



**AKBANK**

## AKBANK AND ARTS

For 61 years, Akbank has been fully aware that preserving local and universal cultural heritage, sharing this legacy with new generations and supporting arts and artists are vital pillars of social responsibility. Following the 2006 exhibition entitled “Grand Master of Sculpture: Rodin” Akbank presented the vanguard of surrealism, Salvador Dalí to Turkish art lovers. A total of 385 works by this versatile, dynamic and innovative genius, a pioneer of his time, were on display at the Sabancı University’s Sakıp Sabancı Museum from September 20, 2008 through February 01, 2009. Inspired by the mysterious world of dreams to herald a brand-new artistic movement that took creativity to new heights, the exhibition entitled A Surrealist in Istanbul-Salvador Dalí also served as a manifestation of the pioneering and innovative spirit of Akbank.

Eric Schaal © Fundació Gala-Salvador Dalí, Figueres, 2008  
Image rights of Salvador Dalí reserved. Fundació Gala-Salvador Dalí, Figueres, 2008

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## FINANCIAL HIGHLIGHTS (2008)

### KEY FINANCIAL FIGURES (TL MILLIONS)

		Consolidated
Total Assets	85,655	93,093
Loans	44,374	49,054
Deposits	52,182	57,575
Shareholders' Equity	11,208	11,331
Net Profit	1,705	1,782

### KEY FINANCIAL RATIOS (%)

Loans/Total Assets	51.8	52.7
Deposits/Total Assets	60.9	61.8
Return on Equity	15.8	16.4
Return on Asset	2.2	2.1
Non-performing Loans	2.5	2.3
Capital Adequacy Ratio	18.2	17.0
Earnings per Share (TL)	0.57	0.59

### DIVIDEND DISTRIBUTION (TL MILLIONS)

2003	300
2004	375
2005	540
2006	660
2007	720
2008	360

Note: All financial information presented in this Annual Report has been extracted from the consolidated and non-consolidated financial statements prepared in accordance with the Turkish Accounting Principles and Turkish Financial Reporting Standards and related regulations published by the Banking Regulation and Supervision Agency of Turkey.

## RESOLUTIONS OF THE GENERAL MEETING OF AKBANK T.A.Ş. HELD ON MARCH 27, 2009

Resolutions of the General Meeting of Akbank T.A.Ş. held on March 27, 2009 are as follows:

- 1- Approval of the reports of the Board of Directors, Statutory Auditors and Independent Auditors,
- 2- Balance sheet and profit and loss accounts for 2008 have been ratified and each of the Members of the Board of Directors and Auditors have been released from the liability with regard to the operations and accounts of 2008,
- 3- Net profit for 2008 will be distributed in conformity with the proposal of the Board of Directors, as follows;  
  
In accordance with the 82nd article of the Articles of Association of Akbank, the dividend to be distributed from the 2008 net profit of TL 1,704,552,805.38 will be as follows;  
  
  - Gross TL 150,000,000 , equal to 5% of the paid-in-capital of the Bank as of 31st December 2008 which is TL 3,000,000,000, will be allocated as primary cash gross dividend; and gross TL 210,000,000 will be allocated as secondary cash gross dividend. Total gross dividend of TL 360,000,000 , equal to 12% of the paid-in-capital, will be distributed to shareholders,
  - In accordance with the Articles of Association, gross TL 550,000 as cash dividend will be paid to the Chairman and the members of the Board,
  - Cash dividend payments will start on March 31, 2009,
  - TL 9,284,093.89 gains from the sale of fixed assets and subsidiaries will be allocated to Capital Reserves and after allocating TL 106,282,640.27 to Legal Reserves, the remaining profit will be retained under Extraordinary Reserves,
- 4- M. Nedim Bozfakioğlu and Mevlüt Aydemir have been appointed as Statutory Auditors for a period of three years, with a gross monthly remuneration of TL 2,500,
- 5- The Board of Directors has been empowered in connection with matters falling within the scope of Articles 334 and 335 of the Turkish Commercial Code,

In accordance with the 6th item of the Agenda, shareholders have been informed that TL 303,237.91 has been donated to foundations and other charity organizations in 2008.



# **AKBANK'S...**

## **VISION**

TO BECOME THE MOST ADMIRER COMPANY, WITH THE BEST PEOPLE, CONSTANTLY DELIVERING OUTSTANDING RESULTS

## **MISSION**

TO PROVIDE THE BEST BANKING EXPERIENCE IN TURKEY, OFFERING OUTSTANDING VALUE FOR ITS STAKEHOLDERS

## **STRATEGIC GOALS**

- ACHIEVING A LONG TERM SUSTAINABLE ROE OF OVER 22%
- INCREASE TOTAL ASSETS MARKET SHARE FROM 13% TO 20%
- TAKE THE FIRST PLACE IN THE "BEST PLACE TO WORK" RANKINGS
- BECOME THE COMPANY WITH THE MOST VALUABLE BRAND NAME IN TURKEY

## **STRONG FOUNDATIONS**

- TURKEY'S MOST VALUABLE BANK
- THE HIGHEST CREDIT RATINGS TO BE GIVEN TO A BANK IN TURKEY
- 867 BRANCHES LOCATED THROUGHOUT THE COUNTRY
- AN EXTENSIVE AND STABLE FUNDING BASE
- A WIDE-RANGING CUSTOMER PORTFOLIO WITH THE ABILITY TO ATTRACT NEW CUSTOMERS
- A ROBUST CAPITAL STRUCTURE AND A HIGH CAPITAL ADEQUACY RATIO
- AN EXTENSIVE AND DIVERSIFIED LOAN PORTFOLIO WITH A LOW NPL RATIO

**Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.**  
a member of  
**PricewaterhouseCoopers**  
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**CONVENIENCE TRANSLATION OF  
THE REPORT ON COMPLIANCE OF ANNUAL REPORT  
ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the General Assembly of Shareholders of Akbank T.A.Ş.:

We have audited the compliance and consistency of the financial information included in the annual report of Akbank T.A.Ş. ("the Company") and its consolidated subsidiaries as of 31 December 2008 with the audited financial statements and explanatory notes. The annual report is the responsibility of the Company's management. Our responsibility, as independent auditors, is to express an opinion on compliance and consistency of the financial information included in the annual report with the audited financial statements and explanatory notes.

We conducted our audit in accordance with principles and procedures set out by the regulations on preparation and issuance of annual report in the Banking Law No.5411 and independent auditing principles. Those regulations require that we plan and perform the audit to obtain reasonable assurance whether the financial information included in the annual report is consistent with the audited financial statements and explanatory notes and free from material misstatement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information represented in the accompanying annual report presents fairly, in all material respects, the information regarding the financial position of Akbank T.A.Ş. at 31 December 2008 in accordance with the principles and procedures set out by the regulations in conformity with article 40 of the Banking Law No.5411 and includes a summary of the Board of Directors' report and the independent auditor's report originally issued by us in Turkish and is consistent with the audited financial statements and explanatory notes originally issued in Turkish.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers



Cansen Başaran Symes,  
SMMM Partner

Istanbul, March 6, 2009

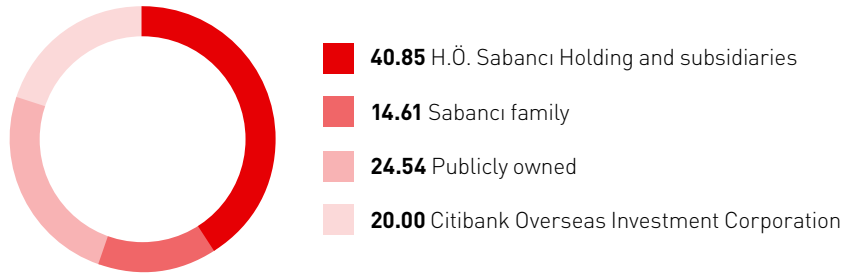
## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 24 in the Bank's Articles of Association concerning the constitution of the Board of Directors was amended.

Article 24: "The Constitution of the Board of Directors" in the Articles of Association that proposes a nine-member Board was amended to state that the maximum number of members at any time shall not exceed ten including the Chief Executive Officer of the Bank who is a natural member or his/her deputy.

## CAPITAL AND SHAREHOLDER STRUCTURE\*

- Akbank's issued capital is TL 3,000,000,000.
- As of December 31, 2008, Chairman of the Board, Suzan Sabancı Dinçer holds 0.63% of Akbank's outstanding shares.



\*As of December 31, 2008

## AKBANK IN BRIEF AND MILESTONES

Founded as a local bank in Adana in January 1948, Akbank was originally established with the core objective of providing funding for local cotton producers. Growing and developing over time, the Bank opened its first branch in the Sirkeci district of Istanbul on July 14, 1950. In 1954, after relocating its Headquarters to Istanbul, the Bank rapidly expanded its branch network and in 1963 automated all banking operations.

Floated to the public in 1990, Akbank shares began trading on international markets and as an American Depositary Receipt (ADR) after its secondary public offering in 1998.

Akbank established AKSecurities in 1996, AKInvestment Fund in 1998, AKAssetManagement Company and its Private Banking Department in 2000. Akbank established Ak Pension Company in 2003 and acquired Ak Leasing in 2005. In February 2006, Ak Pension Company was sold to Ak Insurance.

Akbank conducts overseas operations through its subsidiaries in the Netherlands (Akbank NV) and in Germany (Akbank AG) along with a branch in Malta.

In addition to its core banking activities, Akbank offers a wide range of retail, commercial, corporate and private banking services as well as foreign trade financing. Meanwhile, non-banking financial services in addition to capital markets and investment services are provided by the Bank's subsidiaries. Equipped with state-of-the-art IT systems and a staff of experienced bankers, Akbank continues to focus on providing top quality services to an extensive portfolio of retail and corporate customers.

With its strong and extensive domestic distribution network which includes 868 branches and over 15,000 employees, Akbank operates from its headquarters in Istanbul and 20 regional directorates throughout Turkey. Akbank provides

**As of the end of 2008, Akbank reported a consolidated net profit of TL 1,782 million (approximately US\$ 1,171 million) and total consolidated assets of TL 93,093 million (approximately US\$ 61,173 million). The Bank's consolidated capital adequacy of 17.0% is among the highest adequacy ratios in the sector.**

services not only through its traditional delivery channels such as its branches, which include "Credit Express" consumer loan only branches and "Big Red House" mortgage loan only branches, but also through Retail and Corporate Internet Branches, the Telephone Banking Center, 2,318 ATM's, 250,615 POS terminals as well as the latest technology channels such as cell phones, loan machines and web-based platforms. Additionally, Free Banking Areas have been set up inside branches in which customers have access to both Internet and telephone banking services.

In November 2001, Akbank successfully introduced its credit card, Axess, which became a major player in the market in short order. Additionally, launched in March 2007 with the slogan "Turkey's easiest card to fly with," the Wings credit card was met with customer appreciation due to its advantageous miles program.

2008 has allowed Akbank to successfully implement its strategies to uphold to its claims as Turkey's most valuable, most reliable and most innovative bank. Akbank, in collaboration with Boyner Holding introduced "Fish", a first of its kind in the sector and an unmatched credit card which offers an array of different services and products. In 2008, apart from Boyner, Akbank also signed a partnership agreement with the retail giant, CarrefourSA. Additionally, Akbank introduced innovative products and services such as Wings Business Card, Citi Axess, ATMCredit and Multimedia POS to its customers.

On January 9, 2007, Akbank and Citigroup successfully completed a strategic partnership agreement according to which Citigroup acquired a 20% equity stake in Akbank. The strategic partnership with Citigroup has contributed to the enhancement of Akbank's banking activities, the improvement of its available products and the development of new products.

With its robust capital base, reliable deposit structure, ability to raise foreign financing on favorable terms and strong growth in its assets, Akbank continues to retain its position as one of the leading banks in Turkey. As of the end of 2008, Akbank reported a consolidated net profit of TL 1,782 million (approximately US\$ 1,171 million) and total consolidated assets of TL 93,093 million (approximately US\$ 61,173 million). The consolidated capital adequacy ratio of Akbank, standing at 17.0% is among the highest ratios achieved in the sector.

In 2008, Akbank continued to raise funds from foreign markets on favorable terms with the total of such resources reaching US\$ 7,759 million by the end of the year.

Akbank is listed on the Istanbul Stock Exchange (ISE) where 25% of its shares are publicly traded. Meanwhile, Level 1 Depositary Receipts of the Bank are traded on the OTC market in the US. With a market value of US\$ 9,423 million as of December 31, 2008, Akbank is the most valuable bank listed on the ISE.

## IN 2008...

### INTERNATIONAL AWARDS RECEIVED BY AKBANK

#### EUROMONEY

2008 BEST PRIVATE BANKING AWARD (TURKEY)

#### GLOBAL FINANCE

2008 BEST BANK IN TURKEY AWARD

2008 BEST EMERGING MARKET BANK

2008 BEST BANK FOR TRADE FINANCE SERVICES

2008 BEST FOREIGN EXCHANGE BANK

#### THE BANKER

2008 SPECIAL AWARD FOR "INNOVATIVE RETAIL DISTRIBUTION CHANNELS"

#### EUROWEEK

2008 "BEST CONSUMER LOAN" AWARD

#### MASTERCARD

2008 "BEST CARD PROGRAM IN 2008" AWARD

#### THE GARTNER & ITO1 MEDIA CUSTOMER AWARDS

CUSTOMER FOCUS AWARDS/NEW MEDIA OPTIMIZATION AWARD

#### EPICA

AKBANK 18. JAZZ FESTIVAL COMMERCIAL: FIRST PRIZE FOR "RECREATION & LEISURE/MEDIA & ENTERTAINMENT"

### AKBANK'S RATINGS BY INTERNATIONAL RATING AGENCIES

Akbank continues to receive the highest credit ratings awarded to any Turkish bank. On May 31, 2007, Moody's assigned a Baseline Credit Assessment of Baa1 to Akbank, which is the highest rating that can be assigned to a Turkish bank. In 2008, Fitch Ratings and Moody's once again assigned Akbank the highest ratings in the Turkish banking industry.

	Long-term Turkish Lira Bank Deposits	Short-term Turkish Lira Bank Deposits	Long-term Foreign Currency Bank Deposits	Short-term Foreign Currency Bank Deposits	National Rating	Financial Strength and Individual Rating	Baseline Credit Assessment
Moody's	A3	Prime-2	B1	Not Prime	-	C-	Baa1
Fitch Ratings	BBB-	F3	BB	B	AAA (tur)	C	-

# It has always been our priority to be reputable, credible and reliable...

## EFFECTIVE RISK MANAGEMENT

Maintaining confidence during uncertain and challenging times...

During the current environment in which trust has gained the utmost importance, Akbank continues to progress with confidence, thanks to its effective risk management practices. As Moody's has clearly indicated in its reports for the financially volatile years of 2001 and 2006, Akbank has always been a bank to trust during uncertain and challenging times. The constant emphasis on corporate governance, transparency and accountability, help further reinforce the position of Akbank. Having based its strategy on organic and inorganic growth and utilizing the opportunities that come its way, Akbank aims to continue achieving higher than sector average growth with its extensive branch network and robust structure when the economy recovers and growth gathers speed.

## ROBUST CAPITAL STRUCTURE

Capital Adequacy Ratio 17%

The current global crisis has once again proved the importance of robust equity capital. At US\$ 6.9 billion, Akbank has the highest free capital among privately owned banks in Turkey. While legal obligations in Turkey stipulate a minimum capital adequacy ratio of 12%, Akbank has a capital adequacy ratio of 17%.

## WELL DIVERSIFIED DEPOSIT BASE

Deposits from individuals make up 70% of total deposits

Thanks to its extensive branch network, Akbank enjoys a robust deposit structure. In 2008, Akbank achieved a 32% growth for deposits against a 27% average growth in the sector. With expansion of its deposit base and growth of its demand deposits incorporated among the Bank's top priorities, deposits from individuals now constitute 70% of total deposits at Akbank.

## LOANS / DEPOSITS RATIO

85% Loans/Deposits ratio

In the banking industry, financing of loans with a high rate non-deposit items is a potentially problematic practice. Diligent to ensure that the sum of deposits exceed its loans, Akbank has achieved a loans/deposits ratio of 85%.

With strong banking affiliations, a reliable and well diversified deposit base, a robust balance sheet, a customer-oriented and innovative approach, prudent risk management practices, transparent approach to corporate governance and high liquidity, Akbank will continue to retain its position as a leader in the Turkish banking sector, creating value for all of its stakeholders, shareholders and customers.

## INTERNATIONAL REPUTATION

Strong and long-standing international relationships

In 2008, Akbank further increased its liquidity with foreign borrowing. Through involvement of WestLB as the lead manager and European Investment Bank (EIB) as investor, the ten-year US\$ 393.5 million loan is the first future flow securitization in 2008 from the EMEA (Europe, Middle East and Africa) region. Moreover, Akbank has struck an agreement for the renewal of a € 1 billion syndicated loan, which fell due and thus obtained the largest sum of foreign financing by any financial institution in the EMEA region in 2008.

In December 2008, two separate syndicated loan tranches in US dollar and euro terms worth a total of US\$ 600 million was secured.

With the sum of syndicated loans raised from international markets reaching US\$ 2 billion in 2008, Akbank is the leader in the Turkish banking sector. Such a remarkable performance by Akbank despite the ongoing recession and challenging conditions in financial markets has made a positive impact on the Bank's liquidity. Furthermore, Akbank has secured medium and long-term loans from multilateral institutions such as KfW, Proparco in 2008 to boost its liquidity.

## ASSET QUALITY

Non-performing loan ratio of 2.3%

The primary requisite for effective risk management is to preserve asset quality. From this perspective, Akbank favors growth with a high quality portfolio. Diligent to conduct a healthy policy for loan operations, the Bank has adopted an even more selective and prudent approach in its credit assessment processes over the last year. At present, whereas the ratio of non-performing loans in the Turkish banking sector hovers around 3.5%, this ratio is 2.3% for Akbank. Furthermore, Akbank continues to assign 100% provisioning against bad debt even though almost 66% of its loan portfolio is secured.

## CREDIT RATINGS

Highest credit ratings in the Turkish banking sector

In 2007, the international credit rating agency Moody's assigned Akbank a Baseline Credit Assessment of Baa1 which is the highest rating that can be awarded to a Turkish bank. Akbank has once again received the highest ratings in the Turkish banking industry from Fitch Ratings and Moody's in 2008. Equipped with the necessary capability and qualities, strong affiliations and a robust structure, Akbank will continue to bring the positive out of the negative and create value for its shareholders in the period ahead.

## AKBANK IN 2008

### JANUARY

**Akbank celebrates its 60<sup>th</sup> anniversary** Founded as a local bank in Adana on January 30, 1948, Akbank celebrates its 60<sup>th</sup> anniversary on January 29, 2008.

**Euromoney award for Akbank Private Banking** For the second time in a row, Akbank Private Banking receives the Best Private Banking award in Turkey by the international finance magazine Euromoney. The award was in recognition of the analysis provided by Akbank Private Banking to its customers by continuously monitoring their investment strategies and the execution of this service with respect to the policy of mutual trust and discretion.

### FEBRUARY

**Akbank's US\$ 230 million support for the energy industry** Akbank Commercial Banking extends an 11-year loan facility of US\$ 230 million to Senerji Energy Generation Company, a subsidiary of Soyak Group, for the construction of two hydroelectric plants in Erzurum and Kayseri with no repayment for the first 3.5 years.

**Akbank signs agreement with French Development Agency for development loans** To support investments and financing for private companies, Akbank signs a ten-year loan arrangement for € 50 million with French Development Agency (AFD), subsidiary Proparco, with no capital repayments for the first two years. This loan facility has enabled Akbank to extend funds for SMEs that play a vital role in the social and economic fabric of Turkey and provide support for the Turkish economy.

### MARCH

**A special celebration of World Women's Day from Akbank** Akbank celebrates World Women's Day with a special reception. On March 7, 2008, Chairman of the Board of Akbank, Suzan Sabancı Dinçer hosts a celebration for World Women's Day at Sakıp Sabancı Museum where "Silk Woven Successes" - a special commemorative book by Sedef Kabaş - is commissioned for the 60<sup>th</sup> anniversary of Akbank featuring interviews with 60 successful Turkish women.

**Suzan Sabancı Dinçer is voted Chairman of Akbank** Following the Annual General Meeting, the Board of Directors of Akbank unanimously vote Mr. Erol Sabancı as Honorary Chairman and Ms. Suzan Sabancı Dinçer as Chairman of the Bank. Concurrent with his continuing membership on the Board of Directors, Erol Sabancı also assumes the post of Consultant to the Board.

**Akbank hosts best innovation practices conference** In the current environment where conventional paradigms are transformed and value creation processes are redefined, Akbank hosts at a significant conference. With Akbank as its main sponsor, the Experience Co-Creation conference is the first of its kind to be held in Europe. In his speech Venkat Ramaswamy, a globally recognized thought leader and executor of ideas, shares with his listeners exemplary case studies on a global scale and best innovation practices on the European level.

**Akbank and TÜRKNFED cooperate for business** Akbank is the corporate sponsor for the World Bank meetings, Presidents' Council meetings, Enterprise and Business Summit and Symposia to be held by TÜRKNFED (Turkish Enterprise and Business Confederation).

**Launch of Wings Business Card, the easiest way to fly** Rewarding card payments of company expenses with air mile points, Wings Business provides a simple and easy way to handle expenditures for companies and employees by enabling them to separate and track personal and corporate spending.

### APRIL

**Akbank Art Center in its 15<sup>th</sup> year** Facilitating many pioneering and significant events in the Istanbul arts scene, Akbank Art Center (Akbank Sanat) celebrates its 15<sup>th</sup> year with a special event held in April. On a star-studded evening bringing leading figures from art circles and artists together, one of the most outstanding performers of the Turkish piano school, Idil Biret, gives a special recital.

### MAY

**Akbank hosts the former Prime Minister of Spain Jose Maria Aznar** The guest of honor at this year's Akbank Corporate Banking Conference, which has become an annual tradition since 2004, is the former Prime Minister of Spain, Jose Maria Aznar. The theme of this year's conference was Europe's Economic Future.

**Akbank is granted a € 77 million loan by the German Development Bank to finance SMEs and farmers** Akbank obtains a loan of € 77 million from the German Development Bank (KfW, Entwicklungsbank) to finance SMEs and farmer credit facilities. With a 3.5-year maturity, the loan is jointly financed by KfW and funds from the European Union and European Council Development Bank. KfW extends this particular loan, a new facility for them, initially for Turkey and Akbank. This loan is also the largest ever extended to a Turkish bank by KfW.

### JUNE

**Global Finance names Akbank as the "Best Bank in Turkey"** The world famous finance magazine, Global Finance, named Akbank Turkey's Best Bank. According to the Best Emerging Market Banks in Central and Eastern Europe-2008 survey by Global Finance magazine, Akbank emerged as the Best Bank in Turkey in 2008.

**Award for Loan Machine from The Banker** Banker, the prestigious finance and banking magazine recognized around the world, awards a special prize, "Highly Rated by the Judges" to the Akbank Loan Machine, an invention of Akbank. In 2008, 250 banks and finance institutions worldwide take part in The Banker Technology Awards event for the sixth consecutive year.

**Two awards for Akbank Art Center's New Generation Theater** Akbank Art Center's New Generation Theater wins the Best Director Award (Mehmet Ergen) for The Shape of Things at the 2008 Afife Tuncel Theater Awards, and once again receives this award for the Best Director category at the 2008 Theater Magazine Awards.



## JULY

**Axess supports NGOs with Social Solidarity Platform** With the aim of creating community benefits, Axess credit card launches a voluntary donation platform involving 12 non-governmental organizations. From August 1, 2008 onwards, Axess cardholders can donate an amount of their choosing in one payment or direct debit using the accumulated chip-money or their credit card limits.

**Citi Axess credit card** Citi Axess is launched as the latest product of the strategic partnership between Akbank and Citi. Citi Axess brings the global experience of Citi, the largest credit card provider in the world with over 180 million credit cards issued, and the strongest credit card brand in Turkey, Axess together.

### **Akbank Children's Theater is on board the "Freedom is Our Right" train**

Akbank Children's Theater is on board Hürriyet Newspaper's "Freedom is Our Right" train to bring the joy, the sorrow and the beauty of theater to 42 provinces in Turkey. Aptly named "Freedom is Our Right" by Hürriyet Newspaper, this social responsibility project by Akbank Children's Theater introduces tens of thousands of children the excitement of theater in all four corners of Turkey, from Kars to Edirne and Gaziantep to Erzurum.

## AUGUST

**Akbank raises a US\$ 393.5 million loan from international markets** Under its foreign export receivables, check-receivables and the foreign currency transfer based securitization program, Akbank obtains an additional loan tranche of US\$ 393.5 million lead managed by WestLB.

**Akbank raises € 1 billion in syndicated loans** With the involvement of 53 leading international banks from 20 countries, Akbank raises a syndicated loan worth € 1 billion from overseas markets. This loan, bearing the highest amount extended to a financial institution in developing countries in 2008, is due to mature in one year.

**Wings Sailing Cup** Wings Sailing Cup Sailboat Race is held in Bodrum on between August 30 and 31<sup>st</sup>, under the sponsorship of Akbank Wings credit card and in cooperation with Milta Bodrum Marina and Bodrum Off-shore Sailing Club (BAYK).

## SEPTEMBER

**A world-caliber exhibition from Akbank on its 60th anniversary: 'A Surrealist in Istanbul: Salvador Dalí'** Akbank, Turkey's innovative power, brings the works of the pioneering icon of surrealism to art enthusiasts. A 385-piece collection was put on display from September 20, 2008 through February 01, 2009 at the Sakıp Sabancı Museum at Sabancı University. This exhibit includes 33 paintings, 113 drawings, 111 engravings and 12 lithographs and is the most comprehensive exhibition ever held in the artist's name outside Spain. "A Surrealist in Istanbul: Salvador Dalí" is seen as Turkey's largest investment in arts in 2008.

**Fish credit card is launched** as a joint enterprise of Akbank and Boyner Holding. Subsequent to the preliminary media launch on March 14, 2008, more features of Fish are unveiled in greater detail.

**A global award from Gartner & 1to1 Media** With pioneering work in alternative distribution channels, Akbank receives a global award from Gartner, Inc. and 1to1 Media for the Customer Focus Awards event in the New Media Optimization category.

## OCTOBER

**Triple awards for Akbank from Global Finance** Akbank, Turkey's innovative power, is honored with three Best Bank awards in as many categories by one of the leading international finance magazines Global Finance, at the Best Bank in Emerging Markets Awards held on the sidelines of the IMF/World Bank meetings. Akbank is named as the Best Emerging Market Bank in Turkey, Best Trade Finance Bank in Turkey and Best Foreign Exchange Bank in Turkey.

**Contemporary Istanbul 2008** Starting in 2008, Akbank will be the main sponsor of Contemporary Istanbul events until 2010. One of the youngest art fairs in the world, Contemporary Istanbul is held with attendance from contemporary art galleries and artists and the art lovers with a keen interest in the arts scene, curators, collectors and critics.

### **Sponsorship of World Economic Forum**

Akbank undertakes sponsorship of the World Economic Forum on Europe and Central Asia, which focused on the common challenges the region faces and the future strategy to be built cooperatively.

**Akbank 18<sup>th</sup> Jazz Festival** Celebrating its 18<sup>th</sup> year in 2008, Akbank Jazz Festival brings top jazz performers and artists to Turkey while also enabling young and successful jazz artists to perform.

## DECEMBER

**Akbank Thinking Club kick-off and launch meeting** Akbank Thinking Club commences work following a six-week application and evaluation process. The Club aims to reinforce communication with university students, monitor new trends, elicit suggestions about new products and services, learn about their perspectives, and in short, establish "greater positive presence" in the lives of the youth.

**Akbank is the industry leader with syndicated loans totaling almost US\$ 2 billion** Akbank secures a dual-tranche syndicated loan worth US\$ 600 million on December 19 in US dollar and euro terms.

**Akbank is voted the Best in Turkey for trade finance and foreign exchange transactions** In its evaluation and survey for 2009, Global Finance names Akbank the Best Trade Finance Bank and Best Foreign Exchange Bank in Turkey.

**"Power of Thinking" - Akbank's new social responsibility project** Aiming to contribute to the development of Turkey's education system, Akbank launches a new social responsibility project. The Power of Thinking project will cascade down to reach hundreds of thousands of students through thousands of teachers. Through this project 6,600 teachers in eight provinces will receive training during the first phase of the project.

**Akbank Fifth Short Films Festival** Held for the fifth time and aspiring to grow into an annual festival for short films, Akbank Short Film Festival brings different colors, geographies, cultures and ideas together in its competitive and non-competitive categories.

Detail from the painting "Geological Reflection. La Pietà" (1982);  
oil on canvas



© Salvador Dalí, Fundació Gala-Salvador Dalí, VEGAP, 2008





## MESSAGE FROM THE CHAIRMAN



**SUZAN SABANCI DİNÇER**  
CHAIRMAN OF THE BOARD  
OF DIRECTORS

**With the highest credit ratings to be assigned to any bank in Turkey, Akbank acted with diligence to build its reputation as a symbol of confidence ever since its inception. Our strategy under the current circumstances is to focus on portfolio quality and profitability with effective risk management.**

2008 was marked by the global crisis that initially originated in the US housing market and spread to the real economy after hitting financial markets. With the devastation inflicted on financial markets and leading sectors of the real economy in the wake of this crisis, the world's largest economies plunged into recession one after the other.

Forecasts indicate that this trend will continue into 2009 and a global economic growth rate of 5% achieved at the end of 2007 will decline to 3.4% by the end of 2008 and to 0.5% in 2009. Likewise, economies of developed countries will undergo a process of contraction in 2009 whereas the developing countries will significantly underperform their previous growth figures.

All the countries and international economic/financial institutions share a common determination to achieve a swift recovery from the crisis in the financial sector. Rescue packages and other measures unveiled by individual governments or in cooperation with each other and the coordinated action of economic/financial institutions will have a significant impact in overcoming the recession and re-establishing confidence in financial markets.

Compared to other countries, Turkey was relatively less affected by the crisis in 2008 due to the reinforced structures of its banking sector and economy in general ever since the 2001 crisis. Nevertheless, it is impossible to assume that the Turkish economy is fully immune to developments within the global economy. It is estimated that the growth rate of the Turkish economy reached 4.6% in 2007 and is expected to fall below 2% in 2008 and decline even further in 2009, perhaps even to less than 1%. Reduction of the availability of foreign funding that demonstrated a marked increase in recent years and contraction in the export markets due to the credit crunch, emerge as the most determining factors in this decline.

Without ignoring the risk and dangers ahead, it is still possible to turn this global crisis into a positive opportunity for Turkey. Despite the forecasted slowdown, Turkey has a strong potential for growth. The large, young, dynamic population of Turkey is a major driving force for sustainable growth in the long-term.

The estimates for the upcoming period also indicate that the growth of the Turkish economy will be better than that of developed countries. During this process it is imperative to sustain commitment to fiscal discipline, improve affiliations with international economic/financial institutions, reinforce relationships with the EU and take measures to stimulate domestic demand. Therefore, we welcome the policy of interest rate cuts by the Central Bank as a step in the right direction.

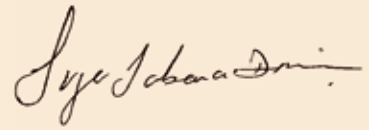
The high ratio of capital adequacy, well diversified deposit base, relatively lesser exposure to troubled loan instruments and limited recourse to derivatives have rendered the Turkish banking system resilient in the face of the global crisis. Turkey maintains a rapid and sustainable growth potential for investors. The low level of penetration in the banking system also presents significant growth potential for the banking industry.

With the highest credit ratings to be assigned to any bank in Turkey, Akbank acted with diligence to build its reputation as a symbol of confidence ever since its inception. Our strategy under the current circumstances is to focus on portfolio quality and profitability with effective risk management. Throughout this challenging period, Akbank has

maintained its strong banking affiliations, reliable deposit base, robust balance sheet, customer-oriented innovative approach, prudent risk management practices, transparent approach to corporate governance and high liquidity. It will continue to create value for its shareholders and customers in particular and all stakeholders in general, while maintaining its lead in the Turkish banking industry.

Making the best of organic and inorganic growth opportunities with our extensive branch network and robust underlying fundamentals, we will resume our course of achieving higher than industry average growth and our vision of becoming an international player, as the economy recovers and growth gathers speed.

To this end, we rely most on the dedicated work of our employees, who are the best in the sector, the continued support of our shareholders and the powerful synergy we have created with all our stakeholders. Therefore, I would like to take this opportunity to thank all our employees, shareholders and social stakeholders.



**SUZAN SABANCI DİNÇER**  
**CHAIRMAN OF THE BOARD OF**  
**DIRECTORS**



## BOARD OF DIRECTORS

### SUZAN SABANCI DİNÇER

#### Chairman and Executive Board Member

Suzan Sabancı Dinçer was elected Chairman of the Board of Directors on March 28, 2008. Mrs. Sabancı Dinçer who was appointed as the Division Head of the Akbank Treasury Department in 1989 was promoted to Executive Vice President in charge of Treasury in 1994, then appointed to the Board of Directors in 1997 as Executive Board Member in charge of Asset Liability Management and Correspondent Relations and in 2000 as Executive Board Member responsible for all matters. Mrs. Sabancı Dinçer received her undergraduate degree in Finance and International Marketing from Richmond College in the UK and earned her MBA at Boston University in the US. Mrs. Sabancı Dinçer is also the Honorary Consul of Luxembourg and a member of the Citigroup International Advisory Board.

### EROL SABANCI

#### Honorary Chairman and Consultant to the Board - Board Member

Having served as Board Member since 1967 and as Chairman of the Board since March 1998, Erol Sabancı was elected Honorary Chairman and Consultant to the Board on March 28, 2008. Sabancı also serves as Vice Chairman of the Board of Sabancı Holding.

### AKIN KOZANOĞLU

#### Vice Chairman

Akin Kozanoğlu, serving as the Executive Vice President in charge of Retail Banking and IT since 1987, was elected as a member of the Board of Directors on July 5, 2000 and as Vice Chairman on December 1, 2000. Mr. Kozanoğlu is also the President of the Sabancı Holding Financial Services Group. He is authorized in all matters of the Bank and serves as the Chairman of the Bank's Audit Committee as well as the Director in charge of Internal Audit, Internal Control and Compliance.

### BÜLENT ADANIR

#### Executive Board Member

Appointed as Executive Board Member in November 2007, Bülent Adanır oversees matters concerning risk management. Prior to joining Akbank, Mr. Adanır spent 26 years at Citigroup in different countries and in various positions. In 1997, he was appointed Regional Portfolio Manager for Citigroup in London and later became the Portfolio Manager in charge of the Europe, Middle East and Africa region. Mr. Adanır completed both his undergraduate and graduate degrees in the United States and received a post-graduate degree in Economics from Rutgers State University.

### ÖZEN GÖKSEL

#### Board Member

Özen Göksel started working at Akbank in 1964 as an Assistant Internal Auditor and after serving in various positions, was appointed as Executive Vice President in 1981. From 1994 until November 2000, Mr. Göksel served as a member on Akbank's Board of Directors and as CEO of the Bank. From November 2000 until October 2007, Mr. Göksel served as Executive Board Member and currently continues to serve as a Board Member and as a member of the Bank's Audit Committee.

### HİKMET BAYAR

#### Board Member

Hikmet Bayar joined the Akbank Board of Directors after retiring from the Turkish Armed Forces in 1996. Having actively served in various command positions until his retirement, Mr. Bayar was Chief of the Turkish Land Forces between 1994 and 1996.

### AYDIN GÜNTER

#### Board Member

Aydın Günter served in various positions at Sabancı Holding, including Executive Vice President in charge of Financial Control and Finance. In 1994, he founded his own consulting firm and in 1998 was elected as a Member of the Board of Directors. Before joining the Sabancı Group, Mr. Günter worked at the Ministry of Finance as a Tax Inspector.

To replace Aydın Günter on the Akbank Board of Directors after his resignation, Hayri Çulhacı was elected as Executive Board Member on March 27, 2009.

### YAMAN TÖRÜNER

#### Board Member

Yaman Törüner became a member of the Board of Directors in March 1998. Having served as a Member of Parliament between 1995 and 1999, Mr. Törüner also served as a Minister of State in 1996. Between 1990 and 1994, Mr. Törüner served as the President of the Istanbul Stock Exchange and from 1972 until 1990 he worked in various administrative positions within the Central Bank of Turkey also serving as the Governor of the Central Bank of Turkey.

### WILLIAM J. MILLS

#### Board Member

Citi CEO for the Europe, Middle East and Africa (EMEA) region, William J. Mills previously served as CEO of Salomon Smith Barney Asia Pacific and as a member of Salomon Smith Barney Management Committee. With over 20 years' experience in investment banking, Mr. Mills served as Co-head of the global investment banking division of Citigroup based in New York between 1994 and 1999. On March 28, 2008 William J. Mills was elected as a member of the Akbank Board of Directors to fill the seat that fell vacant following the resignation of Sir Winfried Bischoff. Mr. Mills is a 1977 graduate of Denison University.

### ZAFER KURTUL

#### Board Member and CEO

Zafer Kurtul joined Akbank in 1998 as Executive Vice President and was appointed CEO in November 2000. Previously, he served in executive positions at Citibank, BNP-Ak-Dresdner Bank and Societe Generale. Mr. Kurtul has an undergraduate degree from Istanbul University Faculty of Business Administration and an MBA in Finance from the University of Wisconsin-Madison. Accredited as a Chartered Financial Analyst (CFA), Zafer Kurtul is also a member of Institut International D'etudes Bancaires.

# INTERNAL AND STATUTORY AUDITORS

## ADVISOR TO THE CHAIRMAN OF THE BOARD

### HAYRİ ÇULHACI

#### Advisor to the Chairman of the Board

Hayri Çulhacı joined Akbank in 1990 as an Executive Vice President, after having served in various executive positions within the Ministry of Finance. Between 1990 and 2008 Mr. Çulhacı took over various responsibilities, having most recently been in charge of Investor Relations, Strategy and Corporate Communication. Since June 2008, Mr. Çulhacı has been the advisor to the Chairman of the Board of Directors. Mr. Çulhacı is a graduate of the Faculty of Political Sciences from Ankara University in Turkey and holds an MBA degree from Northeastern University in the United States.

Hayri Çulhacı was elected as Executive Board Member in charge of Investor Relations, Corporate Communication and Corporate Social Responsibility on March 27, 2009.

## BOARD OF INTERNAL AUDITORS

### EYÜP ENGİN

#### Head of Internal Audit

Eyüp Engin joined Akbank in 1978 as an Assistant Internal Auditor. Prior to his appointment as the Executive Vice President in charge of International Banking in 1996, Mr. Engin was the Manager of the Treasury Department and was appointed as the Head of Internal Audit in July 2007. Mr. Engin is a graduate of the Faculty of Business Administration at Middle East Technical University.

## STATUTORY AUDITORS

### NEDİM BOZFAKIOĞLU

#### Statutory Auditors

Nedim Bozfakioğlu serves as the Vice President of Budget, Accounting and Consolidation at H.Ö. Sabancı Holding. Previously, Mr. Bozfakioğlu worked at Lassa and Kordsa, having served as Finance Manager and Financial Affairs Deputy Manager. Mr. Bozfakioğlu is a graduate of Istanbul University, Faculty of Economics.

### MEVLÜT AYDEMİR

#### Auditor

Serving in various positions at H.Ö. Sabancı Holding since 1981, Mr. Aydemir continues to serve as the Vice President of Financial Affairs and Financing. Aydemir, who has worked in the Ministry of Finance as a Tax Inspector prior to 1981, is a graduate of the Faculty of Economics at Istanbul University.

## MESSAGE FROM THE CEO



**ZAFER KURTUL**  
CEO

**By means of effective risk management practices, cautious and prudent growth policies, Akbank has managed to stay the course, taking confident strides and creating value for our stakeholders, shareholders and customers.**

Year 2008 has seen Akbank successfully engaged in efforts to emerge as the most valuable, stable and innovative bank in Turkey. Throughout the year new products and channels to respond to the needs of the customers were developed. Achieving profitable growth, creating value for shareholders and introducing innovative products and services for its customers are among the essential goals that will guide Akbank into the future. Everyone here at Akbank is fully committed to our pledge of "standing by our customers in good times and in hard times".

In 2008, when the financial markets experienced a crisis of confidence, Akbank maintained its leading position in the Turkish banking industry due to its healthy balance sheet, prudent growth policy, strong and long-standing international affiliations. By means of effective risk management practices, cautious and prudent growth policies, Akbank has managed to stay the course, taking confident strides and creating value for our stakeholders, shareholders and customers.

Our robust capital structure is one of the most vital safeguards we have against the global crisis. With a capital adequacy ratio of 17% which is far above the minimum legal requirement of 12% for Turkish banks, Akbank also holds free capital totaling US\$ 6.9 billion, the highest among private banks.

Having based its strategy during this period on maintaining profitability and portfolio quality rather than just achieving high growth, unconsolidated gross profit of Akbank stands at TL 2,060 million. With TL 355 million set aside for tax provisions, the Bank made a net profit of TL 1,705 million. The consolidated net profit for the same period reached TL 1,782 million. Together with this enviable profitability performance, Akbank achieved a significant increase in its loans and assets.

As of the end of 2008, total unconsolidated assets of Akbank had increased by 25.6% to reach TL 85.7 billion. Likewise, at TL 93.1 billion, total consolidated assets have seen a 29% increase. In 2008, Return on Equity was 16.4%.

Total consolidated deposits surged by 31.9% and now stand at TL 57.6 billion. This particular increase in deposits during these uncertain and challenging times, attests to our customers' belief that Akbank is regarded as a bank inspiring confidence at all times. Facilitated by an extensive branch network, the strong deposit base is another source of resilience for the Bank. With personal deposits accounting for 70% of total deposits, broadening the base of deposits even further and increasing the rate of demand deposits are among our highest priorities.

At Akbank, the forefront of our mission has always been to contribute to Turkey's development by financing growth and investment and extending loan facilities to customers. Therefore, the Bank sustained growth in lending in 2008; the total consolidated loan portfolio grew by 23% to TL 49.1 billion.

Of these consolidated loans, 53.7% were in Turkish lira whereas portfolio distribution changed through cautious risk management practices, with shares of corporate and commercial segments expanding. By the end of 2008, the loan portfolio carried 38% corporate, 20% commercial, 12% small business and 30% personal loans. Akbank is the industry leader in the corporate, commercial and small business banking segments. In 2008, the Bank extended funding of almost US\$ 6 billion for 90 long-term projects that will create jobs and contribute to the national economy.



The Bank has a high funding capability for the loans it extended with deposits as evidenced by a loan/deposit ratio of 85.2%. By the end of 2008, the ratio of consolidated loans to total assets was at 52.7%. During this period, we also sustained our portfolio quality by minimizing possible increases in non-performing loan risk. While the ratio of non-performing loans in the Turkish banking industry hovers around 3.5%, the ratio for Akbank is 2.3%. Furthermore, Akbank continues to provide a 100% provision against bad debts despite the high rate of secured loans.

Owing to its successful performance in 2008, Akbank further enhanced its liquidity level through overseas borrowing. Through involvement of WestLB as the lead manager and European Investment Bank (EIB) as investor, Akbank raised a ten-year loan of US\$ 393.5 million closing the first future flow securitization deal in 2008 in the EMEA (Europe, Middle East and Africa) region. Meanwhile, renewal of a € 1 billion syndicated loan constituted the largest syndicated transaction by any financial institution in EMEA region in 2008. Two more syndicated loan tranches secured in December 2008 with a total worth of US\$ 600 million have brought the total syndicated loans raised from international markets in 2008 to US\$ 2 billion. This figure placed Akbank in the lead in the Turkish banking industry. Finally, the Bank developed its relationship with international institutions such as KfW and Proparco and raised overseas funding for additional medium and long-term financing facilities aimed at SMEs.

Akbank has the highest credit ratings in the Turkish banking sector. In 2007, Moody's awarded Akbank a Baseline Credit Assessment of Baa1, the highest rating awarded to a Turkish bank to date. Fitch Ratings and Moody's have again assigned Akbank the highest ratings in Turkish banking industry in 2008.

Furthermore, we broke new ground in the sector with a number of innovative products and services introduced in 2008. These include the Wings Business card, Fish card, ATMCredit, Multimedia POS and "one" platform.

In 2009, we will proceed with our efforts through the emphasis on achieving more depth in the area of customer relations while increasing our market share for strategic products as our key priorities. Equipped with the necessary capability and qualities, strong relationships and a robust structure, Akbank is determined to bring the positive out of the negative and create value for our shareholders in the days ahead.

I sincerely believe that we will achieve this goal thanks to the experience, know-how, team spirit and dedication and most importantly, our human resources that come from the most highly skilled personnel in the industry.

Since day one of our inception 60 years ago, Akbank has been cognizant of our responsibilities toward society, fully aware of the importance of sustainable value creation in all of our activities. We will continue to contribute to the social development of Turkey in the coming year through a range of diverse projects in areas involving arts and education among others.

I would like to thank our employees, shareholders and all stakeholders for their contributions and support and express my hope that this synergy will yield further success for Akbank, Turkey's strong, robust and reliable powerhouse.

**ZAFER KURTUL**  
CEO



## EXECUTIVE MANAGEMENT

### **ZAFER KURTUL**

#### **Board Member and CEO**

Zafer Kurtul joined Akbank in 1998 as Executive Vice President and was appointed CEO in November 2000. Previously, he served in executive positions at Citibank, BNP-Ak-Dresdner Bank and Societe Generale. Mr. Kurtul has an undergraduate degree from Istanbul University, Faculty of Business Administration and an MBA in finance from the University of Wisconsin-Madison. Accredited as a Chartered Financial Analyst (CFA), Zafer Kurtul is also a member of Institut International D'etudes Bancaires.

### **HAKAN BİNBAŞGİL**

#### **Deputy CEO - Retail Banking**

Hakan Binbaşgil joined Akbank in October 2002 as Executive Vice President in charge of Change Management. In October 2003, he was appointed as the Executive Vice President in charge of Retail Banking. A graduate of the Faculty of Mechanical Engineering at Boğaziçi University, Mr. Binbaşgil has an MBA degree in management and finance from LSU, Baton Rouge, Louisiana in the US. Mr. Binbaşgil has worked as Management Consultant in the London and Istanbul offices of Accenture and as Executive Vice President in charge of Retail Banking at Pamukbank. He also served on the Board of Directors of numerous organizations.

### **REŞİT TOYGAR**

#### **Deputy CEO - Treasury**

Reşit Toygar joined Akbank as a Management Trainee in 1990. Prior to his appointment as Executive Vice President in 1998, he served as the Manager of the Treasury Department. Mr. Toygar is a graduate of the Faculty of Economics at Kingston Polytechnic and holds an MS degree in economics from London School of Economics in the UK.

### **ZEKİ TUNCAY**

#### **Executive Vice President - Human Resources and Support Services**

Zeki Tuncay joined Akbank in 1980 as an Assistant Internal Auditor. After serving as the Personnel Manager, he was appointed Executive Vice President in charge of Human Resources in 1994. Zeki Tuncay continues to serve as Executive Vice President in charge of Human Resources, Credit Follow-Ups and Support Services. Mr. Tuncay is a graduate of the Academy of Economics and Commercial Sciences in Ankara.

### **M. FİKRET ÖNDER**

#### **Executive Vice President - Private Banking**

Fikret Önder joined Akbank in July 2000 as Executive Vice President in charge of Private Banking. Previously, he held managerial positions at several banks abroad. Before joining Akbank, Mr. Önder served as Senior Portfolio Manager and Executive Vice President in charge of Private Banking at Bank Julius Baer & Co. in London. He is a graduate of the University of Bonn and holds a degree in economics.

### **SEVİLAY ÖZSÖZ**

#### **Executive Vice President - Operations**

Sevilay Özsoz joined Akbank as an Advisor to the CEO in December 2001 and was subsequently appointed Executive Vice President in April 2002. Before joining Akbank, Mrs. Özsoz held various managerial positions at both Garanti Bank and Ottoman Bank. Mrs. Özsoz is a graduate in economics from Istanbul University.

### **ALPASLAN ÖZLÜ**

#### **Executive Vice President- Information Technologies**

Alpaslan Özlü joined Akbank in March 2006 as Executive Vice President in charge of Information Technologies. Before joining Akbank, Mr. Özlü served as an Executive Vice President at Yapı ve Kredi Bankası. Mr. Özlü is a graduate of the Faculty of Arts and Sciences at Middle East Technical University and holds an MSc degree in computer engineering from the same university.

### **FERDA BESLİ**

#### **Executive Vice President- Commercial Banking**

Since joining Akbank in 1987, Ferda Besli has served as an Internal Auditor and Branch Manager, followed by his post as Manager in charge of Corporate Banking and Senior Vice President in charge of Commercial Banking. In 2006, Mr. Besli was appointed as Executive Vice President in charge of Commercial Banking, a business unit recently established at Akbank. He is a graduate of the Faculty of Economics of Istanbul University.

### **AHMET FUAT AYLA**

#### **Executive Vice President- Credits**

Ahmet Fuat Ayla joined Akbank as Corporate Branch Manager in 2002, became Senior Vice President in charge of Corporate and Commercial Credits Approval Unit in 2005 and then appointed as Executive Vice President in charge of Corporate and Commercial Credits

Approval in 2007. Mr. Ayla is responsible for the approval of consumer, corporate, commercial and retail credits. A graduate of the Business Administration Department at Middle East Technical University, Mr. Ayla began his career as an Interbank Management Trainee, later becoming the Head of the Marketing Department at Finansbank and Manager in charge of the Marketing Department at Ottoman Bank.

### **HÜLYA KEFELİ**

#### **Executive Vice President- International Banking**

Hülya Kefeli has been with the Bank since 1983 and has held various positions in Foreign Relations and International Banking Divisions of the Bank. In 2007, she was appointed as Executive Vice President in charge of International Banking. Mrs. Kefeli is a graduate of Istanbul Technical University, Faculty of Business Administration and Engineering.

### **K. ATIL ÖZUS**

#### **Executive Vice President- CFO**

Atıl Özus joined Akbank in November 2000 as Vice President in charge of Financial Control and Risk Management after which he was promoted to Senior Vice President. In December 2007, Mr. Özus was appointed as the Executive Vice President (CFO) in charge of Financial Coordination. Serving as Board Member of various subsidiaries of Akbank, Mr. Özus was an Audit Manager at Ernst&Young before joining Akbank. He is a graduate of the Faculty of Business Administration from Bosphorus University.

### **A. GALİP TÖZGE**

#### **Executive Vice President- Retail Banking**

A. Galip Tözge joined Akbank in September 2002 as Senior Vice President in charge of Retail Banking Distribution Channels. In December 2007, he was appointed as Executive Vice President in charge of Retail Banking. In addition, he serves as a Board Member of Ak Investment Securities Inc. Before joining Akbank, Mr. Tözge served as an Executive Vice President at Citibank, Turkey. He is a graduate of the Department of Business Administration at Marmara University and holds an MBA from Missouri University in the US.

## **CEM MENGİ**

### **Executive Vice President-Corporate Banking**

Cem Mengi joined Akbank in 2001 as Senior Vice President in charge of Corporate Banking and Project Finance and was appointed Executive Vice President in 2008. He previously worked at Finansbank, Interbank, Körfezbank and then as Executive Vice President at Rabobank International. Mr. Mengi has done his "A Levels" in mathematics and physics in England and holds a degree in Management Information Systems (MIS) from International University. He is a member of TÜSİAD and GYİAD.

## **BURAK TANSAN**

### **Executive Vice President-Strategy and Corporate Communication**

Burak Tansan established the Strategic Planning Group of Akbank in 2004 and was appointed as Executive Vice President in charge of Strategy and Corporate Communications on June 12, 2008. Before joining Akbank, Mr. Tansan worked as a Management Consultant at the Istanbul office of Bain and Company between 1999 – 2001. In 2001, he worked as a member of the team that set up the Istanbul Office of the Boston Consulting Group (BCG) and served as Senior Project Manager until 2004. A graduate of the School of Management of Boston University, he received an MBA in business administration from Harvard University (HBS). Burak Tansan previously served as member of the Board of Directors of Ak Emeklilik and AKSigorta.

## **MİNE KÖNÜMAN**

### **Executive Vice President-Payment Systems**

Mine Könüman joined Akbank in 2003 as the Senior Vice President in charge of Credit Cards and in August 2008, was appointed as the Executive Vice President in charge of Payment Systems. In addition to Credit Cards and Merchant Relations, Mrs. Könüman is also responsible for Banking Cards. A graduate of the Faculty of Economics and Administrative Sciences from Boğaziçi University, she held various managerial positions at Yapı ve Kredi Bankası, Alternatifbank and Bank Europa and served on the Board of Directors of numerous organizations before joining Akbank.

## **SUBSIDIARIES**

### **K. BANU ÖZCAN**

#### **AKBANK N.V.**

##### **Senior General Manager**

K. Banu Özcan joined Akbank in September 2001 as General Manager of Akbank N.V. Before joining Akbank she served in various positions at BNP-AKDresdner Bank A.Ş. and as the Chief Representative of Turkey and General Manager of Germany operations of DHB Bank Nederland N.V. A graduate of the Faculty of Business Administration from LMU, Germany, K. Banu Özcan also serves as member of the Board of Directors of Akbank AG and as Head of the Akbank AG Audit Committee.

### **S. TUNCER MUTLUCAN**

#### **AKBANK N.V.**

##### **General Manager**

Salih Tuncer Mutlucan was appointed General Manager of Akbank N.V. in January 2007. He worked as Manager at the Garanti Bank Luxembourg branch before joining Akbank. A graduate of the Civil Engineering Department from Bosphorus University, Salih Tuncer Mutlucan also serves as member of the Board of Directors of Luxembourg based Akbank Turkish SICAV and Akbank AG.

### **KARL-FRIEDRICH RIEGER**

#### **AKBANK AG**

##### **General Manager**

Karl-Friedrich Rieger began his career at Akbank Germany in 2002 after serving as Branch General Manager at various U.S. banks including National Bank of Detroit, The First National Bank of Chicago and finally Bank One in Frankfurt for 12 years. Rieger is a graduate of Business Administration from Würzburg Business College.

### **BÜLENT MENEMENCİ**

#### **AKBANK AG**

##### **General Manager**

Beginning his career at Akbank Germany in 2001 as the Manager in charge of Loans Department, Bülent Menemenci then served as the Manager in charge of the Corporate Banking Department and in 2006 assumed the post of General Manager within the frame of reorganization and transformation of Akbank Germany into Akbank AG. A graduate of the Business Administration Department of Berlin University, Mr. Menemenci served in various posts at Deutsche Bank for 17 years prior to joining Akbank.

## **CEM YALÇINKAYA**

### **AKAssetManagement**

#### **General Manager**

Cem Yalçinkaya joined AKAssetManagement in 2006 as General Manager. Prior to joining Akbank, he served as Executive Vice President in charge of the Treasury, Marketing, Sales and Risk Management departments of Garanti Asset Management as well as in senior executive positions responsible for portfolio management at Garanti Investment and Commerce Bank prior to joining AKAssetManagement. Mr. Yalçinkaya is a graduate of the Faculty of Economics, Economics Department of Istanbul University.

## **GÜLSÜN LENDER**

### **AKLease**

#### **General Manager**

Starting her finance career as a Management Trainee at Interbank, Gülsün Lender held various managerial positions at Interbank and Tekstilbank. She joined the AKLease family in 1997 as Manager in charge of Credits and Marketing. From 1999 until August 2007, she served as Executive Vice President of AKLease and subsequently as General Manager. Mrs. Lender is a graduate of the Industrial Engineering Department from Boğaziçi University.

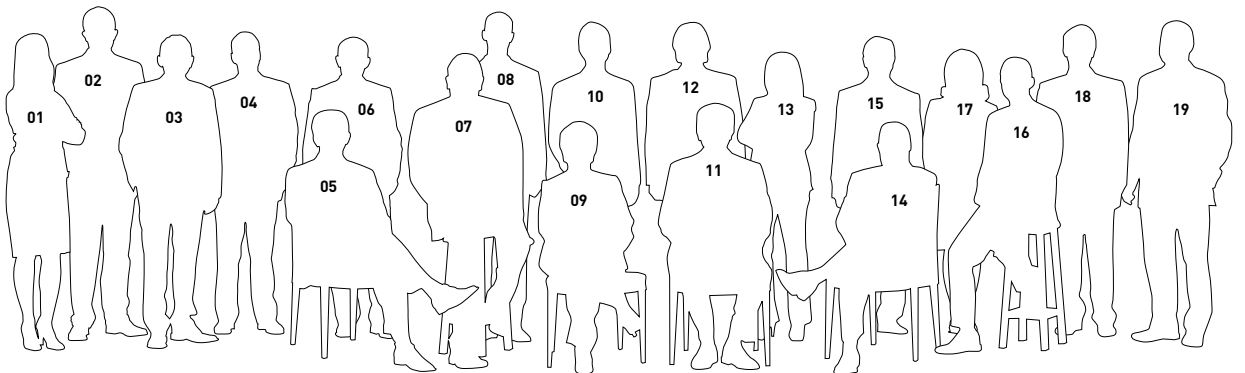
## **ZİYA AKKURT**

### **AKInvestment**

#### **General Manager**

Ziya Akkurt joined Akbank in 1996 as Manager in charge of the Corporate Banking Department and from 1997 onward, served as Executive Vice President. Mr. Akkurt was appointed General Manager of AKInvestment in 2008. He held executive positions at various commercial banks including Ottoman Bank and Banque Paribas/Paris prior to joining Akbank. Ziya Akkurt is a graduate of the Faculty of Economics and Administrative Sciences from Middle East Technical University.

Ziya Akkurt was appointed Deputy CEO of Akbank, in charge of Corporate and Commercial Banking on April 1, 2009.





