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

14. Remuneration

(1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.

(2) Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

(1) The Wirtschaftsprüfer retains, for ten years, the supporting documents and records in connection with the completion of the engagement – that had been provided to him and that he has prepared himself – as well as the correspondence with respect to the engagement.

(2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.