**Hülya Kefeli** (01)  
Executive Vice President  
International Banking

**Alpaslan Özlü** (02)  
Executive Vice President  
Information Technologies

**Ferda Besli** (03)  
Executive Vice President  
Commercial Banking

**M. Fikret Önder** (04)  
Executive Vice President  
Private Banking

**Zeki Tuncay** (05)  
Executive Vice President  
Human Resources and  
Support Services

**Ahmet Fuat Ayla** (06)  
Executive Vice President  
Credits

**Reşit Toygar** (07)  
Deputy CEO  
Treasury

**Atıl Özus** (08)  
Executive Vice President  
CFO

**Sevilay Özsöz** (09)  
Executive Vice President  
Operations

**Galip Tözge** (10)  
Executive Vice President  
Retail Banking

**Zafer Kurtul** (11)  
Board Member and CEO

**Cem Mengi** (12)  
Executive Vice President  
Corporate Banking

**Mine Könüman** (13)  
Executive Vice President  
Payment Systems

**Eyüp Engin** (14)  
Head of Internal Audit

**Burak Tansan** (15)  
Executive Vice President  
Strategy and Corporate  
Communication

**S. Hakan Binbaşgil** (16)  
Deputy CEO  
Retail Banking

**Gülsün Lenger** (17)  
General Manager  
AKLease

**Cem Yalçınkaya** (18)  
General Manager  
AKAssetManagement

**Ziya Akkurt** (19)  
General Manager  
AKInvestment



Detail from the painting "Napoleon's Nose, Transformed into a Pregnant Woman, Strolling  
His Shadow with Melancholia amongst Original Ruins." (1945); oil on canvas







US\$

1.2

BILLION\*

\* Consolidated net profit as of the end of 2008



# REVIEW OF OPERATIONS IN 2008

## Economic Developments

Throughout the world, economic activity in 2008 was dominated by global dynamics rather than domestic events. Beginning with the second half of last year, the credit crunch that originated in the US sub-prime mortgage markets accelerated and spread to affect the real economy in addition to financial markets, leading to a contraction in major developed economies and a marked slowdown in global growth figures. The US, Euro-zone and Japan have technically slid into recession. IMF in the meantime lowered its growth forecasts as low as 3.4% and 0.5% for 2008 and 2009, respectively.

It is anticipated that the total loss in the financial sector might exceed US\$ 2,000 billion in the forthcoming period; governments in many countries have come up with bailout packages to tackle the challenges posed by this crisis. Capital injections, partial buyouts of bad debts, government guarantees for banks' borrowing from money and capital markets were among the most common measures in these rescue packages.

To complement monetary policy measures, some countries such as the US and China have also resorted to fiscal stimulus packages.

Starting with the second quarter, weakening domestic demand signified a relatively lower growth rate for the Turkish economy. During the first three quarters of the year, 3% growth in GDP was considerably lower than the 2002-2007 average of 7% annual growth; it is forecasted to slide to below 2% for the entire year.

In the first half of 2008, inflation emerged once again as a problem due to the rise in food and energy prices and has reached 12% in the course of the year. However, in the last months of the year the positive outlook for food and energy prices backed by weak domestic demand facilitated a rapid improvement in the inflation outlook. By the end of 2008, annual inflation receded to 10.1%. This also enabled a reduction in the overnight

**The strong growth achieved in assets due to a robust capital base, reliable deposit structure, proven ability to raise foreign financing on favorable terms, as well as the successful risk management infrastructure have helped reinforce Akbank's leading position in the Turkish banking industry.**

interest rates of the Turkish Central Bank that increased from 16.75% at one point due to inflationary pressures, to 15% by the end of the year. With the continuation of the positive outlook with regards to inflation, it is estimated that further cuts in interest rates currently standing at 11.5% can continue during the rest of 2009.

The decline in energy prices as a result of the global economic slowdown and weakening domestic demand have had a positive effect on the trade deficit, which in turn reflected a significant improvement in the current account deficit. The current account deficit, having reached US\$ 49 billion in August eased to US\$ 41 billion by December. Considering that the energy deficit accounts for almost all of the account deficit by the end of 2008, the most significant factor for improvement in the current account deficit was the decline in the oil prices that plunged from record highs of US\$ 150 in July to US\$ 40 with the fall in global demand.

The decline in commodity prices and the improvement in the trade deficit due to the slowdown in domestic demand are expected to continue in the upcoming period. Therefore, we estimate that the current account deficit that dropped to US\$ 41 billion at the end of 2008 will slide further to US\$ 20 billion in 2009. Despite the slowdown in overseas capital inflow due to diminishing appetite for global ventures, foreign direct investments achieved a relatively strong performance in 2008. Although the cumulative foreign direct investment throughout the course of the year was lower than the previous year, it was in excess of US\$ 15 billion. In 2007, foreign direct investment

stood at an all-time-high of US\$ 20 billion. Additionally, financial markets in Turkey and other developing economies were negatively affected by the global flight from risk. Particularly after the fluctuation in October, the Turkish lira depreciated and effective interest rates increased considerably. With the markets recovering to some extent by the end of the year, US\$/TL rates stabilized around US\$ 1.50 with interest at 16% while the annual depreciation at the ISE exceeds 50%.

## KEY FIGURES FROM 2008

Akbank, the most valuable bank in Turkey as of the end of 2008, maintained its leading position in the Turkish banking industry owing to its robust balance sheet, transparent approach to corporate governance, and strong and long-standing banking relationships.

In 2008, total consolidated assets of Akbank have increased year on year by 29.1% to TL 93.1 billion (US\$ 61.2 billion). The overall consolidated loan portfolio has grown 23% to TL 49.1 billion with a market share of 12.6%. In terms of lending operations; 38% of the loans were corporate, followed by 20% commercial, 12% SME and 30% consumer loans.

In the same period, consumer loans increased by 9.7% to TL 9.6 billion with a market share of 11.8% as of year end. The biggest surge in consumer loans was achieved by general-purpose loans, reaching TL 3.9 billion with a 15.6% increase. The market share of the Bank for general-purpose loans rose to 10.2%. Furthermore, mortgage loans worth TL 4.6 billion indicate an increase of 14.2% over the previous year.

## Akbank, the most valuable bank in Turkey as of the end of 2008, maintained its leading position in the Turkish banking sector owing to its robust balance sheet, transparent approach to corporate governance and strong and long-standing banking relationships.

As a result of effective strategies pursued for deposit growth, consolidated deposits have grown 32% to TL 57.6 billion. Akbank achieved an overall market share of 11.7% for deposits in 2008.

In line with the increase in credit card payments and other banking services, net revenue from fees and commissions have grown to 16%.

With its robust capital base, reliable deposit structure, ability to raise foreign financing on favorable terms, strong growth achieved in its assets and successful risk management infrastructure, Akbank reinforced its leading position in the Turkish banking industry. As of the end of 2008, the Bank reported consolidated net profits at TL 1,782 million (approximately US\$ 1,171 million) and overall consolidated assets of TL 93,093 million (approximately US\$ 61,173 million). Akbank's unconsolidated net profit reached TL 1,705 million (approximately US\$ 1,120). At 17%, consolidated capital adequacy ratio of the Bank is one of the highest in the sector.

### Leading Private Bank with Highest Free Capital

In 2008, Akbank once again emerged as the leading private bank in terms of free capital. By the end of 2008, Akbank registered a free equity capital of TL 10.5 billion (US\$ 6.9 billion); this is the highest amount of free capital among private banks in Turkey.

### Quality Management

In line with Akbank's customer-oriented service approach, the Quality Management Department works to enhance customer satisfaction. The level

of customer satisfaction is regularly measured with surveys focusing on each segment and channel. Based on outcome, new practices to enhance satisfaction are devised and implemented.

Customer Satisfaction Surveys covering all customer segments are conducted each year; the results are followed with action plans based on the business units. In conjunction with annual surveys, channel-based research, opinions and suggestions from customers provide valuable input for the measurement and evaluation of customer satisfaction.

Branches act as the most effective and direct channel to generate customer satisfaction. Led by this assessment, benchmarks of service quality as expected by the customers have been defined and branches have been asked to achieve and maintain these standards. The service quality level of each branch is closely monitored and areas for further improvements are explored.

Service quality of the regional directorates that complement the work of branches and other distribution channels is another significant factor to enhance customer satisfaction. Therefore, the level of service quality provided for the customers at the regional directorate is monitored and guaranteed with interdepartmental service contracts. As of the end of 2008, 12 such contracts were signed by relevant departments; work on an additional 28 is ongoing.

Ensuring user-friendliness and clarity on screens, forms and reports supplied for the customers and employees is another determinant in achieving

customer satisfaction. The inception of the Customer Experience Team under the Quality Management Department in 2008 is a direct consequence of this recognition.

### Participatory Innovation

Enabling increased participation of Akbank employees for innovative practices, raising awareness on the issue and objective evaluation and implementation of innovative ideas are some of the primary responsibilities of the Quality Management Department. Within this scope, 123 employees from various departments have been trained as "innovation envoys" who regularly meet and form ad-hoc "idea teams" to discuss the most pressing issues for the Bank during brain-storming sessions.

Furthermore, an Innovation Committee consisting of high-level executives assesses innovative ideas presented by employees and customers and encourages the implementation of the adopted proposals by relevant departments. In 2008, 14 out of 65 innovative suggestions debated at the Committee were adopted.

Throughout the course of 2008, a total of 9,681 improvement and development suggestions were put forward by employees and customers, of which 686 have been further explored by relevant departments for project development. In line with the Bank's suggestions system, a "Suggestion of the Month" is selected from among the submissions and the applicants are awarded.

### ABC (Akbank Banking Center)

The construction work for the new banking complex in Gebze Şekerpınar is underway. Project development for this 79 acre site purchased in 2007, has been assigned to one of the world's leading architectural companies, Skidmore Owings and Merrill. Upon completion, Akbank will relocate its operational service departments currently based in different locations across Istanbul to this new complex.

## CORPORATE BANKING

In 2008, Akbank Corporate Banking continued to strive toward being the "Bank of first choice" for its customers, with its dynamic, strong, customer-oriented, innovative, value adding and pioneering banking approach catering to every strategic and financial need of its customers. Customer relations are carried out in line with the vision of building solution partnerships while maintaining and enhancing its position as its customers' main bank. The Corporate Banking Division seeks to meet all banking and financial requirements of its customers with a pro-active approach involving in depth penetration in their operations. Providing state-of-the-art products and financial solutions designed to the specifications of the customer and segment through its corporate branches, Akbank Corporate Banking continues to generate opportunities to create synergy within the bank as well as in the scope of other group companies.

The Corporate Banking team adopts a customer-oriented approach in its operations and introduces innovative products to meet the customers' needs. In 2008, the team played a significant role in the long-term financing of investment projects, privatization and acquisition deals, emerging as the financier of projects that made headlines in Turkey. The Corporate Banking branch serves over 1,500 clients in the corporate segment with risk management and financing products such as export and import loans for funding the rapidly expanding trade, working capital loans, investment loans, letters of guarantee, letters of credit, financing for domestic receivables, supplier financing and products such as forward and swap transactions. Furthermore, customers benefit from the services AKAssetManagement offers to manage their asset portfolio. Dealing with the customer primarily as a business partner, the Department takes the lead to develop solutions for cash management or

process improvement issues by referring these to relevant departments. This approach serves to enhance customer satisfaction while providing sales opportunities for respective products of the other departments of the Bank. Offered in collaboration with the Treasury Marketing Group, products such as repos, mutual funds, bills, bonds and Eurobonds enable companies to utilize their idle funds more effectively.

### Corporate Loans and Project Finance Loans

Akbank sustains an effective loan-risk equilibrium by establishing continuous risk monitoring systems and by employing appropriate levels of collateral. Due to prudent lending policies in place, Akbank emerged as the bank with the smallest ratio of non-performing loans (NPLs) in the Turkish banking sector. With its customer-oriented service and sustainable growth practices, Akbank Corporate Banking has built long-lasting business relationships with corporate clients and extended new loans worth TL 730 million and US\$ 1.7 billion in 2008, bringing the Bank's total default risk exposure to TL 20.8 billion.

In recent years, increases in domestic and overseas investments through privatization and acquisition deals fuelled the growth in the project financing lending market. Akbank Corporate Banking achieved a successful track record in this particular field by steadily expanding its share of project finance over the years. Many of the privatization and acquisition deals or investments that made headlines in Turkey were financed through Akbank Corporate Banking. Having considerably expanded the volume of its transactions in 2008, Akbank remains committed to its prudent loan allocation policies and effective risk management practices. By the end of 2008, the Bank's project finance risk exposure stood at US\$ 4.5 billion. Akbank extended US\$ 2 billion in new project finance loans in 2008.



**Our motto is never to give up on our dreams whatever the circumstances. We have set out with ambitious projects and thanks to Akbank we have managed to realize every one of them. Therefore, when it comes to project finance, it is Akbank we turn to. Akbank knows its customers well. Its services are not limited to meeting our financial needs; it involves in problem-solving whenever we need it. In short, we are very pleased with the customer-oriented business practices of Akbank.**

**Cem Köksal**  
Chief Financial Officer (CFO) and  
Member of the Board  
Vestel Group and Zorlu Holding

Rather than focusing its project financing on a particular industry, Akbank diversifies its lending evenly between different industries such as energy, real estate, telecommunications, infrastructure, transport and petrochemicals. The risk exposure of the Bank is fairly low since these projects are generally secured by Turkish Treasury guarantees or are highly collateralized. The Bank secured significant shares in syndicated loans, which became increasingly prevalent in 2006: extending loan facilities to many financial companies in Turkey. Akbank monitors privatization programs and provides financing for large scale projects such as direct asset sales, transfer of companies' rights of superficies, airport operation rights and hydroelectric power generation projects. Acquisitions, which have become more common in Turkey in recent years, represent another area that the Bank is actively involved in financing.

In addition to providing commercial investment loans, Akbank Corporate Banking also provides brokerage services for the provision of investment loans under the guarantee/insurance schemes of international export credit agencies or insurance companies.

## TRANSACTION BANKING

The Transaction Banking Department provides integration of products, processes and accounting systems for collection and payment transactions. Transaction Banking creates synergy within the Bank with specific products and transactions aimed at corporate, commercial, small business and consumer banking segments. The activities of the Department are run in accordance with the common goals of 12 business units and 30 departments within

Akbank. The Department is assigned to analyze the cash management requirements of customers and develop solutions in response. Along with custom designed solutions offered to corporate customers, special products and services are generated for consumer banking customers and small businesses. Akbank's extensive branch network and alternative distribution channels are effectively utilized for all cash management activities.

Operated on an advanced technological infrastructure by a qualified team in a reliable and swift fashion, the cash management services create an infrastructure that can seamlessly work and interact with all accounting softwares in Turkey. Therefore, by facilitating accounting integration, Transaction Banking contributes to increased operational efficiency for its customers as well as the Bank itself. The Information Technology team assigned to the Department was working in collaboration with the central Information Technology Department to devise hundreds of new projects most of which involved company-specific development ideas.

In terms of Transaction Banking, 2008 was a year of laying groundwork for significant future developments. This year new strategies that regulate payment and collection traffic of customers have been introduced to increase payment-based revenue, especially current account deposits. In terms of direct lending products, the Bank's loan limit grew by 125%, while the number of primary companies increased by 60%.

## COMMERCIAL BANKING

The mission of Akbank Commercial Banking is to support its customers from medium size businesses to accomplish their objectives. Therefore, acting as a business partner, the Commercial Banking team anticipates the financial and non-financial needs of the customer and swiftly responds with solutions.

With its signature approach of innovative, fast, reliable and competitive banking, Commercial Banking continued to offer a wide range of services to its customers from foreign trade to investment, or from cash management to lending, risk management and insurance in 2008.

The provision of financing for investment projects played a major role in the growth of Akbank Commercial Banking in 2008. Funding was extended for customer investments in various fields such as the management of shopping malls, commercial estates, residences, factories, hotels, logistics centers, vehicle inspection centers, chemical tankers and operation of airports, ports, hospitals and gold mines.

The Commercial Banking arm also supported growth in the energy sector which are of vital importance to the future of Turkey. Customers received funding for various projects including a natural gas conversion plant, coal plant, hydroelectricity plant, wind turbines and geothermal energy generation plant.

The high quality and state-of-the-art services provided for companies operating in the international markets aim to support their success overseas. The Department specializes in minimizing the risk and increasing the competitiveness of its markets operating in international markets. It accomplishes this by offering customized solutions and foreign trade products such as banker's acceptance (time draft), letters of credit, letters of guarantee, external guarantees, discounted letters of credit, export factoring, Eximbank loans and country specific loans.

For those seeking safeguards from the exchange/ interest rate fluctuations in these volatile times that makes risk management even more crucial, Akbank Commercial Banking offers forward, option, swap transactions and other hedging products tailored to the specific needs of the companies.

For farmers, merchants and companies delivering produce to the Turkish Grain Board (TMO), provision of loans against consignment receipts issued by TMO, which began in 2005, is ongoing.

Acting on the conviction that the support banks provide to their customers is not limited to the provision of finance facilities, Akbank Commercial Banking actively provides guidance and advice for its customers in addition to a variety of banking products and services. The aims of the commercial arm involve helping customers develop new vision statements, find new markets for their products/services and generate demand.

In 2008, Akbank Commercial Banking assumed corporate sponsorship of the Turkish Enterprise and Business Confederation (Türkonfed), one of the largest non-governmental organizations in Turkey's business community. Akbank customers have had the opportunity to obtain information about: funding sources, SME policies, active entrepreneurship in the World Bank seminars, Presidents' Council, Enterprise and Business Summit and other conferences and symposiums held by Türkonfed.

Akbank Commercial Banking has also taken an active part as one of the sponsors at the Seventh Industry Congress held by Istanbul Chamber of Industry in 2008 aiming to enhance the competitiveness of Turkish industry and sustain its achievements. Furthermore, at the 14th International Energy and Environment Technology Systems Exhibition and Conference, another event supported by Akbank, participating companies were informed about funding models offered by the Bank for energy investments.



**We regard our relationship with Akbank a long-term partnership. It gives us confidence to know that Akbank stands by us during and after company acquisitions for all financing needs.**

**Akbank has always been there for us, supporting the growth of our companies not only during acquisitions, but throughout foreign trade dealings, capacity increases, machinery purchases, land purchase and factory construction investments. Akbank succeeds in generating custom-made solutions for its customers with all its products and services on offer. Therefore, we regard our Bank, not merely as a bank but as a solution partner.**

**Mustafa E. Say**  
Founder-President  
AccessTurkey Capital Group

In meeting the requirements of its customers, Akbank Commercial Banking continued to promote and sell products provided by its subsidiaries or sister companies such as Ak Lease, Ak Insurance, AKSecurities, AKAssetManagement and AvivaSA Pensions and Life Insurance through the commercial branches.

By the end of 2008, the number of Commercial Banking customers had grown to 13,170 in one year, leading to a 50% increase in the cash loan volume of TL 9.5 billion.



Detail from the painting "The Bacchus Wagon" (1953);  
watercolor on board

© Salvador Dalí, Fundació Gala-Salvador Dalí, VEGAP, 2008







US\$

32.2

BILLION\*

\* Consolidated loans as of the end of 2008



## RETAIL BANKING

In 2008, Akbank continued to offer special products and services to its customers with the aim of providing the best retail banking experience in Turkey.

### CONSUMER BANKING

For customers in the consumer banking segment, Akbank products and services are available through the extensive branch network, well-trained and experienced sales staff and alternative distribution channels. Throughout 2008, the Consumer Banking team have focused on gaining new customers and expanded the active consumer banking customer portfolio to five million including existing customers.

Akbank Consumer Banking has classified customers into sub-segments based on their financial needs, level of business with the bank and other demographic criteria and has rearranged and diversified its products and services accordingly. Having analyzed customers' needs and expectations with the state-of-the-art technological infrastructure, it thus becomes possible to proactively offer products achieving increase in cross sales and more depth and retention in customer relations.

For those customers in the consumer banking segment with a high asset portfolio, one-to-one banking continues to bring customized solutions and exclusive offers.

In 2008, 191 Customer Relations Managers (CRM) in 164 branches provided one-to-one services for the financial needs of the customers with regard to their portfolios. Through one-to-one CRMs who also act as financial advisors, Akbank caters to all of the financial requirements of its customers while continuing to put customer satisfaction at the forefront.

Youth Banking transactions conducted under the brand exi26 since 2005 constitute one of the basic pillars of building long-term banking relationships for Akbank. With exi26 involving special services for young people between 16

and 26, Akbank aims to bring solutions to financial as well as non-financial needs of the youth. The exi26 brand provides services and products custom-made for young people such as the exi26.com youth portal, smart cards for selected universities, Axess exi26, Neo exi26, special consumer financing and car loans, Adrenalin Insurance and Electronic Appliance Insurance.

Aiming to be a part of the life of young people, exi26 participates in campus life with specially designed branches and cultural activities on campus. Extending its support for the young people beyond university activities, exi26 has stood by young people in all major cultural events on a national scale.

In 2008, Akbank continued to gain customers in the consumer banking segment through new services for payments of salaries and private school fees. Salary payments are seen as a crucial source of increasing customer numbers with a high potential for brand loyalty and cross sales. Despite fierce competition in this area, the number of customers who receive their salary payments through Akbank reached 810,000 by the end of the 2008.

### Consumer Loans

Akbank was developing new products and services to meet all financial requirements of consumers while providing simple, reliable, fast and high-quality banking services with the latest technology in 2008.

A leader in terms of consumer loans, Akbank focused on general requirement loans and a special overdraft facility under the brand name Artı Para in 2008 in line with its profitable growth objectives. Product marketing campaigns were held for selected customer segments with regular payment habits, ensuring a healthy portfolio growth as well as increased interest and commission revenue.



**I've been working with Akbank for many years. I am very pleased with the service I get at my branch. The staff is always polite and helpful... However, believe it or not, I had no need to go into the branch for a long time since Akbank is wherever I am! Recently, I needed to apply for a loan; people said why not try an smsLoan via mobile phone. Done before you can say it; it is that easy! Just key in your citizenship number, send the message and you have your loan the same day!**

**Dr. Seher Gürsoy**  
Anesthesiology & Reanimation Specialist

## Akbank launched ATM credit in April 2008 offering loan application facilities over ATM/BTM machines in addition to alternative distribution channels such as MobileLoan, WebLoan, smsLoan and Loan Machine providing instant loan applications for a convenient life.

Including Artı Para, the total balance of consumer loans have grown 16% to TL 3.9 billion and the number of consumer loan users has risen to 727,000, indicating a 20% increase. The number of active Artı Para customers hit 686,000 with a 20% increase while Artı Para's balance surged by 56% over the year to reach TL 284 million.

Regarding car loans, Akbank maintained its lead in the segment with a portfolio worth TL 1.1 billion in 2008 and 78,300 customers.

As of the end of September 2008, there were 99,000 mortgage customers with loans totaling TL 4.6 billion. As for the overall portfolio of consumer loans, a 10% increase was achieved in comparison to the end of 2007, bringing the total volume to TL 9.6 billion.

To address mass market consumers, new applications compatible with a wide range of products were introduced throughout 2008, diversifying repayment options in accordance with the customers' needs and cash flows. In addition to alternative distribution channels such as MobileLoan, WebLoan, smsLoan and Loan Machine providing instant loan applications to ease the lives of its customers, Akbank launched ATMCredit in April 2008 offering loan application facilities via ATM/BTM machines.

In July 2008, the product range of Consumer Loans further expanded with new product options and loans with flexible repayment terms, such as Deferred Repayment, Interest-Only Repayment Period, Payment Holiday, Term Rescheduling, Over/Underpayment, Fixed-Rate, Combined Rate and Indexed Rate Mortgage with Initial Fixed Rate Period. The new products were designed to provide convenient alternatives that matched customers' payment preferences while boosting the commission revenue of the Bank.

Regarding mortgages, new products including New Home Mortgage, Payment Bonus Mortgage, One Mortgage Many Loans, First Home Mortgage and No Down Payment Mortgage have been launched bringing the mortgage product alternatives to 18.

### Investment Products

As of the end of 2008, the Akbank investment portfolio included 15 investment funds issued by Akbank, one issued by AKSecurities and 'Akbank Private Banking Emerging Markets Bond Fund,' managed by Pictet, one of the biggest private banks in Switzerland.

In 2008, the product range was further expanded with three new 100% hedged Type B funds offered to the public for the first time by Akbank. These hedge funds aim to preserve capital while generating revenue from different instruments. The six-month term Third Fund was issued in October 2008 with two more issued the following month. Consistent with its market share objectives for hedge

funds, Akbank completed the systemic infrastructure works for four new capital-guaranteed hedge funds.

Campaigns for Gold-Laying Funds and Liquid Fund in June, and Prize-Draw Liquid Fund campaigns that have run in two terms from October 15th to the end of the year, have proven very popular among investors.

Following the assignment of Salaried Roof Accounts to 300,000 customers by the end of 2008, the volume of Liquid Fund transactions expanded considerably. This has been helped by recent campaigns which brought Akbank 10,000 new fund customers, totaling 18,000 when those paying in their salaries are included. For new salary paying accounts, the aim is to assign customers with feasible salary roof facilities.

As of the end of 2008, Akbank investment funds have a portfolio volume of TL 3.2 million indicating a 13.69% market share.

With its tiered commission practices for stock markets, Akbank ensures that customers can make fast and secure transactions using alternative distribution channels and paying relatively low commissions. Those customers not using alternative distribution channels are referred to AKSecurities with commissions then shared equally. Relevant infrastructure work was initiated to systematically monitor the practice that has a significant revenue potential through commissions.

For customers using alternative distribution channels for stock exchange transactions, the "Forty over Forty Stock Campaign" that was held on two different occasions, between February-March 2008 and between September-October 2008, made a positive impact on market share by increasing the number and trading volume of customers. Year-end results show that the market share of Akbank in stock trading was 3.86%.

### Other Banking Services

In the insurance segment, Akbank offers products such as individual pension funds and life insurance from AvivaSA along with other types of insurance policies by Ak Insurance. The synergy created with the insurance companies which stand individually as the most valuable brands in their field adds great value to Akbank in terms of bank insurance operations.

Throughout the year, Akbank covered significant ground to be able to meet the insurance needs of its customers with a one-stop approach.

In 2008, Akbank focused on the private pension systems (PPS) establishing special PPS sales branches where qualified Customer Relations Managers carry out in-depth analysis of the needs and circumstances for their customers with regard to retirement and the provision of tailor-made individual pension products. Akbank concluded 10% of all Private Pension Fund sales in 2008.

Over the course of the year, special insurance solutions were devised for specific customer segments. For those customers with salary payments "Plan B" was introduced as a special insurance instrument protecting the salary. Akbank Call Center also offers special accident insurance packages for Akbank credit card holders.

## For customers in the consumer banking segment, Akbank products and services are available through the extensive branch network, well-trained and experienced sales staff and the alternative distribution channels.

### Alternative Distribution Channels

Each month, 3.3 million customers use Akbank's alternative distribution channels.

### Freedom Banking Wall

The Dedicated Freedom Banking Wall in Akbank branches are equipped to provide access to Akbank Retail Internet Banking and 444 25 25 Akbank Telephone Banking. Customers enjoy the ease of swiftly completing their transactions on the Internet and phone banking services. At present, there are 725 branches with Freedom Banking Walls providing 258 Internet and 774 telephone access units.

### Retail - Corporate Internet Branches

1.2 million customers have used Akbank Internet Branch at least once.

In 2008, the MobilePassword (SMS OTP) application became mandatory for single and multiple users of the Corporate Internet Branch.

Rewarding customers who access Retail Internet Branch with a variety of gifts and chip-money through lottery drawings, the Akbank Rewards Campaign between August and September 2008, contributed to the increased number of new customers.

The functions menu on retail and corporate sites have been updated to include online and direct debit donations, Avea and Vodafone Top Up and Direct Debit Top-Up functions.

### Akbank Websites and Akbank Investor

The corporate website of Akbank, [www.akbank.com](http://www.akbank.com), draws 9.5 million visitors on average every month.

Designed as a dedicated site to offer detailed financial market data for investors, [akbankyatirimci.com](http://akbankyatirimci.com) pulled in an average of 850,000 visitors per month.

Launched in May 2006 to provide information and advice on Akbank home loans, more than 75,000 visitors access the Bank's dedicated site [www.buyukkirmiziev.com](http://www.buyukkirmiziev.com) each month.

### 444 00 11 MobileLoan/WebLoan/smsLoan/ATMLoan

Introduced in December 2005, MobileLoan has set a new benchmark in the sector as the first dedicated loan line in Turkey. Upgraded to suit the needs of its customers, MobileLoan is now accessible through landlines as well as mobile phones. Processing applications for loans and credit cards along with monthly repayment advances and balance transfers, 444 00 11 MobileLoan services receive over 80,000 calls every month.

Launched in 2007 as unprecedented service for loan applications with citizenship numbers as the sole requirement, smsLoan has emerged as another unique advancement enabling a wider public to apply.



**"Your success is our success" - that was Akbank's message when they came knocking at our door two years ago. We needed such an innovation in our lives, so naturally we were pleased with it! It is hard to be an SME in this country! First, we started with a loan, then salary payments, credit cards, checks, receipts, tax and insurance payments then merchant services followed, all of which built a closer relationship with the Bank. Two years ago, Akbank put its trust in us, supported us, dealt attentively with our requests, while offering custom-made solutions and now all of our transactions are entrusted to Akbank. Sharing success is indeed the best part of the deal...**

**Okan Kemal Kitapçı**  
Owner  
Ender Kitapçı Foodstuff and Foreign Trade Co.

Introduced in May 2008, ATMLoan repositioned ATM/BTMs as channels for consumer loan and credit card applications. Regardless of whether or not the applicant is a customer of Akbank, ATMLoans enable anyone to apply for consumer loans or credit cards by supplying citizenship and mobile phone numbers using the ATM/BTM, prompting 450,000 loan and credit card applications.

#### **444 25 25 Akbank Telephone Banking**

Serving over one million customers and responding to over three million calls per month, Akbank Telephone Banking has processed 75 million transactions in 2008.

Akbank Call Center received the awards for Best Technology Application and Most Innovative Call Center categories at the nationwide contest of call centers held annually by IMI on the sidelines of Istanbul Call Center Conference and Exhibition during the year.

#### **4425 SMS Branch**

Launched in the fall of 2005, the 4425 Mobile Phone Branch is an alternative distribution channel providing certain banking services over SMS protocol. CepAjan (Mobile Agent), CepEkstre (Mobile Statement), CepHesap (Mobile Account), CepCüzdan (Mobile Passbook) and Customer ID Line are the main functions carried out via the 4425 Mobile Phone Branch. With 800,000 members, 4425 Mobile Phone Branch processes over two million transactions per month.

#### **wap.akbank.com.tr**

Introduced in late 2008, wap.akbank.com.tr provides information about Akbank and financial markets through Internet service applications on mobile phones and hand-held devices.

At wap.akbank.com.tr Mobile Phone Branch, customers enjoy wireless web access to conclude a wide range of banking transactions from money transfers to automatic thoroughfare payments (OGS).

#### **Akbank ATMs**

Akbank has the fourth largest ATM network in Turkey with 2,318 ATM points (1,230 BTM inclusive), corresponding to a market share of 10.5%. 2.7 million customers use Akbank ATMs on average every month. Akbank is a founding member of the Golden Point (Altın Nokta) ATM sharing system comprising 45% of all ATMs in Turkey. Furthermore, Akbank and Citibank ATMs provide mutual access for their respective customers.

#### **Akbank BTMs**

Akbank has 1,230 BTM units serving at 720 branches. Each month, 2.6 million deposit transactions are concluded at the BTMs. In branches with BTMs, 54.1% of all paying in transactions have been referred to BTMs. Moreover, Citibank credit card and consumer loan payments can be made at Akbank BTMs.

#### **SMALL BUSINESS BANKING**

Driven by the slogan of "Your Success is Our Success", Small Business Banking caters to the financial needs of SMEs by providing all products and services with innovative solutions. Existing and new products meet a wide variety of SME requirements from cash management to loans, investments, foreign transactions, and sector specific requirements with a customer-oriented approach.

Small Business Banking offers customized banking packages for customers from different segments, sectors and regions, such as Tourism, Pharmacy, Food Wholesaler, Construction Contracting, Franchise, Stationery, Transport and Private Health Sector support packages. These packages involve various products and services such as cash and non-cash loans, check books, POS, salary payments, tax and social insurance payments (SSK), bill payments, automatic payment/collection systems, company credit cards, treasury bills, investment

funds, foreign trade transactions to name but a few. In terms of asset management, effective risk management is pursued along with profitability while loan pricing is done in accordance with the risk premium of the particular customer.

In 2008, funds worth € 77 million have been secured from the German Development Bank (KfW) for financing SMEs in priority provinces. This is the highest ever loan KfW has ever extended to a single bank in Turkey. Furthermore, the cooperation with the state agency, Small and Medium Industry Development Organization, enables provision of affordable financing for SMEs under the "Zero Interest Support Loan for Manufacturers, Tradespeople and Artisans" scheme.

In 2008, Small Business Banking customers were resegmented into three subcategories under company, micro and mass fields. Product categories, service models, pricing criteria for these subcategories and training programs of respective Customer Relations Managers have been rearranged and diversified accordingly.

The scope of bank-wide infrastructure projects for Business Process Improvement and Customer Relations Management was updated to reflect the new segment structure. Furthermore, a new project was initiated to provide faster and diversified services for Small Business Banking customers over alternative distribution channels.

The new product and segment management methods introduced at the Head Office level enabled Small Business Banking department to enhance

penetration in the market through new products and services developed in accordance with the needs and demands of the customers. SME Loans on Variable Rate Repayments, Regal SME Loans, and Special Herald are some of the ground-breaking services in the sector launched within this framework while special campaigns aimed at the micro-businesses ensured making headway in this segment. With a new organizational structure, Small Business Banking boosted the number of its Customer Relations Managers by 30% to 1,100. A field sales team, 150 members strong, was deployed in 20 regional directorates to facilitate marketing activities of the branches.

Paving the way for the entrepreneurs to turn their innovative ideas into business practices or to help them expand their companies, Small Business Banking supports special schemes for enterprises and increases the social awareness on entrepreneurship. In the meantime, Small Business Banking aims to draw up road maps for SMEs to provide information and to raise awareness in the sector. In addition to a series of meetings held under the theme of Basel II: Changing Business Dynamics, a new conference series "New Turkey: Opportunities, Concepts and Suggestions" was organized in six provinces in 2008. Furthermore, meetings in 16 provinces have helped provide information on support and non-repayment grant schemes of national and international organizations for SMEs. These events have also provided the backdrop for the promotion of Grant Finance and Consulting Package offered by Akbank to meet the financing needs of SMEs to the point they receive such institutional funding.

## CREDIT CARDS

### Axess, Wings and Fish

Akbank has emerged as a pioneering force in the credit card market fought with fierce competition in 2008. One of the leading players in the market with Axess brand, Akbank has sustained its growth trends in 2008 to achieve 26% growth in turnover. With 4.5 million credit cards and the largest member business network in Turkey, Akbank remains the principal provider of exclusive services.

As in previous years, Akbank continued to introduce innovative products and services tailored to customers' needs and expectations. In February, the Wings Business Card providing considerable convenience and efficiency to medium and large scale companies was launched. With its effective reporting tools Wings Business helps monitor spending while facilitating the lives of its customers with a generous reward miles program.

Citi Axess was launched in July as the latest outcome of the strategic partnership between Akbank and Citi ongoing since 2006. Citi Axess combines the global experience of Citi as the largest worldwide credit card provider with over 180 million cards, with Turkey's strongest credit card brand Axess. Merging balance transfer and active limit facilities on Citi credit cards with benefits of Axess such as repayment in installments and chip-money, Citi Axess has set a new benchmark in the market.

Meanwhile, Akbank social responsibility projects have gained even further momentum in terms of credit cards. Providing a simpler and safer method for credit card holders to make donations to non-governmental organizations, Axess Social Solidarity Platform was launched in August. Akbank credit card holders can make a single payment or set up a direct debit payment using their chip-money or their credit limits for donations.

To gain better insight of customer needs and to provide a more effective response, Turkey's innovative powerhouse Akbank has teamed up with Boyner Holding, a leading provider of a wide selection of original brands in retail and service sectors, to introduce Fish, a unique credit card for consumers. Fish cards incorporate many services and products that the two groups offer their respective customers. For the first time in the credit card market, the Fish card also offers the chance to win amazing prizes with drawings to be held daily, monthly and annually.

In addition to Boyner, Akbank signed another cooperation agreement in 2008 with one of the leaders in the retail sector, CarrefourSA. A new card program offering exclusive services for customers of the two companies will be launched in 2009.

In 2008, Wings included a new string of achievements in various international contests to those obtained with the Axess brand in previous years. Wings was honored with the Best New Card in Europe in 2007 Award in a contest held by Mastercard with participants from 51 countries. A major factor for winning this prestigious prize was Wings' in-depth understanding of its customers and the successful implementation of appropriate strategies to meet customer needs.

Year 2008 was notable for the introduction of new and exclusive features for Akbank credit cards. The Request Installments feature has enabled customers to pay for lump-sum installment transactions.

During the year, retention and recovery programs have been implemented for customers in the Axess and Wings portfolio with the aim of minimizing customer churn. Part of this approach was the segment-based recovery programs.

In the ever increasing competitive market of credit cards, customer-oriented, innovative and creative solutions gain further importance. Axess, Wings and Fish will be enhancing the Bank's market position in 2009 through creative and convenient solutions such as loyalty programs offering gifts for points accumulated by credit card expenditures and strong technological infrastructures.

## Neo

Introducing the unique feature of earning chip-money on shopping and banking transactions, Neo embodies a consolidated loyalty program. For the first time in Turkey, Neo has empowered customers with innovative options such as drawing cash at contracted establishments, selecting a personal design for credit cards from the catalogue and setting transaction limits while providing access to Akbank's key banking services.

In accordance with the objective of encouraging shoppers for debit card use and increasing sales volume, Neo achieved a remarkable sales figures in 2008 as evidenced by the 51% surge in its sales turnover.

As well as five different Neo products developed for their respective customer segments with alternative design options, special features have been devised in a cooperative effort between Akbank and various institutions such as the Ministry of Foreign Affairs and Turkish Grain Board.

An outstanding player in the debit card market with innovative features, design, approach and image, Neo keeps introducing innovative and exclusive features for Akbank customers.

## Merchant Services

Akbank has an established reputation as a lead player in the industry in terms of merchant services. Collaborating with 212,430 merchants using 250,615 POS terminals as of year-end 2008, the Bank's overall sales turnover from participating merchants increased by 26% over the previous year.

Likewise, Axess has further strengthened its market position by broadening its participating merchant network and running consumer-oriented campaigns. As of the end of 2008, 152,330 participating merchants offered installment and reward benefits to Axess cardholders. Compared to the previous year, merchants have seen a 33% increase in Axess sales turnover in 2008, thanks to the industry- and brand-specific campaigns. Axess reinforces its strong market position by entering into agreements with the leading companies in their respective industries.

POS portfolio was broadened with the introduction of Multimedia POS terminals which feature media players for commercials. Multimedia POS terminals also enable customers to apply for credit cards and credit limit increases. Meanwhile, the introduction of Akbank Wi-Fi POS terminals at BP and PO filling stations now allow cardholders to pay at the wheel.

Collaboration for shared POS terminals was ongoing in 2008, bringing their number to 63,489 by year's end.

Within the scope of recruiting new merchants among selected gourmet restaurants and beach facilities, Akbank has delivered special discounts, miles and chip-money rewards to Wings and Axess customers.

In 2008, six training seminars were held in Istanbul as part of the Axess Interactive project, reaching almost a 1,000 employees from participating Axess merchants. The merchant-oriented magazine SapSarı was delivered to 10,000 Axess merchant employees.

## CREDIT CARD SALES VOLUME

### TL MILLIONS

2007	18,584
2008	23,346

## CREDIT CARD LOANS

### TL MILLIONS

2007	3,830
2008	4,769



## AKBANK PRIVATE BANKING



**In my opinion, expertise, confidence and speed are the three essential pillars of the financial markets. You can count on these three for a good night's sleep in volatile market conditions such as these. While making my investment decisions, consultancy services from the advisor at Akbank Private Banking give me peace of mind. Their courtesy and attentiveness as well as the suggestions they have offered in accordance with my needs and expectations make one feel special. I know for certain that my investments are in safe hands.**

**Ruken Mızraklı**  
Deputy Chairman  
Gündüz Furs

Akbank Private Banking was set up to provide exclusive services for individuals with assets exceeding TL 500,000 to help with their investment decisions and to design tailor-made solutions around their needs. Along with investment solutions, customers receive a range of services for pensions, insurance and leasing with a one-stop approach with Akbank's dedicated relationship manager in cooperation with the Group companies.

Akbank Private Banking has operated since 2001 with an experienced team offering consultancy services at seven specially designed, deluxe branches; Levent, Nişantaşı and Suadiye districts of Istanbul and Ankara, Izmir, Bursa and Adana. There are plans in place to further increase this number in 2009.

Akbank Private Banking relationship managers supported by AKSecurities and AKAssetManagement experts constantly monitor their customers' investment strategies while providing exclusive solutions. Guided by principles of confidence and discretion in their dealings, relationship managers also provide regular reports about domestic and foreign markets, industry and product surveys for their customers.

Bringing together an experienced team of product-specific expertise, the investment department exclusively serves Private Banking customers, providing investment advice customized for their risk profiles and expectations, thus providing optimized investment options for their portfolios.

Year-end figures for 2008 for the portfolio of the Private Banking business unit reached US\$ 9,252 million. Compared with year-end figures from 2007, this figure signifies an 11.7% increase in US dollar terms. Viewed from the perspective of cross-sales opportunities, each customer was offered four different products on average.

### AFFLUENCE CONSULTANCY

Akbank Private Banking underwent a segmentation process in 2005 and set up the Affluence Consultancy Group within the Head Office to provide multi-perspective services for individuals and families with assets over TL 5 million.

The Affluence Consultancy Group aims for the preservation of family fortune growth through correct investment decisions and its transfer to the next generation in the most appropriate manner. From this standpoint, clients benefit from other special services such as one-to-one meetings with consultants from Sabancı Holding concerning tax, inheritance and economic issues as well as provision of private meeting rooms and fine arts consultancy.

To ensure the service quality, and therefore to maximize customer satisfaction, each relationship manager in this group is assigned for a maximum of 20 clients.



## INTERNATIONAL BANKING

Akbank has considerable bearing on Turkey's foreign trade due to its broad network of correspondent banks in 116 countries and its strong presence in Germany, the Netherlands and Malta. International Banking business of the Bank has concluded the year successfully with the support and confidence of its correspondents.

In 2008, customers received support in the form of letters of credit and letters of guarantee for investment projects and export/import transactions as well as long-term financing through overseas financial institutions. Moreover, Akbank has concluded a ten-year loan arrangement with two year deferred capital repayments worth € 50 million with the subsidiary of French Development Agency AFD, Proparco and this facility was extended to the SMEs as funding.

On August 14, 2008, Akbank with strong correspondence affiliations, robust financial structure and a prestigious reputation in international markets signed a record syndicated loan worth € 1 billion with 53 international banks from 20 countries. This is the largest syndicated loan for trade financing secured by a finance institution in the EMEA region (Europe, Middle East and Africa) in 2008. This loan also brought Akbank the 'Best Turkish Loan' award from Euroweek, the global capital markets magazine.

In 2008, Akbank has further improved its relationship with the Luxembourg-based European Investment Bank (EIB), an

**On August 14, 2008, Akbank, with strong correspondence affiliations, robust financial structure and its prestigious reputation in international markets, signed a record syndicated loan worth € 1 billion with 53 international banks from 20 countries.**

EU-backed investment and development bank with strong presence in the global financial markets. With an agreement signed in August, a ten-year loan of US\$ 393.5 million was included in the cash flow securitization as the 23rd tranche. This particular facility is also the first future flow securitization loan EIB has disbursed for the EMEA region. Through this loan Akbank further reinforced the development of SMEs which play an integral role in Turkish economy.

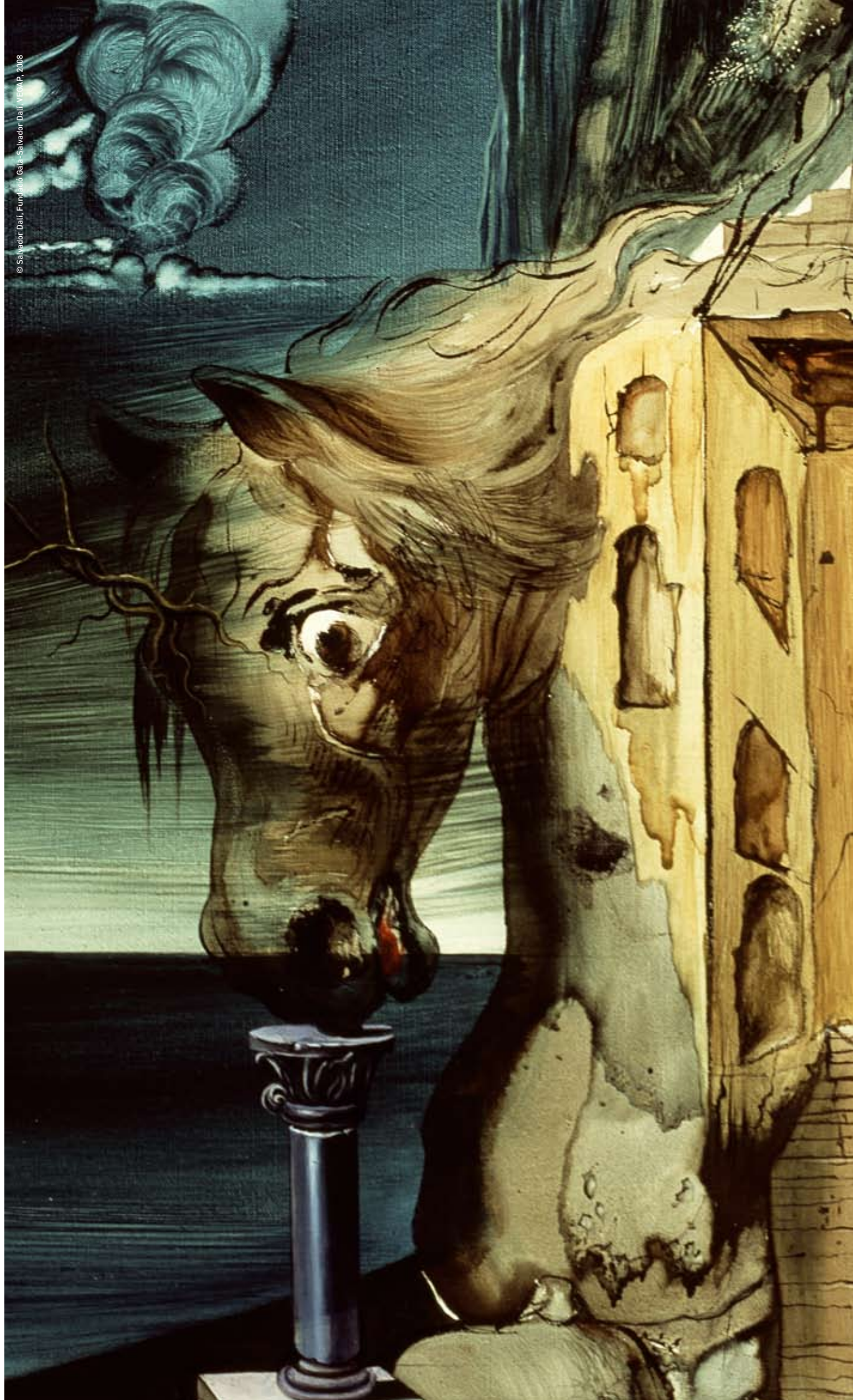
Akbank has also secured SME financing worth € 77 million with the agreement signed in May 2008 with German Development Bank (KfW). This was the initial provision of this facility for KfW as a new product backed by the European Union and Council of Europe Development Bank, extended for the first time to Turkey and Akbank. Secured with the aim of strengthening the entrepreneurship and improving access to financing for small businesses and farmers, this loan also stands out as the highest ever loan KfW extended to a single bank in Turkey. Akbank has also joined in the Small Enterprises Loan Program (SELP II) in December. Introduced by European Union, this program is implemented

in cooperation with Turkish Treasury Undersecretariat, Council of Europe Development Bank (CEB) and German Development Bank (KfW). Under this scheme, Akbank will act as the intermediary to convey the funding raised to businesses operating in the provinces of Central, Eastern and Southeastern Anatolia.

Finally, Akbank secured two separate syndicated loan tranches in US dollar and euro terms worth a total of US\$ 600 million in December 2008. Together with this particular loan which will be used to meet the global funding requirements of the real economy, the sum of Akbank's syndication loans raised in 2008 from international markets has reached US\$ 2 billion. This impressive sum achieved through strong banking affiliations at a time of global economic volatility has distinguished Akbank as the industry leader in terms of loan supply.

With the total loans raised by Turkish banks in 2008 standing at US\$ 8.35 billion, Akbank has the highest share in the market holding 24% of the sum.

Detail from the background project of "Mad Tristan" (second screen);  
oil on canvas







US\$

61.2

BILLION\*

\* Consolidated total assets as of the end of 2008



# TREASURY MANAGEMENT

The ongoing and widespread global crisis has once again highlighted the significance of treasury management. Akbank, with its long-standing and profound experience, commands the most successful treasury management practices in Turkey. Referred with praise in the publications of several foreign institutions, Akbank Treasury Management consists of Fixed Income Securities, Liquidity Management, Treasury Marketing, Strategic Solutions and Derivatives departments.

## FIXED INCOME SECURITIES (FIS)

Named as one of 12 market-maker banks by the Treasury Undersecretariat, Akbank is one of the most active participants in the primary and secondary markets. The FIS Unit of the Bank has retained its dominant position among other FIS units, owing to its competency in management at times of crisis.

During the highly volatile year of 2008, the FIS Unit played an active role in determining the trends in the market through competitive pricing for the high volume of transactions conducted via ISE, over-the-counter markets (OTC), brokers and electronic transactions. Regarding security trading in branches or online, retail and corporate customers have received the most effective services with the competitive pricing and product diversity. The quality service approach of the Unit has reassured investors' confidence while sustaining customer satisfaction.

In 2008, Akbank continued to conduct IRS (Interest Rate Swap) transactions to regulate the term risk of the existing portfolio.

## Treasury Marketing

Treasury Marketing Unit has adopted a customer-oriented service approach paralleling Akbank's objective to become the leading bank in terms of market share and developed diverse products to meet the needs of corporate,

business and consumer customers. In addition to informing customers about market movements on a daily basis, through reinforcing its technological structure, the Unit facilitated faster and more competitive pricing for customer transactions and improved its service quality.

Utilizing the branch network of the Bank, the Treasury Marketing Unit continued to provide brokerage activities for Treasury Bill and Eurobond trading. It increased its trading volume, hence boosting the Bank's share in spot FX-TL, FX-FX, swap and futures markets due to competitive pricing.

Closely monitoring the term deposit volume of the Bank, the Treasury Marketing Unit plays a leading role in increasing the Bank's share of this particular market by analyzing market conditions and then giving customers quotes through branches and Head Office departments.

## Liquidity Management

The Liquidity Management Unit is in charge of running the short and long-term foreign currency and Turkish lira liquidity policies of the Bank. Through monitoring money market transactions, the Unit engages in borrowing of foreign currency and Turkish lira, turning idle funds into investments and ensuring effective management of the Bank's funds utilizing tools such as swap and forward.

The Unit determines FX/TL quotations in the interbank market and conducts trading in foreign currencies and Turkish lira. In order to provide the best service for Akbank customers, the Unit also announces narrow-spread figures for floating FX rates and cross-rates as well as competitive repo rates to Akbank's extensive branch network and other distribution channels.

## Derivatives

The Derivatives Unit operates with a customer-oriented approach in line with Akbank's target and vision of obtaining

its due place in the rapidly developing derivatives markets. The Unit is engaged in over-the-counter derivatives, organized derivatives and precious metal markets.

With its OTC activities, the Derivatives Unit develops and offers derivative products customized for Corporate, Business, Retail and Private Banking customers of Akbank. Corporate/commercial customers' balance sheets are analyzed in order to support their interest, term and currency risk management. By outlining the risk/yield profiles of Private Banking customers, the Unit accordingly offers return-enhancing products or hedging products for risk-averse investors.

The Derivatives Unit aims to provide the most competitive pricing in the fastest way for customers and subsequently to further reinforce its trade volume and develop the foreign exchange options portfolio of the Bank. Return-enhancing products not only help the Bank broaden its deposit base, but also offer alternatives for those wishing to obtain a higher return than the deposit interests for their investments.

Regarding transactions in the organized derivative markets, the Unit provides brokerage services for the Turkish Derivatives Exchange (Turkdex) and enhances the market liquidity by taking positions in foreign exchange contracts on behalf of the Bank's portfolio in domestic and overseas markets. Upon completion of the infrastructure works, brokerage services will also be offered in this field. Providing off-site live access to Turkdex, the Unit will soon extend this service to all customers over individual Internet Banking website.

The precious metals transactions particularly address goldsmith sector requirements. The Unit operates at the Istanbul Gold Exchange (IGE) to provide actual gold loans. Additionally, the Unit also undertakes brokerage tasks for the gold fund of the IGE.

## CAPITAL MARKETS AND OTHER FINANCIAL SERVICES

**Since its inception, AKSecurities strives to provide the best service for its customers by investing on information technologies and human resources. Bringing stock market to the palm of the investor's hand with Blackberry technology, AKSecurities enables customers to conduct real time stock trading transactions and monitor global stock exchange indices.**

Akbank runs its non-banking financial activities through its subsidiaries, namely AKSecurities, AKAssetManagement, AKInvestment Trust and AKLease. Products and services of these subsidiaries are also promoted through Akbank branches.

### AKSECURITIES

Founded in 1996 to provide brokerage services in capital markets, AKSecurities has achieved fast and steady growth. Defining its mission as "serving the mass market with the most comprehensive product portfolio", AKSecurities has emerged as a leading brokerage firm with 217,482 accounts and 164 employees. The Company has grown into the fifth largest brokerage firm as of the year-end of 2008, executing 3.86% of the overall Istanbul Stock Exchange [ISE] trading volume.

For corporate customers abroad, AKSecurities offers trading services for Turkish capital market products through its International Corporate Sales Division.

Company reports and bulletins regularly compiled and posted by the Research Department for domestic and foreign investors in both Turkish and English which help play a significant part in facilitating customers' decision making.

With its competent team of experts, Corporate Finance Department specializes in advising domestic and

foreign companies concerning IPOs, mergers and acquisitions, financial partnerships and provides consultancy services for the buyers or sellers in privatization deals.

Maintaining an extensive network, AKSecurities will be providing domestic brokerage services at eight Private Banking Branches (Istanbul [3], Ankara, Antalya, Izmir, Adana, Bursa) and over 700 Akbank branches across Turkey from February 16, 2009. Round-the-clock remote access services are also available at AKSecurities website ([www.akbank.com](http://www.akbank.com)).

Since its inception, AKSecurities has strived to provide the best service for its customers by investing in information technologies and human resources. Bringing the stock market into the palm of the investor's hand with Blackberry technology, AKSecurities enables customers to conduct real time stock trading while monitoring global stock exchange indices. Using the new SMS service, customers can now execute many transactions on their mobile phones with several key functions like view portfolio, place order, track order and access information. Meanwhile, AKSecurities website ([www.akyatirim.com.tr](http://www.akyatirim.com.tr)) offer daily and weekly bulletins, daily analyses, periodical balance sheet analyses, macroeconomic reports and company reports for investors.

## **AKASSETMANAGEMENT**

AKAssetManagement is 99.9% owned by Akbank.

As of the end of 2008, AKAssetManagement managed 38 portfolios from four issuers; 15 mutual funds for Akbank, one for AKSecurities, 19 for AvivaSA Pension Investment Fund, two for Akbank SICAV Fund and the AKInvestment Trust (CEF). AKAssetManagement also manages individual portfolios for high net-worth individual and corporate investors, tailored according to their financial expectations and risk profiles.

AKAssetManagement is Turkey's fourth largest mutual fund management company in terms of assets under management (AUM). The Company's AUM portfolio was worth TL 3.3 billion by the end of 2008. AKAssetManagement thus commands 13.7% market share.

With regard to pension funds, the Company ranks first among Turkish pension fund promoters in terms of AUM. By the end of 2008, AKAssetManagement pension fund portfolio was worth TL 1.4 billion, representing a market share of 22.6%.

Meanwhile, Individual and Corporate Portfolio Management business line had also reached a volume of TL 222 million as of year-end figures.

Placing risk management at the forefront of its business practices, AKAssetManagement operates on a well-defined and regulated investment strategy. The Company's asset management policies are based on a benchmarking approach, while liquidity, market timing and product diversification stand out as the principal criteria for drawing up portfolios.

AKAssetManagement aims to be vanguard in asset management markets with its performance and innovative product design. The gold and precious metal investment fund as well as hedging funds issued by Akbank and managed by the Company have been acclaimed as groundbreaking products.

## **AKINVESTMENT**

Of the 29 investment trusts operating in Turkey, AKInvestment ranks fourth and fifth as of the end of 2008 in terms of its portfolio volume and issued capital, respectively. By year's end, AKInvestment had a 7.24% market share and achieved a return of 17.87%. AKInvestment aims to provide a steady and balanced yield for its shareholders by employing the available investment instruments optimally.

## **AKLEASE**

Founded in 1988 and acquired by Akbank in its entirety in 2005, AKLease is one of the most reputable and pioneering institutions in leasing industry. Following this acquisition, AKLease underwent rapid growth as an Akbank subsidiary.

Despite the global financial crisis began in the last quarter of 2008, AKLease managed to maintain growth and expanded its service network with two new regional offices inaugurated in Istanbul enabling the Company to convey services in 12 locations across the country.

As of year's end 2008, the annual transaction volume of AKLease reached TL 511 million while net lease receivables increased by 36% compared to 2007, totaling TL 967.5 million. These impressive figures have boosted the market share of AKLease to 7.5% compared to 5.5% in 2007.

Guided by the "sustained excellence in service quality" approach of its dynamic personnel, AKLease offers financial leasing solutions for its customers and provides consultancy and logistic support as it develops new products to meet customers' requirements as well as drawing diverse and innovative financial models specific to the Company.

As in many other industries, AKLease has taken a leading role to support investments in the aviation industry, a niche area for financial leasing and has emerged as the top player in this category in terms of transaction volume during 2008. According to a survey of "Turkey's Most Popular Companies" conducted by the monthly business and economy magazine Capital, AKLease has secured one of the top slots in the industry.

## SUPPORT SERVICES

### INFORMATION TECHNOLOGIES

Akbank has introduced several new projects in 2008 with the aim of providing the most advanced technology for its customers and employees as attested by its strategies and goals.

Together with the largest POS network, Akbank has one of the most extensive branch and ATM/BTM networks in Turkey. The Bank focused on project generation in 2008 thereby increasing its new project initiatives by 50%.

Operating in accordance with "Turkey's innovative powerhouse" image, Akbank introduced several new products with its partners in 2008. These partnerships are best illustrated by CityAxxess card launched in collaboration with Citibank, FishCard with Boyner Holding and Private Pensions with AvivaSA.

To further enhance its Customer Relations Management (CRM) competence, projects have been initiated to renovate infrastructure and reinforce its customer base.

Large-scale technology projects to increase operational efficiency and commission revenues have been devised. Technology transformation program is one of these projects currently underway as planned.

Akbank updates and enhances all its information technology products and services in conformity with internationally recognized standards and guidelines including ISO 9001(Quality Management) and ISO 27001(Information Security) as well as PMI (Project Management), CMMI (Software Development), ITIL (Operations) and COBIT (IT Management).

**Turkey's innovative powerhouse Akbank has introduced several new products with its partners in 2008. These partnerships are best illustrated by CityAxxess card launched in collaboration with Citibank, FishCard with Boyner Holding and Private Pensions with AvivaSA.**

### Operations

#### Customer-oriented, efficient operations

Akbank's operational mission is to establish and manage the required business flow with the aim of achieving high efficiency and excellent customer satisfaction. The Bank has adopted the Business Process Management (BPM) approach as a guiding method. BPM is based on a holistic realization of all relevant factors led by information technology, data, organization and product for the development and improvement of business processes. It is by this approach that market demands would be translated into human resources and information technology requirements with a common voice, consequently responding to the customers' expectations more swiftly and effectively.

#### Akbank Operations Center comprises a staff of 2,363 people running the operations for;

- Branches
- Treasury and Capital Markets
- Call Center and Distribution Channels
- Credit Cards and Member Merchant Services.

Serving round the clock to ensure customers 24/7 access Akbank at over 3,000 service points across the country, the Operations Center achieves 97% centralization, which puts Akbank at the top position among the banks with distribution networks of this scale.

#### The Operations Center executes a wide array of Akbank's services involving

- transactions carried out at back offices conventionally in the industry
- TL and FX payments
- check and bill transactions
- all foreign trade and loan operations
- submission and evaluation of application forms
- printing and distribution of cards and checks
- operating distribution channels
- merchant and POS operations
- fiduciary services for treasury, investment and portfolios
- official correspondences
- tax payments of branches
- SWIFT transactions
- physical and electronic archiving
- legal proceedings
- cash support services all cash collection/distribution services including ATMs



**Operations Center Transactions\***

	2005	2006	2007	2008
Annual Transaction	86 million	150 million	199 million	232 million
Centralization Ratio (%)	74	90	94	97
Average Monthly Transaction Volume	7 million	13 million	17 million	19 million
Daily Transactions per Person	214	327	454	510

\*Excluding Call Center

The Operations Center directly provides the aforementioned services to over 5,000 corporate and commercial customers instead of branches.

At Akbank branches, the ratio of employees in direct contact with customers has reached 87% of the total. The average waiting time for more than five million customers visiting branches every month is eight minutes as benchmarked.

Akbank's customer-oriented and innovative Call Center with outstanding service quality is at the same time one of the largest in Turkey. In 2008, the number of incoming calls increased 34% year-on-year reaching 40 million calls; outgoing calls have doubled over the year totaling 15 million calls. The average response time of Akbank Call Center in 2008 was 11 seconds, completing 75 million transactions.

In 2008, Call Center became a primary sales channel of the Bank for credit card and insurance products; 10% of the incoming calls throughout 2008 have resulted in sales.

The Akbank Call Center has received the top prizes in Most Innovative Call Center Application and Best Use of Technology

categories at IMI Istanbul Call Center awards. These achievements are due in great part to pioneering applications implemented in the sector.

The practices and processes for Customer Complaints Management are in compliance with the British Standards Institution (BSI) and ISO 10002 Quality Assurance certificate for customer complaints since September 2007.

In pursuit of excellence in customer satisfaction, Akbank has, for the first time in Turkey, resorted to transferring incoming calls to branches directly to the Call Center. This practice has not only improved customer satisfaction, but also contributed to sales initiatives of branches; 82% of incoming calls are now resolved with the Call Center while the rest is referred to branches via internal communication systems.

Inaugurated in February 2007, Kinalı archive facility with 22,500 square meters of closed space is the largest archiving center in the industry and serves all the branches utilizing state-of-the-art technology. It has thus been possible to file only the recent documents at the branches while all retrospective files can be retrieved and supplied on demand from a single source.

### **Business Intelligence Applications -ARGUS**

ARGUS (Analytical Reports Gathering & Updating System) Infrastructure Transformation project was initiated in 2007 to respond more promptly to the dynamic nature of the industry and the changing needs of the Bank. In addition, it was implemented to build a more effective, flexible and fast information management and decision support system in conformity with the prevailing standards.

ARGUS will supply users at all levels with first-rate administrative information in accordance with their authorization, while ensuring a more effective administration of report generation and information management processes.

### **Corporate Performance System**

Another Akbank enhancement project underway is the Corporate Performance System that will run on the reporting infrastructure of Business Intelligence Applications -ARGUS. This project was developed to implement strategy within operational practices to set, interaction with the budgeting process and to manage the departments in compliance with the strategy.

### **Profitability System**

The application of Profitability System, developed to enable multidimensional analysis of Akbank's profitability, became more effective and more widespread over the course of 2008. Profitability of the Bank is periodically evaluated from the following aspects:

- Customer Profitability
- Customer Relations Manager (CRM) Profitability
- Branch Profitability
- Segment and Business Line Profitability
- Product Profitability

As a result of the customer, product and segment profitability analyses, managerial and marketing strategies are drawn; actions to further increase profitability are defined and implemented. Moreover, branch and CRM profitability figures serve as an important performance benchmark for the Bank. Profitability Reports are delivered to users via ARGUS.

The outcomes of Profitability System have been integrated to operational systems with customer profitability data already utilized at various points to perfect the services at Akbank branches.

### **AkTarget**

AkTarget System is designed to encourage competition between different branches with a scientific and objective approach, automatically determining branch targets and assessing which products to focus on and to what extent, almost instantaneously. In 2008, the AkTarget System was further enhanced with the ITS (Intelligent Target Settings) module coming online.

### **Financial Planning**

Akbank' budget (Akordeon) is drawn on a bank, business unit and branch scale by means of a remarkably comprehensive software. The triennial strategic planning survey is also reviewed each year alongside the budget and medium and long-term objectives, action plans are outlined accordingly. Performance of the Bank is then monitored with monthly estimates. In accordance with changes in the economic outlook, the budget is revised if and when it becomes necessary.

## AKBANK ART CENTER

Akbank Art Center is a prestigious institution that supports the most prominent contemporary art activities in Turkey. Over the course of 2008, several highly acclaimed events in visual arts, music, theater and dance are hosted by Akbank Art Center.

Bringing outstanding works of contemporary art to art enthusiasts in Turkey through group and personal exhibitions by world renowned artists, Akbank Art Center has hosted six exhibitions during 2008, including Neurocinema, the solo exhibition of Laurent Grasso, which was awarded with Le Prix Marcel Duchamp 2008. Complementing the exhibitions with conferences, film screenings and workshops have helped create an interactive platform for art enthusiasts.

Serving as a thought forum where the multidisciplinary structure of contemporary art is discussed, the Center's Contemporary Art Workshop has hosted numerous seminars, workshops and lectures. Such activities, including music, design and painting workshops for children as well as adults have been vastly popular.

Seeking to share the amazing world of contemporary theater with audiences, New Generation Theater has staged two new plays in 2008: The Shape of Things and References to Salvador Dalí Make Me Hot.

Between October 9 -19, the 18th Akbank Jazz Festival has once again brought together performances by some of the world's leading jazz musicians as well as young local talent in Istanbul. With 26 performances by approximately one hundred musicians, the festival also involved panel meetings and workshops.

Under the baton of Music Director Cem Mansur, the Akbank Chamber Orchestra performs during a regular concert series held at venues on both sides of the Bosphorus, as well as at

**Akbank Art Center is a prestigious institution that supports the most prominent contemporary art activities in Turkey. Over the course of 2008, several highly acclaimed events in visual arts, music, theater and dance are hosted by Akbank Art Center.**

certain universities as part of Youth Concerts. Having hosted virtuosi such as Alexander Markov, Adrian Brendel, and Ole Edvard Antonsen in the 2007-2008 season, the Akbank Chamber Orchestra has given special performances at Istanbul Technical University, Bosphorus University and Izmit Sabancı Cultural Center.

Multi Purpose Hall activities hold a special place in the culture and arts scene of Istanbul, covering a wide range of genres and events from classical music to jazz and from photography exhibits to master classes. Welcoming an illustrious array of musicians from Turkey and abroad for concerts in seasonal programs as well as thematic series such as Baroque Music Days and Guitar Days, Randy Brecker, Idil Biret, Hopkinson Smith and Suna Kan are among artists who have graced the stage at the Akbank Art Center during the 2007-2008 season.

Akbank Children's Theater onboard the "Freedom is Our Right" train initiative is a significant social responsibility project Akbank has undertaken during 2008. With dozens of groundbreaking events in Turkey and abroad, Akbank Children's Theater got on board the "Freedom is Our Right" train of Hürriyet newspaper to take the joy, sorrow and beauty of theater to 45 provinces in Turkey throughout the summer months. Aptly named Freedom is Our Right by Hürriyet newspaper, this project came right on the heels of a 35-province tour celebrating the 35th anniversary of Akbank Children's Theater, the longest standing children's theater troupe in Turkey. It has taken the troupe all over the country, from Kars to Edirne and Gaziantep to Erzurum, introducing tens of thousands of children the excitement of theater.

The Akbank Short Film Festival is one of the most prominent festivals in Turkey. Over 400 films have applied to participate in the festival, which involves seminars and workshops by experienced and distinguished filmmakers. After the conclusion of the festival, award-winning entries are screened at 30 universities.

The new choreography of the Zeynep Tanbay Dance Project (ZTDP) 'Vivaldi - Stravinsky' premiered at Cemal Resit Rey Concert Hall in January 2008. With Fazıl Say performing Stravinsky's The Rite of Spring at the specially designed computer piano (CEUS), the performance received rave reviews. ZTDP also gave this performance during its tour of Eskişehir, Gaziantep, Edirne and Adana in the spring of 2008.

In addition to reaching mass audiences with modern dance through nationwide tours, the Zeynep Tanbay Dance Project has also performed at major dance theaters in cities like Tel Aviv and Stuttgart in recent years. In her review for Süddeutsche Zeitung, one of the leading dance critics in Germany, Renata Klett describes ZTDP as "a group worth discovering in the international dance scene." In the fall of 2008, ZTDP was invited to give two performances in Amsterdam and Madrid by the Istanbul Foundation for Culture and the Arts (IKSV).



Detail from the painting "Figures Lying on the Sand" (1926);  
oil on wood







US\$

37.8

BILLION\*

\* Consolidated deposits as of the end of 2008



# MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

## BOARD OF DIRECTORS

The Board of Directors at Akbank have clearly and comprehensively formulated the vision, mission and short and long-term strategic goals of Akbank as presented in the Annual Report. The Articles of Association state that the duties and responsibilities of the Board of Directors are determined by the principles stipulated in the provisions of the Turkish Commercial Code, the Banking Law and the provisions of the Articles of Association. The Articles of Association also obligate the Board of Directors to meet at least once a month and that the conditions of these meetings are established clearly. The Internal Auditors, the Internal Control Center, Risk Management Department and the Compliance Unit dealing with avoidance of financial felony report directly to the Board of Directors.

The Board of Directors and Executive Management are responsible for determining risk management policies and strategies. These policies are reviewed periodically in light of the changing circumstances of markets, both at the daily Assets and Liabilities Committee meetings and the Board of Directors meetings. The Board of Directors has authorized the CEO to ensure that the units of the Bank operate in compliance with the risk management policies and strategies. Internal control applications and periodical audits provide for the necessary supervision of compliance to policy and strategies.

Elected to the Board in March 2007, the terms of the current Directors expire in 2010. Unless excused, all Board members attend the Board meetings.

**The Board of Directors and Executive Management are responsible for determining risk management policies and strategies. These policies are reviewed periodically in light of changing circumstances in the markets, both at the daily Assets and Liabilities Committee meetings and the Board of Directors meetings.**

### Members of the Board of Directors and their Biographies

Please see page 16 of the Annual Report for detailed information.

### Executive Managers and their Biographies

Please see pages 20-21 of the Annual Report for detailed information.

### Auditors and their Biographies

Please see page 17 of the Annual Report for detailed information.

## EXECUTIVE MANAGEMENT COMMITTEE

Executive Management Committee assesses and evaluates Bank's financial data, profitability of the business lines, the overall standing in the industry, recent business developments and changes in the risk parameters to make recommendations to the Risk Committees.

**Suzan Sabancı Dinçer**, Chairman (Chairman and Executive Board Member)  
**Akın Kozanoğlu**, Member (Vice Chairman)  
**Bülent Adanır**, Member (Executive Board Member)  
**Zafer Kurtul**, Member (Board Member and CEO)

## AUDIT COMMITTEE

Pursuant to the Banking legislation, Akbank has an Audit Committee consisting of two members of the Board of Directors.

On behalf of the Board of Directors, the Audit Committee is delegated and authorized to:

- Ensure the adequacy and efficacy of internal control, risk management and internal audit systems,
- Oversee integrity of financial statements, disclosures and overall operation of the internal control, risk management and internal audit systems as well as accounting and reporting systems within the scope of relevant legislation,
- Make the initial appraisal of independent auditors to be considered by the Board of Directors for appointment and to regularly monitor the activities of independent auditors selected by the Board of Directors,
- Maintain the performance of internal audit functions on a consolidated basis in organizations subject to consolidated audit under Banking Law and ensure coordination,
- Notify the Board of Directors of issues that may undermine the sustainability and credibility of the Bank's business and/or lead to breach of legislation and internal regulations of the Bank.

The Audit Committee receives regular reports from all units operating under internal control, internal audit and risk management systems as well as statutory auditors on the execution of their respective roles. It is incumbent on the Committee to notify the Board of Directors of issues that may undermine the sustainability and credibility of the Bank's business and/or lead to breach of legislation and internal regulations of the Bank.

Unless excused, all Committee Members attend the meetings.

**Akın Kozanoğlu**, Chairman (Vice Chairman)

**Özen Göksel**, Member (Board Member)

#### **Biographies of Audit Committee Members**

Please see page 16 of the Annual Report for detailed information.

The Audit Committee Members do not have a set term of office.

#### **Directors in charge of Internal Systems and their Biographies**

**Akın Kozanoğlu**, Director of Internal Systems for Internal Audit and Internal Control

Please see page 16 of the Annual Report for his biography.

**Bülent Adanır**, Board Member in charge of Internal Systems for Risk Management  
Please see page 16 of the Annual Report for his biography.

**Eyüp Engin**, Head of Internal Audit  
Please see page 17 of the Annual Report for his biography.

**Yaşar Bozyürek**, Head of the Internal Control Center  
Having joined Akbank in 1989 as an Assistant Internal Auditor, Bozyürek was appointed Assistant Head of Internal Audit in 1995 and promoted to Head of the Internal Control Center in 2005. He is a graduate of the Faculty of Political Science from Ankara University.

**Şebnem Muratoğlu**, Senior Vice President - Risk Management  
Muratoğlu has joined Akbank in 1995 as a Management Assistant in the Treasury Department. Appointed Risk Management Executive in 2003, she was promoted to serve as Senior Vice President for Risk Management in 2006. A graduate of University of Kent in the UK, she holds an MA in Applied Finance from Macquarie University (Australia).

#### **CREDIT COMMITTEE**

In line with legislation, Akbank appointed a Credit Committee comprised of two Board Directors and the CEO. It is the ultimate executive body to ratify decisions for loan allocation, assessing approved loan proposals in terms of their compliance with legislation, banking principles and objectives and lending policies of the Bank.

An Appraisal Committee was instituted under the Executive Management processes to support the work of Credit Committee and to pre-access applications submitted by branches.

The aim of the Appraisal Committee is to perform initial screening in accordance with the approval criteria of the Bank, thereby increasing efficiency and speed of the procedure, while acting as a bridge between the branches and Credit Committee to provide closer supervision and clearer direction for branches.

Unless excused, all Committee Members attend the meetings.

#### **Credit Committee**

**Erol Sabancı**, Chairman (Honorary Chairman and Consultant to the Board - Board Member)

**Bülent Adanır**, Member (Executive Board Member)

**Zafer Kurtul**, Member (Board Member and CEO)

#### **Appraisal Committee**

**Cem Mengi**, Member (Executive Vice President - Corporate Banking)

**Ferda Besli**, Member (Executive Vice President - Commercial Banking)

**Ahmet Fuat Ayla**, Member (Executive Vice President - Lending)

#### **EXECUTIVE RISK COMMITTEE (ERC)**

Executive Risk Committee is responsible for developing risk policies, determining appropriate methods for measurement and management of risks, setting commensurate risk limits and monitoring their performance. All risk policies formulated are documented in writing and incorporated with the overall long-term strategy of the Bank.

Unless excused, all Committee Members attend the meetings.

**Bülent Adanır**, Chairman (Executive Board Member)

**Suzan Sabancı Dinçer**, Member (Chairman and Executive Board Member)

**Akın Kozanoğlu**, Member (Vice Chairman)  
**Zafer Kurtul**, Member (Board Member and CEO)

#### **SENIOR MARKET RISK COMMITTEE (SMRC)**

Senior Market Risk Committee is in charge of formulating risk management policies and strategies for market, liquidity and funding exposures. The Committee also sets the risk parameters and limits commensurate with the outlined strategy and policies, and monitors their compliance.

Duties and responsibilities of Senior Market Risk Committee also involve consolidated partnerships.

Unless excused, all Committee Members attend the meetings.



**Bülent Adanır**, Chairman (Executive Board Member)

**Suzan Sabancı Dinçer**, Member (Chairman and Executive Board Member)

**Zafer Kurtul**, Member (Board Member and CEO)

**Reşit Toygar**, Member (Deputy CEO - Treasury)

**Hülya Kefeli**, Member (Executive Vice President - International Banking)

**Atıl Özus**, Member (Executive Vice President - CFO)

**Şebnem Muratoğlu**, Member (Senior Vice President - Risk Management)

**Bahadır Çakmaklı**, Member (Senior Vice President - Treasury Department)

#### ASSET-LIABILITY COMMITTEE (ALCO)

ALCO meets daily to review the latest developments in the markets and the economy. ALCO's responsibilities include developing investment, pricing and funding strategies and making decisions on day-to-day liquidity management.

Short of a legitimate excuse, all members attend the meetings of the Executive Risk Committee.

**Zafer Kurtul**, Chairman (CEO)

**Hakan Binbaşgil**, Member (Deputy CEO - Retail Banking)

**Reşit Toygar**, Member (Deputy CEO - Treasury)

**Zeki Tuncay**, Member (Executive Vice President - Human Resources and Support Services)

**M. Fikret Önder**, Member (Executive Vice President - Private Banking)

**Ferda Besli**, Member (Executive Vice President - Commercial Banking)

**Ahmet Fuat Ayla**, Member (Executive Vice President - Lending)

**Hülya Kefeli**, Member (Executive Vice President - International Banking)

**Atıl Özus**, Member (Executive Vice President - CFO)

**Galip Tözge**, Member (Executive Vice President - Retail Banking)

**Cem Mengi**, Member (Executive Vice President - Corporate Banking)

#### REPORT OF AUDIT COMMITTEE

##### Assessment of the Audit Committee Regarding Operations of Internal Control, Internal Audit and Risk Management Systems and their Performance in 2008

Internal audit, internal control and risk management operations of Akbank are carried out by the troika of Audit Committee, Internal Control Center and Risk Management Department, each designated with a separate set of duty and liabilities, operating independently, yet in coordination.

Ensuring appraisal of the Bank's internal systems, comprised of the branches and bodies as well as the subsidiaries of the Bank that are subject to consolidated audit, while bolstering their operations' sustainability, competence and efficacy is an utmost priority for Akbank Board of Directors.

The duties and responsibilities of the Board of Directors vis-à-vis internal systems are executed by the Board of Directors, the Audit Committee, Director of Internal Systems for Internal Control and Internal Audit and Director of Internal Systems for Risk Management.

Planning and executing its activities from a risk-oriented perspective, the Department of Internal Audit has made significant contributions for management of operational and credit-related risks, for compliance of operations with legislation and internal regulation and for improvement of efficiency and service quality.

In addition to continued on-site and off-site audits of branches with a risk-oriented and systematic approach, the Department of Internal Audit has started to evaluate the risk undertaken by each branch and their respective control systems, hence awarding audit ratings for branches. In the coming period, audit ratings will be taken into consideration regarding the performance and career paths of our employees.

In the course of 2008, the scope of the process/product/application audits, as well as the audits at the Head Office and the Bank's subsidiaries have been widened to include several new areas. Data and system security was assessed through data processing audits, and IT processes have been audited in accordance with the COBIT methodology.

Financial statements and the accounting system have been reviewed as part of the financial statements audit, while transactions and records have been audited via Computer Aided Audit Tools (CAATs).

Furthermore, transactions and activities that run counter to legislation and regulations have been inspected through inquiries and investigations. A number of physical inventory count and reconciliation processes undertaken throughout the year have helped safeguard assets and valuables. An internal Ethics Line was set up to provide guidance to the employees, thereby contribute to the adherence to ethical and professional principles and further establishment of the corporate culture.

The Department has introduced a new technological infrastructure for transmission of the audit findings and supervision of subsequent actions taken, facilitating more effective monitoring. Additionally, working groups have been established with relevant bodies in order to debate and speed up implementation of necessary actions.

The Internal Audit Department utilizes technological tools intensively in all areas to continuously develop and improve its functions and operations. It contributes to the Human Resource of the Bank with its experienced, qualified, well-trained and competent team of auditors, creating certification and training opportunities toward their professional development.

According to the results of audits carried out in 2008, no significant failings or weaknesses have been identified that could impair the Bank's operations or the performance of its obligations while appraisals have demonstrated that the internal control and risk management systems of the Bank function well. The operations are generally low-risk and financial and legal disclosures are accurate and in compliance with current legislation.

Consequently, Akbank's internal control system is effective and successful in preventing, identifying and eliminating risk owing to its risk-oriented approach, qualified human resource pool, extensive use of technology and the experienced and prudent management.

The Internal Control Center continued in its efforts to maintain effective and efficient operation of the Bank, to safeguard the integrity and accuracy of the financial statements, to devise the internal control systems for processes and applications, and to monitor the compliance of the activities with legislation.

The staff and organization structure of the Internal Control Center reflect the needs and dynamics of the Bank through its qualified human resource with diverse areas of expertise.

While performing facilitating activities for product and operation processes in 2008, Internal Control Center, has also maintained routine controls at branches and Head Office units as the executors of these policies.

In terms of length, scope and methodology, routine inspections of the Internal Control Center at the branches and Head Office units have been swift, up-to-date and action-oriented in accordance with the objectives of the Bank. To mitigate any possible risk instigated by the growth of branch numbers and business volume, the number of staff for branch control was considerably increased. Already an extensive user of technology in control functions, the Internal Control Center has further developed its reporting and monitoring infrastructure.

Subsequently and especially under the exceptional circumstances of 2008, risk mitigation features of the internal control systems have made a positive contribution for mitigating operational losses which are inherent to banking. This system covers all bodies and branches of the Bank and subsidiaries subject to consolidated audit. The Risk Management Department has maintained its activities to ensure the most accurate assessment and reporting of the Bank's exposure to credit, market, operational and asset-liability risks through effective risk management assessment tools and methods.

In an environment of global financial crisis, which led to a major downturn in all the world economies particularly in the last quarter of 2008, the need for a sound and prudential risk management approach was underlined. Having adopted this approach as the basis of its practices, the Risk Management Department has closely monitored developments, and effectively

managed potential risk by means of timely forecasts, up-to-date assessments in consideration of the status quo and the strategic objectives of the Bank.

With a highly qualified competent team coupled with a dynamic flexible structure, the Risk Management Department closely monitors changes and enhancements in the internationally recognized principles and regulations for risk management, constantly improving practices to increase its contribution to the Bank. Analyses, calculations, simulations, scenario analyses and other surveys facilitate strategic decisions of the Board of Directors and Executive Management and reinforce the overall decision-making mechanisms.

In consideration of the overall activities and operations of internal control, internal audit and risk management systems of Akbank in 2008, the work carried out is deemed highly effective and satisfactory.

**Akın Kozanoğlu**, Chairman of Audit Committee

**Özen Göksel**, Member of Audit Committee

## SUMMARY REPORT OF THE BOARD OF DIRECTORS

Developing a range of new products and channels throughout the year in line with the needs of customers, Akbank successfully maintained its pace of achievements to become the most valuable, most reliable and most innovative bank in Turkey in 2008.

Focusing its strategy primarily on sustaining profitability and portfolio quality rather than achieving high growth, Akbank reported a consolidated gross profit of TL 2,152 million and a consolidated net profit of TL 1,782 million. Forecasting global developments in advance, the Bank has pursued prudent growth performance over the course of 2008, implementing risk management policies with due diligence; significant growth was achieved in loans and assets over the year.

In 2008, total consolidated assets grew by 29% to reach TL 93 billion, while lending increased by 23% totaling TL 49 billion. Providing loan solutions that address every field and industry, Akbank has still posted a low non-performing loans ratio of 2.3%.

As an indication of the confidence customers place in Akbank, deposit growth in 2008 was achieved at an above-average rate of 32% to total TL 58 billion.

Akbank's robust capital structure is one of the most essential safeguards against the global crisis. With a capital adequacy ratio of 17% far exceeding the legally required 12% for the banks in Turkey, Akbank also holds the highest free capital among private banks at TL 10.5 billion.

With strong banking affiliations, reliable and broad deposit base, robust balance sheet, customer-oriented and innovative approach, prudent risk management practices and transparent approach to corporate governance, Akbank will continue to retain its leading position in the Turkish banking industry, creating value for all its stakeholders in general, and its shareholders and customers in particular.

We would like to take this opportunity to first and foremost thank our employees, shareholders and social stakeholders for their contribution and support and express our hope that this synergy will help generate new achievements for the robust, reliable and credible powerhouse of Turkey, Akbank.

Yours sincerely,

**Akbank Board of Directors**

## HUMAN RESOURCES

Equipped with highly qualified and competent human resources, Akbank aims to achieve outcomes that always make a difference. In the ever-changing, rapidly developing, highly competitive world of business, the Bank regards its business units as strategic business partners for human resources to sustain the success of the Bank.

From the perspective of strategic partnership, the mission of this division is to provide direction for organizational structure, operations, human resources and business strategies in accordance with the objectives of Akbank.

### Recruitment

Akbank utilizes a job-related selection system with a dual recruitment program for potential candidates. Applicants without prior experience are recruited as Management Trainees, Assistant Auditors and Assistants while experienced candidates are hired in accordance with their qualifications and the requirements of the post in question. Job applications are submitted through the corporate website [www.akbank.com](http://www.akbank.com) and shortlisted candidates are then called for interviews to measure their capabilities. For candidates without prior experience, additional psycho-technical tests are conducted.

### Career Management

Career Management at Akbank is based on positions and levels these positions involve. A career development path is drawn with a dual approach, involving either promotion to a higher level within the same position or a change in position. The promotion to a higher level within the same position implies an increase in the responsibilities and thereby competencies of the employee, without involving a change in their tasks. Change in position, however, involves a different set of responsibilities and competencies. With clear definitions of career paths, Akbank offers flexible and rich career opportunities for all employees.

## The mission of Human Resources is to provide direction for the organizational structure, operations, human resource and business strategies in accordance with the objectives of Akbank.

### Performance Management

Akbank implements a performance management system that streamlines and translates corporate goals and strategies to an individual level. Employees are evaluated according to goals and competencies related to their duty and responsibilities to define development areas and action plans with continuous reciprocal feedback.

The performance management system operates electronically. The aim of the electronic performance management (EPM) system is to measure and monitor individual employee performance within the wider scope of the Bank's overall performance. The EPM measurement systems enable monthly evaluation of objectives and their realization, especially for the branch staff.

### Recognition and Reward

Akbank's remuneration system was established in line with the positions. Each employee is remunerated commensurate to the added value of the tasks undertaken in the relevant position. In order to encourage and reward high performance there are bonus and reward schemes in place.

### Training

Akbank training programs comprise entry-level, career, certification, optional modules, executive development and corporate performance schemes. Fresh graduates recruited initially attend entry-level training programs in accordance with their chosen career path, followed by the career training programs to provide the knowledge and skills required for their designated position. Employees receive certificates according to the results of the exams they take at the end of their career training.

To enable employees to develop special and in-depth skills in banking, finance and management, Akbank conducts certification programs. Furthermore, each year, corporate development training and leadership programs are held along the lines of the main bullet points of the Bank's strategy and objectives with the aim of defining benchmarks for practice among employees as well as forging a common language and culture.

As of December 2008, Akbank had invested TL 9.15 million for training programs. The average number of training days per employee stands at approximately ten. Apart from class based training courses, Akbank employees receive complementary training through distance learning methods (e-learning and video conference) to support their personal and professional development.



### Number of Employees in Local Branches

	2003		2004		2005		2006		2007		2008	
	Staff Number	(%)	Staff Number	(%)	Staff Number	(%)	Staff Number	(%)	Staff Number	(%)	Staff Number	(%)
Operations	1,874	31.9	1,660	27.3	1,234	17.7	1,240	16.3	1,278	15.8	1,304	14.3
Counter Services	2,192	37.4	2,122	34.8	2,963	42.5	3,124	41.1	3,267	40.3	3,304	36.4
Sales	1,802	30.7	2,310	37.9	2,775	39.8	3,242	42.6	3,558	43.9	4,480	49.3
<b>Total</b>	<b>5,868</b>	<b>100</b>	<b>6,092</b>	<b>100</b>	<b>6,972</b>	<b>100</b>	<b>7,606</b>	<b>100</b>	<b>8,103</b>	<b>100</b>	<b>9,088</b>	<b>100</b>

#### Staff

As of December 31, 2008 Akbank employed over 15,000 people, based mostly in regional directorates and branches. The average age of the employees is 30.5 years and 90% are university graduates.

#### Akbank Staff Pension Fund Trust

Akbank Staff Pension Fund Trust has focused its activities concerning the current (employed) and retired members, on the provision of health care services in 2008. The highlights of the operations in 2008 are as follows:

- Total assets of the Trust have reached TL 805.4 million.
- The number of retired members with allocated pensions rose to 11,073.
- A sum of TL 122.3 million was paid out to pensioners, the disabled, widows and orphans in 2008.
- Health care assistance went up from TL 57.6 million in 2007 to TL 62.2 million in 2008.

#### RELATED PARTY TRANSACTIONS

Pursuant to the Turkish Banking Act, related-party transactions of the Bank cover all banking transactions in the scope of ordinary bank - customer relations under the usual market conditions. Relevant disclosures can be seen in Note VII of Section 5 in the Publicly Announced Unconsolidated Financial Statements Together with Independent Auditor's Report, prepared as of December 31, 2008.

#### OUTSOURCED SERVICES

**Information concerning private and corporate persons and their areas of activities pursuant to the directive regarding outsourced support services received by Banks and authorization thereof:**

The Bank receives support services from Siemens Turkey (Siemens Sanayi ve Ticaret A.Ş.) and CMC Communications (CMC İletişim Bilgisayar Reklam ve Danışmanlık Hizmetleri Sanal Tic. A.Ş.) for the Call Center operations and from EST Electronics (EST Elektronik San. Tic. A.Ş.) for the maintenance of POS terminals.

## DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

### 1. Corporate Governance Practices at Akbank

The fundamental governance principles that regulate the relationship between Akbank's management, shareholders, employees and third parties, i.e. customers, legal authorities, suppliers and all types of individuals and institutions with whom the Bank does business are stipulated below.

#### Integrity

With regard to Akbank activities and relationships with customers, employees, shareholders, legal authorities and other banks, institutions and organizations, the Bank remains committed to the principle of integrity.

#### Credibility

Aware that confidence lies at the heart of banking, the Bank provides customers, shareholders, employees and legal authorities with clear, comprehensible and accurate information and offer timely and excellent services.

#### Non-discrimination

Akbank refrains from harboring prejudices against customers, suppliers, employees and shareholders based on gender, behavior, opinion or ethnic origin and does not discriminate against anyone under any condition or circumstance.

#### Compliance

Akbank abides by all laws, regulations and standards.

#### Confidentiality

The Bank does not share any information or details of transactions concerning shareholders, employees, suppliers and business partners and above all personal information regarding customers, with any person or institution, except with those authorities with which the sharing of such information is permitted by law.

**Akbank publishes all information that might be of interest to shareholders and stakeholders on its website, provided such information is not a commercial secret. In addition, a Corporate Portal was established with the aim of increasing communications between employees and disbursing information promptly.**

#### Transparency

Except for information that is deemed a commercial secret and not yet disclosed to the public, the Bank discloses to the public financial and non-financial information about Akbank promptly, accurately, thoroughly, comprehensibly and in an easy to interpret and easily accessible manner.

#### Sustainability

Akbank aims to contribute to the economic, social and environmental development of society. In all of the Bank's operations, practices and investments, the Bank's image, interest and profitability, as well as the public interest, development of the banking sector and maintenance of confidence in the sector is a primary consider. Akbank complies with all laws and regulations regarding the environment, consumer and public health.

In accordance with principles of public disclosure and transparency, Akbank publishes all information that might be of interest to shareholders and stakeholders on its website, provided such information is not a commercial secret. In addition, a Corporate Portal was established with the aim of increasing communications between employees and disbursing information promptly.

Akbank set up its Investor Relations Group in 1996 and announced its dividend policy to the public in 2003.

Information stipulated by the Corporate Governance Principles of the Capital Markets Board, Article 1.11.5 of Section II and asked to be posted on the corporate website is available on the Bank's website and updated regularly. Such information includes:

- Report on Corporate Governance Principles
- Commercial registry information
- Shareholder and management structure
- Material disclosures
- Updated Articles of Association
- Annual Reports, periodic financial statements and reports
- Agendas and minutes of General Assembly meetings
- Proxy voting forms

In addition, the website also includes the Bank's vision, mission and goals, its history, the Report by the Board of Directors, Corporate Governance Principles, information about subsidiaries, previous dividend distribution and capital increase data, ratings and news about Akbank.

The Corporate Governance Principles stipulated by the Capital Markets Board and consisting of four major sections, are implemented by Akbank in general. Those aspects of the principles that are not implemented are explained in detail along with their justification in subsequent articles.

## SECTION I - SHAREHOLDERS

### 2. Investor Relations Division

An Investor Relations Group was set up in 1996 to provide accurate and timely responses to shareholder inquiries. This Group provides responses to all inquiries that are not commercial secrets based on the principle of equality, thus making it possible for management and the shareholder to be in constant communication. Furthermore, Akbank has instituted an Shareholder Relations Subdivision under Financial Accounting Department to facilitate shareholder engagement and execution of shareholder rights.

#### Shareholder Relations

Telephone: +90 (212) 385 50 55  
+90 (212) 385 54 04

**Mustafa Kalkan**, Manager  
mustafa.kalkan@akbank.com  
**Birol Dursun**, Manager  
birol.dursun@akbank.com

#### Investor Relations Department

investor.relations@akbank.com  
Telephone: +90 (212) 385 51 13  
+90 (212) 385 51 08

**A. Cenk Göksan**, Senior Vice President  
cenk.goksan@akbank.com  
**Arbil Öztözlü**, Manager  
arbil.oztozlu@akbank.com  
**Övünç Gürsoy**, Assistant Manager  
ovunc.gursoy@akbank.com  
**Merve Demet Gürpınar**, Assistant Manager  
demet.gurpinar@akbank.com

The main duties of Shareholder Relations Subdivision are;

- Ensuring compliance of General Meeting to the current legislation, Articles of Association and other internal regulations,
- Performing capital increase procedures,
- Facilitating exercise of additional rights subsequent to capital increase,
- Distributing dividends,
- Providing brokerage services for procedures to dematerialize share certificates,
- Offering timely response for the questions from branches and shareholders concerning shares and
- Reviewing and updating Articles of Association.

The main duties of Investors Relations Department are;

- Establishing relationships with the principal shareholders of Akbank, current and potential investors, credit rating agencies,
- Announcing news concerning Akbank, ensuring timely communication of periodic financial statements, posting these on the website and answering enquiries from investors,
- Preparing introductory presentations about the Bank, posting these on the website,
- Participating in investors' meetings and conferences in Turkey and abroad,
- Reporting enquiries and opinions of the investors to the Board of Directors on a regular basis and
- Delivering information to current and potential investors on the performance and strategies of the Company in the most accurate and transparent manner.

The Investor Relations Department has taken part in 17 conferences for national and overseas investors with executive management, meeting over 300 international investment funds and three rating agencies over the year. Furthermore, over 500 enquiries from investors and analysts submitted via telephone and email have been answered.

### 3. Exercise of Investors' Right to Information

Any development or event that may have an impact on the exercise of shareholders' rights is regularly announced via the Istanbul Stock Exchange. Moreover, issues that are considered to be of interest to shareholders are communicated to investors and analysts via email and are posted on the website.

Responding to queries from shareholders in a timely manner was specified as a performance criterion for the staff of Investor Relations Department. Akbank has two dedicated investor relations websites on the Internet in Turkish and English.

The addresses for access to the websites are:

<http://www.akbank.com/183.aspx> for Turkish,

<http://www.akbank.com/804.aspx> for English.

These sites provide information about Akbank's corporate governance principles, share prices, dividend distribution and capital increase as well as annual reports, financial statements, credit ratings, proxy voting forms, public disclosures of material events, news and frequently asked questions.

Article 44 of the Articles of Association states that the General Meeting may appoint a special auditor for inspection of certain issues if deemed necessary. It lays down the conditions for election of the special auditor by investors with total shares equivalent to one-twentieth of the capital.

There was no request for the appointment of a special auditor during the period covered by this report.

#### **4. Information on General Assembly Meetings**

During the reporting period (January 1, 2008 - December 31, 2008), one Ordinary General Assembly Meeting was held. Participation ratio in the Ordinary General Assembly Meeting was 77.77% and the stakeholders wishing to attend the meeting were able to do so. Invitation to the General Assembly Meeting held during the period was placed in the Turkish Commercial Registry Gazette and a national daily. For shareholders with registered stocks, there is no specific time frame stipulated for attending a General Assembly Meeting. Prior to all General Assembly Meetings, the meeting date, venue and agenda are announced in the Turkish Commercial Registry Gazette, a national daily and on the Bank's website. The date and venue are also announced in the company news section on the Istanbul Stock Exchange website. The date and venue of the meeting and the Annual Report are made available to the shareholders at the Shareholder Relations Subdivision, as well as at the Ankara, Adana and Izmir commercial branches.

During the General Assembly Meeting, shareholders exercise their right to pose questions and all questions are answered. No motions were moved outside the agenda by shareholders at the General Assembly Meeting held during the period. There are no provisions in the Articles of Association stipulating that decisions such as the acquisition, sale or lease of property should be taken by the General Assembly. Since the Board of Directors represent the will of the shareholders, no such arrangement was deemed necessary.

According to the provisions of the Articles of Association, it is possible to vote by proxy. Pursuant to clause (a) of Article 64 of the Articles of Association, shareholders may exercise their right to vote either in person as well as through another shareholder.

General Assembly Meeting resolutions are kept available to shareholders on the Istanbul Stock Exchange and Akbank websites.

#### **5. Voting Rights and Minority Rights**

No privileged voting rights are stipulated in the Articles of Association. The Bank is not in a cross-shareholding relationship with any company and cumulative voting is not exercised.

#### **6. Dividend Distribution Policy and Dividend Distribution Timeline**

There are no privileges in the sharing of the Bank's profit. Akbank's dividend distribution policy is to disburse 30-50% of the attributable profit in cash to shareholders identified in the Articles of Association; this policy was disclosed to the public. It was clearly stipulated that this dividend policy will be followed provided that no adverse conditions exist regarding domestic and global economic circumstances and that the Bank's capital adequacy ratio remains at the targeted level. Dividend distributions were made within the legally established time frame.

After setting aside 5% of the profit as legal reserves and 5% of the paid-in capital to shareholders as the first dividend, up to a maximum of 2% of the remaining profit is allocated on an equal footing to the Chairman and Members of the Board of Directors. The General Assembly is authorized to decide whether to distribute the remaining profit entirely or partially to shareholders or to set it aside as extraordinary reserves.

Profit distribution policy is stipulated in Article 82 of the Bank's Articles of Association, which are posted on Akbank's website.

#### **7. Transfer of Shares**

No provision exists in the Bank's Articles of Association that restricts transfer of shares.

### **SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY**

#### **8. Corporate Policy for Disclosures**

The Bank has devised a disclosures policy and specified it in the Annual Report and on the corporate Internet site, with the heading of "Public Disclosures and Transparency" under the Corporate Governance Practices section.

In accordance with this policy, the Bank has authorized Investor Relations, Financial Coordination and International Reporting, and Corporate Communication divisions to ensure timely, accurate, reliable, clear and interpretable delivery of the information for public disclosures.

The Investor Relations Division is in charge of presenting the performance and strategies of the Bank to existing and potential investors in the most accurate and transparent manner.

At the end of each quarter, independently audited financial statements of the Bank are made public via a press release, a presentation of financial charts is prepared and posted on the Bank's website for investor relations, and also communicated through web-casts and teleconferencing.



Additionally, there is a Financial Announcements Calendar on the Bank's website to inform the public in advance about the information that is released periodically.

Persons responsible for executing the information disclosure policy are:

**Zafer Kurtul**, CEO  
**Atıl Özus**, Executive Vice President - CFO  
**Burak Tansan**, Executive Vice President for Strategy and Corporate Communications

### 9. Material Disclosures

Pursuant to the regulations of the Capital Markets Board (CMB) the Bank made a total of 99 material disclosures in 2008. No sanctions have been imposed against the Bank concerning failure of prompt material disclosures. The Bank's Level 1 depository receipts (ADRs) are traded on the OTC market in the USA. Significant information that may have an impact on the price of ADRs (such as dividend distribution dates and amounts, capital increases) is posted on the English corporate website.

### 10. Internet Website and Its Contents

The Bank's website address is [www.akbank.com](http://www.akbank.com). Of the information listed in Article 1.11.5 of Section II of the Corporate Governance Principles of the Capital Markets Board, those that are posted on Akbank's website are as follows:

- Corporate Governance Principles Report
- Commercial registry information
- Shareholder and management structure
- Updated Articles of Association
- Material disclosures
- Annual Reports, periodic financial statements and reports
- Agendas and minutes of General Assembly Meetings
- Proxy voting forms
- Frequently asked questions

In addition to the types of information listed in Article 1.11.5 of Section II of the Corporate Governance Principles of the Capital Markets Board, topics cited in the Bank's information disclosure policy are posted on the Akbank website.

### 11. Disclosure of Real Person(s) as Ultimate Controlling Shareholder(s)

No real person is the ultimate controlling shareholder at the Bank, nor do any of the Bank's shareholders hold shares exceeding 5% of the Bank's outstanding shares.

The Bank's shareholder structure is disclosed in the Annual Reports as well as on the website.

### 12. Disclosure of Persons with Access to Insider Information

No separate list specifying the persons who have access to insider information is disclosed. The names of the Members of the Board of Directors and Executive Management who could be in such a position are disclosed in Annual Reports and on the website. In addition to these persons, the following are considered to be in a position to obtain insider information:

**A. Cenk Göksan**, Senior Vice President, Investor Relations Department  
**Türker Tunalı**, Senior Vice President, Financial Coordination and International Reporting Department  
**Arbil Öztozlu**, Manager, Investor Relations Department

## SECTION III - STAKEHOLDERS

### 13. Informing Stakeholders

As stated in the vision, mission and goals section of the Annual Report, supporting the development of employees to achieve motivation and job satisfaction is among the Bank's primary goals. Akbank's written and spoken principles, code of conduct and aspects governing relationships with persons and institutions, both internal and external to the Bank, known to the entire Bank staff, have been compiled and put into written form under the title Ethical and Professional Principles. This document can be accessed on both the Turkish and English website of the Bank.

Ethical and Professional Principles aim to regulate the conduct and behavior of Akbank employees at all levels as well as their relationships with individuals and institutions within or outside the Bank. Approved on September 26, 2003 by resolution No. 8783 of the Board of Directors, all employees are expected to observe this body of rules and principles and fully comply with them in the course of their high performance in their duties. Naturally, the employees shall act with due diligence in line with the basic rules and principles in any situation not included in the document cited above.

A Corporate Portal was created as an in-house information sharing system. All announcements are transferred from a paper medium into this system and conveyed to all employees. In addition, certain social activities can be followed via this portal. Since access to all corporate information can be accomplished over this system, employees can instantly access the information they seek from different entry points utilizing various key search words in the most effective manner. This helps boost employee satisfaction and prevents loss of time and effort.

The Corporate Portal aims not only to cut costs and provide faster communications, but also to foster the development of a common corporate culture.

#### 14. Participation of Stakeholders in Management

In order to establish effective and efficient labor relations and create team spirit, efforts were undertaken to increase communication between staff members. Participation in management is always encouraged and employees' suggestions for improving the Bank's business are collected via the suggestion system, evaluated carefully and rewarded.

#### 15. Human Resources Policy

To sustain the success of Akbank in an ever-changing, developing, competitive world of business today and tomorrow, the mission of Akbank Human Resources is to provide direction for the organizational structure, operations, human resource and business strategies in accordance with the objectives of the Bank. The human resources policy aims to optimize the competency and efficiency of the employees and ensure its full manifestation in business practices and outcomes.

Thus, the key objectives of focus for the human resource policy are recruitment of the best candidates, constant improvement of the corporate culture and business practices, allocation of effective and appropriate investment on human resources in line with the objectives and strategies, participatory career planning, transparent and fair administration of goal and competency oriented performance management, encouragement of high performance through recognition and reward schemes.

Structured to reflect the organization model of the Bank's business lines along with needs and expectations, the Human Resources Department supports relevant units and employees concerning human resources issues.

Furthermore, the Banksis-Bank and Insurance Workers Union is engaged in employee relations. Collective agreements renewed through biannual negotiations determine remuneration and other administrative rights and affairs of the employees covered by the union.

An Ethics Line was established to enable employees raise their concerns about issues that they believe cannot be resolved within their business lines, or for certain reasons cannot be taken to their colleagues/line managers, and to provide them support, and advice or consultancy if necessary.

Moreover, the Bank has compiled and documented the essentials of corporate culture and governance under the Ethics and Professional Principles code, available on the corporate website.

#### 16. Information on Relations with Customers and Suppliers

Relationships with customers have been addressed as a separate section in the Bank's Ethical and Professional Principles document. Relationships with customers should be conducted as follows:

Akbank employees;

- Are aware that one of the most important factors in beating the competition is to provide the best service to the customers.
- Refer the issue to the person or unit in charge when they are confronted with a task, transaction or request that is beyond their authority, responsibility or sphere of knowledge.
- Pay special attention to customer complaints resulting from circumstances beyond their control, try to resolve the customers' problems within the general principles and the Bank's procedures, expend efforts and take measures in order to prevent the same issue from arising again.
- Collect interest, commissions, fees, etc. for each transaction executed and each service provided in keeping with the Bank's procedures and communiqués and record all monetary collections immediately and unconditionally. Do not carry out any transactions that must be performed by the customers themselves, not even with the customers' authorization. Perform any transaction on behalf of the customer only within the scope of clear and unambiguous instructions from the customer.

Another group of stakeholders for whom Akbank has set performance criteria is the suppliers. In order to create clear mutual understanding, the Bank shares its performance criteria with its suppliers. All suppliers are offered equal opportunities and compliance of the suppliers with social standards is monitored.

#### 17. Social Responsibility

Social Responsibility is an essential part of the 61-year heritage of Akbank. Regarding Social Responsibility as a quality benchmark, Akbank has developed a sustainability strategy in tandem with its mission, vision and objectives, and has incorporated a deeper, more comprehensive and integrated perspective to its conventional social responsibility approach concerning economical, social and environmental issues. In line with this strategy, corporate governance, human resources, customer satisfaction and environment have been designated as priority areas.

The most significant proof of Akbank's commitment to universal principles with regard to human rights, labor conditions, environment and anti-corruption is the signature of the most remarkable covenant for corporate social responsibility worldwide, the UN Global Compact. With this signature, Akbank commits itself to respect human rights, provide a secure and decent workplace, protect the environment, and create sustainable value and benefits for the employees and society through policies involving transparent corporate governance and pledges to play its part to ensure a more humane, ethical globalization.

Social responsibility projects and sponsorship activities are thus devised in line with this strategy to address the pressing needs of Turkey and to contribute to its cultural development.

Embracing the view that enlightenment of a country involves gaining diverse perspectives in several areas including education and arts, Akbank is working to promote enlightenment for 61 years. The Bank's conviction of 'the more achievements in this field, the less ignorance and intolerance' is manifest in initiatives and projects realized through an empathic awareness of social responsibility and sponsorship philosophy.

On its 60<sup>th</sup> anniversary, Akbank is proud to host a groundbreaking exhibition by one of the most significant artists of the 20<sup>th</sup> century and the champion of the surrealist movement, Salvador Dalí. Inspired by the mysterious world of dreams to herald a brand-new artistic movement that took creativity to new heights, Dalí's work in the exhibition have also served as a manifestation of the pioneering and innovative spirit of Akbank. The artist's debut exhibition in Istanbul, featuring 385 of his paintings, was presented as "A Surrealist in Istanbul-Salvador Dalí." This exhibition was also the largest collection of the artist's works ever to be exhibited outside of Spain.

For years, Akbank has added creative value to life through Akbank and Arts platform.

Akbank Children's Theater, the oldest children's theater troupe in Turkey, has thrown its support behind Hürriyet Newspaper's social responsibility project entitled "Freedom is our Right." It went on tour across Turkey from Kars to Edirne and Gaziantep to Erzurum, enabling tens of thousands of children to see this performance. Under the auspices of Akbank at the Akbank Arts Center, the Zeynep Tanbay Dance Project went on an overseas tour in recent years taking Turkish art to major dance stages outside of the country, to Tel Aviv and Stuttgart in addition to nationwide tours.

In addition to cultural and arts activities of Akbank and the Arts Platform, Akbank launched a new social responsibility project called the Power of Thinking with the aim of providing a more innovative and modern course for Turkey's educational system. The project will trickle down to reach hundreds of thousands of students through thousands of teachers. Conducted under the slogan "Supporting Teacher Training for an Enquiring and Questioning Youth," approximately 6,600 teachers in eight provinces will receive training during the first phase of this project.

Parallel to this remarkable initiative, Akbank also supports the Engin Arık Fellowship established in memory of Prof. Engin Arık who lost her life in a plane crash in Isparta in 2007. This fellowship has undertaken the educational expenses of two students who will study at the European Organization for Nuclear Research - CERN, one of the leading scientific organizations in the world.

Led by the aspiration to be a model corporate citizen, Akbank provides a huge backing for the Turkish arm of 'Make-a-Wish Foundation' (Bir Dilek Tut Derneği) which operates in more than 30 countries worldwide to support children with life threatening illnesses. Standing by these children through their difficult treatment processes as they battle deadly diseases Akbank has become the main sponsor of the Make-a-Wish Foundation in Turkey helping to make the wishes of these children come true.

## SECTION IV - BOARD OF DIRECTORS

### 18. Structure and Composition of the Board of Directors and Independent Members

**Suzan Sabancı Dinçer**, Chairman and Executive Board Member  
**Erol Sabancı**, Honorary Chairman of the Board of Directors and Consultant to the Board- Board Member  
**Akın Kozanoğlu**, Vice Chairman  
**Bülent Adanır**, Executive Board Member  
**William J. Mills**, Board Member  
**Özen Göksel**, Board Member  
**Hikmet Bayar**, Board Member  
**Aydın Günter**, Board Member  
**Yaman Törüner**, Board Member  
**Zafer Kurtul**, Board Member and CEO

Members of the Board of Directors are elected for three-year terms and their terms have not expired.

Members of the Board of Directors have been granted the authority by the General Assembly to undertake transactions stipulated in Articles 334 and 335 of the Turkish Commercial Code.

There are five executive and five non-executive members on the Board of Directors.

### 19. Qualifications of the Members of the Board of Directors

The minimum requirements sought for the Members of the Board of Directors are identical with those stipulated in Articles 3.1.1, 3.1.2 and 3.1.5 of Part IV of the Corporate Governance Principles of the Capital Markets Board and the principles regarding this issue are included in the Bank's Articles of Association.

### 20. The Bank's Mission, Vision and Strategic Goals

The Akbank Board of Directors has clearly and comprehensively formulated goals for the vision, mission and short and long-term strategic objectives of Akbank as presented in the Annual Report. The Articles of Association state that the duties and responsibilities of the Board

of Directors are subject to the principles stipulated in the provisions of the Turkish Commercial Code, the Banking Law and the provisions of the Articles of Association. The Articles of Association also obligate the Board of Directors to meet at least once a month and establish the circumstances thereof clearly. At its meetings, the Board of Directors monitors the Bank's progress in light of its strategic objectives and evaluates its performance.

The Board of Directors approves the annual budget of the Bank and its strategic plan. The Board closely monitors the budgeted and the realized figures, gathers information regarding deviations and follows up on its decisions. Should there be significant deviations in macroeconomic indicators from those expected in the budget, the budget will be revised and resubmitted for approval to the Board of Directors. The Board of Directors monitors strategic objectives, budget targets and budget realizations on a daily, weekly or monthly basis depending on the nature of the issues under scrutiny. In addition to printed reports, the Board has access to the Bank's financial statements, various financial and non-financial indicators by customer, branch and business unit or for the Bank as a whole through the Executive Information System.

## **21. Risk Management and Internal Control Mechanisms**

The Board of Directors and the Executive Management are responsible for developing risk management policies and strategies. These policies are reviewed periodically in light of changing market conditions at the daily Asset-Liability Committee meetings, the monthly Executive Risk Committee and Senior Market Risk Committee meetings as well as at the meetings of the Board of Directors.

The CEO is responsible for ensuring that the Bank's units operate in line with the risk management policies and strategies set by the Board of Directors. In addition, internal control activities as well as internal audit activities performed

periodically throughout the year also carry out the necessary controls for compliance with the policies and strategies.

Akbank's Board of Directors, through the Executive Risk Committee, is heavily involved in the risk management process by developing strategies, policies, limit systems and procedures to be pursued, both on a consolidated and non-consolidated basis. Executive Risk Committee holds monthly meetings to review the Bank's position and other developments in the economy.

Akbank's Board of Directors formulate risk management policy and strategies for market, liquidity and funding exposures, setting risk parameters and limits commensurate with the outlined strategy and policies, and monitors their compliance through Senior Market Risk Committee. The duties and responsibilities of Senior Market Risk Committee involve the subsidiaries of the Bank; it meets bi-monthly.

The Audit Board, which is responsible for the internal audit system and the Internal Control Center, bearing responsibility for the Bank's internal control system, report directly to the Board of Directors.

The Audit Committee's evaluation report is presented in the relevant section on pages 57-58 of the Annual Report

## **22. Duties and Responsibilities of the Members of the Board of Directors and Executives**

The Bank's administrative structure and organization are stipulated in Section 3 of the Articles of Association. This section characterizes the duties and responsibilities of the Board Members and executives. Pursuant to the provisions included therein, the duties and responsibilities of the Board of Directors are subject to the principles stipulated in the provisions of the Turkish Commercial Code and the Banking Law and to the provisions of the Bank's Articles of Association. The Board of Directors is authorized to make decisions on matters other than those that are

exclusively within the authority of the General Assembly, to use the powers of settlement, release of debt, arbitration and waiver irrevocably and to resolve on matters that fall or are left outside the powers of the Credit Committee and the CEO or the person charged with the CEO's duties.

The Board of Directors may perform these duties itself as well as delegating all or part of these duties that it deems susceptible to and appropriate for delegation to the Credit Committee, or a Managing Director, or any committee(s) or commission(s) it is authorized to set up as per the provisions of the Articles of Association or to the Bank's CEO.

## **23. Operating Principles of the Board of Directors**

A secretariat was set up for the purpose of informing and communicating with the Members of the Board of Directors. The Board meets at least twelve times a year. The agenda is determined based on evaluations by the Board of the proposals made by the CEO and according to the Bank's results. The agenda is communicated to the Members of the Board prior to the meeting. Attendance in-person by the Board Members is required when the issues stipulated in Article 2.17.4 of Section IV of the Corporate Governance Principles of the Capital Markets Board are on the agenda.

For a resolution to be passed by the Board of Directors, the necessary quorum is the presence of more than half the members of the Board of Directors. A simple majority of the members in attendance is sufficient to adopt resolutions. Deliberations of the Board of Directors are regularly recorded by a secretary to be selected either from among the Members or from outside the Board. The minutes must be signed by the Members present and should there be any dissenting views regarding the resolution(s), the reason must be recorded in the minutes and signed by the dissenting Member(s). The validity of the resolution(s) is predicated upon their being written up and signed. The procedures regarding the recording of



the minutes for resolutions is stipulated in Articles 31 (quorum for the gathering and resolutions of the Board of Directors) and 32 (minutes of Board resolutions) of Section 3 (the administrative structure and organization of the Bank) of the Articles of Association.

No Member of the Board of Directors has a right to a weighted vote and/or veto power.

#### **24. Prohibition from Doing Business with the Bank and Non-Compete Clause**

Pursuant to Article 32 of the Articles of Association, members of the Board of Directors cannot undertake commercial transactions with the Bank in areas where the Bank is actively engaged either in person or by proxy, unless they have received the approval of the General Assembly. The provisions of Article 335 of the Turkish Commercial Code pertaining to the non-compete clause and the provisions of the Banking Law are reserved.

Members of Akbank's Board of Directors did not engage in any business transactions with the Bank during the course of 2008.

#### **25. Rules of Ethics**

A separate document, Ethical and Professional Principles, was drafted by the Bank based on the seven invariable principles of corporate culture and governance (integrity, credibility, non-discrimination, compliance, confidentiality, transparency and social responsibility). This document was disclosed to Bank employees and to the public.

#### **26. The Number, Structure and Independence of the Committees Established under the Board of Directors**

In keeping with the legal requirements, Akbank has an Audit Committee composed of two members from the Board of Directors. Responsible for assisting the Board of Directors in its auditing and supervision activities,

the Audit Committee is charged with overseeing the functioning and adequacy of the internal systems as well as the accounting and reporting systems.

In keeping with legal requirements, a Credit Committee composed of two members of the Board of Directors and the CEO monitors the lending process at Akbank. The Credit Committee is the ultimate decision-making body for loan allocation and reviews each loan application processed by the Head Office to ensure that it conforms to legislation and regulations, banking principles and the Bank's goals and loan policies.

The Executive Management Committee evaluates the Bank's financial data, profitability of the business lines, the overall standing in the industry, recent business developments. Any changes in the risk parameters are assessed to make necessary recommendations to the Risk Committee.

The time and agenda of Committee meetings are arranged on an annual basis.

Akbank has established an Executive Risk Committee even though there is no legal requirement to do so. Akbank's Board of Directors, through the Executive Risk Committee, is heavily involved in the risk management process by developing strategies, policies, limit systems and procedures to be pursued, both on a consolidated and non-consolidated basis.

The Executive Risk Committee holds monthly meetings to review the Bank's position and other developments in the economy.

Senior Market Risk Committee also formulates the risk management policy and strategies for market, liquidity and funding exposures. Additionally, it sets the risk parameters and limits commensurate with the outlined strategy and policies, and monitors their compliance.

Meeting twice a month, duties and responsibilities of Senior Market Risk Committee also involve consolidated partnerships.

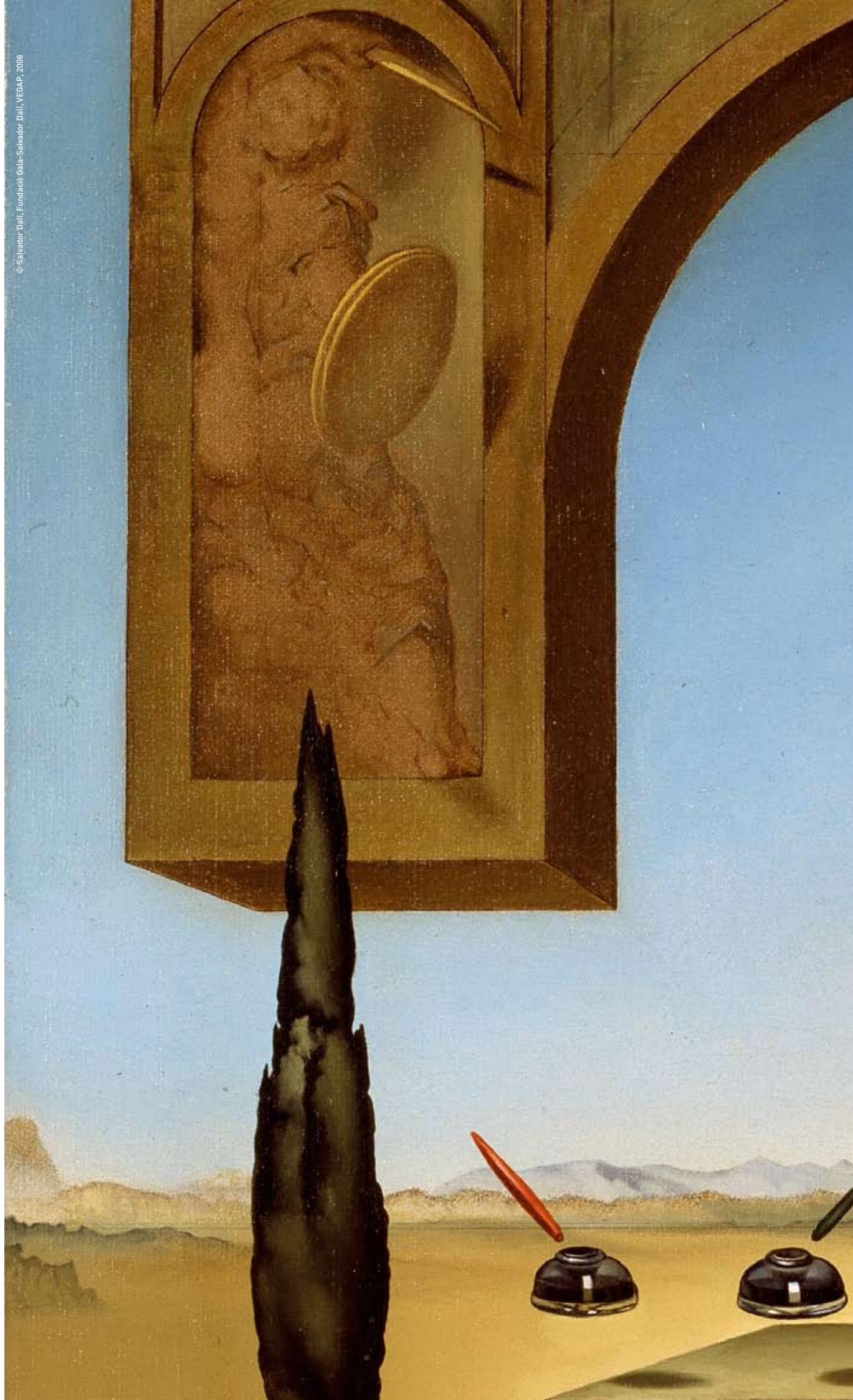
Although there is no legal requirement to do so, Akbank has also formed an Asset-Liability Committee (ALCO). Responsible for daily liquidity and cash management, ALCO meets daily to take up developments in the economy and the markets. Additionally, the development of investment, pricing and funding strategies are among the ALCO's responsibilities. The Bank's Board of Directors has not deemed it necessary to form a Corporate Governance Committee because the Board is directly involved with the implementation of, and compliance with, corporate governance principles.

#### **27. Remuneration of the Board of Directors**

Article 37 of the Articles of Association states: "The General Assembly shall determine, under these Articles of Association a monthly fee or remuneration for members of the Board of Directors." Furthermore, Ordinary General Assembly Meeting resolutions stipulate the portion of the Bank's profit to be distributed to the Chairman and the members of the Board of Directors. Executive Members are also paid 12 monthly salaries and four bonus payments per year. The Board of Directors determines these salaries annually.

Article 50 of the Banking Law limits loans to be granted by Akbank to the Directors serving on the Board with a clear framework of restrictions. No loans are granted to the Directors of the Board against this mandate.

Detail from the painting "Intraatomic Equilibrium of a Swan's Feather" (1947);  
oil on canvas







US\$

7.4

BILLION\*

\* Consolidated shareholders' equity as of the end of 2008



# FINANCIAL INFORMATION AND RISK MANAGEMENT

## ASSESSMENT OF FINANCIAL POSITION, PROFITABILITY AND DEBT SERVICING CAPACITY

Akbank is performing its operations with high profitability and is strengthening its equity capital. A very small portion of the Bank's equity capital is tied down in fixed investments such as fixed assets and subsidiaries, with free equity capital standing at quite high levels and invested in interest bearing assets. Thanks to effective risk management, Akbank's capital adequacy standard ratio stands significantly above the minimum set by the relevant legislation; the Bank is capable of servicing its debt due to the ample liquidity it enjoys.

### Strong Capital Adequacy (As of December 31, 2008)

	<b>BASEL I</b>	<b>BASEL II</b>
Market Risk	Standard	Internal
Credit Risk	Standard	Standard
Operational Risk	Basic	Basic
Capital Adequacy Ratio		
Non-consolidated (%)	18.20	16.43
Consolidated (%)	16.98	15.14

Akbank is planning to use its compliance with Basel II as a competitive advantage. Compliance with Basel II will ensure keeping credit quality as well as asset quality at the highest level and a strong collateral structure, thus forming a basis for effective risk management.

## RISK MANAGEMENT POLICIES

The management of risk with predictive power and professional skill has, from day one, been one of the most important competencies established within Akbank's corporate culture. The cautious approach pursued in the domain of risk is also consistent with long-term banking strategies.

An integral part of Akbank's operations, risk management implementations have a direct impact on all administrative units. Risk management activities require that risk be identified, measured, consolidated and managed. Risk management policies aim to analyze and monitor risk within acceptable limits.

### Risk Management Principles

#### Fundamental principles of Akbank's risk management philosophy:

- Managing and effectively monitoring market and credit risk, operational risk and other kinds of banking risk, providing for appropriate distribution of capital among the business units,
- Managing risk in a forward-looking manner, determining risk and analyzing it from the beginning with the help of steering risk strategies, models and parameters,
- Establishing the risk management system with a structure that is independent from business units,
- Considering risk management system as part of the Bank's organization and integrating it into the system,
- Reporting all risk,
- Offering the maximum added value in the long-run to the shareholders, customers and employees,
- Being prepared for change and learning with the aim of keeping abreast of rapidly changing market conditions,
- Being financially reliable and strong, establishing business relations with shareholders and customers that will last for many years by creating the image of a financial institution to stay in the sector permanently and
- Compliance with Basel II as well as other international guiding principles.

## The Basel II Framework

Project work is ongoing within the framework of compliance with the New Capital Adequacy Accord (Basel II).

### Key Responsibilities

The Board of Directors is in charge of determining the Bank's fundamental attitude towards risk while setting out the risk principles as well as the level of exposure. The Board manages risk through two main committees, Senior Market Risk Committee (SMRC) and the Executive Risk Committee (ERC).

Monitoring events in the financial markets closely, Senior Market Risk Committee determines risk management strategies and policies for market, liquidity and funding exposures.

Executive Risk Committee on the other hand, is responsible for formulating risk policies, determining methods to measure and manage risk, setting appropriate risk limits and monitoring their performance. All risk policies formulated by the Executive Risk Committee are documented in writing and incorporated with the overall long-term strategy of the Bank.

### Risk Categories

The main risk categories are outlined as credit risk, market risk, operational risk and asset-liability risk.

### Credit Risk

Credit risk is the risk exposure arising from the possibility of a counterparty's failure to meet its obligations defined by an agreement. Utilizing prudent lending policies and procedures, Akbank manages credit risk for the entire portfolio of the Bank's products from placements and guarantees to letters of credit. Akbank assigns an internal rating to the counterparties to assess their credit quality for all transactions.

### Credit Appraisal Process

#### Corporate and Commercial Loans

The loan portfolio managed by the Corporate and Commercial Loans Approval Department has grown by 45% to reach TL 28 billion.

Several measures have been taken in order to minimize the operational risks concerning corporate and commercial loans. A more detailed monitoring process was implemented and a proactive credit risk management approach was developed with the provision of necessary funding for this purpose. All phases of the lending process have been incorporated under the Head Office, facilitating improved controls. The current non-linear statistical rating model was appraised by independent auditors in April and updated in December 2008 in accordance with recent economic events and developments.

#### Retail Loans

The Retail Loans Department manages retail loan process and portfolio through improved loan assessment models and business processes structured in line with customer profiles. Through a method based on data and statistical modeling, the Department aims to carry out the loan approval and monitoring processes at low costs while minimizing the ratio of non-performing loans.

Concerning credit cards and personal loans, the new customer management infrastructure based on behavioral scoring was completed, thus enhancing efficiency in terms of risk management and marketing activities including cross-sales, limit increase/reduction and monitoring.

The Bank has initiated brand-new projects in Turkish credit cards market which allows requests for credit card limit increase to be submitted via alternative distribution channels, providing instantaneous assessment and response in return. Behavioral scorecards developed for small business and microcredit loan facilities will

be used for centralized loan monitoring whereas the application scorecards will be renewed through sub-segmentation in 2009.

A new Retail Loans Monitoring Unit was established to increase the efficacy of the loan monitoring process, enabling implementation of efficient risk controls with a customer-based and multilateral approach. With the conclusion of ongoing projects regarding behavioral scoring in small business and consumer segments, the efficiency of monitoring and collection processes will be further enhanced.

Efforts are underway for a countrywide value assessment project conducted in cooperation with appraisal firms for the real estates subject to guarantee and loan. In the meantime, work to create a real estate valuation index based on the values of all appraised real estates is ongoing.

### Market Risk

Market risk exposure arises from fluctuations in foreign exchange rates, interest rates and stock prices. The market risk of the trading portfolio is measured using the Value at Risk (VaR) approach.

The VaR model is based on the assumptions of a 99% confidence interval and a 10-day holding period. VaR analyses are reported daily to the executive and are supported by scenario analyses and stress testing.

### Operational Risk

Operational risk management is performed by coordination of the Risk Management Department, the Internal Control Center and the Audit Board. The potential risk posed by the portfolio of constantly changing and improving products and services on the Bank's organizational structure and activities are overseen with a comprehensive set of policies and procedures developed for this purpose.

Operational risk is measured by adapting the Basic Indicator Approach.

### Asset-Liability Risk

Asset and liability risk is managed through the decisions made at Senior Market Risk Committee's meetings. Senior Market Risk Committee outlines strategies for liquidity management and determines the position the Bank will take in accordance with the daily changes in foreign exchange and interest rates. The Committee also develops hedging strategies to respond to unforeseen and adverse events.

The assessment of the Audit Committee concerning the functioning and 2008 activities of the internal control, internal audit and risk management systems can be seen on pages 57 and 58 of this Annual Report.

### The Importance of Countering Legalization of Criminal Proceeds and Terrorist Financing

In line with national and international legislation, Akbank has outlined an effective strategy to counter legalization of criminal proceeds and dirty money as well as the financing of terrorism. In addition to complying with international regulations and standards, the Bank aims to contribute to international co-operation in this field. As part of this approach Akbank documented its policies in writing and prepared The Importance of Countering Legalization of Criminal Proceeds and Terrorist Financing - Policies and Principles Guide.

The staff at all Akbank branches and subsidiaries established in Turkey and abroad regularly attend comprehensive training programs covering the handling of such risk within the banking system. The content of these programs, aiming to raise staff awareness, are regularly updated in accordance with the recent developments.

In line with legal legislations, the business processes are effectively kept under control and supervision with the help of technological tools. Likewise, full compliance with standards for countering legalization of criminal proceeds and financing of terrorism is sought for new projects and during the revision of existing processes of business processes.

## FIVE-YEAR SUMMARY FINANCIAL STATISTICS

### Akbank is the first bank to:

- Publicly disclose its dividend policy (2003)
- Disclose its Corporate Governance Principles in its Annual Report (2003)
- Disclose its Corporate Governance Principles on its website (2004)
- Buy back its founders' shares (2005)

### Five-Year Summary Non-consolidated Financial Statistics (TL millions)

	2004	2005	2006	2007	2008
Total Assets	34,913	52,476	57,248	68,205	85,655
Deposits	20,045	31,735	34,202	41,044	52,182
Loans	13,141	22,366	28,337	37,016	44,374
Shareholders' Equity	6,227	6,383	7,041	10,601	11,208
Net Profit	1,021	1,467	1,600	1,994	1,705

### Five-Year Summary Consolidated Financial Statistics (TL millions)

	2004	2005	2006	2007	2008
Total Assets	35,677	55,174	60,320	72,103	93,093
Deposits	20,373	32,247	35,959	43,635	57,575
Loans	13,426	22,883	30,313	39,882	49,054
Shareholders' Equity	6,246	6,506	7,185	10,632	11,331
Net Profit	1,007	1,490	1,580	2,041	1,782

## STATUTORY AUDITORS' REPORT

To the General Assembly of Akbank Incorporated,

The Balance Sheet and the Profit and Loss Statement of the Bank have been examined and audited by us in conformity with the Banking Law No. 5411 and the Articles of Association.

The position of the Bank complies entirely with the provisions of the Banking Law and other relevant legislation.

We kindly recommend a resolution by the Grand Assembly to approve and certify the submitted Balance Sheet and the Profit and Loss Statement.

**Statutory Auditor**

M. Nedim Bozfakioğlu



**Statutory Auditor**

Mevlüt Aydemir





**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT  
AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH, SEE NOTE I.B OF  
SECTION THREE**

**AKBANK T.A.Ş.**

**PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITOR’S  
REPORT AT 31 DECEMBER 2008**

**Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.**  
a member of  
**PricewaterhouseCoopers**  
BJK Plaza, Süleyman Seba Caddesi  
No:48 B Blok Kat 9 Akaretler  
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Telephone +90 (212) 326 6060  
Facsimile +90 (212) 326 6050

**CONVENIENCE TRANSLATION OF  
THE INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the Board of Directors of Akbank T.A.Ş.:

We have been engaged to audit the accompanying unconsolidated balance sheet of Akbank T.A.Ş. ("the Bank") at 31 December 2008 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

*Disclosure for the responsibility of the Bank's Board of Directors:*

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the financial statements; and for selecting and applying appropriate accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Document" published on the Official Gazette No.26333 dated 1 November 2006, Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency (the "BRSA") on accounting and financial reporting principles.

*Disclosure for the Responsibility of the Authorized Audit Firm:*

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our independent audit has been implemented in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

*Independent Auditors' Opinion:*

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Akbank T.A.Ş. at 31 December 2008 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No.5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

*Additional paragraph for convenience translation:*

As explained in detail in Note I.b. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers



Cansen Başaran Symes, SMMM  
Partner

İstanbul, 13 February 2009

**CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH,  
SEE NOTE I.b IN SECTION THREE**

**THE UNCONSOLIDATED FINANCIAL REPORT OF  
AKBANK T.A.Ş. AS OF  
31 DECEMBER 2008**

Address : Sabancı Center 34330, 4. Levent / Istanbul  
Telephone: (0 212) 385 55 55  
Fax : (0 212) 269 73 83  
Website : www.akbank.com  
E-mail : hizmet@akbank.com

The unconsolidated financial report includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

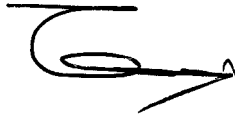
- **Section One** - GENERAL INFORMATION ABOUT THE BANK
- **Section Two** - UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- **Section Five** - EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** - OTHER EXPLANATIONS AND NOTES
- **Section Seven** - EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The accompanying audited unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira ("TL"), have been prepared based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and the related appendices and interpretations on these, and are independently audited.

13 February 2009




Suzan SABANCI DİNÇER  
Chairman of the  
Board of Directors



Akın KOZANOĞLU  
Head of the Audit  
Committee



Özen GÖKSEL  
Member of the  
Audit  
Committee



Zafer KURTUL  
President



K. Atıl ÖZUS  
Executive Vice  
President



Türker TUNALI  
Senior Vice  
President

Contact information of the personnel in charge of addressing questions regarding this financial report:

Name-Surname / Title : Türker TUNALI / Senior Vice President  
Phone No : (0 212) 385 55 55  
Fax No : (0 212) 325 12 31



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**CONVENIENCE TRANSLATION OF  
PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

**AKBANK T.A.Ş.  
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2008**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**SECTION ONE  
GENERAL INFORMATION ABOUT THE BANK**

**I. BANK'S FOUNDATION DATE, START-UP STATUS, HISTORY REGARDING THE CHANGES IN THIS STATUS:**

Akbank T.A.Ş. ("the Bank" or "Akbank") was established on 30 January 1948 as a private commercial bank, in accordance with the decision of the Council of Ministers, No.3/6710 and is authorized to perform all economic, financial and commercial activities allowed by the laws of the Turkish Republic("T.C."). The status of the Bank has not changed since its foundation.

**II. EXPLANATION ABOUT THE BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE BANK BELONGS TO:**

The Bank's shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depositary Receipts ("ADRs"). As of 31 December 2008, approximately 25% of the shares are publicly traded, including the ADRs (31 December 2007: 25%).

The major shareholder of the Bank, directly or indirectly, is Sabancı Group.

**III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, IF AVAILABLE, SHARES OF THE BANK THEY POSSESS:**

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman:</b>	Suzan SABANCI DİNÇER	Chairman and Managing Director	Graduate
<b>Honorary Chairman:</b>	Erol SABANCI	Honorary Chairman, Member, Advisor	Undergraduate
<b>Board of Directors:</b>	Akın KOZANOĞLU	Vice Chairman and Executive Director	Graduate
	Bülent ADANIR	Managing Director	Graduate
	Özen GÖKSEL	Member	Undergraduate
	M. Hikmet BAYAR	Member	Undergraduate
	Aydın GÜNTER	Member	Undergraduate
	Yaman TÖRÜNER	Member	Undergraduate
	William J. MILLS	Member	Undergraduate
	Zafer KURTUL	Member and CEO	Graduate
<b>President and CEO:</b>	Zafer KURTUL	CEO	Graduate
<b>Director of Internal Audit:</b>	Eyüp ENGİN	Head of Internal Audit	Undergraduate
<b>President Deputy:</b>	Reşit TOYGAR	Treasury	Graduate
	S. Hakan BİNBAŞGİL	Retail Banking	Graduate

**CONVENIENCE TRANSLATION OF  
PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2008**

**(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

<b>Executive Vice Presidents:</b>	Zeki TUNCAY	Human Resources and Support Services	Undergraduate
	M. Fikret ÖNDER	Private Banking	Graduate
	Sevilay ÖZSÖZ	Operations	Undergraduate
	Alpaslan ÖZLÜ	Information Technology	Graduate
	Ferda BESLİ	Commercial Banking	Undergraduate
	Ahmet Fuat AYLA	Loans	Undergraduate
	Hülya KEFELİ	International Banking	Undergraduate
	K. Atıl ÖZUS	Financial Coordination	Undergraduate
	A. Galip TÖZGE	Retail Banking	Graduate
	Cem MENĞİ	Corporate Banking	Undergraduate
	Burak TANSAN	Strategy and Corporate Communication	Graduate
	Mine Tülay KÖNÜMAN	Payment Systems	Undergraduate
<b>Internal Audit Committee:</b>	Akın KOZANOĞLU	Head of the Audit Committee	Graduate
	Özen GÖKSEL	Member of the Audit Committee	Undergraduate
<b>Auditors:</b>	Mevlüt AYDEMİR	Auditor	Undergraduate
	Nedim BOZFAKIOĞLU	Auditor	Undergraduate

The shares of the above individuals are insignificant in the Bank.

**IV. INFORMATION ON SHAREHOLDER'S HAVING CONTROL SHARES:**

<b>Name/Commercial Title</b>	<b>Share Amounts (Nominal)</b>	<b>Share Percentages</b>	<b>Paid-in Capital (Nominal)</b>	<b>Unpaid Portion</b>
Hacı Ömer Sabancı Holding A.Ş.	968.466	32,28%	968.466	-
Citibank Overseas Investment Corporation	600.000	20,00%	600.000	-

**V. EXPLANATION ON THE BANK'S SERVICE TYPE AND FIELDS OF OPERATION:**

The Bank's core business activities include retail banking, commercial banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş and AvivaSA Emeklilik ve Hayat A.Ş. As of 31 December 2008, the Bank has 867 branches dispersed throughout the country and 1 branch operating abroad (31 December 2007: 715 branches and 1 branches operating abroad).

As of 31 December 2008, the Bank employed 15,127 people (31 December 2007: 13.513).

**AKBANK T.A.Ş.**
**I. UNCONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL).)

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2008)			PRIOR PERIOD (31/12/2007)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH BALANCES WITH CENTRAL BANK</b>	<b>(I-a)</b>	<b>4.899.351</b>	<b>2.784.455</b>	<b>7.683.806</b>	<b>402.697</b>	<b>2.359.737</b>	<b>2.762.434</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	<b>(I-b)</b>	<b>129.789</b>	<b>90.085</b>	<b>219.874</b>	<b>72.972</b>	<b>4.770.018</b>	<b>4.842.990</b>
2.1 Trading Financial Assets		98.893	42.149	141.042	38.572	4.761.998	4.800.570
2.1.1 Government Debt Securities		98.881	42.149	141.030	38.525	4.761.998	4.800.523
2.1.2 Share Certificates		12	-	12	47	-	47
2.1.3 Other Marketable Securities		-	-	-	-	-	-
2.2 Financial Assets Designated at Fair Value through Profit or (Loss)		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Other Marketable Securities		-	-	-	-	-	-
2.3 Trading Derivative Financial Assets		30.896	47.936	78.832	34.400	8.020	42.420
<b>III. BANKS</b>	<b>(I-c)</b>	<b>3.123</b>	<b>4.100.502</b>	<b>4.103.625</b>	<b>26.595</b>	<b>1.306.771</b>	<b>1.333.366</b>
<b>IV. MONEY MARKETS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>(I-d)</b>	<b>5.395.351</b>	<b>890.258</b>	<b>6.285.609</b>	<b>16.761.013</b>	<b>3.467.320</b>	<b>20.228.333</b>
5.1 Share Certificates		2.543	110	2.653	2.543	110	2.653
5.2 Government Debt Securities		5.392.808	854.756	6.247.564	16.758.470	3.467.210	20.225.680
5.3 Other Marketable Securities		-	35.392	35.392	-	-	-
<b>VI. LOANS</b>	<b>(I-e)</b>	<b>26.121.978</b>	<b>18.252.126</b>	<b>44.374.104</b>	<b>25.795.622</b>	<b>11.220.161</b>	<b>37.015.783</b>
6.1 Loans		26.121.978	18.252.126	44.374.104	25.795.622	11.220.161	37.015.783
6.1.1 Loans to Bank's Risk Group	(VII)	224.786	853.760	1.078.546	321.065	769.847	1.090.912
6.1.2 Other		25.897.192	17.398.366	43.295.558	25.474.557	10.450.314	35.924.871
6.2 Loans under Follow-up		1.102.700	36.009	1.138.709	961.981	45.519	1.007.500
6.3 Specific Provisions (-)		1.102.700	36.009	1.138.709	961.981	45.519	1.007.500
<b>VII. FACTORING RECEIVABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>(I-f)</b>	<b>13.951.122</b>	<b>6.609.461</b>	<b>20.560.583</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.1 Government Debt Securities		13.951.122	6.609.461	20.560.583	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>(I-g)</b>	<b>3.125</b>	<b>-</b>	<b>3.125</b>	<b>3.125</b>	<b>-</b>	<b>3.125</b>
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		3.125	-	3.125	3.125	-	3.125
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3.125	-	3.125	3.125	-	3.125
<b>X. SUBSIDIARIES (Net)</b>	<b>(I-h)</b>	<b>214.235</b>	<b>706.174</b>	<b>920.409</b>	<b>225.210</b>	<b>543.939</b>	<b>769.149</b>
10.1 Financial Subsidiaries		214.235	706.174	920.409	225.210	543.939	769.149
10.2 Non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. JOINT VENTURES (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
<b>XII. FINANCIAL LEASE RECEIVABLES (Net)</b>	<b>(I-k)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. HEDGING DERIVATIVE FINANCIAL ASSETS</b>	<b>(I-l)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>	<b>(I-i)</b>	<b>796.922</b>	<b>2.842</b>	<b>799.764</b>	<b>712.548</b>	<b>2.603</b>	<b>715.151</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>(I-j)</b>	<b>36.295</b>	<b>-</b>	<b>36.295</b>	<b>31.330</b>	<b>-</b>	<b>31.330</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		36.295	-	36.295	31.330	-	31.330
<b>XVI. INVESTMENT PROPERTY (Net)</b>	<b>(I-m)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. TAX ASSET</b>		<b>120.348</b>	<b>-</b>	<b>120.348</b>	<b>13.244</b>	<b>1.519</b>	<b>14.763</b>
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(I-n)	120.348	-	120.348	13.244	1.519	14.763
<b>XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>3.872</b>	<b>-</b>	<b>3.872</b>	<b>3.650</b>	<b>-</b>	<b>3.650</b>
18.1 Held for Sale Purpose		3.872	-	3.872	3.650	-	3.650
18.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>(I-p)</b>	<b>510.744</b>	<b>32.856</b>	<b>543.600</b>	<b>470.131</b>	<b>14.545</b>	<b>484.676</b>
<b>TOTAL ASSETS</b>		<b>52.186.255</b>	<b>33.468.759</b>	<b>85.655.014</b>	<b>44.518.137</b>	<b>23.686.613</b>	<b>68.204.750</b>

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



**AKBANK T.A.Ş.**  
**I. UNCONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2008 AND 31 DECEMBER 2007**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2008)			PRIOR PERIOD (31/12/2007)		
		TL	FC	Total	YTL	FC	Total
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>28.953.746</b>	<b>23.228.201</b>	<b>52.181.947</b>	<b>25.369.361</b>	<b>15.674.920</b>	<b>41.044.281</b>
1.1 Deposits of Bank's Risk Group	(VII)	963.713	1.373.304	2.337.017	865.255	973.786	1.839.041
1.2 Other		27.990.033	21.854.897	49.844.930	24.504.106	14.701.134	39.205.240
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b)</b>	<b>17.252</b>	<b>48.414</b>	<b>65.666</b>	<b>56.840</b>	<b>30.184</b>	<b>87.024</b>
<b>III. BORROWINGS</b>	<b>(II-c)</b>	<b>229.013</b>	<b>11.069.761</b>	<b>11.298.774</b>	<b>153.412</b>	<b>8.701.089</b>	<b>8.854.501</b>
<b>IV. MONEY MARKETS</b>		<b>8.074.537</b>	<b>30.441</b>	<b>8.104.978</b>	<b>4.414.565</b>	-	<b>4.414.565</b>
4.1 Funds from Interbank Money Market		-	30.441	30.441	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		8.074.537	-	8.074.537	4.414.565	-	4.414.565
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>911.307</b>	<b>12.491</b>	<b>923.798</b>	<b>916.096</b>	<b>10.358</b>	<b>926.454</b>
<b>VIII. OTHER LIABILITIES</b>	<b>(II-d)</b>	<b>576.652</b>	<b>141.293</b>	<b>717.945</b>	<b>1.369.220</b>	<b>87.255</b>	<b>1.456.475</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>	<b>(II-e)</b>	<b>12.309</b>	<b>8.824</b>	<b>21.133</b>	<b>32.660</b>	<b>10.964</b>	<b>43.624</b>
10.1 Financial Lease Payables		15.013	9.540	24.553	36.556	12.287	48.843
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses ( - )		2.704	716	3.420	3.896	1.323	5.219
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-f)</b>	<b>69.854</b>	<b>138.214</b>	<b>208.068</b>	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		69.854	138.214	208.068	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>(II-g)</b>	<b>455.677</b>	<b>196.089</b>	<b>651.766</b>	<b>406.660</b>	<b>89.406</b>	<b>496.066</b>
12.1 General Loan Loss Provision		226.493	194.283	420.776	187.328	88.366	275.694
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		52.226	-	52.226	62.492	-	62.492
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		176.958	1.806	178.764	156.840	1.040	157.880
<b>XIII. TAX LIABILITY</b>	<b>(II-h)</b>	<b>271.205</b>	<b>1.362</b>	<b>272.567</b>	<b>280.903</b>	<b>24</b>	<b>280.927</b>
13.1 Current Tax Liability		271.205	1.362	272.567	280.903	24	280.927
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		-	-	-	-	-	-
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(II-i)</b>	<b>11.367.662</b>	<b>(159.290)</b>	<b>11.208.372</b>	<b>10.612.236</b>	<b>(11.403)</b>	<b>10.600.833</b>
16.1 Paid-in capital		3.000.000	-	3.000.000	3.000.000	-	3.000.000
16.2 Capital Reserves		3.592.580	(159.290)	3.433.290	3.813.171	(11.403)	3.801.768
16.2.1 Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	(II-j)	48.935	(84.262)	(35.327)	207.279	(11.403)	195.876
16.2.4 Property and Equipment Revaluation Differences		8.025	-	8.025	-	-	-
16.2.5 Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Revaluation Differences of Investment Properties		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Funds (Effective portion)		(70.272)	(75.028)	(145.300)	-	-	-
16.2.9 Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.905.892	-	1.905.892	1.905.892	-	1.905.892
16.3 Profit Reserves		3.070.529	-	3.070.529	1.804.771	-	1.804.771
16.3.1 Legal Reserves		675.221	-	675.221	518.456	-	518.456
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		2.395.308	-	2.395.308	1.286.315	-	1.286.315
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		1.704.553	-	1.704.553	1.994.294	-	1.994.294
16.4.1 Prior Years' Income or (Loss)		-	-	-	-	-	-
16.4.2 Current Year Income or (Loss)		1.704.553	-	1.704.553	1.994.294	-	1.994.294
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>50.939.214</b>	<b>34.715.800</b>	<b>85.655.014</b>	<b>43.611.953</b>	<b>24.592.797</b>	<b>68.204.750</b>

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

**AKBANK T.A.Ş.****II. UNCONSOLIDATED INCOME STATEMENTS FOR THE PERIODS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL).)

INCOME AND EXPENSE ITEMS		Note	CURRENT PERIOD	PRIOR PERIOD
		(Section Five)	(01/01-31/12/2008)	(01/01-31/12/2007)
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(III-a)</b>	<b>9.700.358</b>	<b>8.481.572</b>
1.1	Interest on loans	(III-a-1)	6.033.285	5.205.880
1.2	Interest Received from Reserve Requirements		21.276	29.509
1.3	Interest Received from Banks	(III-a-2)	284.387	252.178
1.4	Interest Received from Money Market Transactions		358	6
1.5	Interest Received from Marketable Securities Portfolio	(III-a-3)	3.351.357	2.988.265
1.5.1	Trading Financial Assets		136.426	390.990
1.5.2	Financial Assets at Fair Value Through Profit or (loss)		-	-
1.5.3	Available-for-sale Financial Assets		2.528.660	2.597.275
1.5.4	Held to maturity Investments		686.271	-
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		9.695	5.734
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(III-b)</b>	<b>6.212.528</b>	<b>5.239.865</b>
2.1	Interest on Deposits	(III-b-3)	4.829.917	3.938.945
2.2	Interest on Funds Borrowed	(III-b-1)	504.322	520.380
2.3	Interest Expense on Money Market Transactions		869.243	767.057
2.4	Interest on Securities Issued		-	-
2.5	Other Interest Expenses		9.046	13.483
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>3.487.830</b>	<b>3.241.707</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>1.091.896</b>	<b>946.358</b>
4.1	Fees and Commissions Received		1.327.403	1.166.476
4.1.1	Non-cash Loans		50.950	46.058
4.1.2	Other		1.276.453	1.120.418
4.2	Fees and Commissions Paid		235.507	220.118
4.2.1	Non-cash Loans		100	59
4.2.2	Other		235.407	220.059
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>29.914</b>	<b>32.141</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>(III-d)</b>	<b>44.720</b>	<b>149.299</b>
6.1	Trading Gains / (Losses) on Securities		(120.073)	(17.950)
6.2	Foreign Exchange Gains / (Losses)		164.793	167.249
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(III-e)</b>	<b>740.962</b>	<b>507.496</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>5.395.322</b>	<b>4.877.001</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(III-f)</b>	<b>1.148.103</b>	<b>719.592</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(III-g)</b>	<b>2.187.262</b>	<b>1.696.287</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>2.059.957</b>	<b>2.461.122</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XIII.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)</b>		<b>2.059.957</b>	<b>2.461.122</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(III-h)</b>	<b>355.404</b>	<b>466.828</b>
16.1	Current Tax Provision		419.908	482.417
16.2	Deferred Tax Provision		(64.504)	(15.589)
<b>XVII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)</b>		<b>1.704.553</b>	<b>1.994.294</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
18.1	Income from Non-current Assets Held for Resale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
18.3	Income from Other Discontinued Operations		-	-
<b>XIX.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
19.1	Expenses for Non-current Assets Held for Resale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
19.3	Expenses for Other Discontinued Operations		-	-
<b>XX.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		<b>-</b>	<b>-</b>
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>
21.1	Current Tax Provision		-	-
21.2	Deferred Tax Provision		-	-
<b>XXII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>NET INCOME/(LOSS) (XVII+XXII)</b>	<b>(III-i)</b>	<b>1.704.553</b>	<b>1.994.294</b>
Earnings/(Loss) per share (in TL full)			0,00568	0,00665

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

**AKBANK T.A.Ş.**
**III. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL).)

	Note (Section Five)	CURRENT PERIOD (31/12/2008)			PRIOR PERIOD (31/12/2007)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I-II+III)</b>		<b>21.572.693</b>	<b>18.151.192</b>	<b>39.723.885</b>	<b>17.886.616</b>	<b>12.406.245</b>	<b>30.292.861</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(IV-a-2,3)</b>	<b>2.938.942</b>	<b>3.763.352</b>	<b>6.702.294</b>	<b>2.679.087</b>	<b>2.505.620</b>	<b>5.184.707</b>
1.1 Letters of Guarantee		2.753.466	1.923.530	4.676.996	2.523.594	1.260.510	3.784.104
1.1.1 Guarantees Subject to State Tender Law		165.068	445.967	611.035	230.606	314.884	545.490
1.1.2 Guarantees Given for Foreign Trade Operations		-	296.587	296.587	-	235.269	235.269
1.1.3 Other Letters of Guarantee		2.588.398	1.180.976	3.769.374	2.292.988	710.357	3.003.345
1.2 Bank Acceptances		15	62.222	62.237	15	46.842	46.857
1.2.1 Import Letter of Acceptance		15	62.222	62.237	15	46.842	46.857
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		16	1.726.921	1.726.937	16	1.176.368	1.176.384
1.3.1 Documentary Letters of Credit		16	1.585.311	1.585.327	16	1.096.638	1.096.654
1.3.2 Other Letters of Credit		-	141.610	141.610	-	79.730	79.730
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		19.954	36.666	56.620	22.825	9.796	32.621
1.9 Other Collaterals		165.491	14.013	179.504	132.637	12.104	144.741
<b>II. COMMITMENTS</b>	<b>(IV-a-1)</b>	<b>12.614.350</b>	<b>6.055.950</b>	<b>18.670.300</b>	<b>10.613.869</b>	<b>4.702.576</b>	<b>15.316.445</b>
2.1 Irrevocable Commitments		12.614.350	6.055.950	18.670.300	10.613.869	4.702.576	15.316.445
2.1.1 Asset Purchase Commitments		116.950	268.591	385.541	60.112	400.913	461.025
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		3.210.485	3.978.022	7.188.507	2.780.673	2.890.709	5.671.382
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		1.691.653	-	1.691.653	1.737.614	-	1.737.614
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		7.553.232	-	7.553.232	6.001.065	-	6.001.065
2.1.10 Promotion Commitments for Credit Cards and Banking Services		42.028	-	42.028	34.405	-	34.405
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		2	1.809.337	1.809.339	-	1.410.954	1.410.954
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(IV-b)</b>	<b>6.019.401</b>	<b>8.331.890</b>	<b>14.351.291</b>	<b>4.593.660</b>	<b>5.198.049</b>	<b>9.791.709</b>
3.1 Hedging Derivative Financial Instruments		5.090.000	3.515.358	8.605.358	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		5.090.000	3.515.358	8.605.358	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		929.401	4.816.532	5.745.933	4.593.660	5.198.049	9.791.709
3.2.1 Forward Foreign Currency Buy/Sell Transactions		303.602	395.563	699.165	158.599	352.650	511.249
3.2.1.1 Forward Foreign Currency Transactions-Buy		135.239	217.862	353.101	75.766	188.157	263.923
3.2.1.2 Forward Foreign Currency Transactions-Sell		168.363	177.701	346.064	82.833	164.493	247.326
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		175.355	3.794.310	3.969.665	3.999.646	4.364.627	8.364.273
3.2.2.1 Foreign Currency Swap-Buy		47.722	1.207.258	1.254.980	27.329	579.816	607.145
3.2.2.2 Foreign Currency Swap-Sell		127.633	1.100.338	1.227.971	42.317	572.623	614.940
3.2.2.3 Interest Rate Swap-Buy		-	743.357	743.357	1.965.000	1.606.094	3.571.094
3.2.2.4 Interest Rate Swap-Sell		-	743.357	743.357	1.965.000	1.606.094	3.571.094
3.2.3 Foreign Currency, Interest rate and Securities Options		432.407	609.100	1.041.507	388.433	488.861	837.294
3.2.3.1 Foreign Currency Options-Buy		218.163	302.450	520.613	190.849	227.402	418.251
3.2.3.2 Foreign Currency Options-Sell		214.244	306.650	520.894	197.584	221.459	419.043
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		18.037	17.559	35.596	27.578	26.103	53.681
3.2.4.1 Foreign Currency Futures-Buy		18.037	-	18.037	27.574	3	27.577
3.2.4.2 Foreign Currency Futures-Sell		-	17.559	17.559	4	26.100	26.104
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	19.404	5.808	25.212
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>49.650.037</b>	<b>13.112.484</b>	<b>62.762.521</b>	<b>44.586.868</b>	<b>7.879.953</b>	<b>54.466.821</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>13.746.301</b>	<b>2.266.263</b>	<b>16.012.564</b>	<b>12.355.717</b>	<b>1.632.464</b>	<b>13.988.181</b>
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		10.596.406	460.437	11.056.843	9.166.158	598.606	9.764.764
4.3 Cheques Received for Collection		1.954.091	30.189	1.984.280	1.944.996	21.412	1.966.408
4.4 Commercial Notes Received for Collection		1.005.319	588.344	1.593.663	1.011.845	423.149	1.434.994
4.5 Other Assets Received for Collection		-	-	-	-	197	197
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		190.485	1.186.342	1.376.827	232.718	588.357	821.075
4.8 Custodians		-	951	951	-	743	743
<b>V. PLEDGES RECEIVED</b>		<b>33.757.142</b>	<b>10.778.388</b>	<b>44.535.530</b>	<b>32.011.296</b>	<b>6.193.536</b>	<b>38.204.832</b>
5.1 Marketable Securities		2.494.157	253.169	2.747.326	1.904.661	155.821	2.060.482
5.2 Guarantee Notes		505.111	66.412	571.523	987.443	103.327	1.090.770
5.3 Commodity		152	6.664	6.816	79	45.718	45.797
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		17.692.382	8.017.025	25.709.407	16.526.555	4.340.986	20.867.541
5.6 Other Pledged Items		13.065.340	2.435.118	15.500.458	12.592.558	1.547.684	14.140.242
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>2.146.594</b>	<b>67.833</b>	<b>2.214.427</b>	<b>2.219.855</b>	<b>53.953</b>	<b>2.273.808</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>71.222.730</b>	<b>31.263.676</b>	<b>102.486.406</b>	<b>64.473.484</b>	<b>20.286.198</b>	<b>84.759.682</b>

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

**AKBANK T.A.Ş.****IV. UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY  
AT 31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL)).

<b>INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>		<b>CURRENT PERIOD (31/12/2008)</b>	<b>PRIOR PERIOD (31/12/2007)</b>
<b>I.</b>	<b>ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>(253.491)</b>	<b>411.863</b>
<b>II.</b>	<b>PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>III.</b>	<b>INTANGIBLE FIXED ASSETS REVALUATION DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>IV.</b>	<b>FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS</b>	<b>-</b>	<b>-</b>
<b>V.</b>	<b>PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	<b>(181.625)</b>	<b>-</b>
<b>VI.</b>	<b>PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	<b>-</b>	<b>-</b>
<b>VII.</b>	<b>EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS</b>	<b>-</b>	<b>-</b>
<b>VIII.</b>	<b>OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS</b>	<b>-</b>	<b>-</b>
<b>IX.</b>	<b>TAX RELATED TO VALUATION DIFFERENCES</b>	<b>87.023</b>	<b>(68.644)</b>
<b>X.</b>	<b>NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	<b>(348.093)</b>	<b>343.219</b>
<b>XI.</b>	<b>CURRENT YEAR INCOME / LOSS</b>	<b>28.410</b>	<b>17.254</b>
1.1	Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	43.875	17.254
1.2	Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.3	Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4	Other	(15.465)	-
<b>XII.</b>	<b>TOTAL ACCOUNTED INCOME/LOSS RELATED TO CURRENT PERIOD (X+XI)</b>	<b>(376.503)</b>	<b>325.965</b>

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



(Amounts are expressed in thousands of Turkish Lira (TL)).

Period End Balance  $(I+II+III+\dots+XVI+XVII+XVIII)$ 

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

**AKBANK T.A.Ş.****VI. UNCONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL)).

	Note (Section Five)	CURRENT PERIOD (31/12/2008)	PRIOR PERIOD (31/12/2007)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b> Operating Profit before changes in operating assets and liabilities		3.148.874	2.626.693
<b>1.1.1</b> Interest received		9.643.821	8.194.630
<b>1.1.2</b> Interest paid		(5.836.160)	(5.184.345)
<b>1.1.3</b> Dividend received		29.914	32.141
<b>1.1.4</b> Fees and commissions received		1.327.403	1.166.476
<b>1.1.5</b> Other income		(120.073)	(17.950)
<b>1.1.6</b> Collections from previously written-off loans and other receivables		439.067	354.033
<b>1.1.7</b> Payments to personnel and service suppliers		(833.754)	(615.950)
<b>1.1.8</b> Taxes paid		(492.152)	(502.823)
<b>1.1.9</b> Other		(1.009.192)	(799.519)
<b>1.2</b> Changes in operating assets and liabilities		5.318.880	113.300
<b>1.2.1</b> Net decrease in trading securities		1.927.683	1.647.063
<b>1.2.2</b> Net (increase) / decrease in fair value through profit/(loss) financial assets		-	-
<b>1.2.3</b> Net (increase) / decrease in due from banks and other financial institutions		(4.577.728)	936.309
<b>1.2.4</b> Net (increase) / decrease in loans		(8.251.567)	(9.326.902)
<b>1.2.5</b> Net (increase) / decrease in other assets		(53.013)	(301.787)
<b>1.2.6</b> Net increase / (decrease) in bank deposits		1.902.638	207.372
<b>1.2.7</b> Net increase / (decrease) in other deposits		9.108.819	6.642.993
<b>1.2.8</b> Net increase / (decrease) in funds borrowed		6.094.236	(858.553)
<b>1.2.9</b> Net increase / (decrease) in payables		-	-
<b>1.2.10</b> Net increase / (decrease) in other liabilities		(832.188)	1.166.805
<b>I.</b> Net cash provided from banking operations		8.467.754	2.739.993
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b> Net cash provided from investing activities		(4.624.304)	(5.671.041)
<b>2.1</b> Cash paid for acquisition of investments, associates and subsidiaries	(27)	(5.257)	(5.257)
<b>2.2</b> Cash obtained from disposal of investments, associates and subsidiaries	-	158.919	158.919
<b>2.3</b> Purchases of property and equipment	(200.448)	(137.473)	(137.473)
<b>2.4</b> Disposals of property and equipments	1.254	15.973	15.973
<b>2.5</b> Cash paid for purchase of investments available-for-sale	(5.769.470)	(5.703.203)	(5.703.203)
<b>2.6</b> Cash obtained from sale of investments available-for-sale	-	-	-
<b>2.7</b> Cash paid for purchase of investment securities	-	-	-
<b>2.8</b> Cash obtained from sale of investment securities	1.344.387	-	-
<b>2.9</b> Other	-	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b> Net cash provided from financing activities		(743.002)	1.249.209
<b>3.1</b> Cash obtained from funds borrowed and securities issued	-	-	-
<b>3.2</b> Cash used for repayment of funds borrowed and securities issued	-	-	-
<b>3.3</b> Issued capital instruments	-	-	-
<b>3.4</b> Dividends paid	(720.511)	(660.495)	(660.495)
<b>3.5</b> Payments for finance leases	(22.491)	9.704	9.704
<b>3.6</b> Other	-	1.900.000	1.900.000
<b>IV.</b> Effect of change in foreign exchange rate on cash and cash equivalents		-	-
<b>V.</b> Net increase in cash and cash equivalents [(I)+(II)+(III)+(IV)]		3.100.448	(1.681.839)
<b>VI.</b> Cash and cash equivalents at beginning of the year	(VI-a)	2.283.064	3.964.903
<b>VII.</b> Cash and cash equivalents at end of the year	(VI-a)	5.383.512	2.283.064

The accompanying explanations and notes form an integral part of these financial statements

**AKBANK T.A.Ş.**  
**VII. PROFIT APPROPRIATION STATEMENT**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

	CURRENT PERIOD (31/12/2008)	PRIOR PERIOD (31/12/2007)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	2.059.957	2.461.122
1.2 TAXES AND DUTIES PAYABLE (-)	355.404	466.828
1.2.1 Corporate Tax (Income tax)	419.908	482.417
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(64.504)	(15.589)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>1.704.553</b>	<b>1.994.294</b>
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	99.715
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>1.704.553</b>	<b>1.894.579</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	150.000
1.6.1 To Owners of Ordinary Shares	-	150.000
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	511
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	570.000
1.9.1 To Owners of Ordinary Shares	-	570.000
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	57.051
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	1.117.017
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of privileged shares	-	-
2.3.3 To owners of preferred shares	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and (loss) sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE (*)</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,006	0,007
3.2 TO OWNERS OF ORDINARY SHARES ( % )	0,6	0,7
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-

(\*) Amounts are expressed in TL.

NOTE: Authorised body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

The accompanying explanations and notes form an integral part of these financial statements

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**SECTION THREE  
ACCOUNTING POLICIES**

**I. EXPLANATIONS ON BASIS OF PRESENTATION:**

**a. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks' Accounting Application and Keeping Documents:**

The unconsolidated financial statements are prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish tax legislation.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

**b. Explanation for convenience translation into English:**

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**c. Accounting policies and valuation principles applied in the presentation of financial statements:**

The accounting policies and valuation principles applied in the preparation of financial statements are determined and applied in accordance with the TAS. These accounting policies and valuation principles are explained in Notes II through XXIX below.

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS ON FOREIGN CURRENCY TRANSACTIONS:**

The Bank's core business activities include retail banking, commercial banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (Treasury transactions) and international banking services. By nature, the Bank's activities are principally related to the use of financial instruments. As the main funding source, the Bank accepts deposits from customers for various periods and invests these funds in high quality assets with high interest margins. Other than deposits, the Bank's most important funding sources are equity, mostly intermediate and long-term borrowings from foreign financial institutions. The Bank follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the

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Bank's exposure to liquidity risk, interest rate risk, currency risk and credit risk while increasing profitability and strengthening the Bank's equity. The Asset-Liabilities Committee ("ALCO") manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Risk Committee ("ERC").

For covering foreign currency exposures arising from the foreign currency transactions, the Bank uses derivatives and asset-liability balancing transactions.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of net foreign exchange income/expense. Foreign currency denominated subsidiaries, which are non-monetary assets carried at historical cost, are translated into Turkish Lira with the foreign exchange rates prevailing at the balance sheet date.

The Bank hedges fair value risk of foreign investments stemming from changes in the foreign exchange rates with foreign currency denominated financial liabilities. Fair value changes of foreign investments resulting from changes in foreign exchange rates are accounted on the income statement.

As at 31 December 2008, foreign currency denominated balances are translated into Turkish Lira by using the exchange rates of TL1,5218, TL2,1333, and TL1,6843 for USD, EUR, and Yen, respectively.

**III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:**

Investments in associates and subsidiaries are accounted in accordance with the "Turkish Accounting Standard on Financial Instruments: Recognition and Measurement" ("TAS 39") in the unconsolidated financial statements. Subsidiaries that have a quoted market price in an active market and whose fair value can be reliably measured are carried at fair value. Investments in associates and subsidiaries that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less provision for impairment.

**IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:**

The major derivative instruments utilized by the Bank are currency and interest rate swaps, currency options and currency forwards.

The Bank classifies its derivative instruments as "Held-for-hedging" or "Held-for-trading" in accordance with "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement" ("TAS 39"). Certain derivative transactions, while providing effective economic hedges under the Bank's risk management position, are treated as derivatives "Held-for-trading".

Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Trading derivative financial assets" or "Hedging derivative financial assets"; if the fair value difference is negative, it is recorded to "Trading derivative financial liabilities" or "Hedging derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted under "trading income/loss" in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

The Bank is hedged against cash flow risk arising from local and foreign currency floating rate borrowings through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under "Hedging reserves" within equity.

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic



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characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss.

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:**

Interest income and expenses are recognized in the income statement on an accrual basis. The Bank ceases accruing interest income on non-performing loans and any interest income accruals from such loans are being reversed and no income accounted until the collection is made according to the related regulation.

**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:**

All fees and commission income/expenses are recognized on an accrual basis, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Borrowing fees and commissions expenses paid to other financial institutions are recognized as operational costs and recorded by using the "Effective interest method". Contract based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

The Bank categorizes its financial assets as "Fair value through profit/loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". Sale and purchase transactions of the financial assets mentioned above are recognized at the "Settlement dates". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of the investment.

**a. Financial assets at fair value through profit or loss:**

This category has two sub-categories: "Trading financial assets" and "Financial assets designated at fair value through profit/loss at initial recognition".

Trading financial assets are financial assets which were either acquired for generating a profit from short-term fluctuations in prices or dealer's margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists.

All regular way purchases and sales of trading financial assets are recognized at the settlement date, which is the date that the asset is delivered to/from the Bank. Trading financial assets are initially recognized at cost and subsequently re-measured at their fair value based on quoted bid prices or amounts derived from cash flow models. All gains and losses arising from these valuations are reflected in the income statement. Interest earned while holding trading financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial assets are classified as trading purpose financial assets unless they are used for hedging purposes. The accounting of derivative financial assets is explained in Note IV of Section Three.

The Bank has no financial assets designated as financial assets at fair value through profit or loss.

**b. Financial assets available-for-sale:**

Financial assets available-for-sale consists of financial assets other than "Loan and receivables", "Held-to-maturity" and "Financial assets at fair value through profit or loss".

Debt securities classified as available-for-sale financial assets are subsequently remeasured at fair value. "Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are recognized in shareholders' equity as "Marketable securities value increase fund", unless there is a permanent decline in the fair values of such assets or they are disposed of. When these securities are disposed of

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or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

**c. Loans and Receivables:**

Financial assets that are originated by the Bank by providing money, services or goods to borrowers are categorized as loans and receivables. Loans and receivables originated by the Bank are carried initially at cost and subsequently recognized at the amortized cost value calculated using the "Effective yield method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

If the collectibility of any receivable is identified as limited or doubtful by the management through assessments and estimates, the Bank provides general and specific provisions for these loans and receivables in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette dated 1 November 2006, No. 26333. Provision expenses are deducted from the net income of the period. If there is a subsequent collection from a receivable that was already provisioned in the previous years, the recovery amount is classified under "Other operating income". If a receivable is collected which is provisioned in the same year, it is deducted from the "Provisions for loan losses and other receivables". Uncollectible receivables are written-off after all the legal procedures are finalized.

In accordance with the "Communiqué regarding change in the Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published on 23 January 2009 to be effective from 1 October 2008, the Banks are allowed to classify past due loans as loans under close monitoring for up to 30 days. As of 31 December 2008, the Bank classified loans with past due days of 10-15 or more depending on the loan segment into loans under close monitoring.

**d. Held-to-Maturity Financial Assets:**

Held-to-maturity financial assets are assets that are not classified under "Loans and receivables" with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognized at cost, and subsequently carried at "Amortized cost" using the "Effective yield method"; interest earned whilst holding held-to-maturity securities is reported as interest income. Interest income from held-to-maturity financial assets is reflected in the income statement.

There are no financial assets that were previously classified as held-to-maturity but cannot be subject to this classification for two years due to the contradiction of classification principles.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS**

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the "Effective yield method", or the fair value if one exists, is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and this is charged against the income for the year.

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**IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:**

Securities subject to repurchase agreements ("Repos") are classified as "Financial assets at fair value difference through profit or loss", "Available-for-sale securities" and "Held-to-maturity securities" in the balance sheet according to the investment purposes and measured according to the portfolio of the Bank to which they belong. Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the "Effective yield method".

Funds given against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the "Effective yield method". The Bank has no securities lending transactions.

**XI. EXPLANATIONS ON PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS:**

The Bank has no discontinued operations.

Property and equipment held-for-resale purpose consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, No.26333.

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:**

As of 31 December 2008 and 31 December 2007, the Bank has no goodwill.

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

Intangibles are amortized over five years (their estimated useful lives) using the straight-line method. The useful life of the asset is determined by assessing the expected useful time of the asset, technical, technological and other kinds of wear and tear and all required maintenance expenses necessary to utilize the economic benefit from the asset.

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:**

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment carried at cost less accumulated depreciation and provision for value decrease.

Depreciation is calculated over the cost of property and equipment using the straight-line method over estimated useful lives. The estimated useful lives are stated below:

Buildings	50 years
Machinery, furniture, fixtures and vehicles	5 years

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The depreciation charge for items remaining in the property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item will remain in property and equipment.

Where the carrying amount of an asset is greater than its estimated "Recoverable amount", it is written down immediately to its "Recoverable amount" and the provision for the diminution in value is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset. Capital expenditures include the cost components that increase the useful life, or the capacity of the asset, increase the quality of the product or decrease the costs.

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "Lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognized. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not provide financial leasing services as a "Lessor".

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

**XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:**

Provisions and contingent liabilities are accounted in accordance with, "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the matching principle. When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

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**XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:**

**a. Employment termination benefits and vacation rights:**

Obligations related to employment termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under "Reserve for Employee Rights" account in the balance sheet.

Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labor Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Bank arising from this liability.

**b. Retirement rights:**

The Bank's personnel are members of the "Akbank T.A.Ş. Personnel Pension Fund Foundation" ("Pension Fund") established in accordance with the Social Security Law numbered 506, article No.20. The financial statements of the Pension Fund have been audited by an independent actuary in accordance with the 38th article of the Insurance Supervisory Law and the "Actuarial Regulation" based on the same article.

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette No 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the related article was rescinded as from the 31 March 2007, the publication date of the decision of the Constitutional Court dated 22 March 2007. The reasoned decree regarding the rescission of the mentioned paragraph was published in the Official Gazette numbered 26731, dated 15 December 2007.

Following the publication of the reasoned decree of the Constitutional Court, Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security Institution; the related articles of the Social Security Law ("New Law") numbered 5754 regarding the transfer of the funds, were ratified by the Grand National Assembly on 17 April 2008 and came into effect following the publication in the Official Gazette numbered 26870, dated 8 May 2008.

The main opposition party appealed to the Constitutional Court for the cancellation of some of the articles of the New Law including transfer of the Funds to the SSI on 19 June 2008. There is no resolution adopted by the Constitution Court related to mentioned issue as of the publication date of the financial statements.

The New Law requires that present value of post-employment benefits at the balance sheet date regarding the members of the fund to be transferred shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Under secretariat of Treasury, Under secretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. The transfer is required by the New Law to be completed in three years beginning from 1 January 2008.

According to the New Law, following the transfer of the members of the fund, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.



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In this extent, as explained in Note II-g-2 of Section Five according to the technical balance sheet report dated 31 December 2008 prepared considering the related articles of the New Law regarding the transferrable benefit obligations and in accordance with TAS 19 for the non-transferrable social benefits and payments which are included in the articles of association and audited within the framework stated in the first paragraph above; the fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for the Bank.

**XVIII. EXPLANATIONS ON TAXATION:**

**a. Current Tax:**

On 21 June 2006, "Corporate Tax Law" No. 5520 was published in the Official Gazette, No. 26205. According to New Tax Law, the corporate tax rate is 20% beginning from 1 January 2006. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until the 25th day of the following forth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year following the date of filing during which time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

**b. Deferred Tax:**

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning about the income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

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Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

The calculated deferred tax assets and deferred tax liabilities are presented on a net basis in these financial statements.

**XIX. EXPLANATIONS ON BORROWINGS:**

Trading financial liabilities and derivative instruments are carried at their fair values and other financial liabilities are carried at amortized cost using the effective yield method.

**XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:**

In 2008, there is no share certificates issued.

**XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

Avalized drafts and acceptances shown as liabilities against assets are included in the off-balance sheet commitments.

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 31 December 2008 and 31 December 2007, there is no government grant for the Bank.

**XXIII. EXPLANATIONS ON SEGMENT REPORTING:**

Field of activity is a distinguishable part involved with a single product or service or interrelated products or services activity that are subject to risks and returns that are different from those of other fields of activity. Reporting according to the field of activity is presented in Note X of Section Four.

**XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

Under the Turkish Commercial Code, the Bank is required to create the following legal reserves from appropriations of earnings, which are available for distribution only in the event of liquidation or losses:

- a. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital.
- b. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, without limit.

According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

The Ordinary General Assembly Meeting of the Bank was held on 28 March 2008. In the Ordinary General Assembly, it was decided to distribute a TL720.511 cash dividend over the TL1.994.294 net income from 2007 operations to the Bank's shareholders, Chairman and Members of the Board of Directors. It was also resolved in the General Assembly to transfer TL 8.025 to capital reserves, to allocate TL156.765 as legal and TL1.108.993 as extraordinary reserves.

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**XXV. EARNINGS PER SHARE:**

Earning per share disclosed in the income statement is calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned.

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Distributable Net Profit to Common Shares	1.704.553	1.994.294
Average Number of Issued Common Shares (Thousand)	300.000.000	300.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,00568</b>	<b>0,00665</b>

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

In 2008, there is no bonus shares issued (31 December 2007: 60.000.000.000).

**XXVI. RELATED PARTIES:**

Parties defined in the subsection 2, article 49 of the Banking Law No. 5411, Bank's senior management, and board members are deemed as related parties. Transactions regarding related parties are presented in Note VII of Section Five.

**XXVII. CASH AND CASH EQUIVALENT ASSETS:**

For the purposes of the cash flow statement cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements, time deposits at banks with original maturity periods of less than three months.

**XXVIII. RECLASSIFICATIONS:**

Comparative figures of 31 December 2008 and 31 December 2007, have been reclassified to conform to changes in presentation in the current period.

**XXIX. TURKISH LIRA:**

In accordance with the Article 1 of the Law numbered 5083 concerning the "Currency of the Republic of Turkey" and according to the Decision of The Council of Ministers dated April 4, 2007 and No: 2007/11963, the prefix "New" used in the "New Turkish Lira" and the "New Kuruş" has been removed as of January 1, 2009. When the prior currency, New Turkish lira ("YTL"), values are converted into TL and Kr, one YTL (YTL1) and one YKr (YKr1) shall be equivalent to one TL (TL1) and one Kr (Kr1).

All references made to New Turkish Lira or Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to TL at the conversion rate indicated above. In this extent, publicly announced unconsolidated financial statements and notes as of 31 December 2008 and prior periods' figures for comparison purposes have been presented in "TL".

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**SECTION FOUR  
INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:**

- a.** The Bank's capital adequacy ratio is 18,20% [31 December 2007: 18,91%]. This rate is considerably above the minimum rate specified by the related regulation.
- b.** For the calculation of the capital adequacy ratio, the Bank classifies the risk weighted assets and non-cash loans according to the risk weights defined by the regulations and calculates "Total risk weighted assets" which is the sum of "Market risk on securities" and the "Bank's currency risk". The following tables present the classifications of "Risk weighted assets" and the calculation of "shareholders' equity" for the capital adequacy ratio calculation.
- c. Information related to capital adequacy ratio:**

	Risk Weights					
	0%	20%	50%	100%	150%	200%
<b>Amount Subject to Credit Risk</b>						
Balance Sheet Items (Net)	36.035.726	4.013.353	-	45.085.830	223.304	4.148
Cash	610.244	277	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	807.413	-	-	-	-	-
Domestic, Foreign Banks, Foreign Head Offices and Branches	-	3.376.958	-	725.763	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repurchase Transactions	-	-	-	-	-	-
Reserve Requirements with the Central Bank of the Republic of Turkey	6.203.089	-	-	-	-	-
Loans	1.280.469	532.223	-	41.561.776	223.304	4.148
Non-performing Receivables (Net)	-	-	-	-	-	-
Lease Receivables	-	-	-	-	-	-
Available-for-Sale Financial Assets	5.887.419	-	-	2.653	-	-
Held-to-Maturity Investments	19.806.153	-	-	-	-	-
Receivables From the Disposal of Assets	-	-	-	-	-	-
Miscellaneous Receivables	-	-	-	50.182	-	-
Interest and Income Accruals	1.179.631	103.895	-	781.369	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (Net)	-	-	-	915.303	-	-
Fixed Assets	-	-	-	803.636	-	-
Other Assets	261.308	-	-	245.148	-	-
Off-Balance Sheet Items	44.835	654.137	-	7.808.768	-	-
Non-Cash Loans and Commitments	44.835	351.727	-	7.792.851	-	-
Derivative Financial Instruments	-	302.410	-	15.917	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>36.080.561</b>	<b>4.667.490</b>	<b>-</b>	<b>52.894.598</b>	<b>223.304</b>	<b>4.148</b>

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**d. Summary information related to capital adequacy ratio:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Amount Subject to Credit Risk ("ASCR")	54.171.348	47.014.071
Amount Subject to Market Risk ("ASMR")	1.304.663	2.408.788
Amount Subject to Operational Risk ("ASOR")	7.450.782	6.737.514
Shareholders' Equity	11.451.555	10.618.305
Shareholders' Equity/(ASCR+ASMR+ASOR) *100	18,20	18,91

**e. Information about shareholders' equity items:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>CORE CAPITAL</b>		
Paid-in Capital	3.000.000	3.000.000
Nominal Capital	3.000.000	3.000.000
Capital Commitments	-	-
Inflation Adjustment to Share Capital	1.905.892	1.905.892
Share Premium	1.700.000	1.700.000
Share Cancellation Profits	-	-
Legal Reserves	675.221	518.456
First Legal Reserve (Turkish Commercial Code 466/1)	413.006	313.292
Second Legal Reserve (Turkish Commercial Code 466/2)	262.215	205.164
Other Legal Reserves per Special Legislation	-	-
Status Reserves	-	-
Extraordinary Reserves	2.395.308	1.286.315
Reserves Allocated by the General Assembly	2.395.308	1.286.315
Retained Earnings	-	-
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	1.704.553	1.994.294
Net Income for the Period	1.704.553	1.994.294
Prior Period Profit	-	-
Provisions for Possible Risks up to 25% of Core Capital	-	-
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Share Capital	8.025	-
Primary Subordinated Loans up to 15% of Core Capital.	-	-
Uncovered Portion of Loss with Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-)	-	15.675
Prepaid Expenses (-)	248.127	74.417
Intangible Assets (-)	36.295	31.330



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Deferred Tax Asset Amount Exceeding 10% of Core Capital (-)	-	-
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	-	-
<b>Total Core Capital</b>	<b>11.388.999</b>	<b>10.404.957</b>
<b>SUPPLEMENTARY CAPITAL</b>		
Provisions	420.776	275.694
45% of the Movables Revaluation Fund	-	-
45% of the Immovables Revaluation Fund	-	-
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-	-
Primary Subordinated Loans That are not Considered in the Calculation of Core Capital	-	-
Secondary Subordinated Loans	-	-
45% Of Marketable Securities Valuation Fund	(65.567)	81.872
From Investments in Associates And Subsidiaries	(6.046)	2.230
From Available-for-Sale Financial Assets	(59.521)	79.642
Inflation Adjustment to Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
<b>Total Supplementary Capital</b>	<b>355.209</b>	<b>357.566</b>
<b>TIER III CAPITAL</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>11.744.208</b>	<b>10.762.523</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>292.653</b>	<b>144.218</b>
Investments in Unconsolidated Financial Institutions (Domestic, Foreign) and Banks in which 10% or More Equity Interest Exercised	8.231	22.796
Investments in Financial Institutions (Domestic, Foreign) and Banks, in Which Less than 10% of Equity Interest is Exercised and That Exceeds the 10% And More of the Total Core and Supplementary Capital of the Bank	-	-
The Secondary Subordinated Loans Extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments That Have Primary or Secondary Subordinated Loan Nature Purchased from Them	-	-
Loans Extended as Contradictory to the Articles 50 And 51 of The Law	-	-
Excess of 50% of the Bank's Immovables' Total Net Book Value and Net Book Value of Immovables Obtained Against Bank's Receivables that Must be Disposed According to Article 57 of the Banking Law which Could not be Disposed Although Five Years Have Passed Since the Acquisition Date	-	-
Other	-	-
<b>Total Shareholders' Equity</b>	<b>11.451.555</b>	<b>10.618.305</b>

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**II. EXPLANATIONS ON CREDIT RISK:**

- a.** Credit risk is the risk that the counterparties may be unable to meet the terms of their agreements. This risk is monitored by reference to credit risk ratings and managed by limiting the aggregate risk to any individual counterparty, group of companies and industry. Credit risks are determined for each individual customer, enterprise, business group and risk groups separately. While determining credit risk, criteria such as the customers' financial strength, commercial capacities, sectors, geographic areas and capital structure are evaluated. Analyses of the financial position of the customers are based on the statements of account and other information in accordance with the related legislation. Previously determined credit limits are constantly revised according to changing conditions. The type and amount of collateral and guarantees to be obtained are specified on a customer basis during the determination of credit limits.

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits information is closely monitored.

- b.** There are risk control limits set for the market risks and credit risks arise from forward and option agreements and other similar agreements.
- c.** When necessary, derivative instruments are exercised to control and to offset credit risks that can especially originate from foreign exchange and interest rate fluctuations.
- d.** Non-cash loans turned into cash loans are included in the same risk group as cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

Rescheduled or restructured loans are followed in their relevant groups until all receivables from the loans are collected. Monitoring also continues until the receivables from the loans are completely collected.

The Bank considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

- e.** The Bank's banking activities in foreign countries and credit transactions do not constitute an important risk in terms of the related countries' economic conditions and activities of customers and companies.

When considered within the financial activities of other financial institutions, the Bank as an active participant in the national and international banking market is not exposed to a significant credit risk. As seen in the Bank's balance sheet, the ratio of loans under follow-up to total loans is as low as 2,5% (31 December 2007: 2,7%) and 100% provision has been provided.

- f.** 1. The proportion of the Bank's top 100 cash loan balances in total cash loans is 37% (31 December 2007: 28%).
2. The proportion of the Bank's top 100 non-cash loan balances in total non-cash loans is 60% (31 December 2007: 51%).
3. The proportion of the Bank's cash and non-cash loan balances with the first 100 customers comprises of 20% of total cash loans and non-cash loans (31 December 2007: 16%).
- g.** The Bank provided a general provision amounting to TL420,776 (31 December 2007: TL275.694).

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**h. Information on loan types and provisions:**

<b>Current Period - 31 December 2008</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	28.126.514	8.264.882	4.334.969	<b>40.726.365</b>
Close Monitoring Loans	1.797.393	1.345.517	504.829	<b>3.647.739</b>
Loans Under Follow-up	702.481	240.961	195.267	<b>1.138.709</b>
Specific Provision (-)	702.481	240.961	195.267	<b>1.138.709</b>
<b>Total</b>	<b>29.923.907</b>	<b>9.610.399</b>	<b>4.839.798</b>	<b>44.374.104</b>

<b>Prior Period - 31 December 2007</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	23.410.965	8.137.838	3.651.369	<b>35.200.172</b>
Close Monitoring Loans	953.145	626.211	236.255	<b>1.815.611</b>
Loans Under Follow-up	526.306	200.743	280.451	<b>1.007.500</b>
Specific Provision (-)	526.306	200.743	280.451	<b>1.007.500</b>
<b>Total</b>	<b>24.364.110</b>	<b>8.764.049</b>	<b>3.887.624</b>	<b>37.015.783</b>

**i. Information on debt securities, treasury bills and other eligible bills:**

<b>Current Period - 31 December 2008</b>	<b>Trading Financial Assets</b>	<b>Available for Sale Financial Assets</b>	<b>Held to Maturity Securities</b>	<b>Total</b>
<b>Moody's Rating</b>				
Aaa	-	-	-	-
A1, A2, A3	-	-	-	-
Baa1, Baa2, Baa3	-	-	-	-
Ba1	-	-	-	-
Ba3 (*)	141.030	6.247.564	20.560.583	<b>26.949.177</b>
<b>Total</b>	<b>141.030</b>	<b>6.247.564</b>	<b>20.560.583</b>	<b>26.949.177</b>

(\*) Securities consist of T.C. Governments Bonds and Treasury Bills.

<b>Prior Period - 31 December 2007</b>	<b>Trading Financial Assets</b>	<b>Available for Sale Financial Assets</b>	<b>Held to Maturity Securities</b>	<b>Total</b>
<b>Moody's Rating</b>				
Aaa	-	-	-	-
A1, A2, A3	-	-	-	-
Baa1, Baa2, Baa3	-	-	-	-
Ba1	-	-	-	-
Ba3 (*)	4.800.523	20.225.680	-	<b>25.026.203</b>
<b>Total</b>	<b>4.800.523</b>	<b>20.225.680</b>	<b>-</b>	<b>25.026.203</b>

(\*) Securities consist of T.C. Governments Bonds and Treasury Bills.

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**j. Information on rating classes and concentration:**

The Bank calculates the probability of clients defaulting using client rating systems. Different rating systems are used for commercial loans, consumer loans and credit cards. Concentration information for loans classified using the rating systems is given in the table below.

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Above average	29,50%	26,41%
Average	48,31%	53,82%
Below Average	19,50%	14,97%
Unrated	2,69%	4,80%

**k. Information on maximum exposure to credit risk:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Credit risk exposures relating to on-balance sheet assets:</b>	<b>75.788.943</b>	<b>63.803.951</b>
Loans and advances to banks	4.103.625	1.333.366
Loans and advances to customers	44.374.104	37.015.783
-Credit cards	4.839.798	3.887.624
-Consumer	9.610.399	8.764.049
-Corporate	29.923.907	24.364.110
Trading assets	219.874	4.842.990
-Government bonds	141.030	4.800.523
-Share certificates	12	47
-Other marketable securities	-	-
-Trading derivative financial assets	78.832	42.420
Investments securities	6.285.609	20.231.458
-Government bonds	6.247.564	20.225.680
-Share certificates	2.653	5.778
-Other marketable securities	35.392	-
Held-to-maturity financial assets	20.560.583	-
Financial lease receivables	-	-
Other assets	245.148	380.354
<b>Credit risk exposures relating to off-balance sheet items:</b>		
Financial guaranties	<b>6.702.294</b>	<b>5.184.707</b>
Loan commitments and other credit related liabilities	4.676.996	3.784.104
	2.025.298	1.400.603
<b>Total</b>	<b>82.491.237</b>	<b>68.988.658</b>

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**I. Customer and geographical concentration of credit risk:**

	Loans Granted to Real Persons and Corporate Entities		Loans Granted to Banks and Other Financial Institutions		Marketable Securities(*)		Other Loans(**)	
	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007
<b>Industry Sectors</b>								
Private Sector	25.127.644	20.515.595	1.600.512	1.890.541	35.392	-	17.156.797	13.320.485
Public Sector	2.654.882	1.685.566	44.618	93.352	26.949.177	25.026.203	1.985.012	1.511.017
Banks	-	-	567.365	236.872	-	-	10.342.300	5.483.136
Individual Customers	14.379.083	12.593.857	-	-	-	-	8.160.585	7.225.056
Share Certificates	-	-	-	-	2.665	2.700	-	-
<b>Total</b>	<b>42.161.609</b>	<b>34.795.018</b>	<b>2.212.495</b>	<b>2.220.765</b>	<b>26.987.234</b>	<b>25.028.903</b>	<b>37.644.694</b>	<b>27.539.694</b>
<b>Geographical Sectors</b>								
Domestic	41.256.043	34.481.048	2.133.670	2.220.765	26.987.124	25.028.793	24.526.676	20.371.956
European Union Countries	702.392	178.328	-	-	110	110	11.790.361	6.635.700
OECD Countries(***)	-	-	-	-	-	-	257.084	432.910
Off-shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	11.600	-	-	-	-	1.070.406	53.422
Other Countries	203.174	124.042	78.825	-	-	-	167	45.706
<b>Total</b>	<b>42.161.609</b>	<b>34.795.018</b>	<b>2.212.495</b>	<b>2.220.765</b>	<b>26.987.234</b>	<b>25.028.903</b>	<b>37.644.694</b>	<b>27.539.694</b>

(\*) Marketable securities consist of fair value through profit and loss, available for sale and held to maturity securities.

(\*\*) Other loans consist of transactions which are not classified in the first three columns of THP and transactions defined as loan in the article 48 of the Banking Law No.5411.

(\*\*\*) OECD Countries other than EU countries, USA and Canada.



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**m. Information according to geographical concentration:**

	<b>Assets</b>	<b>Liabilities (***)</b>	<b>Non-cash</b>	<b>Assets</b>	<b>Net Profit</b>
<b>Current Period - 31 December 2008</b>					
Domestic	79.650.195	59.476.785	6.702.294	200.448	1.517.275
European Union Countries	3.826.065	10.707.713	-	-	-
OECD Countries (*)	12.633	3.488.543	-	-	-
Off-Shore Banking Regions	1.929	8.826	-	-	187.278
USA, Canada	1.025.714	581.849	-	-	-
Other Countries	14.496	182.926	-	-	-
Subsidiaries, Investment in Associates and Joint Ventures (Net)	923.534	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
<b>Total</b>	<b>85.454.566</b>	<b>74.446.642</b>	<b>6.702.294</b>	<b>200.448</b>	<b>1.704.553</b>
<b>Prior Period - 31 December 2007</b>					
Domestic	65.474.327	47.677.284	5.184.707	137.473	2.051.976
European Union Countries	1.344.178	8.086.826	-	-	-
OECD Countries (*)	12.112	1.015.242	-	-	-
Off-Shore Banking Regions	1.679	9.446	-	-	(57.682)
USA, Canada	438.054	553.380	-	-	-
Other Countries	24.653	261.739	-	-	-
Subsidiaries, Investment in Associates and Joint Ventures (Net)	772.274	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
<b>Total</b>	<b>68.067.277</b>	<b>57.603.917</b>	<b>5.184.707</b>	<b>137.473</b>	<b>1.994.294</b>

(\*) OECD Countries other than EU Countries, USA and Canada

(\*\*) Unallocated assets / liabilities which could not be distributed according to a consistent principle

(\*\*\*) Shareholders' equity is not included.

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**n. Sectoral concentrations for cash loans:**

	Current Period 31 December 2008				Prior Period 31 December 2007			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	430.418	1.65	10.684	0.05	649.435	2,51	13.995	0,12
Farming and Raising								
Livestock	394.101	1.51	7.985	0.04	595.872	2,31	11.450	0,10
Forestry	36.083	0.14	2.699	0.01	52.475	0,20	2.545	0,02
Fishing	234	0.00	-	-	1.088	0,00	-	-
Manufacturing	4.581.062	17.54	5.982.226	32.78	4.589.699	17,79	3.596.483	32,05
Mining	200.415	0.77	30.920	0.17	116.781	0,45	17.711	0,16
Production	3.737.570	14.31	5.183.370	28.40	3.934.331	15,25	3.484.068	31,05
Electric, Gas and Water	643.077	2.46	767.936	4.21	538.587	2,09	94.704	0,84
Construction	506.966	1.94	2.269.951	12.44	630.331	2,44	1.013.584	9,03
Services	5.139.180	19.67	7.629.821	41.81	6.347.312	24,60	3.464.271	30,88
Wholesale and Retail Trade	3.910.863	14.97	2.197.685	12.04	4.406.849	17,08	1.032.901	9,21
Hotel, Food and Beverage								
Services	261.789	1.00	949.414	5.20	303.348	1,18	388.377	3,46
Transportation and								
Telecommunication	463.217	1.77	1.587.170	8.70	541.480	2,10	287.200	2,56
Financial Institutions	76.545	0.29	2.135.950	11.70	529.853	2,05	1.690.912	15,07
Real Estate and Leasing								
Services	25.202	0.10	23.048	0.13	25.696	0,10	25.907	0,23
Professional Services	40.027	0.15	62.281	0.34	69.155	0,27	1.942	0,02
Education Services	56.650	0.22	14.315	0.08	62.647	0,24	-	-
Health and Social Services	304.887	1.17	659.958	3.62	408.284	1,58	37.032	0,33
Other	15.464.352	59.20	2.359.444	12.92	13.578.845	52,66	3.131.828	27,92
<b>Total</b>	<b>26.121.978</b>	<b>100.00</b>	<b>18.252.126</b>	<b>100.00</b>	<b>25.795.622</b>	<b>100,00</b>	<b>11.220.161</b>	<b>100,00</b>

**III. EXPLANATIONS ON MARKET RISK:**

Companies are exposed to market risk, due to the movements in exchange rates, interest rates, and market prices of stocks. The Bank believes that exchange risk and interest rate risk are the two most important components constituting the market risk. Market risk is measured using two separate methods, which are the "inherent model", and "standard method".

According to the "inherent model", market risk is measured with the Value at Risk (VaR) approach. In VaR calculations, variance, covariance, historical comparison and Monte Carlo simulation methods are used. The software used can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of a 99% confidence interval and 10 days retention period. VaR analyses are reported to senior management, and they are also used as risk parameters for the bond portfolio and as a limit management instrument. Limits are revised steadily according to the market conditions and the application of specified limits is subjected to authority restrictions, thereby increasing the control efficiency. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have a significant impact and the market fluctuations. Retrospective tests of the model outputs are performed regularly.

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According to the "standard method", market risk is measured on a securities portfolio basis in a way that includes the Group's exchange risk daily and weekly according to the standard method, and reported to the senior management.

The table below indicates the details of the calculation of market risk as of 31 December 2008 according to "Market Risk Measurement Standard Method", pursuant to part 3 related to the "Calculation of the Amount basis to Market Risk", of the "Communiqué on the Measurement and Assessment of Capital Adequacy of the Banks", published in the Official Gazette dated 1 November 2006 No. 26333.

**a. Information on Market Risk:**

	<b>Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	65.200
(II) Capital to be Employed for Specific Risk - Standard Method	1
(III) Capital to be Employed for Currency Risk - Standard Method	39.172
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Exchange Risk - Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options - Standard Method	-
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	104.373(*)
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	1.304.663(*)

(\*) Of the "Amount subject to market risk", only TL104.373 (8% of TL1.304.663) is used in the calculation of the market risk related to the capital adequacy ratio which is given in Note I of Section Four. TL104.373 is the minimum amount of capital that can mitigate the mentioned risk.

**b. Average Market Risk Table of Calculated Market Risk for 3 Months Periods:**

	<b>Current Period 31 December 2008</b>			<b>Prior Period 31 December 2007</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	119.808	176.935	45.736	177.912	216.270	135.238
Share Certificates Risk	75	97	97	940	698	1.494
Currency Risk	32.836	30.109	32.542	50.081	58.845	29.299
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
<b>Total Amount Subject to Risk</b>	<b>152.719</b>	<b>207.141</b>	<b>78.375</b>	<b>228.933</b>	<b>275.813</b>	<b>166.031</b>

**IV. EXPLANATIONS ON OPERATIONAL RISK:**

The "Basic indicator method" is used in the operational risk calculation of the Bank. The amount subject to the operational risk is calculated through the use of the gross income of the Bank in 2007, 2006, and 2005 in accordance to the "Calculation of the Operational Risk" applicable from 1 June 2007, which is the 4th part of the "Regulation Regarding Measurement and Evaluation of the Bank's Capital Adequacy Ratio" published in the

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Official Gazette No.26333 dated 1 November 2006. In the scope of "Capital adequacy ratio" stated in Note I of this section, amount subjected to operational risk is TL7.450.782; capital liability of operational risk is TL596.063.

**V. EXPLANATIONS ON CURRENCY RISK:**

The difference between the Bank's foreign currency denominated and foreign currency indexed assets and liabilities is defined as the "Net Foreign Currency Position" and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. The Bank keeps the foreign exchange exposure amount within the limits set by the ERC. The Board, taking into account the recommendations by the ERC, sets a limit for the size of a foreign exchange exposure, which is closely monitored by ALCO. Those limits are individually determined and followed for both the net overall foreign currency position and for the foreign exchange exposure. Derivative financial instruments like forward foreign exchange contracts and currency swaps are used as tools for foreign exchange exposure management.

The Bank's foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are presented below.

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	TL1,5218	TL2,1333	TL1,6843
1. Day bid rate	TL1,4400	TL2,0179	TL1,5943
2. Day bid rate	TL1,4400	TL2,0447	TL1,5917
3. Day bid rate	TL1,4400	TL2,0232	TL1,5929
4. Day bid rate	TL1,4400	TL2,0189	TL1,5934
5. Day bid rate	TL1,4400	TL2,0117	TL1,5931

The simple arithmetic average of the Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are presented in the table below:

USD	: TL1,4962
Euro	: TL1,9850
Yen	: TL1,6146

As of 31 December 2007;

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	TL1,1593	TL1,7059	TL1,0350

**Information related to Bank's Currency Risk: (Thousand TL)**

The table below summarizes the Bank's exposure to foreign currency exchange rate risk, categorized by currency. Foreign currency indexed assets, classified as Turkish Lira assets according to the Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; derivative financial assets and liabilities, prepaid expenses and general loan loss provision, hedging derivative financial assets and liabilities and shareholders' equity are excluded in the currency risk calculation. Therefore, there exists differences between the amounts of foreign currency denominated assets and liabilities demonstrated on the table below and the amounts on the balance sheet. The Banks' real position, both in financial and economic terms, is presented in the table below.

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<b>Current Period – 31 December 2008</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>Other FC (*)</b>	<b>Total</b>
<b>Assets</b>					
Cash Equivalents and Central Bank	2.125.767	642.162	370	16.156	<b>2.784.455</b>
Banks	1.984.299	1.936.389	7.681	172.133	<b>4.100.502</b>
Financial Assets at Fair Value through Profit or Loss (Net)	7.439	34.710	-	-	<b>42.149</b>
Interbank Money Market Placements	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	198.992	691.266	-	-	<b>890.258</b>
Loans	5.614.193	13.473.434	14.347	44.036	<b>19.146.010</b>
Investments in Associates, Subsidiaries and Joint Ventures	706.172	-	-	2	<b>706.174</b>
Held-to-maturity Investments (Net)	1.623.195	4.986.266	-	-	<b>6.609.461</b>
Hedging Derivative Financial Assets	-	-	-	-	<b>-</b>
Tangible Assets (Net)	-	2.842	-	-	<b>2.842</b>
Intangible Assets (Net)	-	-	-	-	<b>-</b>
Other Assets	7.243	8.852	7	159	<b>16.261</b>
<b>Total assets</b>	<b>12.267.300</b>	<b>21.775.921</b>	<b>22.405</b>	<b>232.486</b>	<b>34.298.112</b>
<b>Liabilities</b>					
Bank Deposits	585.030	2.158.043	546	26.413	<b>2.770.032</b>
Foreign Currency Deposits	7.068.005	12.663.433	17.056	709.675	<b>20.458.169</b>
Funds from Interbank Money Market	-	30.441	-	-	<b>30.441</b>
Borrowings	4.723.496	6.217.404	888	127.973	<b>11.069.761</b>
Issued Marketable Securities (Net)	-	-	-	-	<b>-</b>
Miscellaneous Payables	5.457	5.755	8	1.271	<b>12.491</b>
Hedging Derivative Financial Liabilities	-	-	-	-	<b>-</b>
Other Liabilities	18.850	131.948	378	2.109	<b>153.285</b>
<b>Total Liabilities</b>	<b>12.400.838</b>	<b>21.207.024</b>	<b>18.876</b>	<b>867.441</b>	<b>34.494.179</b>
<b>Net on Balance Sheet Position</b>	<b>(133.538)</b>	<b>568.897</b>	<b>3.529</b>	<b>(634.955)</b>	<b>(196.067)</b>
<b>Net off-Balance Sheet Position (**)</b>	<b>104.666</b>	<b>(654.601)</b>	<b>(3.116)</b>	<b>641.901</b>	<b>88.850</b>
Financial Derivative Assets	719.998	2.928.135	4.430	685.285	<b>4.337.848</b>
Financial Derivative Liabilities	615.332	3.582.736	7.546	43.384	<b>4.248.998</b>
Non-cash Loans	1.232.908	2.240.795	224.235	65.414	<b>3.763.352</b>
<b>Prior Period – 31 December 2007</b>					
Total Assets	9.214.636	15.116.485	21.959	80.618	<b>24.433.698</b>
Total Liabilities	8.611.317	15.331.432	13.448	559.637	<b>24.515.834</b>
Net on-Balance Sheet Position	603.319	(214.947)	8.511	(479.019)	<b>(82.136)</b>
Net off-Balance Sheet Position (**)	(605.487)	130.785	(12.271)	489.458	<b>2.485</b>
Financial Derivative Assets	560.597	1.656.750	61.945	495.412	<b>2.774.704</b>
Financial Derivative Liabilities	1.166.084	1.525.965	74.216	5.954	<b>2.772.219</b>
Non-cash Loans	1.002.265	1.312.199	140.092	51.064	<b>2.505.620</b>

(\*) Of the "Other FC" total assets amounting to TL232.486 (31 December 2007: TL80.618), TL127.985 is in English Pounds (31 December 2007: TL31.822), and TL30.694 in Swiss Francs (31 December 2007: TL19.993). Of the total liabilities amounting to TL867.441 (31 December 2007: TL559.637) TL659.308 is in English Pounds (31 December 2007: TL392.119) and TL61.907 is in Swiss Francs (31 December 2007: TL46.054).

(\*\*) Presents the net balance of receivables and payables from derivative transactions. Foreign Exchange spot dealings shown under "Asset purchase commitments" in the financial statements are included in the net off-balance sheet position.

Since the Bank's exposure to foreign currency exchange rate risk is at an immaterial level, the fluctuations in exchange rates do not have material impact on the Bank's financial statements.



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**VI. EXPLANATIONS ON INTEREST RATE RISK:**

"Interest Rate Risk" can be defined as the impact of interest rate changes on interest-sensitive assets and liabilities of the Bank. The ERC sets limits for the interest rate sensitivity of assets and liabilities and the sensitivity is closely monitored and reported weekly. In the case of high market fluctuations, daily reporting and analyses on transaction bases are made.

The Bank manages the interest rate risk on a portfolio basis and tries to minimize the risk effect on the profitability, financial exposure and cash flows by applying different strategies. Basic methods such as using fixed or floating interest rates for different portfolios and maturities, setting the fixed margin in floating rates, varying the rates for the short or long-term positions are applied actively.

**a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:**

<b>Current Period - 31 December 2008</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash Equivalents and Central Bank	6.265.872	-	-	-	-	1.417.934	<b>7.683.806</b>
Banks	3.039.488	148.428	-	-	-	915.709	<b>4.103.625</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	43.671	20.984	39.812	97.312	18.083	12	<b>219.874</b>
Interbank Money Market Placements	-	-	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	213.269	2.480.812	1.694.404	1.326.848	532.231	38.045	<b>6.285.609</b>
Loans	15.086.653	8.984.729	13.313.229	6.142.301	847.192	-	<b>44.374.104</b>
Held-to-maturity Investments (Net)	497	5.437.192	6.590.371	7.367.220	1.165.303	-	<b>20.560.583</b>
Other Assets	43.909	-	-	-	-	2.383.504	<b>2.427.413</b>
<b>Total Assets</b>	<b>24.693.359</b>	<b>17.072.145</b>	<b>21.637.816</b>	<b>14.933.681</b>	<b>2.562.809</b>	<b>4.755.204</b>	<b>85.655.014</b>
<b>Liabilities</b>							
Bank Deposits	3.123.548	334.317	13.749	-	-	376.471	<b>3.848.085</b>
Other deposits	35.827.423	4.725.394	1.512.466	14.484	-	6.254.095	<b>48.333.862</b>
Funds from Interbank Money Market	8.102.671	2.232	75	-	-	-	<b>8.104.978</b>
Miscellaneous Payables	-	-	-	-	-	923.798	<b>923.798</b>
Issued Marketable Securities (Net)	-	-	-	-	-	-	<b>-</b>
Borrowings	2.022.017	7.368.317	1.905.064	3.376	-	-	<b>11.298.774</b>
Other Liabilities (*)	94.268	124.730	153.886	74.084	76.527	12.622.022	<b>13.145.517</b>
<b>Total Liabilities</b>	<b>49.169.927</b>	<b>12.554.990</b>	<b>3.585.240</b>	<b>91.944</b>	<b>76.527</b>	<b>20.176.386</b>	<b>85.655.014</b>
Balance Sheet Long Position	-	4.517.155	18.052.576	14.841.737	2.486.282	-	<b>39.897.750</b>
Balance Sheet Short Position	(24.476.568)	-	-	-	-	(15.421.182)	<b>(39.897.750)</b>
Off Balance Sheet Long Position	-	730.852	2.246.492	-	-	-	<b>2.977.344</b>
Off Balance Sheet Short Position	(1.023.234)	-	-	(1.356.997)	(562.871)	-	<b>(2.943.102)</b>
<b>Total Position</b>	<b>(25.499.802)</b>	<b>5.248.007</b>	<b>20.299.068</b>	<b>13.484.740</b>	<b>1.923.411</b>	<b>(15.421.182)</b>	<b>34.242</b>

(\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

**Interest Rate Sensitivity Analysis:**

<b>Change in interest rates</b>	<b>Effect on income statement</b>	<b>Effect on equity</b>
<b>(+)1%</b>	(147.000)	(49.111)
<b>(-)1%</b>	139.000	35.220

The effects of changes in interest rates on income statement and equity demonstrated on the above table are net off tax amounts.

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<b>Prior Period - 31 December 2007</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash Equivalents and Central Bank	1.667.268	-	-	-	-	1.095.166	<b>2.762.434</b>
Banks	532.616	155.988	-	-	-	644.762	<b>1.333.366</b>
Financial Assets at Fair Value through Profit or Loss (Net)	5.953	1.889.523	2.634.268	160.577	152.622	47	<b>4.842.990</b>
Interbank Money Market Placements	-	-	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	1.122.345	5.378.750	8.767.289	4.059.158	898.138	2.653	<b>20.228.333</b>
Loans	13.937.993	5.298.044	11.205.804	5.870.532	703.410	-	<b>37.015.783</b>
Held-to-maturity Investments (Net)	-	-	-	-	-	-	<b>-</b>
Other Assets	26.142	-	-	-	-	1.995.702	<b>2.021.844</b>
<b>Total Assets</b>	<b>17.292.317</b>	<b>12.722.305</b>	<b>22.607.361</b>	<b>10.090.267</b>	<b>1.754.170</b>	<b>3.738.330</b>	<b>68.204.750</b>
<b>Liabilities</b>							
Bank Deposits	1.565.710	220.719	-	-	-	153.211	<b>1.939.640</b>
Other Deposits	23.442.764	7.899.629	1.335.522	3.749	-	6.422.977	<b>39.104.641</b>
Funds from Interbank Money Market	4.386.236	5.341	22.988	-	-	-	<b>4.414.565</b>
Miscellaneous Payables	-	-	-	-	-	926.454	<b>926.454</b>
Issued Marketable Securities (Net)	-	-	-	-	-	-	<b>-</b>
Borrowings	2.920.369	4.407.317	1.300.007	226.808	-	-	<b>8.854.501</b>
Other Liabilities (*)	42.555	28.230	111.500	79.151	17.409	12.686.104	<b>12.964.949</b>
<b>Total Liabilities</b>	<b>32.357.634</b>	<b>12.561.236</b>	<b>2.770.017</b>	<b>309.708</b>	<b>17.409</b>	<b>20.188.746</b>	<b>68.204.750</b>
Balance Sheet Long Position	-	161.069	19.837.344	9.780.559	1.736.761	-	<b>31.515.733</b>
Balance Sheet Short Position	(15.065.317)	-	-	-	-	(16.450.416)	<b>(31.515.733)</b>
Off Balance Sheet Long Position	2.213.782	654.110	1.946.074	74.023	-	-	<b>4.887.989</b>
Off Balance Sheet Short Position	(872.462)	(183.775)	(343.409)	(3.419.481)	(65.308)	-	<b>(4.884.435)</b>
<b>Total Position</b>	<b>(13.723.997)</b>	<b>631.404</b>	<b>21.440.009</b>	<b>6.435.101</b>	<b>1.671.453</b>	<b>(16.450.416)</b>	<b>3.554</b>

(\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

**b. Effective average interest rates for monetary financial instruments %:**

Average interest rates in the following tables are the weighted average rates of the related balance sheet items.

<b>Current Period - 31 December 2008</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>				
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash Equivalents and Central Bank	-	-	-	12.00
Banks	1.76	0.16	-	21.09
Financial Assets at Fair Value Through Profit or Loss (Net)	6.58	7.57	-	17.66
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets (Net)	6.30	6.65	-	19.72
Loans	6.95	4.94	3.96	21.76
Held-to-Maturity Investments (Net)	7.28	5.41	-	19.33
<b>Liabilities</b>				
Bank Deposits	4.72	4.24	-	15.63
Other Deposits	4.22	4.66	0.05	17.15
Funds From Interbank Money Market	-	1.25	-	15.45
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities (Net)	-	-	-	-
Borrowings	3.85	3.61	2.37	15.92

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<b>Prior Period - 31 December 2007</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash Equivalents and Central Bank	1,80	1,95	-	11,81
Banks	3,60	4,09	-	17,48
Financial Assets at Fair Value Through Profit or Loss (Net)	6,43	6,94	-	17,21
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets (Net)	6,95	5,62	-	18,81
Loans	5,99	6,63	1,78	21,12
Held-to-Maturity Investments (Net)	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	4,25	5,28	-	17,19
Other Deposits	2,79	3,83	0,01	14,32
Funds From Interbank Money Market	-	-	-	16,89
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities (Net)	-	-	-	-
Borrowings	4,85	5,82	1,72	14,69

**VII. EXPLANATIONS ON LIQUIDITY RISK:**

The Bank manages liquidity risk through broad deposit base, strong capital structure and diversified foreign borrowing facilities. The Bank maintains additional resources to provide liquidity when necessary through allocated limits in Central Bank of Turkey, İstanbul Stock Exchange("ISE") Money Market, ISE Settlement and Custody Bank Money Market and other banks, and through liquid marketable securities portfolio. The Bank acts conservative on foreign currency liquidity management and in order to meet liquidity needs completely, maintains adequate reserves.

Short term funding needs are provided by using deposits. The Bank's broad deposit base and high ratio of core deposit enable long-term funding. Long-term placements can be provided by means of long-term foreign funds.

In accordance with the "Communiqué on the Measurement and Assessment of Liquidity of the Banks" published in the Official Gazette dated 1 November 2006 No. 26333, beginning from 1 June 2007 liquidity ratio of the banks on a weekly and monthly basis should not be less than 80% for foreign currency denominated assets and liabilities, and for total assets and liabilities it should not be less than 100%. Liquidity ratios as at 31 December 2008 and 2007 are presented below:

<b>31 December 2008</b>	<b>First Maturity Tranche (Weekly)</b>		<b>Second Maturity Tranche (Monthly)</b>	
	<b>TL</b>	<b>FC+TL</b>	<b>TL</b>	<b>FC+TL</b>
<b>Average (%)</b>	320,6	253,9	155,3	149,6
<b>Maximum (%)</b>	637,4	306,9	230,6	174,9
<b>Minimum (%)</b>	204,5	201,5	100,3	130,3

<b>31 December 2007</b>	<b>First Maturity Tranche (Weekly)</b>		<b>Second Maturity Tranche (Monthly)</b>	
	<b>TL</b>	<b>FC+TL</b>	<b>TL</b>	<b>FC+TL</b>
<b>Average (%)</b>	541,3	311,2	192,8	158,7
<b>Maximum (%)</b>	876,8	486,1	292,6	205,3
<b>Minimum (%)</b>	404,4	192,2	138,2	115,9

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**Breakdown of assets and liabilities according to their outstanding maturities:**

<b>Current Period – 31 December 2008</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>5 Years and Over</b>	<b>Unallocated (*)</b>	<b>Total</b>
<b>Assets</b>								
Cash Equivalents and Central Bank Due From Banks	7.621.023	62.783	-	-	-	-	-	<b>7.683.806</b>
Financial Assets at Fair Value through Profit or Loss (Net)	12	41.713	14.432	36.555	105.867	21.295	-	<b>219.874</b>
Interbank Money Market Placements	-	-	-	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	38.045	-	263.255	1.634.828	2.947.752	1.401.729	-	<b>6.285.609</b>
Loans	-	8.629.812	7.610.768	11.866.972	12.829.862	3.436.690	-	<b>44.374.104</b>
Held-to-maturity Investments (Net)	-	497	11.560	5.031.939	12.463.197	3.053.390	-	<b>20.560.583</b>
Other Assets	58.592	233.531	576	-	120.348	-	2.014.366	<b>2.427.413</b>
<b>Total Assets</b>	<b>8.633.381</b>	<b>12.007.824</b>	<b>8.049.019</b>	<b>18.570.294</b>	<b>28.467.026</b>	<b>7.913.104</b>	<b>2.014.366</b>	<b>85.655.014</b>
<b>Liabilities</b>								
Bank Deposits	376.471	3.123.548	334.317	13.749	-	-	-	<b>3.848.085</b>
Other Deposits	6.254.095	35.827.423	4.725.394	1.512.466	14.484	-	-	<b>48.333.862</b>
Borrowings	-	347.023	1.090.425	5.813.535	2.757.604	1.290.187	-	<b>11.298.774</b>
Funds from Interbank Money Market	-	8.102.671	2.232	75	-	-	-	<b>8.104.978</b>
Issued Marketable Securities (Net)	-	-	-	-	-	-	-	<b>-</b>
Miscellaneous Payables	-	543.774	380.024	-	-	-	-	<b>923.798</b>
Other Liabilities (**)	-	594.776	275.001	219.307	674.373	173.688	11.208.372	<b>13.145.517</b>
<b>Total Liabilities</b>	<b>6.630.566</b>	<b>48.539.215</b>	<b>6.807.393</b>	<b>7.559.132</b>	<b>3.446.461</b>	<b>1.463.875</b>	<b>11.208.372</b>	<b>85.655.014</b>
<b>Net Liquidity Gap</b>	<b>2.002.815</b>	<b>(36.531.391)</b>	<b>1.241.626</b>	<b>11.011.162</b>	<b>25.020.565</b>	<b>6.449.229</b>	<b>(9.194.006)</b>	<b>-</b>
<b>Prior Period - 31 December 2007</b>								
Total Assets	3.398.496	8.720.226	7.404.050	21.299.946	19.562.732	6.223.521	1.595.779	<b>68.204.750</b>
Total Liabilities	6.576.188	32.328.645	9.037.172	5.541.927	3.050.216	1.069.769	10.600.833	<b>68.204.750</b>
<b>Net Liquidity Gap</b>	<b>(3.177.692)</b>	<b>(23.608.419)</b>	<b>(1.633.122)</b>	<b>15.758.019</b>	<b>16.512.516</b>	<b>5.153.752</b>	<b>(9.005.054)</b>	<b>-</b>

(\*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are classified in this column.

(\*\*) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

**Breakdown of liabilities according to their remaining contractual maturities:**

<b>Current Period - 31 December 2008</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>Liabilities</b>					
Deposits	45.755.537	5.108.068	1.549.029	14.965	-
Funds borrowed from other financial institutions	357.482	1.129.226	5.833.535	3.066.981	1.409.101
Funds from interbank money market	8.115.229	2.276	78	-	-
<b>Total</b>	<b>54.228.248</b>	<b>6.239.570</b>	<b>7.382.642</b>	<b>3.081.946</b>	<b>1.409.101</b>

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**Breakdown of derivative instruments according to their remaining contractual maturities:**

<b>Current Period - 31 December 2008</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and Over</b>
<b>Derivatives held for trading</b>	2.486.507	620.515	1.227.848	997.488	32.440
Foreign exchange derivatives:	2.447.836	515.851	544.572	70.443	-
- Inflow	1.232.116	255.048	317.028	2.414	-
- Outflow	1.215.720	260.803	227.544	68.029	-
Interest rate derivatives:	38.671	104.664	683.276	927.045	32.440
- Inflow	20.367	51.487	334.347	448.408	16.108
- Outflow	18.304	53.177	348.929	478.637	16.332
<b>Derivatives held for hedging</b>	<b>112.997</b>	<b>90.556</b>	<b>770.237</b>	<b>9.857.334</b>	<b>1.294.836</b>
Foreign exchange derivatives:	-	-	-	-	-
- Inflow	-	-	-	-	-
- Outflow	-	-	-	-	-
Interest rate derivatives:	112.997	90.556	770.237	9.857.334	1.294.836
- Inflow	51.376	34.199	377.725	4.836.539	618.021
- Outflow	61.621	56.357	392.512	5.020.795	676.815
<b>Total Inflow</b>	<b>1.303.859</b>	<b>340.734</b>	<b>1.029.100</b>	<b>5.287.361</b>	<b>634.129</b>
<b>Total Outflow</b>	<b>1.295.645</b>	<b>370.337</b>	<b>968.985</b>	<b>5.567.461</b>	<b>693.147</b>

**VIII. EXPLANATIONS ON THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:**

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair values of the overnight deposits and floating rate placements represent the carrying value. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the market interest rates of similar liabilities and loans.

The fair value of marketable securities issued is calculated according to broker price quotations and if these are not available, amounts derived from discounted cash flow models.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.



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	Carrying Value		Fair Value	
	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007
<b>Financial Assets</b>	<b>75.323.921</b>	<b>58.580.607</b>	<b>74.559.447</b>	<b>58.901.449</b>
Interbank Money Market Placements	-	-	-	-
Banks	4.103.625	1.333.366	4.103.625	1.333.366
Available-for-Sale Financial Assets (Net)	6.285.609	20.231.458	6.285.609	20.231.458
Held-to-Maturity Investments (Net)	20.560.583	-	20.563.797	-
Loans	44.374.104	37.015.783	43.606.416	37.336.625
<b>Financial Liabilities</b>	<b>64.404.519</b>	<b>50.825.236</b>	<b>63.600.751</b>	<b>50.551.502</b>
Bank Deposits	3.848.085	1.939.640	3.861.558	1.939.640
Other Deposits	48.333.862	39.104.641	48.083.141	38.830.907
Borrowings	11.298.774	8.854.501	10.732.254	8.854.501
Issued Marketable Securities (Net)	-	-	-	-
Miscellaneous Payables	923.798	926.454	923.798	926.454

**IX. EXPLANATIONS REGARDING THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:**

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. The Bank has no trust transactions.

**X. EXPLANATIONS ON BUSINESS SEGMENTS:**

The Bank operates in five main business segments including retail banking, corporate and commercial banking, treasury activities, private banking and international banking.

In scope of retail banking, the Bank offers a variety of retail services such as deposit accounts, consumer loans, small business loans, credit cards, insurance products and wealth management services. The Bank's line of retail banking products and services also includes bank cards, investment funds trading, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking, telephone and internet banking.

Corporate and commercial banking serves financial solutions and banking services to large and medium scale corporate and commercial customers. Among the products and services offered to corporate and commercial customers are Turkish Lira and foreign currency denominated working capital loans, medium-term financing for investments, foreign trade financing, letters of credit and guarantee, foreign currency trading, corporate finance services and cash and deposit management services. In addition, the Bank provides timely and permanent solutions for corporate customers' working capital management, delivering cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities.

Treasury activities are performed by the Treasury Unit. The Treasury Unit trade in Turkish Lira and foreign currency instruments on a spot and forward basis, and trade in treasury bills, bonds and other domestic securities together with foreign securities with AAA rating. The Marketing Group carries out marketing activities of treasury products and derivative financial products for customers.

Private banking serves the members of the upper-income groups who have expectations for utmost service quality both in banking and investment transactions.

International Banking activities are managed by the International Banking Unit. The Bank provides services for foreign trade financing, foreign currency and Turkish Lira clearances, and money transfers through agent

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financial institutions. The international banking unit serves in fundamental areas such as providing long-term funding opportunities, creating funding facility at lower prices that fully reflect country risk, diversifying funding resources and creating a base of international investors for that purpose.

Information on business segments as of 31 December 2008 is presented on the following table:

	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Private Banking</b>	<b>International Banking</b>	<b>Other and Unallocated</b>	<b>Bank's Total Activities</b>
<b>Current Period – 31 December 2008</b>							
Operating Income	3.614.323	832.761	510.362	39.292	84.504	284.166	5.365.408
Profit from Operating Activities	1.032.521	442.372	344.315	20.884	67.781	122.170	2.030.043
Income from Subsidiaries	-	-	-	-	-	29.914	29.914
Profit before Tax	1.032.521	442.372	344.315	20.884	67.781	152.084	2.059.957
Corporate Tax	-	-	-	-	-	(355.404)	(355.404)
Net Profit for the Period	1.032.521	442.372	344.315	20.884	67.781	(203.320)	1.704.553
Segment Assets	22.026.796	27.791.127	31.268.583	348.347	363.445	-	81.798.298
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)	-	-	-	-	-	-	923.534
Undistributed Assets	-	-	-	-	-	-	2.933.182
Total Assets	-	-	-	-	-	-	85.655.014
Segment Liabilities	36.037.234	9.927.553	11.669.744	6.198.899	8.440.277	-	72.273.707
Undistributed Liabilities	-	-	-	-	-	-	2.172.935
Shareholders' Equity	-	-	-	-	-	-	11.208.372
Total Liabilities	-	-	-	-	-	-	85.655.014
Other Segment Items							
Capital Investment	122.660	1.572	696	11.291	6	12.395	148.620
Amortization	(58.476)	(5.224)	(430)	(485)	(194)	(44.585)	(109.394)
Non-cash Other Income- Expense	(441.386)	(686.051)	(20.169)	(497)	-	-	(1.148.103)
Restructuring Costs	-	-	-	-	-	-	-

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**SECTION FIVE  
INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED  
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**I. EXPLANATIONS AND NOTES RELATED TO ASSETS**

**a. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the "CBRT"):**

1. Information on cash equivalents and the account of the CBRT:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash/Foreign Currency	281.531	322.478	278.920	234.171
The CBRT	4.617.820	2.455.465	123.777	2.122.898
Other	-	6.512	-	2.668
<b>Total</b>	<b>4.899.351</b>	<b>2.784.455</b>	<b>402.697</b>	<b>2.359.737</b>

2. Information related to the account of the CBRT:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Demand Unrestricted Account	850	806.563	2.162	577.245
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	4.616.970	1.648.902	121.615	1.545.653
<b>Total</b>	<b>4.617.820</b>	<b>2.455.465</b>	<b>123.777</b>	<b>2.122.898</b>

3. Explanation on reserve requirements:

In accordance with "Communiqué Regarding the Reserve Requirements" No. 2005/1 issued by the CBRT, banks operating in Turkey are required to place reserves in the CBRT with a rate of 6% for their TL liabilities and 9% for USD and/or EUR for their foreign currency liabilities. The CBRT makes quarterly interest payments over the TL reserve requirements based on the interest rates set. As of 31 December 2008 the interest rate for TL is 12%.

**b. Information on financial assets at fair value through profit or loss:**

1. As of 31 December 2008, financial assets at fair value through profit or loss subject to repo transactions amount to TL(-) (31 December 2007: TL(-)) and those given as collateral/blocked amount to TL162 (31 December 2007: TL822.036).

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2. Positive differences table related to trading derivative financial assets:

	Current Period 31 December 2008		Prior Period 31 December 2007	
	TL	FC	TL	FC
Forward Transactions	18.774	-	10.498	-
Swap Transactions	3.517	38.108	3.839	3.427
Futures Transactions	8.512	205	19.889	354
Options	93	9.623	174	4.239
Other	-	-	-	-
<b>Total</b>	<b>30.896</b>	<b>47.936</b>	<b>34.400</b>	<b>8.020</b>

**c. Information on banks:**

1. Information on banks:

	Current Period 31 December 2008		Prior Period 31 December 2007	
	TL	FC	TL	FC
Banks	3.123	4.100.502	26.595	1.306.771
Domestic	3.123	228.282	2.099	2.750
Foreign	-	3.872.220	24.496	1.304.021
Head Quarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>3.123</b>	<b>4.100.502</b>	<b>26.595</b>	<b>1.306.771</b>

2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007
European Union Countries	2.286.395	428.055	548.491	437.290
USA, Canada	846.529	254.974	178.005	171.433
OECD Countries (*)	12.633	12.112	-	-
Off-Shore Banking Regions	-	-	-	-
Other	167	24.653	-	-
<b>Total</b>	<b>3.145.724</b>	<b>719.794</b>	<b>726.496</b>	<b>608.723</b>

(\*) OECD Countries other than EU countries, USA and Canada.

**d. Information on available-for-sale financial assets, net values:**

1. As of 31 December 2008, available-for-sale financial assets subject to repurchase agreements amount to TL 443.063 [31 December 2007: TL 4.317.197]; and those given as collateral/blocked amount to TL458.684 [31 December 2007: TL870.230].

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2. Information on available-for-sale financial assets:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Debt Securities	6.305.513	20.225.680
Quoted to Stock Exchange	6.270.121	20.225.680
Not Quoted	35.392	-
Share Certificates	2.653	2.653
Quoted to Stock Exchange	-	-
Not Quoted	2.653	2.653
Impairment Provision (-)	22.557	-
<b>Total</b>	<b>6.285.609</b>	<b>20.228.333</b>

In accordance with "Communique for the Amendment of the Communique related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazette numbered 27040 and dated 31 October 2008 by Turkish Accounting Standards Board, due to change in the intention to hold such securities, the Bank reclassified its government bonds with fair values USD91.820.730 and EUR17.129.244 into the category of financial assets available for sale which were classified under the category of financial assets held for trading before. As of the balance sheet date, fair values of these reclassified government bonds are USD93.496.750 and EUR16.526.760. Had these financial assets not been reclassified, a valuation gain of USD218.657 and a valuation loss of EUR893.619 would have been recognised in the income statement.

**e. Information related to loans:**

1. Information on all types of loans and advances given to shareholders and employees of the Bank:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>Cash</b>	<b>Non-cash Loans</b>	<b>Cash</b>	<b>Non-cash Loans</b>
Direct Loans Granted to Shareholders	-	15.789	13.605	29.952
Corporate Shareholders	-	15.789	13.605	29.952
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	814.868	439.909	881.650	453.613
Loans Granted to Employees	44.668	-	39.507	-
<b>Total</b>	<b>859.536</b>	<b>455.698</b>	<b>934.762</b>	<b>483.565</b>



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2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled:

	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
Non-specialized Loans	40.726.365	-	3.647.698	41
Discount And Purchase Notes	66.813	-	943	-
Export Loans	2.539.073	-	36.975	-
Import Loans	55.212	-	-	-
Loans Granted to Financial Sector	1.827.072	-	-	-
Foreign Loans	760.055	-	224.336	-
Consumer Loans (Including Overdraft Loans)	8.264.882	-	1.345.517	-
Credit Cards	4.334.969	-	504.829	-
Precious Metal Loans	15.123	-	-	-
Other	22.863.166	-	1.535.098	41
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>40.726.365</b>	<b>-</b>	<b>3.647.698</b>	<b>41</b>

3. Breakdown of loans according to their maturity:

	<b>Standard Loans and Other Receivables</b>		<b>Loans and Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
Short-Term Loans and Other Receivables	11.930.854	-	3.647.698	41
Non-Specialized Loans	11.930.854	-	3.647.698	41
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	28.795.511	-	-	-
Non-Specialized Loans	28.795.511	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-

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4. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards:

	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>313.687</b>	<b>8.728.582</b>	<b>9.042.269</b>
Mortgage Loans	31.475	4.333.846	4.365.321
Automotive Loans	28.620	1.046.467	1.075.087
Consumer Loans	253.592	3.348.269	3.601.861
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>2.106</b>	<b>258.284</b>	<b>260.390</b>
Mortgage Loans	78	233.643	233.721
Automotive Loans	374	10.112	10.486
Consumer Loans	1.654	14.529	16.183
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Credit Cards-TL</b>	<b>4.707.336</b>	<b>38.070</b>	<b>4.745.406</b>
With Installment	1.588.279	38.070	1.626.349
Without Installment	3.119.057	-	3.119.057
<b>Consumer Credit Cards-FC</b>	<b>2.632</b>	<b>-</b>	<b>2.632</b>
With Installment	5	-	5
Without Installment	2.627	-	2.627
<b>Personnel Loans-TL</b>	<b>3.368</b>	<b>20.003</b>	<b>23.371</b>
Mortgage Loans	-	1.080	1.080
Automotive Loans	36	833	869
Consumer Loans	3.332	18.090	21.422
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>651</b>	<b>651</b>
Mortgage Loans	-	406	406
Automotive Loans	-	-	-
Consumer Loans	-	245	245
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>20.518</b>	<b>69</b>	<b>20.587</b>
With Installment	8.020	69	8.089
Without Installment	12.498	-	12.498
<b>Personnel Credit Cards-FC</b>	<b>59</b>	<b>-</b>	<b>59</b>
With Installment	2	-	2
Without Installment	57	-	57
<b>Credit Deposit Account-TL (Real Person)</b>	<b>283.718</b>	<b>-</b>	<b>283.718</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>5.333.424</b>	<b>9.045.659</b>	<b>14.379.083</b>

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5. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and Long-term	Total
<b>Commercial Installment Loans-TL</b>	<b>642.018</b>	<b>2.885.396</b>	<b>3.527.414</b>
Mortgage Loans	1.601	564.459	566.060
Automotive Loans	15.368	979.720	995.088
Consumer Loans	624.330	1.284.592	1.908.922
Other	719	56.625	57.344
<b>Commercial Installment Loans- Indexed to FC</b>	<b>14.420</b>	<b>235.851</b>	<b>250.271</b>
Mortgage Loans	166	49.515	49.681
Automotive Loans	720	123.625	124.345
Consumer Loans	8.504	48.665	57.169
Other	5.030	14.046	19.076
<b>Commercial Installment Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>70.210</b>	<b>820</b>	<b>71.030</b>
With Installment	4.354	51	4.405
Without Installment	65.856	769	66.625
<b>Corporate Credit Cards-FC</b>	<b>84</b>	<b>-</b>	<b>84</b>
With Installment	-	-	-
Without Installment	84	-	84
<b>Credited Deposit Account-TL (Legal Person)</b>	<b>510.975</b>	<b>-</b>	<b>510.975</b>
<b>Credited Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1.237.707</b>	<b>3.122.067</b>	<b>4.359.774</b>

6. Loans according to types of borrowers:

	Current Period 31 December 2008	Prior Period 31 December 2007
Public	2.699.500	1.778.918
Private	41.674.604	35.236.865
<b>Toplam</b>	<b>44.374.104</b>	<b>37.015.783</b>

7. Distribution of domestic and foreign loans: Loans are classified according to the locations of the customers.

	Current Period 31 December 2008	Prior Period 31 December 2007
Domestic Loans	43.389.713	36.701.813
Foreign Loans	984.391	313.970
<b>Total</b>	<b>44.374.104</b>	<b>37.015.783</b>

8. Loans granted to investments in associates and subsidiaries:

	Current Period 31 December 2008	Prior Period 31 December 2007
Direct Loans Granted to Investments in Associates and Subsidiaries	261.768	194.579
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
<b>Total</b>	<b>261.768</b>	<b>194.579</b>

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9. Specific provisions accounted for loans:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Loans and Receivables with Limited Collectibility	567.924	206.036
Loans and Receivables with Doubtful Collectibility	426.013	296.109
Uncollectible Loans and Receivables	144.772	505.355
<b>Total</b>	<b>1.138.709</b>	<b>1.007.500</b>

10. Information on non-performing loans (Net):

10(i). Information on non-performing loans restructured or rescheduled and other receivables:

	<b>III. Group Loans and Other Receivables with Limited Collectibility</b>	<b>IV. Group Loans and Other Receivables with Doubtful Collectibility</b>	<b>V. Group Uncollectible Loans and Other Receivables</b>
<b>Current Period: 31 December 2008</b>			
(Gross Amounts Before Specific Provisions)	-	-	41
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	41
<b>Prior Period: 31 December 2007</b>			
(Gross Amounts Before Specific Provisions)	-	-	41
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	41

10(ii). Information on the movement of total non-performing loans:

	<b>III. Group Loans and Other Receivables with Limited Collectibility</b>	<b>IV. Group Loans and Other Receivables with Doubtful Collectibility</b>	<b>V. Group Uncollectible Loans and Other Receivables</b>
<b>Prior Period End Balance: 31 December 2007</b>	<b>206.036</b>	<b>296.109</b>	<b>505.355</b>
Additions (+)	1.191.793	62.038	12.961
Transfers from Other Categories of Non-Performing Loans (+)	-	625.212	352.690
Transfers to Other Categories of Non-Performing Loans (-)	625.212	352.690	-
Collections (-)	204.147	142.946	91.974
Write-offs (-) (*)	546	61.710	634.260
Corporate and Commercial Loans	49	35.049	320.339
Retail Loans	215	14.837	102.953
Credit Cards	282	11.824	210.968
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>567.924</b>	<b>426.013</b>	<b>144.772</b>
Specific Provisions (-)	567.924	426.013	144.772
<b>Net Balance on Balance Sheet Date</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*The Bank disposed some part of its non-performing loan portfolio amounting to TL669.207 at an amount of TL135.116. The amount disposed is presented in the "Write-off" line on the table above.

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10(iii). Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
<b>Current Period: 31 December 2008</b>			
Balance at the End of the Period	19.441	9.187	7.381
Specific Provisions (-)	19.441	9.187	7.381
Net Balance on Balance Sheet	-	-	-
<b>Prior Period: 31 December 2007</b>			
Balance at the End of the Period	7.177	10.361	27.981
Specific Provisions (-)	7.177	10.361	27.981
<b>Net Balance on Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>

10(iv). Breakdown of non-performing loans according to their gross and net values:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
<b>Current Period (Net): 31 December 2008</b>			
Loans granted to corporate entities and real persons (Gross)	567.924	426.013	144.772
Specific Provisions Amount(-)	567.924	426.013	144.772
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
<b>Prior Period (Net): 31 December 2007</b>			
Loans granted to corporate entities and real persons (Gross)	206.036	296.109	505.355
Specific Provisions Amount(-)	206.036	296.109	505.355
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-



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11. Information on the collection policy of non-performing loans and other receivables:

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

12. Information on the write-off policy of the Bank:

Write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

13. Movement of the provisions for loans and receivables:

	<b>Commercial Loans</b>	<b>Credit Cards</b>	<b>Consumer Loans</b>	<b>Total</b>
<b>Balance at 1 January 2008</b>	<b>676.986</b>	<b>373.734</b>	<b>232.474</b>	<b>1.283.194</b>
Additions	855.179	323.077	233.618	<b>1.411.874</b>
Collections	(190.494)	(141.646)	(106.927)	<b>(439.067)</b>
Write-offs	(355.437)	(223.074)	(118.005)	<b>(696.516)</b>
Exchange differences	-	-	-	-
<b>At 31 December 2008</b>	<b>986.234</b>	<b>332.091</b>	<b>241.160</b>	<b>1.559.485</b>

	<b>Commercial Loans</b>	<b>Credit Cards</b>	<b>Consumer Loans</b>	<b>Total</b>
<b>Balance at 1 January 2007</b>	<b>344.789</b>	<b>323.219</b>	<b>106.796</b>	<b>774.804</b>
Additions	467.485	265.333	196.845	<b>929.663</b>
Collections	(116.721)	(173.319)	(63.993)	<b>(354.033)</b>
Write-offs	(18.567)	(41.499)	(7.174)	<b>(67.240)</b>
Exchange differences	-	-	-	-
<b>At 31 December 2007</b>	<b>676.986</b>	<b>373.734</b>	<b>232.474</b>	<b>1.283.194</b>

**f. Held-to-maturity Investments:**

1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Given as collateral/blocked	486.602	4.722.890	-	-
Subject to repurchase agreements	7.606.647	-	-	-
<b>Total</b>	<b>8.093.249</b>	<b>4.722.890</b>	<b>-</b>	<b>-</b>

2. Information on Held-to-maturity government debt securities:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Government Bonds	20.557.867	-
Treasury Bills	2.716	-
Other Government Debt Securities	-	-
<b>Total</b>	<b>20.560.583</b>	<b>-</b>

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3. Information on Held-to-maturity Investments:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Debt Securities	20.560.583	-
Quoted to Stock Exchange	20.560.583	-
Not Quoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>20.560.583</b>	<b>-</b>

4. The movement of investment securities Held-to-maturity:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Beginning Balance	-	-
Foreign Currency Differences on Monetary Assets	-	-
Purchases During Year	21.934.720	-
Disposals Through Sales and Redemptions	1.374.137	-
Impairment Provision (-)	-	-
<b>Balance at the End of the Period</b>	<b>20.560.583</b>	<b>-</b>

In accordance with "Communique for the Amendment of the Communique related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazette numbered 27040 and dated 31 October 2008 by Turkish Accounting Standards Board, due to change in the intention to hold such securities, the Bank reclassified its government bonds with fair values TL104.306, USD962.377.327 and EUR419.021.064 into the category of financial assets held to maturity which were classified under the category of financial assets held for trading before. As of the balance sheet date, fair values of these reclassified government bonds are TL108.083, USD918.898.900 and EUR401.715.000. Had these financial assets not been reclassified, a valuation gain of TL2.832 and valuation losses of USD57.018.344 and EUR25.610.892 would have been recognised in the income statement.

Due to change in the intention to hold such securities, the Bank reclassified its government bonds with fair values TL14.584.774, USD2.253.694.608 and EUR317.349.371 into the category of financial assets held to maturity which were classified before under the category of financial assets available for sale.

**g. Information on investments in associates (Net):**

1. Information about investments in associates:

<b>Title</b>	<b>Address (City / Country)</b>	<b>Bank's share percentage – If different voting percentage(%)</b>	<b>Bank's risk group share percentage (%)</b>
1 Bankalararası Kart Merkezi A.Ş.	İstanbul/Turkey	9,98	9,98
2 KKB Kredi Kayıt Bürosu A.Ş.	İstanbul/Turkey	9,09	9,09

2. Information about investments in associates:

The financial figures have been obtained from the financial statements dated 30 September 2008.

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	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit / Loss</b>	<b>Prior Period Profit / Loss</b>	<b>Fair Value</b>
1	15.492	13.476	4.315	1.190	-	2.610	3.048	-
2	22.347	17.068	1.821	2.115	-	4.361	2.894	-

3. Movement schedule of investments in associates:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Balance at the Beginning of the Period	3.125	3.125
Movements During the Period	-	-
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends From Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Increase/decrease due to foreign exchange valuation of foreign investment in associates	-	-
Balance at the End of the Period	3.125	3.125
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

**h. Information on subsidiaries (Net):**

- Accounting method used for the valuation of subsidiaries: Disclosed in Note III of Section Three.
- Information on subsidiaries:

<b>Title</b>	<b>Address (City / Country)</b>	<b>Bank's share percentage – If different voting percentage (%)</b>	<b>Bank's risk group share percentage (%)</b>
1 Ak Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	65,04	65,04
2 Ak Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	99,99
3 Ak Portföy Yönetimi A.Ş.	Istanbul/Turkey	99,99	99,99
4 Ak Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99,80	99,80
5 Akbank N.V.	Rotterdam/Netherlands	100,00	100,00
6 Akbank AG	Frankfurt/Germany	100,00	100,00
7 Ak Global Funding B.V.	Rotterdam/Netherlands	100,00	100,00
8 Finsbury Pavement Limited under liquidation (Previously: Sabancı Bank plc.)	London/England	65,00	100,00

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3. Main financial figures of subsidiaries, in the order of the above table:

The financial figures have been obtained from the financial statements dated 31 December 2008. (\*\*)

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit / Loss</b>	<b>Prior Period Profit / Loss</b>	<b>Fair Value (*)</b>
1	43.498	41.996	2	1.905	1.065	(4.575)	8.814	8.195
2	995.926	189.169	382	95.721	-	24.889	27.097	-
3	20.916	18.936	518	2.755	-	12.379	9.010	-
4	320.391	85.120	20.400	29.166	[62]	11.864	14.124	-
5	5.329.869	787.738	4.068	231.267	46.631	23.541	22.718	-
6	2.926.702	458.909	489	130.408	8.308	19.951	12.860	-
7	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-

(\*) Fair values refer to the market values for the subsidiaries quoted on the stock.

(\*\*) Financial figures of Ak Yatırım Ortaklığı A.Ş. are as of 31 September 2008.

Operations of Ak Global Funding B.V. have not commenced yet and the Bank's investment in this company is immaterial.

As of 6 September 2007, following the completion of the regulatory requirements, all assets and liabilities related to the banking transactions of Sabancı Bank plc., a subsidiary of the Bank based in London, were transferred to the London Branch of Akbank N.V., the Bank's subsidiary in the Netherlands, and renamed Finsbury Pavement Limited. Following the transfer process, based on the decision of the Board of Directors dated 27 September 2007, the Bank's share of the capital refunded within the context of the liquidation of Finsbury Pavement Limited (previously named Sabancı Bank plc.) the subsidiary of the Bank based in London, was booked in the Bank's records as of 28 September 2007 and reduced to TL2 as a trace amount. Liquidation procedures of the related institution are ongoing.

4. Movement schedule of subsidiaries:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Balance at the Beginning of the Period	769.149	902.049
Movements During the Period		
Purchases	27	415.640
Bonus Shares and Contributions to Capital	50.382	-
Dividends From Current Year Income	-	-
Sales	-	(547.822)
Revaluation Increase	-	-
Impairment Provision	(11.002)	(718)
Increase /decrease due to foreign exchange valuation of foreign subsidiaries	111.853	-
Balance at the End of the Period	920.409	769.149
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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5. Sectoral information on financial subsidiaries and the related carrying amounts:

<b>Subsidiaries</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Banks	706.138	543.905
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	121.088	121.088
Finance Companies	-	-
Other Financial Subsidiaries	93.183	104.156

6. Subsidiaries quoted on a stock exchange:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Quoted to Domestic Stock Exchanges	8.195	19.170
Quoted to Foreign Stock Exchanges	-	-

i. Explanations on property and equipment:

	<b>Immovables</b>	<b>Other Tangible Fixed Assets</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Prior Period End: 31 December 2007</b>				
Cost	706.223	594.271	3.430	1.303.924
Accumulated Depreciation(-)	192.614	396.159	-	588.773
Net Book Value	513.609	198.112	3.430	715.151
<b>Current Period End: 31 December 2008</b>				
Net Book Value at the Beginning of the Period	513.609	198.112	3.430	715.151
Additions	46.316	125.392	11.398	183.106
Disposals(-), net	354	723	-	1.077
Depreciation (-)	19.003	78.413	-	97.416
Impairment	-	-	-	-
Cost at Period End	751.490	619.906	14.828	1.386.224
Accumulated Depreciation at Period End (-)	210.922	375.538	-	586.460
<b>Closing Net Book Value</b>	<b>540.568</b>	<b>244.368</b>	<b>14.828</b>	<b>799.764</b>



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	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
<b>Prior Period End: 31 December 2006</b>				
Cost	654.897	604.089	4.982	1.263.968
Accumulated Depreciation(-)	177.485	382.419	-	559.904
Net Book Value	477.412	221.670	4.982	704.064
<b>Current Period End: 31 December 2007</b>				
Net Book Value at the Beginning of the Period	477.412	221.670	4.982	704.064
Additions	51.724	58.529	11.224	121.477
Disposals(-), net	256	2.829	12.776	15.861
Depreciation (-)	15.271	79.258	-	94.529
Impairment	-	-	-	-
Cost at Period End	706.223	594.271	3.430	1.303.924
Accumulated Depreciation at Period End (-)	192.614	396.159	-	588.773
<b>Closing Net Book Value</b>	<b>513.609</b>	<b>198.112</b>	<b>3.430</b>	<b>715.151</b>

As of 31 December 2008, total impairment amounting to TL11.799 for buildings is accounted in the financial statements (31 December 2007: TL11.799).

**j. Information on intangible assets:**

1. Cost and accumulated amortization at the beginning and end of the period:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Book Values (Gross)	101.450	84.594
Accumulated Amortization (-)	65.155	53.264
Net Book Value	36.295	31.330

2. Reconciliation of movements for the current period and prior period:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Cost	84.594	68.711
Accumulated Depreciation (-)	53.264	44.209
<b>Net Book Value</b>	<b>31.330</b>	<b>24.502</b>
Opening Balance	31.330	24.502
Additions	17.032	15.995
Disposals (-), net	177	112
Depreciation (-)	11.890	9.055
<b>Closing Net Book Value</b>	<b>36.295</b>	<b>31.330</b>

**k. Information on leasing receivables (Net):** None.

**l. Information on hedging derivative financial assets:** None.

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**m. Information on the investment properties:** None.

**n. Information on deferred tax asset:**

As of 31 December 2008 deferred tax asset of the Bank is TL120.348 (31 December 2007: TL14.763). Provisional differences subject to deferred tax calculation result from principally the difference between the book values and tax values of fixed assets and financial assets, and provision for employee rights.

Deferred tax assets and liabilities which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation, are netted-off and accounted. There are no carry forward tax losses that can be used as deductions for the tax calculation. An explanation about the net deferred tax liability is given in Note II-h-2 of Section Five.

	<b>Accumulated temporary differences</b>		<b>Deferred tax assets/(liabilities)</b>	
	<b>31 December 2008</b>	<b>31 December 2007</b>	<b>31 December 2008</b>	<b>31 December 2007</b>
Employee benefits	52.226	62.492	10.445	12.498
Differences between fair value and book value of financial assets	418.257	48.688	83.651	9.738
Other	172.334	65.566	34.467	13.113
<b>Deferred tax asset</b>			<b>128.563</b>	<b>35.349</b>
Differences between book value and tax base of property, plant and equipment	41.075	102.931	(8.215)	(20.586)
<b>Deferred tax liability</b>			<b>(8.215)</b>	<b>(20.586)</b>
<b>Deferred tax asset/(liability), net</b>			<b>120.348</b>	<b>14.763</b>

**o. Information on property and equipment held for sale and related to discontinued operations:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Cost	3.958	3.384
Accumulated Depreciation (-)	308	105
<b>Net Book Value</b>	<b>3.650</b>	<b>3.279</b>
Opening Balance	3.650	3.279
Additions	310	2.394
Disposals (-), net	-	1.911
Depreciation (-)	88	112
<b>Closing Net Book Value</b>	<b>3.872</b>	<b>3.650</b>

**p. Information on other assets:**

Other assets amount to TL543.600 (31 December 2007: TL484.676) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES**

**a. Information on deposits**

1. Information on maturity structure of the deposits:

There are no deposits with 7 days notification and accumulative deposits.

1(i). Current Period - 31 December 2008:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>Total</b>
Saving Deposits	1.375.364	6.565.252	11.684.127	428.466	139.926	32.214	20.225.349
Foreign Currency Deposits	2.639.976	7.072.489	7.842.132	934.508	1.146.923	822.141	20.458.169
Residents in Turkey	2.596.635	7.042.920	7.746.716	922.478	1.042.592	575.237	19.926.578
Residents Abroad	43.341	29.569	95.416	12.030	104.331	246.904	531.591
Public Sector Deposits	271.309	1.352	137.615	3.109	402	70	413.857
Commercial Deposits	1.864.825	1.622.979	2.529.188	41.621	4.495	693	6.063.801
Other Institutions Deposits	102.621	65.043	990.684	6.350	6.717	1.271	1.172.686
Gold Vault	-	-	-	-	-	-	-
Bank Deposits	376.471	620.375	2.662.988	167.800	20.451	-	3.848.085
The CBRT	-	-	-	-	-	-	-
Domestic Banks	7.444	192.711	-	3.013	1.004	-	204.172
Foreign Banks	67.057	427.664	2.662.988	164.787	19.447	-	3.341.943
Special Finance Institutions	301.970	-	-	-	-	-	301.970
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>6.630.566</b>	<b>15.947.490</b>	<b>25.846.734</b>	<b>1.581.854</b>	<b>1.318.914</b>	<b>856.389</b>	<b>52.181.947</b>

1(ii). Prior Period - 31 December 2007:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>Total</b>
Saving Deposits	1.336.972	5.511.058	8.808.103	712.308	160.520	53.973	16.582.934
Foreign Currency Deposits	2.619.626	2.206.418	8.691.091	884.150	597.924	483.840	15.483.049
Residents in Turkey	2.588.159	2.192.392	8.655.121	866.136	573.078	321.149	15.196.035
Residents Abroad	31.467	14.026	35.970	18.014	24.846	162.691	287.014
Public Sector Deposits	33.902	885	2.810	336	162	131	38.226
Commercial Deposits	1.514.196	1.619.160	1.513.873	94.915	2.747	1.217	4.746.108
Other Institutions Deposits	918.281	321.351	918.106	74.950	18.651	2.985	2.254.324
Gold Vault	-	-	-	-	-	-	-
Bank Deposits	153.211	902.919	872.381	10.124	1.005	-	1.939.640
The CBRT	-	-	-	-	-	-	-
Domestic Banks	6.354	751.520	1.005	-	1.005	-	759.884
Foreign Banks	38.097	151.399	871.376	10.124	-	-	1.070.996
Special Finance Institutions	108.760	-	-	-	-	-	108.760
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>6.576.188</b>	<b>10.561.791</b>	<b>20.806.364</b>	<b>1.776.783</b>	<b>781.009</b>	<b>542.146</b>	<b>41.044.281</b>

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**2. Information on saving deposits insurance:**

2(i). Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund:

	<b>Under the Guarantee of Deposit Insurance</b>		<b>Exceeding the Limit of Deposit Insurance</b>	
	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Saving Deposits	8.680.769	7.444.209	11.544.580	9.137.379
Foreign Currency Saving Deposits	4.111.634	4.579.710	10.021.373	7.810.869
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-Shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

2(ii). Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children in care	683.039	590.183
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Turkey in Order to Engage in Off-shore Banking Activities Solely	7.366	2.522

**b. Information on trading derivative financial liabilities:**

Table of negative differences for trading derivative financial liabilities:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	11.849	-	4.999	637
Swap Transactions	2.587	38.498	49.117	24.494
Future Transactions	2.723	205	2.724	273
Options	93	9.711	-	4.780
Other	-	-	-	-
<b>Total</b>	<b>17.252</b>	<b>48.414</b>	<b>56.840</b>	<b>30.184</b>

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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	144.688	30.785	150.610	21.220
From Foreign Banks, Institutions and Funds	84.325	11.038.976	2.802	8.679.869
<b>Total</b>	<b>229.013</b>	<b>11.069.761</b>	<b>153.412</b>	<b>8.701.089</b>

2. Information on maturity structure of borrowings:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term	229.013	4.941.923	153.412	3.402.107
Medium and Long-term	-	6.127.838	-	5.298.982
<b>Total</b>	<b>229.013</b>	<b>11.069.761</b>	<b>153.412</b>	<b>8.701.089</b>

The liabilities providing the funding sources of the Bank are deposits and borrowings. Deposits are the most important funding source of the Bank and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitized borrowings, money market and post finance obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Bank.

**d. Information on other foreign liabilities:**

Other foreign liabilities amount to TL717.945 (31 December 2007: TL1.456.475) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

**e. Information on financial leasing agreements:**

The contingent rent installments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which cause significant commitments for the Bank.

Liabilities incurred due to financial leasing agreements:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Less Than 1 Year	21.144	17.882	41.072	36.448
Between 1-4 Years	3.409	3.251	7.771	7.176
More Than 4 Years	-	-	-	-
<b>Total</b>	<b>24.553</b>	<b>21.133</b>	<b>48.843</b>	<b>43.624</b>

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**f. Information on hedging derivative financial liabilities:**

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair value hedge	-	-	-	-
Cash flow hedge	69.854	138.214	-	-
Net investment hedge	-	-	-	-
<b>Total</b>	<b>69.854</b>	<b>138.214</b>	<b>-</b>	<b>-</b>

**g. Information on provisions:**

**1. Information on general provisions:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>General Provisions</b>	<b>420.776</b>	<b>275.694</b>
Provisions for Group I. Loans and Receivables	271.544	222.787
Provisions for Group II. Loans and Receivables	66.314	12.406
Provisions for Non-cash Loans	38.609	28.049
Other	44.309	12.452

**2. Information on reserve for employment termination benefits:**

<b>Balance sheet obligations for:</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	26.886	37.796
- Reserve for unused vacation	25.340	24.696
<b>Total</b>	<b>52.226</b>	<b>62.492</b>

As explained on note 2(ii) below, there is no amount recognized in the balance sheet for post-employment benefits since fair value of the Fund's plan assets compensate defined benefit obligations for the years ended 2008 and 2007.

<b>Income statement charge for:</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
- Post-employment benefits (pension and medical)	(87.580)	(76.275)
- Reserve for employment termination benefits	(13.009)	(11.409)
- Reserve for unused vacation	(2.757)	(1.483)
<b>Total</b>	<b>(103.346)</b>	<b>(89.167)</b>

The charge for the post-employment benefits represents the cash payments, which represent the employer's contribution determined by the Social Security Law No: 506 and additional 2% contribution of the employer. The employer's contribution amounting to TL87.580 (31 December 2007: TL76.275) during the year has been included in employee costs under operating expenses.



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2 (i). Employment Termination Benefits and Unused Vacation Rights:

Under the Turkish Labour Law, the Bank is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TL 2.173,18 in full TL amount (31 December 2007: TL 2.030,19) for each year of service. The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Discount Rate (%)	6,26	5,71
Rate for the Probability of Retirement (%)	0,92	0,92

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 2.260,05 (1 January 2008: TL 2.087,92) effective from 1 January 2009 has been taken into consideration in calculating the reserve for employee termination benefits.

Movements in the reserve for employment termination benefits during the periods are as follows:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Balance at the Beginning of the Period	37.796	37.073
Provisions Recognized During the Period	13.009	11.409
Paid During the Period	(23.919)	(10.686)
Balance at the End of the Period	26.886	37.796

As of 31 December 2008, the Bank has accounted a provision for unused vacation rights amounting to TL25.340 (31 December 2007: TL24.696).

2 (ii). Post-employment benefits:

The Bank's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations; and the Bank's obligation related to other non-transferrable benefits has been calculated in accordance with TAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%), except for the non-transferrable other benefits. Accordingly, including the obligation for non-transferable other benefits amounting TL69.181 (31 December 2007: TL68.529), the surplus of the Fund amounts to TL212.099 as of 31 December 2008 (31 December 2007: TL12.814).

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	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Present value of funded obligations	(576.660)	(693.564)
- Pension benefits transferrable to SSI	(541.150)	(601.307)
- Post-employment medical benefits transferrable to SSI	33.671	(23.728)
- Other non-transferrable benefits	(69.181)	(68.529)
Fair value of plan assets	788.759	706.378
<b>Surplus</b>	<b>212.099</b>	<b>12.814</b>

The principal actuarial assumptions used were as follows:

<b>Discount rate</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
- Pension benefits transferrable to SSI	9,80%	9,80%
- Post-employment medical benefits transferrable to SSI	9,80%	9,80%
- Other non-transferrable benefits	6,26%	5,71%

**Mortality rate**

The average life expectancy in years of a pensioner retiring at age 60 for men, 58 for women determined using mortality table depending on statistical data is 17 years for men and 23 years for women.

The movement in the fair value of plan assets of the year is as follows:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Prior period end</b>	<b>706.378</b>	<b>655.608</b>
Actual return on plan assets	116.363	90.730
Employer contributions	87.580	76.275
Employee contributions	62.920	50.020
Benefits paid	(184.482)	(166.255)
<b>Period end</b>	<b>788.759</b>	<b>706.378</b>

Plan assets are comprised as follows:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
Bank placements	730.571	93%	638.488	90%
Premises and equipment	32.897	4%	30.044	4%
Equity securities	17.147	2%	34.625	5%
Other	8.144	1%	3.221	1%
<b>Period end</b>	<b>788.759</b>	<b>100%</b>	<b>706.378</b>	<b>100%</b>

Expected contributions to post-employment benefit plans for the year ending 31 December 2009 are TL175.000.

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3. Information on provisions related to foreign currency difference of foreign indexed loans:

As of 31 December 2008, the provision related to foreign currency difference of foreign currency indexed loans, which amounts to TL1.099 (31 December 2007: TL46.879), which is offset with the balance of foreign currency indexed loans in these financial statements.

4. Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash:

Provision for non-cash loans that are non-funded and non-transformed into cash as of 31 December 2008 is amounting to TL63.584 (31 December 2007: TL41.017).

5. Information on other provisions:

5 (i). Information on general provisions for possible risks: None.

5 (ii). Information on provisions for banking services promotion:

The Bank has provisions for credit cards and banking services promotion applications amounting to TL 71.020 (31 December 2007: TL 84.352).

**h. Explanations on tax liability:**

1. Explanations on current tax liability:

The tax calculation of the Bank is explained in Note XVIII of Section Three. As of 31 December 2008, the tax liability after the deduction of temporary taxes paid from the corporate tax is TL 77.931 (31 December 2007: TL 163.588).

1(i). Information on taxes payable:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Corporate Taxes Payable	77.931	163.588
Taxation on Marketable Securities	133.406	65.377
Property Tax	593	444
Banking Insurance Transaction Tax (BITT)	38.738	33.551
Foreign Exchange Transaction Tax	-	1.558
Value Added Tax Payable	1.830	1.384
Other	18.537	13.782
<b>Total</b>	<b>271.035</b>	<b>279.684</b>

1(ii). Information on premium payables:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Social Security Premiums - Employee	-	-
Social Security Premiums - Employer	1	1
Bank Social Aid Pension Fund Premium - Employee	3	7
Bank Social Aid Pension Fund Premium - Employer	160	165
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance - Employee	456	357
Unemployment Insurance - Employer	912	713
Other	-	-
<b>Total</b>	<b>1.532</b>	<b>1.243</b>

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**2. Information on deferred tax liability:**

The Bank has no deferred tax liability as of 31 December 2008 (31 December 2007: TL (-) ). Explanation on net deferred tax asset is disclosed in Note I-n of Section Five.

**i. Information on Shareholders' Equity:**

**1. Presentation of paid-in capital:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Common Stock	3.000.000	3.000.000
Preferred Stock	-	-

**2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so, the amount of registered share capital ceiling:**

<b>Capital System</b>	<b>Paid-in capital</b>	<b>Ceiling</b>
Registered Share Capital	3.000.000	5.000.000

**3. Information on the share capital increases during the period and their sources: None.**

**4. Information on share capital increases from capital reserves during the current period: None.**

**5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.**

**6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity:**

The Bank has been continuing its operations with high profitability and has been retaining most of its net profit in the equity, either by increasing its capital or transferring it into reserves. On the other hand, only a small part of the equity is allocated to associates and subsidiaries and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and high interest bearing assets. Considering all these factors, the Bank's shareholders' equity is getting steadily stronger.

**7. Information on privileges given to shares representing the capital: None.**

**j. Information on marketable securities value increase fund:**

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	(6.046)	-	4.956	-
Valuation Difference	54.981	(84.262)	202.323	(11.403)
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>48.935</b>	<b>(84.262)</b>	<b>207.279</b>	<b>(11.403)</b>

The part of value increase fund related to foreign currency marketable securities is the difference between the fair values and amortized costs, calculated in accordance with the "Effective yield method" of government bonds classified as available-for-sale financial assets.

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**III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT**

**a. Information on interest income:**

1. Information on interest income on loans:

	Current Period 31 December 2008		Prior Period 31 December 2007	
	TL	FC	TL	FC
Short-term Loans	2.965.780	113.128	2.807.619	88.956
Medium and Long-term Loans	2.189.089	723.849	1.725.363	540.719
Interest on Loans Under Follow-Up	41.225	214	42.823	400
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
<b>Total(*)</b>	<b>5.196.094</b>	<b>837.191</b>	<b>4.575.805</b>	<b>630.075</b>

(\*) Fee and commission income from cash loans are included.

2. Information on interest income on banks:

	Current Period 31 December 2008		Prior Period 31 December 2007	
	TL	FC	TL	FC
From the CBRT	191.282	7.564	161.718	10.990
From Domestic Banks	320	265	68	99
From Foreign Banks	1.457	83.499	501	78.802
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>193.059</b>	<b>91.328</b>	<b>162.287</b>	<b>89.891</b>

3. Information on interest income on marketable securities:

	Current Period 31 December 2008		Prior Period 31 December 2007	
	TL	FC	TL	FC
From Trading Financial Assets	38.617	97.809	60.269	330.721
From Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	2.367.391	161.269	2.337.244	260.031
From Held-to-maturity Investments:	598.255	88.016	-	-
<b>Total</b>	<b>3.004.263</b>	<b>347.094</b>	<b>2.397.513</b>	<b>590.752</b>

4. Information on interest income received from investments in associates and subsidiaries:

	Current Period 31 December 2008	Prior Period 31 December 2007
Interests Received From Investments in Associates and Subsidiaries	24.898	14.503

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**b. Information on interest expense:**

1. Information on interest expense on borrowings:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	24.314	480.008	21.151	499.229
The CBRT	-	-	-	-
Domestic Banks	20.519	1.180	20.742	1.256
Foreign Banks	3.795	474.012	409	497.973
Headquarters and Branches Abroad	-	4.816	-	-
Other Institutions	-	-	-	-
<b>Total(*)</b>	<b>24.314</b>	<b>480.008</b>	<b>21.151</b>	<b>499.229</b>

(\*) Fee and commission income from cash loans is included.

2. Information on interest expense given to associates and subsidiaries:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
To Associates and Subsidiaries	20.322	10.778

3. Maturity structure of the interest expense on deposits:

There are no deposits with 7 days notification and accumulative deposits.

		<b>Time Deposit</b>					
	<b>Demand Deposits</b>	<b>Up to 1 Month</b>	<b>Up to 3 Months</b>	<b>Up to 6 Months</b>	<b>Up to 1 Year</b>	<b>More than 1 Year</b>	<b>Total</b>
<b>TL</b>							
Bank Deposits	-	61.924	164.054	2.227	77	-	<b>228.282</b>
Saving Deposits	1.012	1.014.910	1.762.645	121.921	22.461	7.328	<b>2.930.277</b>
Public Sector Deposits	269	151	211	111	20	10	<b>772</b>
Commercial Deposit	3.799	312.839	411.466	4.875	23.134	132	<b>756.245</b>
Other Deposits	895	39.294	187.890	12.247	-	2.510	<b>242.836</b>
<b>Total</b>	<b>5.975</b>	<b>1.429.118</b>	<b>2.526.266</b>	<b>141.381</b>	<b>45.692</b>	<b>9.980</b>	<b>4.158.412</b>
<b>FC</b>							
Foreign Currency Deposits	14.261	140.576	364.569	40.472	34.509	31.828	<b>626.215</b>
Bank Deposits	-	11.260	27.894	5.888	248	-	<b>45.290</b>
Gold Vault	-	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>14.261</b>	<b>151.836</b>	<b>392.463</b>	<b>46.360</b>	<b>34.757</b>	<b>31.828</b>	<b>671.505</b>
<b>Grand Total</b>	<b>20.236</b>	<b>1.580.954</b>	<b>2.918.729</b>	<b>187.741</b>	<b>80.449</b>	<b>41.808</b>	<b>4.829.917</b>



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**c. Explanations on dividend income:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
From Trading Financial Assets	1	-
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-Sale Financial Assets	261	2.660
Other (*)	29.652	29.481
<b>Total</b>	<b>29.914</b>	<b>32.141</b>

(\*) Discloses the dividend income received from non consolidated investments in associates and subsidiaries.

**d. Information on trading profit/loss (Net):**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Profit</b>	<b>23.795.381</b>	<b>9.646.456</b>
Income from Capital Market Transactions	574.073	226.584
From Derivative Financial Transactions	475.484	179.503
Other	98.589	47.081
Foreign Exchange Gains	23.221.308	9.419.872
<b>Loss (-)</b>	<b>23.750.661</b>	<b>9.497.157</b>
Loss from Capital Market Transactions	694.146	244.534
From Derivative Financial Transactions	658.974	234.005
Other	35.172	10.529
Foreign Exchange Loss	23.056.515	9.252.623
<b>Total</b>	<b>44.720</b>	<b>149.299</b>

**e. Explanations on other operating income:**

The Bank had filed three lawsuits, total of which amounted to TL754.303, against the Ministry of Finance regarding the correction of corporate tax paid in 2001, 2002, and 2003 with reference to the temporary article 4, added by the Law No.4743 to the Banking Law No.4389, which was annulled on 1 November 2005.

Considering the status of legal and administrative process, the Board of Directors decided to settle with the Ministry of Finance in scope of the article 3 of the "Act on collection of some public receivables through settlement" published in the Official Gazette No.26800 dated 27 February 2008.

Accordingly, the Bank has withdrawn the lawsuits explained in the first paragraph and according to the calculations made for the purpose of the settlement, the Bank's total amount of receivables from the Ministry of Finance related to those lawsuits is confirmed as TL494.710. The remaining amount of TL224.709 after deducting the amount of TL270.001, which was accepted by the Ministry of Finance to be offset against various tax debt of the Bank and recognized in the financial statements of the year 2007, is recorded as income in the year 2008 financial statements.

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**f. Provision expenses related to loans and other receivables of the Bank:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Specific Provisions for Loans and Other Receivables	998.574	625.131
III. Group Loans and Receivables	923.575	525.152
IV. Group Loans and Receivables	62.038	83.628
V. Group Loans and Receivables	12.961	16.351
General Provision Expenses	145.082	94.461
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	790	-
Financial Assets at Fair Value Through Profit or Loss	790	-
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity	3.657	-
Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments:	3.657	-
Other	-	-
<b>Total</b>	<b>1.148.103</b>	<b>719.592</b>

**g. Information related to other operating expenses:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Personnel Expenses	833.754	615.950
Reserve for Employee Termination Benefits	-	723
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	97.504	91.703
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	11.890	11.882
Impairment Expenses of Equity Participations for Which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	918.485	709.033
Operational Leasing Expenses	61.491	35.255
Maintenance Expenses	30.277	19.544
Advertisement Expenses	111.990	104.683
Other Expenses	714.727	549.551
Loss on Sales of Assets	495	78
Other	325.134	266.918
<b>Total</b>	<b>2.187.262</b>	<b>1.696.287</b>

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**h. Information on tax provision of continued and discontinued operations:**

1. Information on calculated current tax income or expense and deferred tax income or expense:

As of 31 December 2008, the Bank has a current tax expense of TL419.908 and deferred tax income of TL64.504.

2. Information on deferred tax income or expense arising from the temporary differences that have occurred or have been closed:

The amount of deferred tax income that occurred due to the temporary differences is TL23.001 and deferred tax expense is TL14.784; the amounts of deferred tax income and deferred tax expense that occurred due to the closing of temporary differences are TL94.794 and TL38.507 respectively. The Bank has TL64.504 net deferred tax income.

3. Information on recognition of temporary difference, financial loss, diminution of tax and exemptions on income statement: None.

**i. Information on net profit and loss:**

1. Explanation on the quality, amount and frequency of the figures of the income and expense stemming from ordinary banking operations, if necessary to understand the performance of the Bank for the current period: None.
2. Explanation on the changes in the estimations regarding the figures on the financial statements, if there exists a possibility that the profit and loss for the current or the following periods will be impacted: None.

**j. Other figures on profit and loss statement:**

Other figures on the profit and loss statement do not exceed 10% of the total profit and loss.

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**IV. EXPLANATIONS AND NOTES RELATED TO OFF-BALANCE SHEET ACCOUNTS**

**a. Explanations on off-balance sheet commitments:**

Type and amount of irrevocable commitments: TL385.541 asset purchase commitments (31 December 2007: TL461.025), TL7.553.232 commitment for credit card limits (31 December 2007: TL6.001.065), TL1.691.653 commitments for cheque books (31 December 2007: TL1.737.614)

**1. Type and amount of probable losses and obligations arising from off-balance sheet items:**

The Bank has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments".

**2 (i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Bank Acceptance Loans	62.237	46.857
Letters of Credit	1.726.937	1.176.384
Other Commitments and Contingencies	236.124	177.362
<b>Total</b>	<b>2.025.298</b>	<b>1.400.603</b>

**2 (ii). Revocable, irrevocable guarantees and other similar commitments and contingencies:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Revocable Letters of Guarantee	178.477	158.327
Irrevocable Letters of Guarantee	2.992.788	2.525.041
Letters of Guarantee Given in Advance	615.315	409.563
Guarantees Given to Customs	266.190	244.313
Other Letters of Guarantee	624.226	446.860
<b>Total</b>	<b>4.676.996</b>	<b>3.784.104</b>

**3 (i). Total amount of non-cash loans:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Non-Cash Loans Given against Cash Loans	110.795	104.970
With Original Maturity of 1 Year or Less Than 1 Year	86.040	86.475
With Original Maturity of More Than 1 Year	24.755	18.495
Other Non-Cash Loans	6.591.499	5.079.737
<b>Total</b>	<b>6.702.294</b>	<b>5.184.707</b>

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3 (ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2008				Prior Period 31 December 2007			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	12.562	0,43	412	0,01	17.600	0,65	2.652	0,11
Farming and Raising								
Livestock	3.216	0,11	412	0,01	4.606	0,17	2.381	0,10
Forestry	9.305	0,32	-	-	12.935	0,48	271	0,01
Fishing	41	0,00	-	-	59	0,00	-	-
Manufacturing	912.042	31,03	1.892.740	50,30	834.286	31,14	1.298.993	51,84
Mining	7.963	0,27	23.778	0,63	11.170	0,42	3.586	0,14
Production	842.376	28,66	1.591.790	42,30	786.350	29,35	1.140.303	45,51
Electric, Gas and Water	61.703	2,10	277.172	7,37	36.766	1,37	155.104	6,19
Construction	189.889	6,46	273.387	7,26	133.924	5,00	137.331	5,48
Services	1.464.662	49,82	1.502.672	39,93	1.500.160	55,99	743.737	29,68
Wholesale and Retail Trade	976.598	33,23	472.770	12,56	1.043.283	38,94	205.791	8,21
Hotel, Food and								
Beverage Services	18.071	0,61	2.511	0,07	17.116	0,64	1.400	0,06
Transportation and								
Telecommunication	49.149	1,67	41.313	1,10	66.272	2,47	34.057	1,36
Financial Institutions	373.830	12,72	947.450	25,18	325.669	12,16	492.536	19,66
Real Estate and Leasing								
Services	431	0,01	-	-	366	0,01	-	-
Self-Employment Services	6.553	0,22	3.533	0,09	6.692	0,25	2.080	0,08
Education Services	2.389	0,08	187	0,00	4.263	0,16	53	0,00
Health and Social Services	37.641	1,28	34.908	0,93	36.499	1,36	7.820	0,31
Other	359.787	12,26	94.141	2,50	193.117	7,22	322.907	12,89
<b>Total</b>	<b>2.938.942</b>	<b>100,00</b>	<b>3.763.352</b>	<b>100,00</b>	<b>2.679.087</b>	<b>100,00</b>	<b>2.505.620</b>	<b>100,00</b>

3 (iii). Information on the non-cash loans classified in Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans</b>	<b>2.610.080</b>	<b>3.749.146</b>	<b>328.862</b>	<b>14.206</b>
Letters of Guarantee	2.609.212	1.912.712	144.254	10.818
Bank Acceptances	15	60.761	-	1.461
Letters of Credit	16	1.725.372	-	1.549
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	837	50.301	184.608	378

**4. Mutual Funds:**

As of 31 December 2008, the Bank is the founder of 20 mutual funds (31 December 2007: 15) with a total fund value of TL3.229.440 (31 December 2007: TL3.366.029). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by ISE Settlement and Custody Bank, Inc.

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**b. Information on derivative transactions:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Types of Trading Transactions</b>		
Foreign Currency Related Derivative Transactions (I)	4.259.219	2.624.309
FC Trading Forward Transactions	699.165	511.249
Trading Swap Transactions	2.482.951	1.222.085
Futures Transactions	35.596	53.681
Trading Option Transactions	1.041.507	837.294
Interest Related Derivative Transactions (II)	1.486.714	7.142.188
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	1.486.714	7.142.188
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	-	25.212
A. Total Trading Derivative Transactions (I+II+III)	5.745.933	9.791.709
<b>Types of Hedging Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	8.605.358	-
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	8.605.358	-
<b>Total Derivative Transactions (A+B)</b>	<b>14.351.291</b>	<b>9.791.709</b>

**c. Explanations on contingent assets and liabilities:**

**1. Contingent Liabilities:**

The Bank has accounted a provision amounting to TL44.042 (31 December 2007: TL31.615) for the contingent liabilities with a high probability of realization.

**2. Contingent Assets:**

None.



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**V. EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY**

**a. Information on distribution of profit:**

The Ordinary General Assembly Meeting of the Bank was held on 28 March 2008. In the Ordinary General Assembly, it was decided to distribute a TL720.511 cash dividend over the TL1.994.294 net income from 2007 operations to the Bank's shareholders, Chairman and Members of the Board of Directors. It was also resolved in the General Assembly to transfer TL8.025 to capital reserves, to allocate TL156.765 as legal and TL1.108.993 as extraordinary reserves.

**b. Information on hedge funds:**

Information on cash flow hedge:

The Bank is hedged against cash flow risk arising from local and foreign currency floating rate borrowings through the use of interest rate swaps. In this context, effective portion of the fair value change of the hedging instrument is recognized under "Hedging reserves" within equity. As of 31 December 2008, the amount directly recognized in equity is (-)TL145.300.

**c. Information on available-for-sale financial assets:**

"Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities value increase fund" account under equity, until the financial assets are sold, disposed of or impaired.

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**VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS**

**a. Information on cash and cash equivalents:**

1. Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as "Cash"; interbank money market and time deposits in banks with original maturities less than three months are defined as "Cash Equivalents".

1 (i). Cash and cash equivalents at the beginning of the period:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Cash</b>	<b>1.739.928</b>	<b>2.041.232</b>
Cash, Foreign Currency and Other	515.759	518.101
Demand Deposits in Banks	1.224.169	1.523.131
<b>Cash Equivalents</b>	<b>543.136</b>	<b>1.923.671</b>
Interbank Money Market Placements	-	-
Time Deposits in Banks	529.520	1.921.641
Marketable Securities	13.616	2.030
<b>Total Cash and Cash Equivalents</b>	<b>2.283.064</b>	<b>3.964.903</b>

The total amount from operations in the prior period gives the total cash and cash equivalents amount at the beginning of the current period.

1 (ii). Cash and cash equivalents at the end of period:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Cash</b>	<b>2.333.643</b>	<b>1.739.928</b>
Cash, Foreign Currency and Other	610.521	515.759
Demand Deposits in Banks	1.723.122	1.224.169
<b>Cash Equivalents</b>	<b>3.049.869</b>	<b>543.136</b>
Interbank Money Market Placements	-	-
Time Deposits in Banks	3.038.648	529.520
Marketable Securities	11.221	13.616
<b>Total Cash and Cash Equivalents</b>	<b>5.383.512</b>	<b>2.283.064</b>

**b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:**

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to (-) TL 1.009.092 (31 December 2007: (-) TL 799.519) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expense, foreign exchange gains/losses, depreciation, provisions and bonus shares.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL832.188 (31 December 2007: TL1.166.805) consists mainly of changes in miscellaneous payables, other liabilities and taxes and other duties payable.

The effect of changes in the foreign currency rates on the cash and cash equivalents is reflected in net foreign exchange gains/losses. The foreign exchange gains/losses amount mentioned above is included in the "Other" line under "Operating profit before changes in operating assets and liabilities".

**CONVENIENCE TRANSLATION OF  
PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
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**AKBANK T.A.Ş.**

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**VII. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP**

**Information on the volume of transactions relating to the bank's risk group, outstanding loan and deposit transactions and profit and loss of the period:**

1. Current Period – 31 December 2008:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	194.579	22.650	895.255	483.565	1.078	3.237
Balance at the End of the Period	261.768	22.953	814.868	455.698	1.910	3.680
Interest and Commission Income Received	24.898	55	71.649	24.933	32	6

According to the German deposit insurance law, the Bank has given a "letter of undertaking" to the German Banking Institute related to Akbank AG which is assigned to Akbank NV, a subsidiary of the Bank, by way of real capital as of 31 May 2007. Based on the "Regulation Regarding Banking Loans" effective from 1 November 2006, this letter of undertaking amounts to TL1.809.337 as of 31 December 2008.

2. Prior Period – 31 December 2007:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	136.133	36.731	668.369	357.952	6	3.238
Balance at the End of the Period	194.579	22.650	895.255	483.565	1.078	3.237
Interest and Commission Income Received	14.503	29	83.769	15.937	927	5

3. Information on deposits of the Bank's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007
<b>Deposit</b>						
Balance at the Beginning of the Period	92.147	37.664	994.656	692.367	752.238	373.756
Balance at the End of the Period	40.022	92.147	1.536.845	994.656	760.150	752.238
Interest on Deposits	20.322	10.778	136.302	91.070	33.259	28.702

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4. Information on forward and option agreements and other similar agreements made with the Bank's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31 December 2008	31 December 2007	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	156.321	483.297	151.126	224.377	-	-
Balance at the End of the Period	527.113	156.321	502.192	151.126	-	-
Total Income/Loss	(16.833)	(872)	(16.037)	(843)	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	410.886	-	-	-
Total Income/Loss (*)	-	-	(14.509)	-	-	-

(\*) The amount represents fair value differences of hedging derivative financial instruments whose effective parts are accounted under shareholders' equity.

Figures presented in the table above show the sum of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affect the net exposure of the Bank. As of 31 December 2008, the net exposure for investments in associates and subsidiaries is TL841 (31 December 2007: (-)TL2.422) and for direct and indirect shareholders of the Bank (-)TL5.205 (31 December 2007: (-)TL131).

5. Information regarding benefits provided to the Bank's key management:

As of 31 December 2008, benefits provided to the Bank's key management amount to TL13.100 (31 December 2007: TL10.438).

**CONVENIENCE TRANSLATION OF  
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**AKBANK T.A.Ş.**

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK**

1. Information on the domestic and foreign branches and representatives of the bank:

	Number	Number of Employees			
Domestic Branch	867	15.117			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch	-	-	-	-	-
Off-shore Banking					
Region Branches	1	10	Malta	19.119.764	-

2. Information on the Bank's branch or representative office opennings, closings, significant changes in the organizational structure: In 2008, the Bank has opened 157 domestic branches and closed up 5 domestic branches.

**IX. INFORMATION AND NOTES RELATED TO SUBSEQUENT EVENTS**

At the meeting of the Board of Directors on 27 January 2009, the Ordinary General Assembly Meeting of the Bank has been decided to be held on 27 March 2009 at 14:30, Sabancı Center, 4. Levent/İstanbul Headquarters.

**SECTION SIX  
OTHER EXPLANATIONS**

**I. OTHER EXPLANATIONS**

None.

**SECTION SEVEN  
EXPLANATIONS ON INDEPENDENT AUDIT REPORT**

**I. EXPLANATIONS ON INDEPENDENT AUDIT REPORT**

The unconsolidated financial statements for the period ended 31 December 2008 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers). The auditor's report dated 13 February 2009 is presented prior to the unconsolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS**

None.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH, SEE NOTE I.B OF SECTION THREE**

**AKBANK T.A.Ş.**

**PUBLICLY ANNOUNCED  
CONSOLIDATED FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT  
AUDITOR'S REPORT AT 31 DECEMBER 2008**



**Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.**  
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**CONVENIENCE TRANSLATION OF  
THE INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH**

To the Board of Directors of Akbank T.A.Ş.;

We have been engaged to audit the accompanying consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries at 31 December 2008 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

*Disclosure for the Responsibility of the Bank's Board of Directors:*

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the consolidated financial statements; and for selecting and applying appropriate accounting policies in compliance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents published on the Official Gazette No. 26333 dated 1 November 2006, Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency ("the BRSA") on accounting and financial reporting principles.

*Disclosure for the Responsibility of the Authorized Audit Firm:*

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our independent audit has been implemented in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

*Independent Auditors' Opinion:*

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Akbank T.A.Ş. and its consolidated subsidiaries at 31 December 2008 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

*Additional Paragraph For Convenience Translation:*

Without qualifying our opinion, we draw your attention to the following matter:

As explained in detail in Note I.b. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers



Cansen Başaran Symes, SMMM  
Partner

İstanbul, 13 February 2009

**CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH,  
SEE NOTE I.b IN SECTION THREE**

**THE CONSOLIDATED FINANCIAL REPORT OF  
AKBANK T.A.Ş. AS OF  
31 DECEMBER 2008**

Address : Sabancı Center 34330, 4. Levent / İstanbul  
Telephone : (0 212) 385 55 55  
Fax : (0 212) 269 73 83  
Web-Site : www.akbank.com  
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The consolidated financial report includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- **Section One** - GENERAL INFORMATION ABOUT THE GROUP
- **Section Two** - CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **Section Five** - EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** - OTHER EXPLANATIONS AND NOTES
- **Section Seven** - EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

Investments in associates, joint ventures, direct and indirect subsidiaries whose financial statements have been consolidated in this reporting package are as follows:

	Subsidiaries	Investments in Associates	Joint Ventures
1.	Ak Finansal Kiralama A.Ş.	-	-
2.	Ak Yatırım Menkul Değerler A.Ş.	-	-
3.	Ak Portföy Yönetimi A.Ş.	-	-
4.	Akbank N.V.	-	-
5.	Akbank AG	-	-

Ak Receivables Corporation and A.R.T.S. Ltd., which are not subsidiaries of the Bank but over which the Bank has 100% controlling power, have been included in the consolidation due to the reason that these companies are "Special Purpose Entities".

The accompanying audited consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira (TL), have been prepared based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, relating appendices and interpretations on these, and are independently audited.

13 February 2009

					
Suzan SABANCI DİNÇER Chairman of the Board of Directors	Akin KOZANOĞLU Head of the Audit Committee	Özen GÖKSEL Member of the Audit Committee	Zafer KURTUL President	K. Atıl ÖZUS Executive Vice President	Türker TUNALI Senior Vice President

Contact information of the personnel in charge of addressing questions regarding this financial report.

Name-Surname / Title : Türker TUNALI / Senior Vice President  
Phone No : (0 212) 385 55 55  
Fax No : (0 212) 325 12 31

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**CONVENIENCE TRANSLATION OF  
PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2008**

**(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

**SECTION ONE  
GENERAL INFORMATION ABOUT THE GROUP**

**I. PARENT BANK'S FOUNDATION DATE, START-UP STATUS, HISTORY REGARDING THE CHANGES IN THIS STATUS:**

Akbank T.A.Ş. ("the Parent Bank" or "Akbank") was established on 30 January 1948 as a private commercial bank, in accordance with the decision of the Council of Ministers, No.3/6710 and is authorized to perform all economic, financial and commercial activities which are allowed by the laws of the Turkish Republic ("T.C."). The status of the Bank has not changed since its foundation.

**II. EXPLANATION ABOUT THE PARENT BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE PARENT BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE PARENT BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE BANK BELONGS TO:**

The Bank's shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depositary Receipts ("ADRs"). As of 31 December 2008, approximately 25% of the shares are publicly traded, including the ADRs (31 December 2007: 25%).

The major shareholder of the Parent Bank, directly or indirectly, is Sabancı Group.

**III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, IF AVAILABLE, SHARES OF THE PARENT BANK THEY POSSESS:**

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman:</b>	Suzan SABANCI DİNÇER	Chairman and Managing Director	Graduate
<b>Honorary Chairman:</b>	Erol SABANCI	Honorary Chairman, Member, Advisor	Undergraduate
<b>Board of Directors:</b>	Akın KOZANOĞLU	Vice Chairman and Executive Director	Graduate
	Bülent ADANIR	Managing Director	Graduate
	Özen GÖKSEL	Member	Undergraduate
	M. Hikmet BAYAR	Member	Undergraduate
	Aydın GÜNTER	Member	Undergraduate
	Yaman TÖRÜNER	Member	Undergraduate
	William J. MILLS	Member	Undergraduate
	Zafer KURTUL	Member and CEO	Graduate
<b>President and CEO:</b>	Zafer KURTUL	CEO	Graduate
<b>Director of Internal Audit:</b>	Eyüp ENGİN	Head of Internal Audit	Undergraduate
<b>President Deputy:</b>	Reşit TOYGAR	Treasury	Graduate
	S. Hakan BİNBAŞGİL	Retail Banking	Graduate

**CONVENIENCE TRANSLATION OF  
PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2008**

**(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

<b>Executive Vice Presidents:</b>	Zeki TUNCAY	Human Resources and Support Services	Undergraduate
	M. Fikret ÖNDER	Private Banking	Graduate
	Sevilay ÖZSÖZ	Operations	Undergraduate
	Alpaslan ÖZLÜ	Information Technology	Graduate
	Ferda BESLİ	Commercial Banking	Undergraduate
	Ahmet Fuat AYLA	Loans	Undergraduate
	Hülya KEFELİ	International Banking	Undergraduate
	K. Atıl ÖZUS	Financial Coordination	Undergraduate
	A. Galip TÖZGE	Retail Banking	Graduate
	Cem MENGİ	Corporate Banking	Undergraduate
	Burak TANSAN	Strategy and Corporate Communication	Graduate
	Mine Tülay KÖNÜMAN	Payment Systems	Undergraduate
<b>Internal Audit Committee:</b>	Akın KOZANOĞLU	Head of the Audit Committee	Graduate
	Özen GÖKSEL	Member of the Audit Committee	Undergraduate
<b>Auditors:</b>	Mevlüt AYDEMİR	Auditor	Undergraduate
	Nedim BOZFAKIOĞLU	Auditor	Undergraduate

The shares of the above individuals are insignificant in the Bank.

**IV. INFORMATION ON SHAREHOLDERS HAVING CONTROL SHARES:**

<b>Name/Commercial Title</b>	<b>Share Amounts (Nominal)</b>	<b>Share Percentages</b>	<b>Paid-in Capital (Nominal)</b>	<b>Unpaid Portion</b>
Hacı Ömer Sabancı Holding A.Ş.	968.466	32,28%	968.466	-
Citibank Overseas Investment Corporation	600.000	20,00%	600.000	-

**V. EXPLANATION ON THE PARENT BANK'S SERVICE TYPES AND FIELDS OF OPERATION:**

The Bank's core business activities include retail banking, commercial banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş. As of 31 December 2008, the Bank has 867 branches dispersed throughout the country and 1 branch operating abroad (31 December 2007: 715 branches and 1 branch operating abroad). As of 31 December 2008, the Bank employed 15.127 people (31 December 2007: 13.513).

The Parent Bank and its direct and indirect subsidiaries, Ak Yatırım Menkul Değerler A.Ş., AK Portföy Yönetimi A.Ş., Akbank N.V., Akbank AG, Ak Finansal Kiralama A.Ş. and together with Ak Receivables Corporation and A.R.T.S. Ltd., which are not subsidiaries of the Bank, but over which the Bank has 100% controlling power due to the reason that these companies are "Special Purpose Entities", have been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group" in these consolidated financial statements.

As at 31 December 2008, the Group employed 15.464 people (31 December 2007: 13.820).



**AKBANK T.A.Ş.**
**I. CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL)).

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2008)			PRIOR PERIOD (31/12/2007)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH BALANCES WITH CENTRAL BANK</b>	<b>(I-a)</b>	<b>4.899.361</b>	<b>2.784.444</b>	<b>7.683.825</b>	<b>402.714</b>	<b>2.359.742</b>	<b>2.762.456</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	<b>(I-b)</b>	<b>151.478</b>	<b>91.474</b>	<b>243.152</b>	<b>84.253</b>	<b>4.808.880</b>	<b>4.895.133</b>
2.1 Trading Financial Assets		120.782	42.149	162.931	51.853	4.761.998	4.813.851
2.1.1 Government Debt Securities		111.026	42.149	153.175	45.965	4.761.998	4.807.963
2.1.2 Share Certificates		9.685	-	9.685	4.637	-	4.637
2.1.3 Other Marketable Securities		71	-	71	1.251	-	1.251
2.2 Financial Assets Designated at Fair Value through Profit or (Loss)		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Other Marketable Securities		-	-	-	-	-	-
2.3 Trading Derivative Financial Assets		30.896	49.325	80.221	34.400	46.882	81.282
<b>III. BANKS</b>	<b>(I-c)</b>	<b>212.984</b>	<b>5.235.447</b>	<b>5.448.433</b>	<b>26.470</b>	<b>1.543.695</b>	<b>1.570.165</b>
<b>IV. MONEY MARKETS</b>		<b>1.416</b>	<b>-</b>	<b>1.416</b>	<b>2.547</b>	<b>-</b>	<b>2.547</b>
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		1.416	-	1.416	2.547	-	2.547
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>(I-d)</b>	<b>5.396.404</b>	<b>2.160.258</b>	<b>7.556.662</b>	<b>16.762.066</b>	<b>4.217.440</b>	<b>20.979.506</b>
5.1 Share Certificates		3.596	110	3.706	3.596	110	3.706
5.2 Government Debt Securities		5.392.808	1.708.933	7.101.741	16.758.470	4.131.310	20.889.780
5.3 Other Marketable Securities		-	451.215	451.215	-	86.020	86.020
<b>VI. LOANS</b>	<b>(I-e)</b>	<b>26.359.690</b>	<b>22.694.073</b>	<b>49.053.763</b>	<b>25.764.399</b>	<b>14.117.729</b>	<b>39.882.128</b>
6.1 Loans		26.359.690	22.694.073	49.053.763	25.764.399	14.117.729	39.882.128
6.1.1 Loans to Bank's Risk Group	(VII)	207.506	663.036	870.542	267.057	668.453	935.510
6.1.2 Other		26.152.184	22.031.037	48.183.221	25.497.342	13.449.276	38.946.618
6.2 Loans under Follow-up		1.102.700	36.167	1.138.867	961.981	45.647	1.007.628
6.3 Specific Provisions [-]		1.102.700	36.167	1.138.867	961.981	45.647	1.007.628
<b>VII. FACTORING RECEIVABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>(I-f)</b>	<b>13.951.301</b>	<b>6.609.461</b>	<b>20.560.762</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.1 Government Debt Securities		13.951.301	6.609.461	20.560.762	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>(I-g)</b>	<b>3.125</b>	<b>-</b>	<b>3.125</b>	<b>3.125</b>	<b>-</b>	<b>3.125</b>
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		3.125	-	3.125	3.125	-	3.125
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3.125	-	3.125	3.125	-	3.125
<b>X. SUBSIDIARIES (Net)</b>	<b>(I-h)</b>	<b>8.195</b>	<b>36</b>	<b>8.231</b>	<b>22.762</b>	<b>36</b>	<b>22.798</b>
10.1 Unconsolidated Financial Subsidiaries		8.195	36	8.231	22.762	36	22.798
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. JOINT VENTURES (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
<b>XII. FINANCIAL LEASE RECEIVABLES (Net)</b>	<b>(I-i)</b>	<b>164.926</b>	<b>743.971</b>	<b>908.897</b>	<b>209.186</b>	<b>440.310</b>	<b>649.496</b>
12.1 Financial Lease Receivables		207.094	880.717	1.087.811	267.601	500.480	768.081
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income [-]		42.168	136.746	178.914	58.415	60.170	118.585
<b>XIII. HEDGING DERIVATIVE FINANCIAL ASSETS</b>	<b>(I-U)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>	<b>(I-j)</b>	<b>808.100</b>	<b>7.299</b>	<b>815.399</b>	<b>724.543</b>	<b>5.970</b>	<b>730.513</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>(I-k)</b>	<b>36.772</b>	<b>101</b>	<b>36.873</b>	<b>31.790</b>	<b>181</b>	<b>31.971</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		36.772	101	36.873	31.790	181	31.971
<b>XVI. INVESTMENT PROPERTY (Net)</b>	<b>(I-m)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. TAX ASSET</b>		<b>123.056</b>	<b>-</b>	<b>123.056</b>	<b>16.339</b>	<b>1.519</b>	<b>17.858</b>
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(I-n)	123.056	-	123.056	16.339	1.519	17.858
<b>XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>3.872</b>	<b>-</b>	<b>3.872</b>	<b>3.650</b>	<b>-</b>	<b>3.650</b>
18.1 Held for Sale Purpose		3.872	-	3.872	3.650	-	3.650
18.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>(I-p)</b>	<b>590.314</b>	<b>54.855</b>	<b>645.169</b>	<b>487.667</b>	<b>64.022</b>	<b>551.689</b>
<b>TOTAL ASSETS</b>		<b>52.711.196</b>	<b>40.381.439</b>	<b>93.092.635</b>	<b>44.543.511</b>	<b>27.559.524</b>	<b>72.103.035</b>

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

**AKBANK T.A.Ş.**
**I. CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL)).

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2008)		Total	PRIOR PERIOD (31/12/2007)		Total
		TL	FC		TL	FC	
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>29.190.558</b>	<b>28.384.700</b>	<b>57.575.258</b>	<b>25.318.894</b>	<b>18.315.727</b>	<b>43.634.621</b>
1.1 Deposits of Bank's Risk Group	(VII)	927.852	1.393.789	2.321.641	802.568	1.013.674	1.816.242
1.2 Other		28.262.706	26.990.911	55.253.617	24.516.326	17.302.053	41.818.379
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b)</b>	<b>17.252</b>	<b>88.985</b>	<b>106.237</b>	<b>56.840</b>	<b>48.751</b>	<b>105.591</b>
<b>III. BORROWINGS</b>	<b>(II-c)</b>	<b>220.739</b>	<b>12.090.272</b>	<b>12.311.011</b>	<b>174.727</b>	<b>9.316.394</b>	<b>9.491.121</b>
<b>IV. MONEY MARKETS</b>		<b>8.271.915</b>	<b>558.533</b>	<b>8.830.448</b>	<b>4.439.577</b>	<b>498.125</b>	<b>4.937.702</b>
4.1 Funds from Interbank Money Market		197.378	30.441	227.819	25.012	129.011	154.023
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		8.074.537	528.092	8.602.629	4.414.565	369.114	4.783.679
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>948.832</b>	<b>22.291</b>	<b>971.123</b>	<b>935.032</b>	<b>21.044</b>	<b>956.076</b>
<b>VIII. OTHER LIABILITIES</b>	<b>(II-d)</b>	<b>577.677</b>	<b>170.049</b>	<b>747.726</b>	<b>1.373.297</b>	<b>114.020</b>	<b>1.487.317</b>
<b>IX. FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>	<b>(II-e)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses ( - )		-	-	-	-	-	-
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-f)</b>	<b>69.854</b>	<b>138.214</b>	<b>208.068</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		69.854	138.214	208.068	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>(II-g)</b>	<b>461.744</b>	<b>243.079</b>	<b>704.823</b>	<b>409.213</b>	<b>115.208</b>	<b>524.421</b>
12.1 General Loan Loss Provision		229.751	232.420	462.171	187.190	106.435	293.625
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		53.332	-	53.332	63.383	-	63.383
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		178.661	10.659	189.320	158.640	8.773	167.413
<b>XIII. TAX LIABILITY</b>	<b>(II-h)</b>	<b>252.651</b>	<b>54.552</b>	<b>307.203</b>	<b>285.134</b>	<b>48.598</b>	<b>333.732</b>
13.1 Current Tax Liability		252.651	12.116	264.767	285.134	8.854	293.988
13.2 Deferred Tax Liability		-	42.436	42.436	-	39.744	39.744
<b>XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(II-i)</b>	<b>11.546.962</b>	<b>(216.224)</b>	<b>11.330.738</b>	<b>10.658.724</b>	<b>(26.270)</b>	<b>10.632.454</b>
16.1 Paid-in capital		3.000.000	-	3.000.000	3.000.000	-	3.000.000
16.2 Capital Reserves		3.484.225	(216.224)	3.268.001	3.813.171	(26.270)	3.786.901
16.2.1 Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	(II-j)	48.935	(141.196)	(92.261)	207.279	(26.270)	181.009
16.2.4 Property and Equipment Revaluation Differences		8.025	-	8.025	-	-	-
16.2.5 Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Revaluation Differences of Investment Properties		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Funds (Effective portion)		(178.627)	(75.028)	(253.655)	-	-	-
16.2.9 Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.905.892	-	1.905.892	1.905.892	-	1.905.892
16.3 Profit Reserves		3.255.385	-	3.255.385	1.821.178	-	1.821.178
16.3.1 Legal Reserves		685.762	-	685.762	526.433	-	526.433
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		2.432.640	-	2.432.640	1.310.787	-	1.310.787
16.3.4 Other Profit Reserves		136.983	-	136.983	(16.042)	-	(16.042)
16.4 Income or (Loss)		1.807.121	-	1.807.121	2.024.136	-	2.024.136
16.4.1 Prior Years' Income or (Loss)		24.897	-	24.897	(16.524)	-	(16.524)
16.4.2 Current Year Income or (Loss)		1.782.224	-	1.782.224	2.040.660	-	2.040.660
16.5 Minority Interest	(II-k)	231	-	231	239	-	239
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>51.558.184</b>	<b>41.534.451</b>	<b>93.092.635</b>	<b>43.651.438</b>	<b>28.451.597</b>	<b>72.103.035</b>

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

**AKBANK T.A.Ş.**  
**II. CONSOLIDATED INCOME STATEMENTS FOR THE PERIODS ENDED 31 DECEMBER 2008**  
**AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL)).

INCOME AND EXPENSE ITEMS		Note	CURRENT PERIOD	PRIOR PERIOD
		(Section Five)	(01/01-31/12/2008)	(01/01-31/12/2007)
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(III-a)</b>	<b>10.133.236</b>	<b>8.798.972</b>
1.1	Interest on loans	(III-a-1)	6.241.419	5.318.792
1.2	Interest Received from Reserve Requirements		21.276	29.509
1.3	Interest Received from Banks	(III-a-2)	300.888	292.962
1.4	Interest Received from Money Market Transactions		9.938	18.337
1.5	Interest Received from Marketable Securities Portfolio	(III-a-3)	3.407.385	3.028.796
1.5.1	Trading Financial Assets		138.070	392.412
1.5.2	Financial Assets at Fair Value Through Profit or (loss)		-	-
1.5.3	Available-for-sale Financial Assets		2.583.044	2.636.384
1.5.4	Held to maturity Investments		686.271	-
1.6	Financial Lease Income		87.661	72.939
1.7	Other Interest Income		64.669	37.637
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(III-b)</b>	<b>6.486.070</b>	<b>5.423.042</b>
2.1	Interest on Deposits	(III-b-3)	5.000.450	4.038.937
2.2	Interest on Funds Borrowed	(III-b-1)	571.064	573.517
2.3	Interest Expense on Money Market Transactions		882.077	783.461
2.4	Interest on Securities Issued		-	-
2.5	Other Interest Expenses		32.479	27.127
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>3.647.166</b>	<b>3.375.930</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>1.141.815</b>	<b>984.123</b>
4.1	Fees and Commissions Received		1.386.160	1.211.730
4.1.1	Non-cash Loans		51.775	46.541
4.1.2	Other		1.334.385	1.165.189
4.2	Fees and Commissions Paid		244.345	227.607
4.2.1	Non-cash Loans		634	136
4.2.2	Other		243.711	227.471
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(III-c)</b>	<b>4.351</b>	<b>11.496</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>(III-d)</b>	<b>65.417</b>	<b>150.626</b>
6.1	Trading Gains / (Losses) on Securities		(120.210)	(15.917)
6.2	Foreign Exchange Gains / (Losses)		185.627	166.543
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(III-e)</b>	<b>749.108</b>	<b>511.460</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>5.607.857</b>	<b>5.033.635</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(III-f)</b>	<b>1.194.136</b>	<b>735.948</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(III-g)</b>	<b>2.262.011</b>	<b>1.772.672</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>2.151.710</b>	<b>2.525.015</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XIII.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XIV.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)</b>		<b>2.151.710</b>	<b>2.525.015</b>
<b>XV.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(III-i)</b>	<b>369.458</b>	<b>484.586</b>
16.1	Current Tax Provision		439.269	504.897
16.2	Deferred Tax Provision		(69.811)	(20.311)
<b>XVII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)</b>		<b>1.782.252</b>	<b>2.040.429</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1	Income from Non-current Assets Held for Resale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
18.3	Income from Other Discontinued Operations		-	-
<b>XIX.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Expenses for Non-current Assets Held for Resale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
19.3	Expenses for Other Discontinued Operations		-	-
<b>XX.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Current Tax Provision		-	-
21.2	Deferred Tax Provision		-	-
<b>XXII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET INCOME/(LOSS) (XVII+XXII)</b>	<b>(III-j)</b>	<b>1.782.252</b>	<b>2.040.429</b>
<b>23.1</b>	<b>Income/(Loss) from the Group</b>		<b>1.782.224</b>	<b>2.040.660</b>
23.2	Income/(Loss) from Minority Interest	(III-h)	28	(231)
	Earnings/(Loss) per share (in YTL full)		0,00594	0,00680

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

**AKBANK T.A.Ş.**
**III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2008 AND 31 DECEMBER 2007**

[Amounts are expressed in thousands of Turkish Lira (TL)].

	Note (Section Five)	CURRENT PERIOD (31/12/2008)			PRIOR PERIOD (31/12/2007)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>21,773.169</b>	<b>22,756.537</b>	<b>44,529.706</b>	<b>18,008.552</b>	<b>16,182.268</b>	<b>34,190.820</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(IV-a-2, 3)</b>	<b>2,928.223</b>	<b>3,846.306</b>	<b>6,774.529</b>	<b>2,672.045</b>	<b>2,507.839</b>	<b>5,179.884</b>
1.1 Letters of Guarantee		2,742.747	1,928.856	4,671.603	2,516.552	1,262.181	3,778.733
1.1.1 Guarantees Subject to State Tender Law		165.068	452.060	617.128	230.606	316.102	546.708
1.1.2 Guarantees Given for Foreign Trade Operations		-	296.587	296.587	-	235.298	235.298
1.1.3 Other Letters of Guarantee		2,577.679	1,180.209	3,757.888	2,285.946	710.781	2,996.727
1.2 Bank Acceptances		15	65.334	65.349	15	46.842	46.857
1.2.1 Import Letter of Acceptance		15	65.334	65.349	15	46.842	46.857
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		16	1,801.437	1,801.453	16	1,176.916	1,176.932
1.3.1 Documentary Letters of Credit		16	1,575.233	1,575.249	16	1,097.186	1,097.202
1.3.2 Other Letters of Credit		-	226.204	226.204	-	79.730	79.730
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		19.954	36.666	56.620	22.825	9.796	32.621
1.9 Other Collaterals		165.491	14.013	179.504	132.637	12.104	144.741
<b>II. COMMITMENTS</b>	<b>(IV-a-1)</b>	<b>12,819.722</b>	<b>4,445.844</b>	<b>17,265.566</b>	<b>10,664.659</b>	<b>3,361.079</b>	<b>14,025.738</b>
2.1 Irrevocable Commitments		12,819.722	4,445.844	17,265.566	10,664.659	3,361.079	14,025.738
2.1.1 Asset Purchase Commitments		116.950	268.591	385.541	56.594	400.913	457.507
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		3,210.485	3,991.959	7,202.444	2,780.673	2,921.787	5,702.460
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		1,691.653	-	1,691.653	1,737.614	-	1,737.614
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		7,553.232	-	7,553.232	6,001.065	-	6,001.065
2.1.10 Promotion Commitments for Credit Cards and Banking Services		42.028	-	42.028	34.405	-	34.405
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		205.374	185.294	390.668	54.308	38.379	92.687
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(IV-b)</b>	<b>6,025.224</b>	<b>14,464.387</b>	<b>20,489.611</b>	<b>4,671.848</b>	<b>10,313.350</b>	<b>14,985.198</b>
3.1 Hedging Derivative Financial Instruments		5,090.000	3,515.358	8,605.358	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		5,090.000	3,515.358	8,605.358	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		935.224	10,949.029	11,884.253	4,671.848	10,313.350	14,985.198
3.2.1 Forward Foreign Currency Buy/Sell Transactions		306.759	439.946	746.705	158.599	347.609	506.208
3.2.1.1 Forward Foreign Currency Transactions-Buy		137.338	239.366	376.704	75.766	185.434	261.200
3.2.1.2 Forward Foreign Currency Transactions-Sell		169.421	200.580	370.001	82.833	162.175	245.008
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		178.021	9,882.424	10,060.445	4,077.834	9,484.969	13,562.803
3.2.2.1 Foreign Currency Swap-Buy		62.388	3,433.515	3,495.903	72.669	2,421.573	2,494.242
3.2.2.2 Foreign Currency Swap-Sell		115.633	3,387.145	3,502.778	75.165	2,414.260	2,489.425
3.2.2.3 Interest Rate Swap-Buy		-	1,530.882	1,530.882	1,965.000	2,324.568	4,289.568
3.2.2.4 Interest Rate Swap-Sell		-	1,530.882	1,530.882	1,965.000	2,324.568	4,289.568
3.2.3 Foreign Currency, Interest rate and Securities Options		432.407	609.100	1,041.507	388.433	448.861	837.294
3.2.3.1 Foreign Currency Options-Buy		218.163	302.450	520.613	190.849	227.402	418.251
3.2.3.2 Foreign Currency Options-Sell		214.244	306.650	520.894	197.584	221.459	419.043
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		18.037	17.559	35.596	27.578	26.103	53.681
3.2.4.1 Foreign Currency Futures-Buy		18.037	-	18.037	27.574	3	27.577
3.2.4.2 Foreign Currency Futures-Sell		-	17.559	17.559	4	26.100	26.104
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	19.404	5.808	25.212
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>55,844.921</b>	<b>13,411.469</b>	<b>69,256.390</b>	<b>52,449.723</b>	<b>7,928.625</b>	<b>60,378.348</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>19,941.185</b>	<b>2,289.920</b>	<b>22,231.105</b>	<b>18,218.572</b>	<b>1,659.130</b>	<b>19,877.702</b>
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		16,791.290	484.094	17,275.384	15,029.013	625.272	15,654.285
4.3 Cheques Received for Collection		1,954.091	30.189	1,984.280	1,944.996	21.412	1,966.408
4.4 Commercial Notes Received for Collection		1,005.319	588.344	1,593.663	1,011.845	423.149	1,434.994
4.5 Other Assets Received for Collection		-	-	-	-	197	197
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		190.485	1,186.342	1,376.827	232.718	588.357	821.075
4.8 Custodians		-	951	951	-	743	743
<b>V. PLEDGES RECEIVED</b>		<b>33,757.142</b>	<b>11,053.716</b>	<b>44,810.858</b>	<b>32,011.296</b>	<b>6,215.542</b>	<b>38,226.838</b>
5.1 Marketable Securities		2,494.157	253.169	2,747.326	1,904.661	155.821	2,060.482
5.2 Guarantee Notes		505.111	66.412	571.523	987.443	103.327	1,090.770
5.3 Commodity		152	6.664	6.816	79	45.718	45.797
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		17,692.382	8,017.025	25,709.407	16,526.555	4,340.986	20,867.541
5.6 Other Pledged Items		13,065.340	2,710.446	15,775.786	12,592.558	1,569.690	14,162.248
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>2,146.594</b>	<b>67.833</b>	<b>2,214.427</b>	<b>2,219.855</b>	<b>53.953</b>	<b>2,273.808</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>77,618.090</b>	<b>36,168.006</b>	<b>113,786.096</b>	<b>70,458.275</b>	<b>24,110.893</b>	<b>94,569.168</b>

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

**AKBANK T.A.Ş.****IV. STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER CONSOLIDATED SHAREHOLDERS' EQUITY  
AT 31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL)).

<b>INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>		<b>CURRENT PERIOD</b>	<b>PRIOR PERIOD</b>
		<b>(31/12/2008)</b>	<b>(31/12/2007)</b>
<b>I.</b>	<b>ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>(306.075)</b>	<b>407.986</b>
<b>II.</b>	<b>PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>III.</b>	<b>INTANGIBLE FIXED ASSETS REVALUATION DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>IV.</b>	<b>FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS</b>	<b>153.025</b>	<b>(40.483)</b>
<b>V.</b>	<b>PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	<b>(181.625)</b>	<b>-</b>
<b>VI.</b>	<b>PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes) (*)</b>	<b>(135.444)</b>	<b>-</b>
<b>VII.</b>	<b>EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS</b>	<b>-</b>	<b>-</b>
<b>VIII.</b>	<b>OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS</b>	<b>-</b>	<b>-</b>
<b>IX.</b>	<b>TAX RELATED TO VALUATION DIFFERENCES</b>	<b>124.629</b>	<b>(81.597)</b>
<b>X.</b>	<b>NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	<b>(345.490)</b>	<b>285.906</b>
<b>XI.</b>	<b>CURRENT YEAR INCOME / LOSS</b>	<b>28.410</b>	<b>16.372</b>
1.1	Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	43.875	16.372
1.2	Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.3	Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4	Other	(15.465)	-
<b>XII.</b>	<b>TOTAL ACCOUNTED INCOME / LOSS RELATED TO CURRENT PERIOD (X±XI)</b>	<b>(373.900)</b>	<b>269.534</b>

(\*) Figure represents the effective part of the foreign exchange differences of the financial liabilities hedging the net investment risk of foreign investments as explained in Note II of Section Three.

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

**AKBANK T.A.Ş.**

**Y. CONSOLIDATED STATEMENTS OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL))

PRIOR PERIOD (31/12/2007)																				
I.	Period Opening Balance																			
II.	Changes in Accounting Policies according to TAS 8																			
2.1	Effects of Errors																			
2.2	Effects of the Changes in Accounting Policies																			
III.	New Balance (I+II)																			
Changes in the period																				
IV.	Increases due to the Merger																			
V.	Marketable Securities Valuation Differences																			
VI.	Hedging Transactions																			
6.1	Cash Flow Hedge																			
6.2	Foreign Investment Hedge																			
VII.	Property and Equipment Revaluation Differences																			
VIII.	Change Fixed Assets Revaluation Differences																			
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint																			
X.	Foreign Exchange Differences																			
XI.	Changes due to the Disposal of Assets																			
XII.	Changes due to the Reclassification of Assets																			
XIII.	Effects of Changes in Equity of Investments in Associates																			
XIV.	Capital Increase																			
14.1	Share Premium																			
14.2	Internal Resources																			
XV.	Share Cancellation Profits																			
XVI.	Paid-in Capital Inflation Adjustment Difference																			
XVII.	Other																			
XX.	Current Year Income or (Loss)																			
XXI.	Profit distribution																			
20.1	Dividends paid																			
20.2	Transfers to Reserves																			
20.3	Other																			
Period End Balance (III+IV+...+XXVI+XXVII+XXVIII+XXIX+XXX)																				
CURRENT PERIOD (31/12/2008)																				
I.	Prior Period End Balance																			
Changes in the period																				
II.	Increase/Decrease due to the Merger																			
III.	Marketable Securities Valuation Differences																			
IV.	Hedging Transactions																			
4.1	Cash Flow Hedge																			
4.2	Foreign Investment Hedge																			
V.	Property and Equipment Revaluation Differences																			
VI.	Intangible Fixed Assets Revaluation Differences																			
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint																			
VIII.	Foreign Exchange Differences																			
Changes due to the Disposal of Assets																				
IX.	Changes due to the Reclassification of Assets																			
X.	Effects of Changes in Equity of Investments in Associates																			
XI.	Capital Increase																			
12.1	Cash Increase																			
12.2	Internal Resources																			
XII.	Share Premium																			
XIII.	Share Cancellation Profits																			
XX.	Paid-in Capital Inflation Adjustment Difference																			
XXI.	Other																			
XXII.	Current Year Income or (Loss)																			
XXIII.	Profit distribution																			
18.1	Dividends paid																			
18.2	Transfers to Reserves																			
18.3	Other																			
Period End Balance (I+II+III+...+XXVI+XXVII+XXVIII+XXIX+XXX)																				

[\*) The amounts for the current period under "Adjustment to Share Capital" column are presented under "Other Capital Reserves" in the financial statements.

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



**AKBANK T.A.Ş.****VI. CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED  
31 DECEMBER 2008 AND 31 DECEMBER 2007**

(Amounts are expressed in thousands of Turkish Lira (TL)).

	Note (Section Five)	CURRENT PERIOD (31/12/2008)	PRIOR PERIOD (31/12/2007)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b> Operating Profit before changes in operating assets and liabilities		3.676.569	2.721.797
<b>1.1.1</b> Interest received		10.106.789	8.513.860
<b>1.1.2</b> Interest paid		(6.076.701)	(5.337.156)
<b>1.1.3</b> Dividend received		4.351	11.496
<b>1.1.4</b> Fees and commissions received		1.386.160	1.211.730
<b>1.1.5</b> Other income		(120.210)	(15.917)
<b>1.1.6</b> Collections from previously written-off loans and other receivables		439.067	354.033
<b>1.1.7</b> Payments to personnel and service suppliers		(877.859)	(650.003)
<b>1.1.8</b> Taxes paid		(524.493)	(520.212)
<b>1.1.9</b> Other		(660.535)	(846.034)
<b>1.2</b> Changes in operating assets and liabilities		6.429.294	(197.567)
<b>1.2.1</b> Net decrease in trading securities		1.881.602	1.692.379
<b>1.2.2</b> Net (increase) / decrease in fair value through profit/(loss) financial assets		-	-
<b>1.2.3</b> Net increase / (decrease) in due from banks and other financial institutions		(4.582.267)	939.266
<b>1.2.4</b> Net (increase) / decrease in loans		(10.075.507)	(10.231.707)
<b>1.2.5</b> Net (increase) / decrease in other assets		(345.553)	(554.941)
<b>1.2.6</b> Net increase / (decrease) in bank deposits		1.903.054	192.953
<b>1.2.7</b> Net increase / (decrease) in other deposits		11.887.425	7.479.872
<b>1.2.8</b> Net increase / (decrease) in funds borrowed		6.665.921	(790.095)
<b>1.2.9</b> Net increase / (decrease) in payables		-	-
<b>1.2.10</b> Net increase / (decrease) in other liabilities		(905.381)	1.074.706
<b>I.</b> Net cash provided from banking operations		10.105.863	2.524.230
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b> Net cash provided from investing activities		(5.177.290)	(5.864.734)
<b>2.1</b> Cash paid for acquisition of investments, associates and subsidiaries		(27)	(5.257)
<b>2.2</b> Cash obtained from disposal of investments, associates and subsidiaries		-	-
<b>2.3</b> Purchases of property and equipment		(205.062)	(139.270)
<b>2.4</b> Disposals of property and equipments		1.698	15.475
<b>2.5</b> Cash paid for purchase of investments available-for-sale		(6.318.286)	(5.735.682)
<b>2.6</b> Cash obtained from sale of investments available-for-sale		-	-
<b>2.7</b> Cash paid for purchase of investment securities		-	-
<b>2.8</b> Cash obtained from sale of investment securities		1.344.387	-
<b>2.9</b> Other		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b> Net cash provided from financing activities		(720.511)	1.239.505
<b>3.1</b> Cash obtained from funds borrowed and securities issued		-	-
<b>3.2</b> Cash used for repayment of funds borrowed and securities issued		-	-
<b>3.3</b> Issued capital instruments		-	-
<b>3.4</b> Dividends paid		(720.511)	(660.495)
<b>3.5</b> Payments for finance leases		-	-
<b>3.6</b> Other		-	1.900.000
<b>IV.</b> Effect of change in foreign exchange rate on cash and cash equivalents		-	-
<b>V.</b> Net increase in cash and cash equivalents (I+II+III+IV)	(VI-a)	4.208.062	(2.100.999)
<b>VI.</b> Cash and cash equivalents at beginning of the year	(VI-a)	2.521.696	4.622.695
<b>VII.</b> Cash and cash equivalents at end of the year		6.729.758	2.521.696

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

**AKBANK T.A.Ş.**  
**VII. PROFIT APPROPRIATION STATEMENT**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

	CURRENT PERIOD (31/12/2008)	PRIOR PERIOD (31/12/2007)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	2.059.957	2.461.122
1.2 TAXES AND DUTIES PAYABLE (-)	355.404	466.828
1.2.1 Corporate Tax (Income tax)	419.908	482.417
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(64.504)	(15.589)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>1.704.553</b>	<b>1.994.294</b>
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	99.715
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>1.704.553</b>	<b>1.894.579</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	150.000
1.6.1 To Owners of Ordinary Shares	-	150.000
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	511
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	570.000
1.9.1 To Owners of Ordinary Shares	-	570.000
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	57.051
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	1.117.017
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of privileged shares	-	-
2.3.3 To owners of preferred shares	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and (loss) sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE (*)</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,006	0,007
3.2 TO OWNERS OF ORDINARY SHARES ( % )	0,6	0,7
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-

(\*) Amounts are expressed in TL.

**NOTE:**

**(1)** Authorised body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

**(2)** Profit appropriation has been realized based on unconsolidated financial statements of the Parent Bank.

The accompanying explanations and notes form an integral part of these financial statements

**CONVENIENCE TRANSLATION OF  
PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

**AKBANK T.A.Ş.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2008**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**SECTION THREE  
ACCOUNTING POLICIES**

**I. EXPLANATIONS ON BASIS OF PRESENTATION**

**a. The preparation of the consolidated financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks' Accounting Application and Keeping Documents:**

The consolidated financial statements have been prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish tax legislation.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

**b. Explanation for convenience translation into English:**

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**c. Accounting policies and valuation principles applied in the presentation of consolidated financial statements:**

The accounting policies and valuation principles applied in the preparation of consolidated financial statements are determined and applied in accordance with TAS. These accounting policies and valuation principles are explained in Notes II to XXIX below.

**d. Items subject to different accounting policies in the preparation of consolidated financial statements:**

There are no items subject to different accounting policies in the preparation of these consolidated financial statements.

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS IN FOREIGN CURRENCY TRANSACTIONS:**

The Group's core business activities include retail banking, commercial banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (Treasury transactions) and international banking services. The Group performs financial leasing transactions through Ak Finansal Kiralama A.Ş.. By nature the Group's activities are principally related to the use of financial instruments. As the main funding source, the

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Group accepts deposits from customers for various periods and invests these funds in high quality assets with high interest margins. Other than deposits, the Group's most important funding sources are equity, mostly intermediate and long-term borrowings from foreign financial institutions. The Group follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Group's exposure to liquidity risk, interest rate risk, currency risk and credit risk while increasing profitability and strengthening the Group's equity. The Asset-Liabilities Committee ("ALCO") manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Risk Committee ("ERC").

For covering foreign currency exposures arising from the foreign currency transactions, the Group uses derivatives and asset-liability balancing transactions.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of "Net foreign exchange income/expense". Assets and liabilities of foreign subsidiaries are translated into Turkish lira using the foreign exchange rates prevailing at the balance sheet date, income and expenses of foreign subsidiaries are translated into Turkish lira at the average exchange rates and all resulting exchange differences are accounted in the shareholders' equity under "Other profit reserves".

The Group hedges the net investment risk of foreign investments with the foreign exchange differences of the foreign currency denominated financial liabilities. The effective part of the foreign exchange differences of the foreign currency denominated financial liabilities in this extent has been accounted in the "Hedge Funds" account under shareholders' equity.

As at 31 December 2008, foreign currency denominated balances are translated into Turkish lira using the exchange rates of TL1,5218, TL2,1333 and TL1,6843 for USD, EUR and Yen, respectively.

**III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:**

Consolidated financial statements are prepared in accordance with the "Turkish Accounting Standard for Consolidated and Separate Financial Statements" ("TAS 27").

Consolidation principles for subsidiaries:

Subsidiaries are entities controlled directly or indirectly by the Bank.

Subsidiaries are consolidated using the full consolidation method on the grounds of materiality principle considering their operations, asset and equity sizes. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank.

Control means, directly or indirectly, holding the majority of the capital of an enterprise or although not having this majority, by holding privileged shares; or based on agreements made with other shareholders, holding the majority of the voting power or somehow having the power of dismissal or appointment of the majority of the members of the board of directors.

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items. The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group. Minority interests are presented in the consolidated balance sheet, in the shareholder's equity. Minority interests are presented separately in the Group's income.

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Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Consolidation principles for investments in associates:

Associates are entities in which the Parent Bank has equity investments, and has a significant influence even without the power to govern the financial and operating policies. Associates are consolidated with the equity method on the grounds of the materiality principle.

Significant influence represents the power to participate in the financial and operating policies of the investee. Unless the opposite is demonstrated, if the Parent Bank holds 10% or more of the voting power of the investee, it is presumed that the Parent Bank has a significant influence on this investee.

The equity method is a method of accounting whereby the investment is recorded at cost and adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The income statement reflects the investor's share of the results of operations of the investee.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Parent Bank and its direct and indirect subsidiaries, Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetimi A.Ş., Akbank N.V., Akbank AG, Ak Finansal Kiralama A.Ş. together with Ak Receivables Corporation and A.R.T.S. Ltd., which are not subsidiaries of the Bank, but over the Bank has 100% control power due to the reason that these companies are "Special Purpose Entities", have been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group" in these consolidated financial statements.

Ak Yatırım Menkul Değerler A.Ş. was established on 11 December 1996 to trade in capital markets in accordance with Capital Market Law. This company is delivering intermediary services in capital markets, discretionary portfolio management, derivative transactions, repurchase and reverse repurchase agreements with authorizations given by the Capital Markets Board for each transaction.

Ak Finansal Kiralama A.Ş. was established in 1988 for leasing operations and all kinds of agreements and transactions related to these operations.

Ak Portföy Yönetimi A.Ş. was established at 28 June 2008 in order to manage A and B type mutual funds of Akbank T.A.Ş., B Type variable fund of Ak Yatırım Menkul Değerler A.Ş., pension funds of AvivaSa Emeklilik ve Hayat A.Ş. and portfolios of the Ak Yatırım Ortaklığı A.Ş..

Akbank N.V. was established in 2000 for banking operations in the Netherlands.

The Bank's Frankfurt Branch was established on 5 April 1998 for banking operations abroad. As of 1 September 2006, the Frankfurt Branch has been converted to a 100% subsidiary of the Bank. As of 31 May 2007, shares of Akbank AG were transferred to Akbank N.V resident in the Netherlands, which is 100% subsidiary of the Parent Bank, through capital in kind.

Ak Receivables Corporation and A.R.T.S Ltd. are "Special Purpose Entities" established in July 1998 and November 1999, respectively, in connection with raising long-term financing.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2008**

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**IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:**

The major derivative instruments utilized by the Group are currency and interest rate swaps, currency options and currency forwards.

The Group classifies its derivative instruments as "Held-for-hedging" or "Held-for-trading" in accordance with "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement" ("TAS 39"). Certain derivative transactions, while providing effective economic hedges under the Bank's risk management position, are treated as derivatives "Held-for-trading".

Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Trading derivative financial assets" or "Hedging derivative financial assets"; if the fair value difference is negative, it is recorded to "Trading derivative financial liabilities" or "Hedging derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted under "trading income/loss" in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

The Bank is hedged against cash flow risk arising from local and foreign currency floating rate borrowings through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under "Hedging reserves" within equity.

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss.

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:**

Interest income and expenses are recognized in the income statement on an accrual basis. The Group ceases accruing interest income on non-performing loans and any interest income accruals from such loans are reversed and no income is accounted until the collection is made according to the related regulation.

**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:**

All fees and commission income/expenses are recognized on an accrual basis, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Borrowing fees and commission expenses paid to other financial institutions are recognized as operational costs and recorded using the "Effective interest method". Contract based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

**VII. EXPLANATIONS ON FINANCIAL ASSETS**

The Group categorizes its financial assets as "Fair value through profit/loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". Sale and purchase transactions of the financial assets mentioned above are recognized at the "Settlement dates". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Group management, taking into consideration the purpose of the investment.



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**a. Financial assets at the fair value through profit or loss:**

This category has two sub categories: "Trading financial assets" and "Financial assets designated at fair value through profit/loss at initial recognition".

Trading financial assets are financial assets which were either acquired for generating a profit from short-term fluctuations in prices or dealers' margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists.

All regular way purchases and sales of trading financial assets are recognized at the settlement date, which is the date that the asset is delivered to/from the Bank. Trading financial assets are initially recognized at cost and subsequently re-measured at their fair value based on quoted bid prices or amounts derived from cash flow models. All gains and losses arising from these valuations are reflected in the income statement. Interest earned while holding trading financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial assets are classified as trading purpose financial assets unless they are used for hedging purposes. The accounting of derivative financial assets is explained in Note IV of Section Three.

The Group has no financial assets designated as financial assets at fair value through profit or loss.

**b. Financial assets available-for-sale:**

Financial assets available-for-sale consists of financial assets other than "Loan and receivables", "Held-to-maturity" and "Financial assets at fair value through profit or loss".

Debt securities classified as available-for-sale financial assets are subsequently remeasured at fair value. "Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are recognized in shareholders' equity as "Marketable securities value increase fund", unless there is a permanent decline in the fair values of such assets or they are disposed of. When these securities are disposed of or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

**c. Loan and receivables:**

Financial assets that are originated by the Group by providing money, services or goods to borrowers are categorized as loans and receivables. Loans and receivables originated by the Group are carried initially at cost and subsequently recognized at the amortized cost value calculated using the "Effective yield method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

If the collectability of any receivable is identified as limited or doubtful by the management through assessments and estimates, the Group provides general and specific provisions for these loans and receivables in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette dated 1 November 2006, No.26333. Provision expenses are deducted from the net income of the period. If there is a subsequent collection from a receivable that was already provisioned in the previous years, the recovery amount is classified under "Other operating income". If a receivable is collected which is provisioned in the same year, it is

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deducted from the "Provisions for loan losses and other receivables". Uncollectible receivables are written-off after all the legal procedures are finalized.

In accordance with the "Communiqué regarding change in the Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published on 23 January 2009 to be effective from 1 October 2008, the Banks are allowed to classify past due loans as loans under close monitoring for up to 30 days. As of 31 December 2008, the Bank classified loans with past due days of 10-15 or more depending on the loan segment into loans under close monitoring.

**d. Held-to-maturity financial assets:**

Held-to-maturity financial assets are assets that are not classified under "Loans and receivables" with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognized at cost, and subsequently carried at "Amortized cost" using the "Effective yield method"; interest earned whilst holding held-to-maturity securities is reported as interest income. Interest income from held-to-maturity financial assets is reflected in the income statement.

There are no financial assets previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:**

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the "Effective yield method", or the fair value if one exists, is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and this is charged against the income for the year.

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:**

Securities subject to repurchase agreements ("Repos") are classified as "Financial assets at fair value difference through profit or loss", "Available-for-sale securities" and "Held-to-maturity securities" in the balance sheet according to the investment purposes and measured according to the portfolio of the Group to which they belong. Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the "Effective yield method."

Funds given against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the "Effective yield method". The Group has no securities lending transactions.

**XI. EXPLANATIONS ON PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS:**

The Group has no discontinued operations.

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Property and equipment held-for-resale purpose consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, No.26333.

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:**

As of 31 December 2008 and 31 December 2007, the Group has no goodwill.

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

Intangibles are amortized over five years (their estimated useful lives) using the straight-line method. The useful life of the asset is determined by assessing the expected useful time of the asset, technical, technological and other kinds of wear and tear and all required maintenance expenses necessary to utilize the economic benefit from the asset.

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:**

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment is carried at cost less accumulated depreciation and provision for value decrease.

Depreciation is calculated over the cost of property and equipment using the straight-line method over estimated useful lives. The estimated useful lives are stated below:

Buildings	50 years
Machinery, furniture, fixtures and vehicles	5 years

The depreciation charge for items remaining in the property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item will remain in property and equipment.

Where the carrying amount of an asset is greater than its estimated "Recoverable amount", it is written down immediately to its "Recoverable amount" and the provision for the diminution in value is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset. Capital expenditures include the cost components that increase the useful life, or the capacity of the asset, increase the quality of the product or decrease the costs.

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "Lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognized. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

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The Group performs financial leasing operations as a "Lessor" through Ak Finansal Kiralama A.Ş. which is a consolidated subsidiary. The asset subject to the financial leasing is presented in the balance sheet as receivable equal to the net leasing amount. Interest income is recognized over the term of the lease using the net investment method which reflects a constant periodic rate of return and the unearned portion is followed under unearned interest income account.

Transactions regarding operational agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

**XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:**

Provisions and contingent liabilities are accounted in accordance with, "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the matching principle. When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Group, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

**XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:**

**a. Employment termination benefits and vacation rights:**

Obligations related to employment termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under the "Reserve for Employee Rights" account in the balance sheet.

Under the Turkish Labor Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labor Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Group arising from this liability.

**b. Retirement rights:**

The Bank's personnel are members of the "Akbank T.A.Ş. Personnel Pension Fund Foundation" ("Pension Fund") established in accordance with the Social Security Law numbered 506, article No.20. The financial statements of the Pension Fund have been audited by an independent actuary in accordance with the 38th article of the Insurance Supervisory Law and the "Actuarial Regulation" based on the same article.

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette No 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the related article was rescinded as from the 31 March 2007, the publication date of

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the decision of the Constitutional Court dated 22 March 2007. The reasoned decree regarding the rescission of the mentioned paragraph was published in the Official Gazette numbered 26731, dated 15 December 2007.

Following the publication of the reasoned decree of the Constitutional Court, Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security Institution; the related articles of the Social Security Law ("New Law") numbered 5754 regarding the transfer of the funds, were ratified by the Grand National Assembly on 17 April 2008 and came into effect following the publication in the Official Gazette numbered 26870, dated 8 May 2008.

The main opposition party appealed to the Constitutional Court for the cancellation of some of the articles of the New Law including transfer of the Funds to the SSI on 19 June 2008. There is no resolution adopted by the Constitution Court related to mentioned issue as of the publication date of the financial statements.

The New Law requires that present value of post-employment benefits at the balance sheet date regarding the members of the fund to be transferred shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Under secretariat of Treasury, Under secretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. The transfer is required by the New Law to be completed in three years beginning from 1 January 2008.

According to the New Law, following the transfer of the members of the fund, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.

In this extent, as explained in Note II-g-2 of Section Five according to the technical balance sheet report dated 31 December 2008 prepared considering the related articles of the New Law regarding the transferrable benefit obligations and in accordance with TAS 19 for the non-transferrable social benefits and payments which are included in the articles of association and audited within the framework stated in the first paragraph above; the fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for the Bank.

**XVIII. EXPLANATIONS ON TAXATION:**

**a. Current tax:**

Turkish Tax Legislation does not permit a parent bank and its subsidiaries to file a consolidated tax return. Therefore, a provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

On 21 June 2006, "Corporate Tax Law" No.5520 ("New Tax Law") was published in the Official Gazette, No.26205. Many clauses of the New Tax Law are effective from 1 January 2006. According to the New Tax Law, the corporate tax rate is 20% beginning from 1 January 2006. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

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Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until the 25th day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year following the date of filing during which time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

**b. Deferred tax:**

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

According to TAS 12, deferred taxes and liabilities resulting from different subsidiaries subject to consolidation are not presented as net; rather they are presented separately as assets and liabilities in the financial statements.

**XIX. EXPLANATIONS ON BORROWINGS:**

Trading financial liabilities and derivative instruments are carried at their fair values and other financial liabilities are carried at amortized cost using the effective yield method.

**XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:**

There is no the issuance of share certificates in 2008.

**XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

Avalized drafts and acceptances shown as liabilities against assets are included in the off-balance sheet commitments.



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**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 31 December 2008 and 31 December 2007, there is no government grant for the Group.

**XXIII. EXPLANATIONS ON SEGMENT REPORTING:**

Field of activity is a distinguishable part involved with a single product or service or interrelated products or services activity that are subject to risks and returns that are different from those of other fields of activity. Reporting according to the field of activity is presented in Note X of Section Four.

**XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

Under the Turkish Commercial Code, the Group is required to create the following legal reserves from appropriations of earnings, which are available for distribution only in the event of liquidation or losses:

a) First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital.

b) Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, without limit.

According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

The Ordinary General Assembly Meeting of the Bank was held on 28 March 2008. In the Ordinary General Assembly, it was decided to distribute a TL720.511 cash dividend over the TL1.994.294 net income from 2007 operations to the Bank's shareholders, Chairman and Members of the Board of Directors. It was also resolved in the General Assembly to transfer TL8.025 to capital reserves, to allocate TL156.765 as legal and TL1.108.993 as extraordinary reserves.

**XXV. EARNINGS PER SHARE:**

Earnings per share disclosed in the income statement are calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned.

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Distributable Net Profit to Common Shares	1.782.224	2.040.660
Average Number of Issued Common Shares (Thousand)	300.000.000	300.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,00594</b>	<b>0,00680</b>

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

There is no bonus share in 2008 (31 December 2007: 60.000.000.000).

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**XXVI. RELATED PARTIES**

Parties defined in article 49 of the Banking Law No.5411, Bank's senior management, and board members are deemed as related parties. Transactions regarding related parties are presented in Note VII of Section Five.

**XXVII. CASH AND CASH EQUIVALENT ASSETS:**

For the purposes of the cash flow statement, cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

**XXVIII. RECLASSIFICATIONS:**

Comparative figures of 31 December 2008 and 31 December 2007 have been reclassified to conform to changes in presentation in the current period.

**XXIX. TURKISH LIRA:**

In accordance with the Article 1 of the Law numbered 5083 concerning the "Currency of the Republic of Turkey" and according to the Decision of The Council of Ministers dated April 4, 2007 and No: 2007/11963, the prefix "New" used in the "New Turkish Lira" and the "New Kuruş" has been removed as of January 1, 2009. When the prior currency, New Turkish lira ("YTL"), values are converted into TL and Kr, one YTL (YTL1) and one YKr (YKr1) shall be equivalent to one TL (TL1) and one Kr (Kr1).

All references made to New Turkish Lira or Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to TL at the conversion rate indicated above. In this extent, publicly announced consolidated financial statements and notes as of 31 December 2008 and prior periods' figures for comparison purposes have been presented in "TL".

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**SECTION FOUR  
INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP**

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:**

- a.** The Group's and Parent Bank's capital adequacy ratios are 16,98% (31 December 2007: 18,02%) and 18,20% (31 December 2007: 18,91%) respectively. These rates are considerably above the minimum rate specified by the related regulation.
- b.** For the calculation of the capital adequacy ratio, the Group classifies the risk weighted assets and non-cash loans according to the risk weights defined by the regulations and calculates "Total risk weighted assets" which is the sum of "Market risk on securities" and the "Group's currency risk". The following tables present the classifications of "Risk weighted assets of the Group and the Parent Bank" and the calculation of "shareholders' equity" for the capital adequacy ratio calculation.

**c. Information related to consolidated capital adequacy ratio:**

	Risk Weights					
	0%	20%	50%	100%	150%	200%
Amount Subject to Credit Risk						
Balance Sheet Items (Net)	37.118.414	5.360.032	-	50.093.018	223.304	4.148
Cash	610.263	277	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	807.413	-	-	-	-	-
Domestic, Foreign Banks, Foreign Head Offices and Branches	-	4.720.723	-	725.872	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repurchase Transactions	1.416	-	-	-	-	-
Reserve Requirements with the Central Bank of the Republic of Turkey	6.203.089	-	-	-	-	-
Loans	1.280.469	532.223	-	46.176.188	223.304	4.148
Non-Performing Receivables (Net)	-	-	-	-	-	-
Lease Receivables	-	-	-	902.231	-	-
Available-for-sale Financial Assets	6.949.614	-	-	199.881	-	-
Held-to-maturity Investments	19.806.332	-	-	-	-	-
Receivables From the Disposal of Assets	-	-	-	-	-	-
Miscellaneous Receivables	-	-	-	129.770	-	-
Interest and Income Accruals	1.183.656	106.809	-	860.456	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (Net)	-	-	-	3.125	-	-
Fixed Assets	-	-	-	819.271	-	-
Other Assets	276.162	-	-	276.224	-	-
Off Balance Sheet Items	44.835	750.208	-	7.418.707	-	-
Non-cash Loans and Commitments	44.835	351.727	-	7.402.790	-	-
Derivative Financial Instruments	-	398.481	-	15.917	-	-
Non-risk Weighted Accounts	-	-	-	-	-	-
Total Risk Weighted Assets	37.163.249	6.110.240	-	57.511.725	223.304	4.148

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	Risk Weights					
	Parent Bank					
	0%	20%	50%	100%	150%	200%
<b>Amount Subject to Credit Risk</b>						
Balance Sheet Items (Net)	36.035.726	4.013.353	-	45.085.830	223.304	4.148
Cash	610.244	277	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	807.413	-	-	-	-	-
Domestic, Foreign Banks, Foreign Head Offices and Branches	-	3.376.958	-	725.763	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repurchase Transactions	-	-	-	-	-	-
Reserve Requirements with the Central Bank of the Republic of Turkey	6.203.089	-	-	-	-	-
Loans	1.280.469	532.223	-	41.561.776	223.304	4.148
Non-Performing Receivables (Net)]	-	-	-	-	-	-
Lease Receivables	-	-	-	-	-	-
Available-for-sale Financial Assets	5.887.419	-	-	2.653	-	-
Held-to-maturity Investments	19.806.153	-	-	-	-	-
Receivables From the Disposal of Assets	-	-	-	-	-	-
Miscellaneous Receivables	-	-	-	50.182	-	-
Interest and Income Accruals	1.179.631	103.895	-	781.369	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (Net)	-	-	-	915.303	-	-
Fixed Assets	-	-	-	803.636	-	-
Other Assets	261.308	-	-	245.148	-	-
Off Balance Sheet Items	44.835	654.137	-	7.808.768	-	-
Non-cash Loans and Commitments	44.835	351.727	-	7.792.851	-	-
Derivative Financial Instrument	-	302.410	-	15.917	-	-
Non-risk Weighted Accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>36.080.561</b>	<b>4.667.490</b>	<b>-</b>	<b>52.894.598</b>	<b>223.304</b>	<b>4.148</b>

**d. Summary information related to consolidated capital adequacy ratio:**

	Parent Bank		Consolidated	
	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007
Amount Subject to Credit Risk ("ASCR")	54.171.348	47.014.071	59.077.025	49.719.012
Amount Subject to Market Risk ("ASMR")	1.304.663	2.408.788	1.656.663	2.589.763
Amount Subject to Operational Risk ("ASOR")	7.450.782	6.737.514	7.672.195	6.884.540
Shareholders' Equity	11.451.555	10.618.305	11.614.250	10.666.755
Shareholders' Equity/(ASCR+ASMR+ASOR) *100	18,20	18,91	16,98	18,02

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**e. Information about consolidated shareholders' equity items:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>CORE CAPITAL</b>		
Paid-in capital	3.000.000	3.000.000
Nominal Capital	3.000.000	3.000.000
Capital Commitments (-)	-	-
Inflation Adjustment to Share Capital	1.905.892	1.905.892
Share Premium	1.700.000	1.700.000
Share Cancellation Profits	-	-
Legal Reserves	685.762	526.433
First Legal Reserve (Turkish Commercial Code 466/1)	423.547	321.269
Second Legal Reserve (Turkish Commercial Code 466/2)	262.215	205.164
Other Legal Reserves per Special Legislation	-	-
Status Reserves	-	-
Extraordinary Reserves	2.461.268	1.294.745
Reserves Allocated by the General Assembly	2.432.640	1.310.787
Retained Earnings	-	-
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference(*)	28.628	(16.042)
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	1.807.121	2.024.136
Net Income for the Period	1.782.224	2.040.660
Prior Period Profit	24.897	(16.524)
Provisions for Possible Risks up to 25% of Core Capital	-	-
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Share Capital	8.025	-
Primary Subordinated Loans up to 15% of Core Capital.	-	-
Minority Rights	231	239
Uncovered Portion of Loss with Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-)	-	15.675
Prepaid Expenses (-)	248.615	74.876
Intangible Assets (-)	36.873	31.971
Deferred Tax Asset Amount Exceeding 10% of Core Capital (-)	-	-
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	-	-
Consolidation Goodwill (net)	-	-
<b>Total Core Capital</b>	<b>11.568.299</b>	<b>10.451.445</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	462.171	293.625
45% of the Movables Revaluation Fund	-	-
45% of the Immovables Revaluation Fund	-	-
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-	-
Primary Subordinated Loans That are not Considered in the Calculation of Core Capital	-	-
Secondary Subordinated Loans	-	-
45% Of Marketable Securities Valuation Fund	(122.501)	67.005
From Investments in Associates And Subsidiaries	(6.046)	2.230
From Available-for-Sale Financial Assets	(116.455)	64.775

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Inflation Adjustment to Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
Minority Rights	-	-
<b>Total Supplementary Capital</b>	<b>339.670</b>	<b>360.630</b>
<b>TIER III CAPITAL (Minority Rights included, if exists)</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>11.907.969</b>	<b>10.812.075</b>
(*) Effective part of the value differences due from exchange rates, of financial liabilities that are used for hedging the net investment risk abroad explained in note II of section Three is included.		
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>293.719</b>	<b>145.320</b>
Shares in Unconsolidated Banks and Financial Institutions	8.231	22.798
The Secondary Subordinated Loans Extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments That Have Primary or Secondary Subordinated Loan Nature Purchased from Them	-	-
Shares of Banks and Financial Institutions that Equity Method Applied but Assets and Liabilities are not Consolidated	-	-
Loans Extended as Contradictory to the Articles 50 And 51 of The Law	-	-
Excess of 50% of the Bank's Immovables' Total Net Book Value and Net Book Value of Immovables Obtained Against Bank's Receivables that Must be Disposed According to Article 57 of the Banking Law which Could not be Disposed Although Five Years Have Passed Since the Acquisition Date	-	-
Other	-	-
<b>Total Shareholders' Equity</b>	<b>11.614.250</b>	<b>10.666.755</b>

**II. EXPLANATIONS ON CREDIT RISK :**

- a.** Credit risk is the risk that the counterparties may be unable to meet the terms of their agreements. This risk is monitored by reference to credit risk ratings and managed by limiting the aggregate risk to any individual counterparty, group of companies and industry. Credit risks are determined for each individual customer, enterprise, business group and risk groups separately. While determining credit risk, criteria such as the customers' financial strength, commercial capacities, sectors, geographic areas and capital structure are evaluated. Analyses of the financial position of the customers are based on the statements of account and other information in accordance with the related legislation. Previously determined credit limits are constantly revised according to changing conditions. The type and amount of collateral and guarantees to be obtained are specified on a customer basis during the determination of credit limits.

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits information is closely monitored.

- b.** There are risk control limits set for the market risks and credit risks arise from forward and option agreements and other similar agreements.
- c.** When necessary, derivative instruments are exercised to control and to offset credit risks that can especially originate from foreign exchange and interest rate fluctuations.
- d.** Non-cash loans turned into cash loans are included in the same risk group as cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

Rescheduled or restructured loans are followed in their relevant groups until all receivables from the loans are collected. Monitoring also continues until the receivables from the loans are completely collected.



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The Group considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

- e.** The Group's banking activities in foreign countries and credit transactions do not constitute an important risk in terms of the related countries' economic conditions and activities of customers and companies.

When considered within the financial activities of other financial institutions, the Group as an active participant in the national and international banking market is not exposed to a significant credit risk. As seen in the Group's balance sheet, the ratio of loans under follow-up to total loans is as low as 2,3% (31 December 2007: 2,5%) and a 100% provision has been provided.

- f.** 1. The proportion of the Parent Bank's top 100 cash loan balances in total cash loans is 33% (31 December 2007: 26%).  
2. The proportion of the Parent Bank's top 100 non-cash loan balances in total cash loans is 59% (31 December 2007: 51%).  
3. The proportion of the Parent Bank's cash and non-cash loan balances with the first 100 customers comprises of 18% of total cash loans and non-cash loans (31 December 2007: 15%).
- g.** The Group provided a general provision amounting to TL462.171 (31 December 2007: TL293.625).

**h. Information on loan types and provisions:**

<b>Current Period – 31 December 2008</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	32.806.173	8.264.882	4.334.969	<b>45.406.024</b>
Close Monitoring Loans	1.797.393	1.345.517	504.829	<b>3.647.739</b>
Loans Under Follow-up	702.639	240.961	195.267	<b>1.138.867</b>
Specific Provision (-)	702.639	240.961	195.267	<b>1.138.867</b>
<b>Total</b>	<b>34.603.566</b>	<b>9.610.399</b>	<b>4.839.798</b>	<b>49.053.763</b>

<b>Prior Period - 31 December 2007</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	26.277.310	8.137.838	3.651.369	<b>38.066.517</b>
Close Monitoring Loans	953.145	626.211	236.255	<b>1.815.611</b>
Loans Under Follow-up	526.434	200.743	280.451	<b>1.007.628</b>
Specific Provision (-)	526.434	200.743	280.451	<b>1.007.628</b>
<b>Total</b>	<b>27.230.455</b>	<b>8.764.049</b>	<b>3.887.624</b>	<b>39.882.128</b>

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**i. Information on debt securities, treasury bills and other eligible bills:**

<b>Current Period – 31 December 2008</b>	<b>Trading Financial Assets</b>	<b>Available for Sale Financial Assets</b>	<b>Held to Maturity Securities</b>	<b>Total</b>
<b>Moody's Rating</b>				
Aaa	-	7.583	-	<b>7.583</b>
A1, A2, A3	-	135.992	-	<b>135.992</b>
Baa1, Baa2, Baa3	-	57.119	-	<b>57.119</b>
Ba1	-	-	-	<b>-</b>
Ba3 (*)	153.175	7.094.158	20.560.762	<b>27.808.095</b>
C	-	6.946	-	<b>6.946</b>
<b>Total</b>	<b>153.175</b>	<b>7.301.798</b>	<b>20.560.762</b>	<b>28.015.735</b>

(\*) Securities consist of T.C. Governments Bonds and Treasury Bills

<b>Prior Period - 31 December 2007</b>	<b>Trading Financial Assets</b>	<b>Available for Sale Financial Assets</b>	<b>Held to Maturity Securities</b>	<b>Total</b>
<b>Moody's Rating</b>				
Aaa	-	6.072	-	<b>6.072</b>
A1, A2, A3	-	46.344	-	<b>46.344</b>
Baa1, Baa2, Baa3	-	23.260	-	<b>23.260</b>
Ba1	-	-	-	<b>-</b>
Ba3 (*)	4.807.963	20.900.124	-	<b>25.708.087</b>
C	-	-	-	<b>-</b>
<b>Total</b>	<b>4.807.963</b>	<b>20.975.800</b>	<b>-</b>	<b>25.783.763</b>

(\*) Securities consist of T.C. Governments Bonds and Treasury Bills

**j. Information on rating classes and concentration:**

The Group calculates the probability of clients defaulting using client rating systems. Different rating systems are used for commercial loans, consumer loans and credit cards. Concentration information for loans classified using the rating systems is given in the table below.

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Above average	36,34%	31,66%
Average	43,62%	49,98%
Below Average	17,61%	13,90%
Unrated	2,43%	4,46%

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**k. Information on maximum exposure to credit risk:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Credit risk exposures relating to on-balance sheet assets:</b>	<b>84.047.893</b>	<b>68.412.277</b>
Loans and advances to banks	5.448.433	1.570.165
Loans and advances to customers	49.053.763	39.882.128
-Credit cards	4.839.798	3.887.624
-Consumer	9.610.399	8.764.049
-Corporate	34.603.566	27.230.455
Trading assets	243.152	4.895.133
-Government bonds	153.175	4.807.963
-Share certificates	9.685	4.637
-Other marketable securities	71	1.251
-Trading derivative financial assets	80.221	81.282
Investments securities	7.556.662	20.982.631
-Government bonds	7.101.741	20.889.780
-Share certificates	3.706	6.831
-Other marketable securities	451.215	86.020
Held-to-maturity financial assets	20.560.762	-
Financial lease receivables	908.897	649.496
Other assets	276.224	432.724
<b>Credit risk exposures relating to off-balance sheet items:</b>	<b>6.774.529</b>	<b>5.179.884</b>
Financial guaranties	4.671.603	3.778.733
Loan commitments and other credit related liabilities	2.102.926	1.401.151
<b>Total</b>	<b>90.822.422</b>	<b>73.592.161</b>

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**I. Customer and geographical concentration of credit risk:**

	<b>Loans Granted to Real Persons and Corporate Entities</b>		<b>Loans Granted to Banks and Other Financial Institutions</b>		<b>Marketable Securities(*)</b>		<b>Other Loans(**)</b>	
	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Industry Sectors</b>								
Private Sector	28.800.158	22.543.108	2.029.363	1.998.425	235.518	87.271	18.012.748	12.689.979
Public Sector	2.654.882	1.685.566	44.618	93.352	28.031.446	25.697.743	175.677	100.063
Banks	-	-	1.145.659	967.820	-	-	13.527.454	8.286.559
Individual Customers	14.379.083	12.593.857	-	-	-	-	8.160.585	7.257.734
Share Certificates	-	-	-	-	13.391	8.343	-	-
<b>Total</b>	<b>45.834.123</b>	<b>36.822.531</b>	<b>3.219.640</b>	<b>3.059.597</b>	<b>28.280.355</b>	<b>25.793.357</b>	<b>39.876.464</b>	<b>28.334.335</b>
<b>Geographical Sectors</b>								
Domestic	44.815.595	36.071.411	3.088.381	2.909.548	28.072.716	25.701.155	24.797.408	20.463.424
European Union Countries	723.366	364.759	52.434	45.472	207.639	92.202	13.639.813	7.248.829
OECD Countries(***)	8.399	17.228	-	-	-	-	266.189	444.978
Off-shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	2.526	11.600	-	-	-	-	1.108.924	131.398
Other Countries	284.237	357.533	78.825	104.577	-	-	64.130	45.706
<b>Total</b>	<b>45.834.123</b>	<b>36.822.531</b>	<b>3.219.640</b>	<b>3.059.597</b>	<b>28.280.355</b>	<b>25.793.357</b>	<b>39.876.464</b>	<b>28.334.335</b>

(\*) Marketable securities consist of fair value through profit and loss, available for sale and held to maturity securities.

(\*\*) Other loans consist of transactions which are not classified in the first three columns of THP and transactions defined as loan in the article 48 of the Banking Law No.5411

(\*\*\*) OECD Countries other than EU countries, USA and Canada.

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**m. Information according to geographical concentration:**

	<b>Assets</b>	<b>Liabilities(***)</b>	<b>Non-Cash Loans</b>	<b>Capital Expenditures</b>	<b>Net Profit</b>
<b>Current Period – 31 December 2008</b>					
Domestic	85.507.990	60.693.817	6.772.935	201.888	1.551.454
European Union Countries	5.598.022	16.444.615	1.594	3.174	43.492
OECD Countries (*)	34.380	3.493.618	-	-	-
Off-shore Banking Regions	1.929	8.826	-	-	187.278
USA, Canada	1.086.129	600.699	-	-	-
Other Countries	596.812	183.152	-	-	-
Subsidiaries, Investments in Associates and Joint Ventures (Net)	11.356	-	-	-	-
Unallocated Assets/Liabilities(**)	50.955	337.170	-	-	-
<b>Total</b>	<b>92.887.573</b>	<b>81.761.897</b>	<b>6.774.529</b>	<b>205.062</b>	<b>1.782.224</b>
<b>Prior Period – 31 December 2007</b>					
Domestic	69.491.735	48.077.985	5.178.933	139.113	2.080.745
European Union Countries	1.501.679	11.273.293	403	157	17.597
OECD Countries (*)	39.478	1.046.738	548	-	-
Off-shore Banking Regions	1.679	9.446	-	-	(57.682)
USA, Canada	462.759	577.936	-	-	-
Other Countries	380.328	332.977	-	-	-
Subsidiaries, Investments in Associates and Joint Ventures (Net)	25.923	-	-	-	-
Unallocated Assets/Liabilities(**)	60.184	152.206	-	-	-
<b>Total</b>	<b>71.963.765</b>	<b>61.470.581</b>	<b>5.179.884</b>	<b>139.270</b>	<b>2.040.660</b>

(\*) OECD Countries other than EU countries, USA and Canada

(\*\*) Unallocated assets / liabilities which could not be distributed according to a consistent principle

(\*\*\*) Shareholders' equity is not included.

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**n. Sectoral concentrations for cash loans:**

	Current Period 31 December 2008				Prior Period 31 December 2007			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	430.418	1,64	205.070	0,90	649.435	2,51	21.589	0,15
Farming and Raising								
Livestock	394.101	1,50	202.371	0,89	595.872	2,31	19.044	0,13
Forestry	36.083	0,14	2.699	0,01	52.475	0,20	2.545	0,02
Fishing	234	0,00	-	-	1.088	0,00	-	-
Manufacturing	4.581.062	17,38	7.569.634	33,35	4.589.699	17,81	4.524.061	32,05
Mining	200.415	0,76	30.920	0,14	116.781	0,45	25.837	0,18
Production	3.737.570	14,18	6.579.938	28,99	3.934.331	15,27	4.255.947	30,15
Electric, Gas and Water	643.077	2,44	958.776	4,22	538.587	2,09	242.277	1,72
Construction	506.966	1,92	2.728.371	12,02	630.331	2,45	1.106.987	7,84
Services	5.123.223	19,44	9.553.813	42,09	6.293.482	24,42	5.009.127	35,49
Wholesale and Retail Trade	3.910.863	14,84	2.347.970	10,35	4.406.849	17,10	1.205.140	8,54
Hotel, Food and Beverage								
Services	261.789	0,99	1.374.659	6,06	303.348	1,18	528.723	3,75
Transportation and								
Telecommunication	463.217	1,76	1.861.892	8,20	541.480	2,10	511.256	3,62
Financial Institutions	60.588	0,23	3.159.052	13,92	476.023	1,85	2.583.574	18,30
Real Estate and Leasing								
Services	25.202	0,10	52.245	0,23	25.696	0,10	126.788	0,90
Professional Services	40.027	0,15	66.836	0,29	69.155	0,27	12.111	0,09
Education Services	56.650	0,21	14.315	0,06	62.647	0,24	-	-
Health and Social Services	304.887	1,16	676.844	2,98	408.284	1,58	41.535	0,29
Other	15.718.021	59,62	2.637.185	11,64	13.601.452	52,81	3.455.965	24,47
<b>Total</b>	<b>26.359.690</b>	<b>100,00</b>	<b>22.694.073</b>	<b>100,00</b>	<b>25.764.399</b>	<b>100,00</b>	<b>14.117.729</b>	<b>100,00</b>

**III. EXPLANATIONS ON MARKET RISK:**

Companies are exposed to market risk, due to the movements in exchange rates, interest rates and market prices of stocks. The Bank believes that exchange risk and interest rate risk are the two most important components constituting the market risk. Market risk is measured using two separate methods, which are the "inherent model" and "standard method".

According to the "inherent model", market risk is measured with the Value at Risk (VaR) approach. In VaR calculations, variance, covariance, historical comparison and Monte Carlo simulation methods are used. The software used can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of a 99% confidence interval and 10 days retention period. VaR analyses are reported to senior management, and they are also used as risk parameters for the bond portfolio, and as a limit management instrument. Limits are revised steadily according to the market conditions and the application of specified limits is subjected to authority restrictions, thereby increasing the control efficiency. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have a significant impact and market fluctuations. Retrospective tests of the model outputs are performed regularly.

According to the "standard method", market risk is measured on securities portfolio basis in a way that includes the Group's exchange risk daily and weekly according to the standard method, and reported to the senior management.



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The table below indicates the details of the calculation of market risk as of 31 December 2008 according to "Market Risk Measurement Standard Method", pursuant to part 3 related to the "Calculation of the Amount basis to Market Risk", of the "Communiqué on the Measurement and Assessment of Capital Adequacy of the Banks", published in the Official Gazette dated 1 November 2006 No. 26333.

**a. Information on Market Risk:**

	<b>Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	95.200
(II) Capital to be Employed for Specific Risk - Standard Method	3.323
(III) Capital to be Employed for Currency Risk - Standard Method	34.010
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Exchange Risk - Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options - Standard Method	-
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	132.533[*]
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	1.656.663[*]

[\*] Of the "Amount subject to market risk", only TL132.533 (8% of TL1.656.663) is used in the calculation of the market risk related to the capital adequacy ratio which is given in Note I of Section Four. TL132.533 is the minimum amount of capital that can mitigate the mentioned risk.

**b. Average Market Risk Table of Calculated Market Risk for 3 Months Periods:**

	<b>Current Period 31 December 2008</b>			<b>Prior Period 31 December 2007</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	154.327	188.238	97.312	173.305	193.594	167.506
Share Certificate Risk	787	686	1.211	1.445	954	598
Currency Risk	29.610	19.730	34.010	51.996	62.026	39.077
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
<b>Total Amount Subject to Risk</b>	<b>184.724</b>	<b>208.654</b>	<b>132.533</b>	<b>226.746</b>	<b>256.574</b>	<b>207.181</b>

**IV. EXPLANATIONS ON OPERATIONAL RISK:**

The "Basic indicator method" is used in the operational risk calculation of the Group. The amount subject to the operational risk is calculated through the use of the gross income of the Group in 2007, 2006, and 2005 in accordance to the "Calculation of the Operational Risk" applicable from 1 June 2007, which is the 4th part of the "Regulation Regarding Measurement and Evaluation of the Bank's Capital Adequacy Ratio" published in the Official Gazette No.26333 dated 1 November 2006. In the scope of "Capital adequacy ratio" stated in Note I of this section, amount subjected to operational risk is TL7.672.195; capital liability of operational risk is TL613.776.

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**V. EXPLANATIONS ON CURRENCY RISK:**

The difference between the Group's foreign currency denominated and foreign currency indexed assets and liabilities is defined as the "Net Foreign Currency Position" and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. The Bank keeps the foreign exchange exposure amount within the limits set by the ERC. The Board, taking into account the recommendations by the ERC, sets a limit for the size of a foreign exchange exposure, which is closely monitored by ALCO. Those limits are individually determined and followed for both the net overall foreign currency position and for the foreign exchange exposure. Derivative financial instruments like forward foreign exchange contracts and currency swaps are used as tools for foreign exchange exposure management.

The Parent Bank's foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are presented below:

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	TL1,5218	TL2,1333	TL1,6843
1.Day bid rate	TL1,4400	TL2,0179	TL1,5943
2.Day bid rate	TL1,4400	TL2,0447	TL1,5917
3.Day bid rate	TL1,4400	TL2,0232	TL1,5929
4.Day bid rate	TL1,4400	TL2,0189	TL1,5934
5.Day bid rate	TL1,4400	TL2,0117	TL1,5931

The simple arithmetic average of the Parent Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are presented in the table below:

USD	: TL1,4962
Euro	: TL1,9850
Yen	: TL1,6146

As of 31 December 2007;

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	TL1,1593	TL1,7059	TL1,0350

**Information related to Group's Currency Risk: (Thousand TL)**

The table below summarizes the Group's exposure to foreign currency exchange rate risk, categorized by currency. Foreign currencies indexed assets, classified as Turkish lira assets according to the Uniform Chart of Accounts are considered as foreign currency assets for the calculation of Net Foreign Currency Position. In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; derivative financial assets and liabilities, prepaid expenses, general loan loss provision, hedging derivative financial assets and liabilities and shareholders' equity are excluded in the currency risk calculation. Therefore, there exists differences between the amounts of foreign currency denominated assets and liabilities demonstrated on the table below and the amounts on the balance sheet. The Banks' real position, both in financial and economic terms, is presented in the table below.

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<b>Current Period – 31 December 2008</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>Other FC(*)</b>	<b>Total</b>
<b>Assets</b>					
Cash Equivalents and Central Bank	2.125.776	642.162	370	16.156	<b>2.784.464</b>
Banks	3.071.703	1.943.355	7.545	212.844	<b>5.235.447</b>
Financial Assets at Fair Value through Profit or Loss (Net)	7.439	34.710	-	-	<b>42.149</b>
Interbank Money Market Placements	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	1.265.064	895.194	-	-	<b>2.160.258</b>
Loans	7.177.418	16.333.111	13.866	63.562	<b>23.587.957</b>
Investments in Associates, Subsidiaries and Joint Ventures	34	-	-	2	<b>36</b>
Held-to-maturity Investments (Net)	1.623.195	4.986.266	-	-	<b>6.609.461</b>
Hedging Derivative Financial Assets	-	-	-	-	<b>-</b>
Tangible Assets (Net)	4.348	2.842	-	109	<b>7.299</b>
Intangible Assets (Net)	101	-	-	-	<b>101</b>
Other Assets	432.813	340.050	8.715	653	<b>782.231</b>
<b>Total Assets</b>	<b>15.707.891</b>	<b>25.177.690</b>	<b>30.496</b>	<b>293.326</b>	<b>41.209.403</b>
<b>Liabilities</b>					
Bank Deposit	585.486	2.158.044	546	26.414	<b>2.770.490</b>
Foreign Currency Deposits	11.507.966	13.052.968	17.056	1.036.220	<b>25.614.210</b>
Funds from Interbank Money Market	528.092	30.441	-	-	<b>558.533</b>
Borrowings	5.411.742	6.649.374	888	28.268	<b>12.090.272</b>
Issued Marketable Securities (Net)	-	-	-	-	<b>-</b>
Miscellaneous Payables	11.931	8.196	8	2.156	<b>22.291</b>
Hedging Derivative Financial Liabilities	-	-	-	-	<b>-</b>
Other Liabilities	56.259	123.170	9.046	4.349	<b>192.824</b>
<b>Total Liabilities</b>	<b>18.101.476</b>	<b>22.022.193</b>	<b>27.544</b>	<b>1.097.407</b>	<b>41.248.620</b>
<b>Net on Balance Sheet Position</b>	<b>(2.393.585)</b>	<b>3.155.497</b>	<b>2.952</b>	<b>(804.081)</b>	<b>(39.217)</b>
<b>Net off-Balance Sheet Position (**)</b>	<b>2.105.851</b>	<b>(2.921.029)</b>	<b>(3.115)</b>	<b>844.758</b>	<b>26.465</b>
Financial Derivative Assets	3.567.985	2.912.346	4.211	888.362	<b>7.372.904</b>
Financial Derivative Liabilities	1.462.134	5.833.375	7.326	43.604	<b>7.346.439</b>
Non-cash Loans	1.235.621	2.317.765	227.808	65.112	<b>3.846.306</b>
<b>Prior Period - 31 December 2007</b>					
Total Assets	11.072.392	17.091.425	31.434	111.358	<b>28.306.609</b>
Total Liabilities	11.916.111	15.657.716	16.309	741.552	<b>28.331.688</b>
Net on-Balance Sheet Position	(843.719)	1.433.709	15.125	(630.194)	<b>(25.079)</b>
Net off-Balance Sheet Position (**)	839.754	(1.443.589)	(12.287)	618.322	<b>2.200</b>
Financial Derivative Assets	2.899.572	1.722.740	61.945	647.955	<b>5.332.212</b>
Financial Derivative Liabilities	2.059.818	3.166.329	74.232	29.633	<b>5.330.012</b>
Non-cash Loans	1.003.276	1.313.407	140.092	51.064	<b>2.507.839</b>

(\*) Of the "Other FC" total assets amounting to TL293.326 (31 December 2007: TL111.358), TL162.172 is in English Pounds (31 December 2007: TL58.232), and TL30.694 in Swiss Francs (31 December 2007: TL23.159). Of the total liabilities amounting to TL1.097.407 (31 December 2007: TL741.552) TL888.423 is in English Pounds (31 December 2007: TL574.035) and TL61.907 is in Swiss Francs (31 December 2007: TL46.054).

(\*\*) Presents the net balance of receivables and payables from derivative transactions. Foreign Exchange spot dealings shown under "Asset purchase commitments" in the financial statements are included in the net off-balance sheet position.

Since the Bank's exposure to foreign currency exchange rate risk is at an immaterial level, the fluctuations in exchange rates do not have material impact on the Bank's financial statements.

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**VI. EXPLANATIONS ON INTEREST RATE RISK:**

"Interest rate risk" can be defined as the impact of interest rate changes on interest-sensitive assets and liabilities of the Group. The ERC sets limits for the interest rate sensitivity of assets and liabilities and the sensitivity is closely monitored and reported weekly. In the case of high market fluctuations, daily reporting and analyses on transaction bases are made.

The Group manages the interest rate risk on a portfolio basis and tries to minimize the risk effect on the profitability, financial exposure and cash flows by applying different strategies. Basic methods such as using fixed or floating interest rates for different portfolios and maturities, setting the fixed margin in floating rates, or varying the rates for the short- or long-term positions are applied actively.

**a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:**

Current Period – 31 December 2008	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non Interest Bearing	Total
<b>Assets</b>							
Cash Equivalents and Central Bank	6.265.872	-	-	-	-	1.417.953	<b>7.683.825</b>
Banks	4.258.340	152.055	-	-	-	1.038.038	<b>5.448.433</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	50.560	21.372	45.125	98.154	18.185	9.756	<b>243.152</b>
Interbank Money Market Placements	1.416	-	-	-	-	-	<b>1.416</b>
Available-for-sale Financial Assets (Net)	213.269	2.626.861	1.870.097	1.709.334	1.098.003	39.098	<b>7.556.662</b>
Loans	16.292.477	10.257.227	15.245.505	6.400.901	847.192	10.461	<b>49.053.763</b>
Held-to-maturity Investments (Net)	497	5.437.192	6.590.550	7.367.220	1.165.303	-	<b>20.560.762</b>
Other Assets	152.992	86.865	226.888	424.019	93.307	1.560.551	<b>2.544.622</b>
<b>Total Assets</b>	<b>27.235.423</b>	<b>18.581.572</b>	<b>23.978.165</b>	<b>15.999.628</b>	<b>3.221.990</b>	<b>4.075.857</b>	<b>93.092.635</b>
<b>Liabilities</b>							
Bank Deposits	3.123.548	334.317	13.749	-	-	376.928	<b>3.848.542</b>
Other Deposits	36.800.616	5.626.963	2.777.492	323.519	59.039	8.139.087	<b>53.726.716</b>
Funds from Interbank Money Market	8.432.300	2.232	220.861	9.244	165.811	-	<b>8.830.448</b>
Miscellaneous Payables	13.871	-	-	-	-	957.252	<b>971.123</b>
Issued Marketable Securities (Net)	-	-	-	-	-	-	<b>-</b>
Borrowings	2.250.709	7.623.406	2.326.078	110.818	-	-	<b>12.311.011</b>
Other Liabilities (*)	130.757	139.455	159.993	72.039	78.653	12.823.898	<b>13.404.795</b>
<b>Total Liabilities</b>	<b>50.751.801</b>	<b>13.726.373</b>	<b>5.498.173</b>	<b>515.620</b>	<b>303.503</b>	<b>22.297.165</b>	<b>93.092.635</b>
Balance Sheet Long Position	-	4.855.199	18.479.992	15.484.008	2.918.487	-	<b>41.737.686</b>
Balance Sheet Short Position	(23.516.378)	-	-	-	-	(18.221.308)	<b>(41.737.686)</b>
Off-balance Sheet Long Position	-	968.583	2.299.436	-	-	-	<b>3.268.019</b>
Off-balance Sheet Short Position	(629.214)	-	-	(1.833.853)	(804.898)	-	<b>(3.267.965)</b>
<b>Total Position</b>	<b>(24.145.592)</b>	<b>5.823.782</b>	<b>20.779.428</b>	<b>13.650.155</b>	<b>2.113.589</b>	<b>(18.221.308)</b>	<b>54</b>

(\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

**Interest Rate Sensitivity Analysis:**

Change at the interest rate	Effect on income statement	Effect on equity
<b>(+)1%</b>	(135.000)	(49.111)
<b>(-) 1%</b>	127.000	35.220

The effects of changes in interest rates on income statement and equity demonstrated on the above table are net off tax amounts.

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<b>Prior Period - 31 December 2007</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash Equivalents and Central Bank	1.667.268	-	-	-	-	1.095.188	<b>2.762.456</b>
Banks	744.669	126.450	734	-	-	698.312	<b>1.570.165</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	21.332	1.899.791	2.652.812	162.688	152.622	5.888	<b>4.895.133</b>
Interbank Money Market Placements	2.547	-	-	-	-	-	<b>2.547</b>
Available-for-sale Financial Assets (Net)	1.143.165	5.409.772	8.773.361	4.334.281	1.315.221	3.706	<b>20.979.506</b>
Loans	14.502.942	6.016.140	12.557.176	6.102.460	703.410	-	<b>39.882.128</b>
Held-to-maturity Investments (Net)	-	-	-	-	-	-	<b>-</b>
Other Assets	106.785	71.416	205.511	371.214	-	1.256.174	<b>2.011.100</b>
<b>Total Assets</b>	<b>18.188.708</b>	<b>13.523.569</b>	<b>24.189.594</b>	<b>10.970.643</b>	<b>2.171.253</b>	<b>3.059.268</b>	<b>72.103.035</b>
<b>Liabilities</b>							
Bank Deposits	1.565.993	220.719	-	-	-	153.252	<b>1.939.964</b>
Other Deposits	23.814.786	8.432.099	2.156.868	216.163	41.380	7.033.361	<b>41.694.657</b>
Funds from Interbank Money Market	4.535.304	136.276	197.766	-	68.356	-	<b>4.937.702</b>
Miscellaneous Payables	20.700	-	-	-	-	935.376	<b>956.076</b>
Issued Marketable Securities (Net)	-	-	-	-	-	-	<b>-</b>
Borrowings	3.257.792	4.611.177	1.366.840	255.312	-	-	<b>9.491.121</b>
Other Liabilities (*)	88.737	29.651	127.169	71.138	17.409	12.749.411	<b>13.083.515</b>
<b>Total Liabilities</b>	<b>33.283.312</b>	<b>13.429.922</b>	<b>3.848.643</b>	<b>542.613</b>	<b>127.145</b>	<b>20.871.400</b>	<b>72.103.035</b>
Balance Sheet Long Position	-	93.647	20.340.951	10.428.030	2.044.108	-	<b>32.906.736</b>
Balance Sheet Short Position	(15.094.604)	-	-	-	-	(17.812.132)	<b>(32.906.736)</b>
Off-balance Sheet Long Position	1.396.954	744.439	1.785.188	-	-	-	<b>3.926.581</b>
Off-balance Sheet Short Position	-	-	-	(3.757.529)	(153.281)	-	<b>(3.910.810)</b>
<b>Total Position</b>	<b>(13.697.650)</b>	<b>838.086</b>	<b>22.126.139</b>	<b>6.670.501</b>	<b>1.890.827</b>	<b>(17.812.132)</b>	<b>15.771</b>

(\*)Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

**b. Effective average interest rates for monetary financial instruments %:**

Average interest rates in the above tables are the weighted average rates of the related balance sheet items.

<b>Current Period – 31 December 2008</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash Equivalents and Central Bank	-	-	-	12,00
Banks	1,84	0,16	-	15,91
Financial Assets at Fair Value Through Profit or Loss (Net)	6,58	7,57	-	17,88
Interbank Money Market Placements	-	-	-	15,00
Available-for-sale Financial Assets (Net)	5,81	6,41	-	19,72
Loans	6,76	4,81	4,00	21,76
Held-to-maturity Investments (Net)	7,28	5,41	-	19,33
<b>Liabilities</b>				
Bank Deposits	4,72	4,24	-	15,63
Other Deposits	4,48	4,65	0,05	17,18
Funds from Interbank Money Market	5,15	1,25	-	15,45
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities (Net)	-	-	-	-
Borrowings	3,90	3,63	2,37	16,15

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<b>Prior Period - 31 December 2007</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash Equivalents and Central Bank	1,80	1,95	-	11,81
Banks	3,55	4,13	-	17,48
Financial Assets at Fair Value Through Profit or Loss (Net)	6,43	6,94	-	17,43
Interbank Money Market Placements	-	-	-	18,00
Available-for-sale Financial Assets (Net)	6,26	5,66	-	18,81
Loans	5,90	6,49	1,63	21,13
Held-to-maturity Investments (Net)	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	4,85	5,20	-	17,19
Other Deposits	3,32	3,84	0,01	14,33
Funds from Interbank Money Market	4,83	5,06	-	17,50
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities (Net)	-	-	-	-
Borrowings	4,94	5,81	1,72	15,32

**VII. EXPLANATIONS ON LIQUIDITY RISK:**

The Bank manages liquidity risk through broad deposit base, strong capital structure and diversified foreign borrowing facilities. The Bank maintains additional resources to provide liquidity when necessary through allocated limits in Central Bank of Turkey, İstanbul Stock Exchange("ISE") Money Market, ISE Settlement and Custody Bank Money Market and other banks, and through liquid marketable securities portfolio. The Bank acts conservative on foreign currency liquidity management and in order to meet liquidity needs completely, maintains adequate reserves.

Short term funding needs are provided by using deposits. The Bank's broad deposit base and high ratio of core deposit enable long-term funding. Long-term placements can be provided by means of long-term foreign funds.

In accordance with the "Communiqué on the Measurement and Assessment of Liquidity of the Banks" published in the Official Gazette dated 1 November 2006 No. 26333, beginning from 1 June 2007 liquidity ratio of the banks on a weekly and monthly basis should not be less than 80% for foreign currency denominated assets and liabilities, and for total assets and liabilities it should not be less than 100%. Liquidity ratios as at 31 December 2008 and 2007 are presented below:

	<b>First Maturity Tranche (Weekly)</b>		<b>Second Maturity Tranche (Monthly)</b>	
<b>31 December 2008</b>	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average (%)</b>	320,6	253,9	155,3	149,6
<b>Maximum (%)</b>	637,4	306,9	230,6	174,9
<b>Minimum (%)</b>	204,5	201,5	100,3	130,3

	<b>First Maturity Tranche (Weekly)</b>		<b>Second Maturity Tranche (Monthly)</b>	
<b>31 December 2007</b>	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average (%)</b>	541,3	311,2	192,8	158,7
<b>Maximum (%)</b>	876,8	486,1	292,6	205,3
<b>Minimum (%)</b>	404,4	192,2	138,2	115,9



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**Breakdown of assets and liabilities according to their outstanding maturities:**

<b>Current Period – 31 December 2008</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Unallocated (*)</b>	<b>Total</b>
<b>Assets</b>								
Cash Equivalents and Central Bank	7.621.042	62.783	-	-	-	-	-	<b>7.683.825</b>
Banks	1.038.038	4.258.340	152.055	-	-	-	-	<b>5.448.433</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	9.756	41.916	14.824	41.717	113.388	21.551	-	<b>243.152</b>
Interbank Money Market Placements	-	1.416	-	-	-	-	-	<b>1.416</b>
Available-for-sale Financial Assets (Net)	39.098	-	263.255	1.683.685	3.603.123	1.967.501	-	<b>7.556.662</b>
Loans	10.461	9.022.069	8.146.723	13.683.183	14.294.851	3.896.476	-	<b>49.053.763</b>
Held-to-maturity Investments (Net)	-	497	11.560	5.032.118	12.463.197	3.053.390	-	<b>20.560.762</b>
Other Assets	109.624	342.612	87.441	226.888	544.367	93.307	1.140.383	<b>2.544.622</b>
<b>Total Assets</b>	<b>8.828.019</b>	<b>13.729.633</b>	<b>8.675.858</b>	<b>20.667.591</b>	<b>31.018.926</b>	<b>9.032.225</b>	<b>1.140.383</b>	<b>93.092.635</b>
<b>Liabilities</b>								
Bank Deposits	376.928	3.123.548	334.317	13.749	-	-	-	<b>3.848.542</b>
Other Deposits	8.139.087	36.800.616	5.626.963	2.777.492	323.519	59.039	-	<b>53.726.716</b>
Funds from Interbank Money Market	-	581.351	1.360.839	6.251.359	2.827.275	1.290.187	-	<b>12.311.011</b>
Miscellaneous Payables	-	8.432.300	2.232	220.861	9.244	165.811	-	<b>8.830.448</b>
Issued Marketable Securities (Net)	-	-	-	-	-	-	-	<b>-</b>
Borrowings	33.494	557.605	380.024	-	-	-	-	<b>971.123</b>
Other Liabilities (**)	61.508	637.772	273.389	222.888	680.095	198.405	11.330.738	<b>13.404.795</b>
<b>Total Liabilities</b>	<b>8.611.017</b>	<b>50.133.192</b>	<b>7.977.764</b>	<b>9.486.349</b>	<b>3.840.133</b>	<b>1.713.442</b>	<b>11.330.738</b>	<b>93.092.635</b>
<b>Net Liquidity Gap</b>	<b>217.002</b>	<b>(36.403.559)</b>	<b>698.094</b>	<b>11.181.242</b>	<b>27.178.793</b>	<b>7.318.783</b>	<b>(10.190.355)</b>	<b>-</b>
<b>Prior Period – 31 December 2007</b>								
Total Assets	3.462.289	9.214.034	7.806.031	22.805.132	21.014.698	6.938.506	862.345	<b>72.103.035</b>
Total Liabilities	7.203.307	32.946.043	9.766.304	6.654.101	3.630.419	1.270.407	10.632.454	<b>72.103.035</b>
<b>Net Liquidity Gap</b>	<b>(3.741.018)</b>	<b>(23.732.009)</b>	<b>(1.960.273)</b>	<b>16.151.031</b>	<b>17.384.279</b>	<b>5.668.099</b>	<b>(9.770.109)</b>	<b>-</b>

(\*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are classified in this column.

(\*\*) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

**Breakdown of liabilities according to their remaining contractual maturities:**

<b>Current Period – 31 December 2008</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>Liabilities</b>					
Deposits	48.491.447	6.520.231	3.388.757	339.430	59.356
Funds borrowed from other financial institutions	591.754	1.376.626	6.260.902	2.901.999	1.409.101
Funds from interbank money market	8.575.336	7.063	230.615	39.821	191.356
<b>Total</b>	<b>57.658.537</b>	<b>7.903.920</b>	<b>9.880.274</b>	<b>3.281.250</b>	<b>1.637.813</b>

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**Breakdown of derivative instruments according to their remaining contractual maturities:**

<b>Current Period – 31 December 2008</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and Over</b>
<b>Derivatives held for trading</b>	<b>4.668.085</b>	<b>1.182.458</b>	<b>3.199.575</b>	<b>2.226.067</b>	<b>940.498</b>
Foreign exchange derivatives:	4.618.529	1.084.149	2.407.280	167.098	227.742
– Inflow	2.357.060	551.111	1.273.689	50.796	110.367
– Outflow	2.261.469	533.038	1.133.591	116.302	117.375
Interest rate derivatives:	49.556	98.309	792.295	2.058.969	712.756
– Inflow	28.604	48.491	380.755	1.009.075	364.007
– Outflow	20.952	49.818	411.540	1.049.894	348.749
<b>Derivatives held for hedging</b>	<b>112.997</b>	<b>90.556</b>	<b>770.237</b>	<b>9.857.334</b>	<b>1.294.836</b>
Foreign exchange derivatives:	-	-	-	-	-
– Inflow	-	-	-	-	-
– Outflow	-	-	-	-	-
Interest rate derivatives:	112.997	90.556	770.237	9.857.334	1.294.836
– Inflow	51.376	34.199	377.725	4.836.539	618.021
– Outflow	61.621	56.357	392.512	5.020.795	676.815
<b>Total Inflow</b>	<b>2.437.040</b>	<b>633.801</b>	<b>2.032.169</b>	<b>5.896.410</b>	<b>1.092.395</b>
<b>Total Outflow</b>	<b>2.344.042</b>	<b>639.213</b>	<b>1.937.643</b>	<b>6.186.991</b>	<b>1.142.939</b>

**VIII. EXPLANATIONS ON THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:**

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair values of the overnight deposits and floating rate placements represent the carrying value. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the market interest rates of similar liabilities and loans.

The fair value of marketable securities issued is calculated according to broker price quotations and if these are not available, amounts derived from discounted cash flow models.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

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	Carrying Value		Fair Value	
	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007
<b>Financial Assets</b>	<b>82.619.620</b>	<b>62.437.471</b>	<b>81.678.102</b>	<b>62.754.110</b>
Interbank Money Market Placements	-	2.547	-	2.547
Banks	5.448.433	1.570.165	5.448.433	1.570.165
Available-for-Sale Financial Assets (Net)	7.556.662	20.982.631	7.556.662	20.982.631
Held-to-Maturity Investments (Net)	20.560.762	-	20.563.797	-
Loans	49.053.763	39.882.128	48.109.210	40.198.767
<b>Financial Liabilities</b>	<b>70.857.392</b>	<b>54.081.818</b>	<b>70.096.505</b>	<b>53.809.015</b>
Bank Deposits	3.848.542	1.939.964	3.862.015	1.939.964
Other Deposits	53.726.716	41.694.657	53.514.961	41.421.854
Borrowings	12.311.011	9.491.121	11.748.406	9.491.121
Issued Marketable Securities (Net)	-	-	-	-
Miscellaneous Payables	971.123	956.076	971.123	956.076

**IX. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:**

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. The Bank has no trust transactions.

**X. EXPLANATIONS ON BUSINESS SEGMENTS:**

The Group operates in five main business segments including retail banking, corporate and commercial banking, treasury activities, private banking and international banking.

In scope of retail banking, the Group offers a variety of retail services such as deposit accounts, consumer loans, small business loans, credit cards, insurance products and wealth management services. The Group's line of retail banking products and services also includes bank cards, investment funds trading, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking, telephone and internet banking.

Corporate and commercial banking serves financial solutions and banking services to large scale corporate and commercial customers. Among the products and services offered to corporate and commercial customers are Turkish Lira and foreign currency denominated working capital loans, medium-term financing for investments, foreign trade financing, letters of credit and guarantee, foreign currency trading, corporate finance services and cash and deposit management services. In addition, the Group provides timely and permanent solutions for corporate customers' working capital management, delivering cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities.

Treasury activities are performed by the Treasury Unit. The Treasury Unit trade in Turkish Lira and foreign currency instruments on a spot and forward basis, and trade in treasury bills, bonds and other domestic securities together with foreign securities with AAA rating. The Marketing Group carries out marketing activities of treasury products and derivative financial products for customers.

Private banking serves the members of the upper-income groups who have expectations for utmost service quality both in banking and investment transactions.

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International Banking activities are managed by the International Banking Unit. The Group provides services for foreign trade financing, foreign currency and Turkish Lira clearances, and money transfers through agent financial institutions. The international banking unit serves in fundamental areas such as providing long-term funding opportunities, creating funding facility at lower prices that fully reflect country risk, diversifying funding resources and creating a base of international investors for that purpose.

Other activities include leasing services provided by Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş. and Ak Portföy Yönetim A.Ş. which are the consolidated subsidiaries of the Bank.

Information on business segments as of 31 December 2008 is presented on the following table:

	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Private Banking</b>	<b>International Banking</b>	<b>Other and Unallocated</b>	<b>Group's Total Activities</b>
<b>Current Period – 31 December 2008</b>							
Operating Income	3.564.614	953.948	619.744	39.624	85.217	340.359	5.603.506
Other (*)	988.650	514.338	396.949	20.794	67.135	159.493	2.147.359
Income from Subsidiaries	-	-	-	-	-	4.351	4.351
Profit before Tax	988.650	514.338	396.949	20.794	67.135	163.844	2.151.710
Corporate Tax	-	-	-	-	-	(369.458)	(369.458)
Minority Rights	-	-	-	-	-	(28)	(28)
Net Profit for the Period	988.650	514.338	396.949	20.794	67.135	(205.642)	1.782.224
Segment Assets	23.721.622	30.775.961	34.067.517	348.347	363.445	727.223	90.004.115
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)	-	-	-	-	-	-	11.356
Undistributed Assets	-	-	-	-	-	-	3.077.164
Total Assets	-	-	-	-	-	-	93.092.635
Segment Liabilities	39.260.292	12.454.163	12.123.755	6.198.899	9.235.894	230.798	79.503.801
Undistributed Liabilities	-	-	-	-	-	-	2.258.096
Shareholders' Equity	-	-	-	-	-	-	11.330.738
Total Liabilities	-	-	-	-	-	-	93.092.635
Other Segment Items							
Capital Investment	125.719	1.611	714	11.573	6	12.704	152.327
Amortization	(60.493)	(5.404)	(445)	(502)	(201)	(46.309)	(113.354)
Non-cash Other Income-Expense	(450.987)	(700.867)	(22.985)	(509)	-	(18.928)	(1.194.276)
Restructuring Costs	-	-	-	-	-	-	-

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**SECTION FIVE  
INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED  
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**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS:**

**a. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the "CBRT"):**

1. Information on cash equivalents and the account of the CBRT:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash/Foreign Currency	281.541	322.487	278.937	234.176
The CBRT	4.617.820	2.455.465	123.777	2.122.898
Other	-	6.512	-	2.668
<b>Total</b>	<b>4.899.361</b>	<b>2.784.464</b>	<b>402.714</b>	<b>2.359.742</b>

2. Information related to the account of the CBRT:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Demand Unrestricted Account	850	806.563	2.162	577.245
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	4.616.970	1.648.902	121.615	1.545.653
<b>Total</b>	<b>4.617.820</b>	<b>2.455.465</b>	<b>123.777</b>	<b>2.122.898</b>

3. Explanation on reserve requirements:

In accordance with "Communiqué Regarding the Reserve Requirements" No. 2005/1 issued by the CBRT, banks operating in Turkey are required to place reserves in the CBRT with a rate of 6% for their TL liabilities and 9% for USD and/or EUR for their foreign currency liabilities. The CBRT makes quarterly interest payments over the TL reserve requirements based on the interest rates set. As of 31 December 2008 the corresponding interest rate for TL is 12%.

**b. Information on financial assets at fair value through profit or loss:**

1. As of 31 December 2008, financial assets at fair value through profit or loss subject to repo transactions amount to TL(-) (31 December 2007: TL(-)); and those given as collateral/blocked amount to TL7.610 (31 December 2007: TL 829.475).

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2. Positive differences table related to trading derivative financial assets:

	Current Period 31 December 2008		Prior Period 31 December 2007	
	TL	FC	TL	FC
Forward Transactions	18.774	-	10.498	-
Swap Transactions	3.517	39.497	3.839	42.289
Futures Transactions	8.512	205	19.889	354
Options	93	9.623	174	4.239
Other	-	-	-	-
<b>Total</b>	<b>30.896</b>	<b>49.325</b>	<b>34.400</b>	<b>46.882</b>

**c. Information on banks:**

1. Information on banks:

	Current Period 31 December 2008		Prior Period 31 December 2007	
	TL	FC	TL	FC
Banks	212.986	5.235.447	26.470	1.543.695
Domestic	212.859	339.294	1.974	11.215
Foreign	127	4.896.153	24.496	1.532.480
Head Quarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>212.986</b>	<b>5.235.447</b>	<b>26.470</b>	<b>1.543.695</b>

2. Information on foreign banks accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007
European Union Countries	3.276.778	640.281	548.491	437.290
USA, Canada	879.840	271.149	178.004	171.433
OECD Countries (*)	13.000	12.170	-	-
Off-shore Banking Regions	-	-	-	-
Other	167	24.653	-	-
<b>Total</b>	<b>4.169.785</b>	<b>948.253</b>	<b>726.495</b>	<b>608.723</b>

(\*) OECD Countries except EU countries, USA and Canada.

**d. Information on available-for-sale financial assets, net values:**

1. As of 31 December 2008, available-for-sale financial assets subject to repurchase agreements amount to TL1.089.370 (31 December 2007: TL4.712.504); and those given as collateral/blocked amount to TL621.063 (31 December 2007: TL870.230).

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2. Information on available-for-sale financial assets:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Debt Securities	7.575.513	20.975.940
Quoted to Stock Exchange	7.324.355	20.975.940
Not Quoted	251.158	-
Share Certificates	3.706	3.706
Quoted to Stock Exchange	-	-
Not Quoted	3.706	3.706
Impairment Provision (-)	22.557	140
<b>Total</b>	<b>7.556.662</b>	<b>20.979.506</b>

In accordance with "Communique for the Amendment of the Communique related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazette numbered 27040 and dated 31 October 2008 by Turkish Accounting Standards Board, due to change in the intention to hold such securities, the Bank reclassified its government bonds with fair values USD91.820.730 and EUR17.129.244 into the category of financial assets available for sale which were classified under the category of financial assets held for trading before. As of the balance sheet date, fair values of these reclassified government bonds are USD93.496.750 and EUR16.526.760. Had these financial assets not been reclassified, a valuation gain of USD218.657 and a valuation loss of EUR893.619 would have been recognised in the income statement.

**e. Information related to loans:**

1. Information on all types of loans and advances given to shareholders and employees of the Bank:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Direct Loans Granted to Shareholders	-	15.789	13.605	29.952
Corporate Shareholders	-	15.789	13.605	29.952
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	868.632	440.538	920.827	453.741
Loans Granted to Employees	44.668	-	39.507	-
<b>Total</b>	<b>913.300</b>	<b>456.327</b>	<b>973.939</b>	<b>483.693</b>



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2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled:

	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
Non-specialized Loans	45.406.024	-	3.647.698	41
Discount And Purchase Notes	223.635	-	943	-
Export Loans	3.018.297	-	36.975	-
Import Loans	1.223.861	-	-	-
Loans Granted to Financial Sector	2.110.299	-	-	-
Foreign Loans	925.451	-	224.336	-
Consumer Loans (Including Overdraft Loans)	8.264.882	-	1.345.517	-
Credit Cards	4.334.969	-	504.829	-
Precious Metal Loans	15.123	-	-	-
Other	25.289.507	-	1.535.098	41
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>45.406.024</b>	<b>-</b>	<b>3.647.698</b>	<b>41</b>

3. Breakdown of loans according to their maturities:

	<b>Standard Loans and Other Receivables</b>		<b>Loans and Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
Short-Term Loans and Other Receivables	13.396.705	-	3.647.698	41
Non-Specialized Loans	13.396.705	-	3.647.698	41
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	32.009.319	-	-	-
Non-Specialized Loans	32.009.319	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-

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4. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards:

	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>313.687</b>	<b>8.728.582</b>	<b>9.042.269</b>
Mortgage Loans	31.475	4.333.846	4.365.321
Automotive Loans	28.620	1.046.467	1.075.087
Consumer Loans	253.592	3.348.269	3.601.861
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>2.106</b>	<b>258.284</b>	<b>260.390</b>
Mortgage Loans	78	233.643	233.721
Automotive Loans	374	10.112	10.486
Consumer Loans	1.654	14.529	16.183
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Credit Cards-TL</b>	<b>4.707.336</b>	<b>38.070</b>	<b>4.745.406</b>
With Installment	1.588.279	38.070	1.626.349
Without Installment	3.119.057	-	3.119.057
<b>Consumer Credit Cards-FC</b>	<b>2.632</b>	<b>-</b>	<b>2.632</b>
With Installment	5	-	5
Without Installment	2.627	-	2.627
<b>Personnel Loans-TL</b>	<b>3.368</b>	<b>20.003</b>	<b>23.371</b>
Mortgage Loans	-	1.080	1.080
Automotive Loans	36	833	869
Consumer Loans	3.332	18.090	21.422
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>651</b>	<b>651</b>
Mortgage Loans	-	406	406
Automotive Loans	-	-	-
Consumer Loans	-	245	245
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>20.518</b>	<b>69</b>	<b>20.587</b>
With Installment	8.020	69	8.089
Without Installment	12.498	-	12.498
<b>Personnel Credit Cards-FC</b>	<b>59</b>	<b>-</b>	<b>59</b>
With Installment	2	-	2
Without Installment	57	-	57
<b>Credit Deposit Account-TL (Real Person)</b>	<b>283.718</b>	<b>-</b>	<b>283.718</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>5.333.424</b>	<b>9.045.659</b>	<b>14.379.083</b>

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5. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and Long-term	Total
<b>Commercial Installment Loans-TL</b>	<b>642.018</b>	<b>2.868.301</b>	<b>3.510.319</b>
Mortgage Loans	1.601	564.459	566.060
Automotive Loans	15.368	979.720	995.088
Consumer Loans	624.330	1.267.497	1.891.827
Other	719	56.625	57.344
<b>FC Indexed Commercial Installment Loans</b>	<b>14.420</b>	<b>235.851</b>	<b>250.271</b>
Mortgage Loans	166	49.515	49.681
Automotive Loans	720	123.625	124.345
Consumer Loans	8.504	48.665	57.169
Other	5.030	14.046	19.076
<b>Commercial Installment Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>70.210</b>	<b>820</b>	<b>71.030</b>
With Installment	4.354	51	4.405
Without Installment	65.856	769	66.625
<b>Corporate Credit Cards-FC</b>	<b>84</b>	<b>-</b>	<b>84</b>
With Installment	-	-	-
Without Installment	84	-	84
<b>Credited Deposit Account-TL (Legal Person)</b>	<b>510.975</b>	<b>-</b>	<b>510.975</b>
<b>Credited Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1.237.707</b>	<b>3.104.972</b>	<b>4.342.679</b>

6. Loans according to types of borrowers:

	Current Period 31 December 2008	Prior Period 31 December 2007
Public	2.699.500	1.778.918
Private	46.354.263	38.103.210
<b>Total</b>	<b>49.053.763</b>	<b>39.882.128</b>

7. Distribution of domestic and foreign loans: Loans are classified according to the locations of the customers.

	Current Period 31 December 2008	Prior Period 31 December 2007
Domestic Loans	47.903.976	38.980.959
Foreign Loans	1.149.787	901.169
<b>Total</b>	<b>49.053.763</b>	<b>39.882.128</b>

8. Loans granted to investments in associates and subsidiaries: None.

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9. Specific provisions accounted for loans:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Loans and Receivables with Limited Collectibility	567.924	206.036
Loans and Receivables with Doubtful Collectibility	426.171	296.237
Uncollectible Loans and Receivables	144.772	505.355
<b>Total</b>	<b>1.138.867</b>	<b>1.007.628</b>

10. Information on non-performing loans (Net):

10(i). Information on non-performing loans restructured or rescheduled and other receivables:

	<b>III. Group Loans and Other Receivables with Limited Collectibility</b>	<b>IV. Group Loans and Other Receivables with Doubtful Collectibility</b>	<b>V. Group Uncollectible Loans and Other Receivables</b>
<b>Current Period: 31 December 2008</b>			
(Gross Amounts Before Specific Provisions)	-	-	41
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	41
<b>Prior Period: 31 December 2007</b>			
(Gross Amounts Before Specific Provisions)	-	-	41
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	41

10(ii). Information on the movement of total non-performing loans:

	<b>III. Group Loans and Other Receivables with Limited Collectibility</b>	<b>IV. Group Loans and Other Receivables with Doubtful Collectibility</b>	<b>V. Group Uncollectible Loans and Other Receivables</b>
<b>Prior Period End Balance: 31 December 2007</b>	<b>206.036</b>	<b>296.237</b>	<b>505.355</b>
Additions (+)	1.191.793	62.038	12.961
Transfers from Other Categories of Non-performing Loans (+)	-	625.212	352.690
Transfers to Other Categories of Non-Performing Loans (-)	625.212	352.690	-
Collections (-)	204.147	142.946	91.974
Net FC Differences from Subsidiaries Abroad	-	30	-
Write-offs (-) (*)	546	61.710	634.260
Corporate and Commercial Loans	49	35.049	320.339
Retail Loans	215	14.837	102.953
Credit Cards	282	11.824	210.968
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>567.924</b>	<b>426.171</b>	<b>144.772</b>
Specific Provisions (-)	567.924	426.171	144.772
<b>Net Balance on Balance Sheet Date</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*)The Bank disposed some part of its non-performing loan portfolio amounting to TL669.207 at an amount of TL135.116. The amount disposed is presented in the "Write-off" line on the table above.

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10(iii) Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
<b>Current Period: 31 December 2008</b>			
Balance at the End of the Period	19.441	9.345	7.381
Specific Provisions (-)	19.441	9.345	7.381
Net Balance on Balance Sheet	-	-	-
<b>Prior Period: 31 December 2007</b>			
Balance at the End of the Period	7.177	10.489	27.981
Specific Provisions (-)	7.177	10.489	27.981
<b>Net Balance on Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>

10(iv). Breakdown of non-performing loans according to their gross and net values:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
<b>Current Period (Net): 31 December 2008</b>			
Loans granted to corporate entities and real persons (Gross)	567.924	426.171	144.772
Specific Provisions Amount(-)	567.924	426.171	144.772
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
<b>Prior Period (Net): 31 December 2007</b>			
Loans granted to corporate entities and real persons (Gross)	206.036	296.237	505.355
Specific Provisions Amount(-)	206.036	296.237	505.355
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-

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**11. Information on the collection policy of non-performing loans and other receivables:**

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

**12. Information on the write-off policy of the Bank:**

Write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

**13. Movement of the provisions for loans and receivables:**

	<b>Commercial Loans</b>	<b>Credit Cards</b>	<b>Consumer Loans</b>	<b>Total</b>
<b>Balance at 1 January 2008</b>	<b>691.209</b>	<b>376.098</b>	<b>233.946</b>	<b>1.301.253</b>
Additions	883.356	320.130	231.852	<b>1.435.338</b>
Collections	(190.494)	(141.646)	(106.927)	<b>(439.067)</b>
Write-offs	(355.437)	(223.074)	(118.005)	<b>(696.516)</b>
Exchange differences	30	-	-	<b>30</b>
<b>At 31 December 2008</b>	<b>1.028.664</b>	<b>331.508</b>	<b>240.866</b>	<b>1.601.038</b>

	<b>Commercial Loans</b>	<b>Credit Cards</b>	<b>Consumer Loans</b>	<b>Total</b>
<b>Balance at 1 January 2007</b>	<b>359.167</b>	<b>323.219</b>	<b>106.796</b>	<b>789.182</b>
Additions	469.421	267.697	198.317	<b>935.435</b>
Collections	(116.721)	(173.319)	(63.993)	<b>(354.033)</b>
Write-offs	(20.658)	(41.499)	(7.174)	<b>(69.331)</b>
Exchange differences	-	-	-	<b>-</b>
<b>At 31 December 2007</b>	<b>691.209</b>	<b>376.098</b>	<b>233.946</b>	<b>1.301.253</b>

**f. Held-to-maturity investments:**

**1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked:**

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Given as collateral/blocked.	486.781	4.722.890	-	-
Subject to repurchase agreements	7.606.647	-	-	-
<b>Total</b>	<b>8.093.428</b>	<b>4.722.890</b>	<b>-</b>	<b>-</b>

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2. Information on Held-to-maturity government debt securities:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Government Bonds	20.558.046	-
Treasury Bills	2.716	-
Other Government Debt Securities	-	-
<b>Total</b>	<b>20.560.762</b>	<b>-</b>

3. Information on Held-to-maturity investments:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Debt Securities	20.560.762	-
Quoted to Stock Exchange	20.560.762	-
Not Quoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>20.560.762</b>	<b>-</b>

4. The movement of investment securities held-to-maturity:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Beginning Balance	-	-
Foreign Currency Differences on Monetary Assets	-	-
Purchases During Year	21.934.899	-
Disposals Through Sales and Redemptions	1.374.137	-
Impairment Provision (-)	-	-
<b>Balance at the End of the Period</b>	<b>20.560.762</b>	<b>-</b>

In accordance with "Communique for the Amendment of the Communique related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazette numbered 27040 and dated 31 October 2008 by Turkish Accounting Standards Board, due to change in the intention to hold such securities, the Bank reclassified its government bonds with fair values TL104.306, USD962.377.327 and EUR419.021.064 into the category of financial assets held to maturity which were classified under the category of financial assets held for trading before. As of the balance sheet date, fair values of these reclassified government bonds are TL108.083, USD918.898.900 and EUR401.715.000. Had these financial assets not been reclassified, a valuation gain of TL2.832 and valuation losses of USD57.018.344 and EUR25.610.892 would have been recognised in the income statement.

Due to change in the intention to hold such securities, the Bank reclassified its government bonds with fair values TL14.584.774, USD2.253.694.608 and EUR317.349.371 into the category of financial assets held to maturity which were classified before under the category of financial assets available for sale.



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**g. Information on investments in associates (Net):**

1. Non-consolidated associates:

1(i). Reasons of being out of consolidation for non-consolidated associates: On grounds of the materiality principle due to their operating results, asset and shareholder equity sizes, they have been left out of the scope of consolidation.

1(ii). Information about non-consolidated associates:

Title	Address (City / Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1 Bankalararası Kart Merkezi A.Ş.	İstanbul/Turkey	9,98	9,98
2 KKB Kredi Kayıt Bürosu A.Ş.	İstanbul/Turkey	9,09	9,09

Main financial figures of non-consolidated associates, in the order of the above table:

The financial figures have been obtained from the financial statements dated 30 September 2008.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value (*)
1	15.492	13.476	4.315	1.190	-	2.610	3.048	-
2	22.347	17.068	1.821	2.115	-	4.361	2.894	-

2. Consolidated associates: None.

**h. Information on subsidiaries (Net):**

1. Non-consolidated subsidiaries:

1(i). Reasons of being out of consolidation for non-consolidated associates: On grounds of the materiality principle due to their operating results, asset and shareholder equity sizes, they have been left out of the scope of consolidation.

1(ii). Information about non-consolidated subsidiaries:

Title	Address (City / Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1 Ak Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	65,04	65,04
2 Ak Global Funding B.V.	Rotterdam/Netherlands	100,00	100,00
3 Finsbury Pavement Limited under liquidation (Previously: Sabancı Bank plc.)	London/England	65,00	100,00

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Main financial figures of non-consolidated subsidiaries, in the order of the above table:

The financial figures have been obtained from the financial statements dated 30 September 2008.

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit/ Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value (*)</b>
1	43.498	41.996	2	1.905	1.065	(4.575)	8.814	8.195
2	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-

Operations of Ak Global Funding B.V. have not commenced yet and the Bank's investment in this company is immaterial.

(\*) Fair values refer to the market values for the companies quoted on the stock exchange.

**2. Consolidated subsidiaries:**

2(i). Information about consolidated subsidiaries:

<b>Title</b>	<b>Address (City / Country)</b>	<b>Bank's Share Percentage-If Different Voting Percentage (%)</b>	<b>Other Shareholder Share Percentage (%)</b>	<b>Consolidation Method</b>
1 Ak Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	0,01	Full Consolidation
2 Ak Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99,80	0,20	Full Consolidation
3 Ak Portföy Yönetimi A.Ş.	Istanbul/Turkey	99,99	0,01	Full Consolidation
4 Akbank N.V.	Amsterdam/Netherlands	100,00	-	Full Consolidation
5 Akbank AG	Frankfurt/Germany	100,00	-	Full Consolidation

Main financial figures of consolidated subsidiaries, in the order of the above table:

The financial figures have been obtained from the financial statements dated 31 December 2008.

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit/ Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value (*)</b>
1	995.926	189.169	382	95.721	-	24.889	27.097	-
2	320.391	85.120	20.400	29.166	(62)	11.864	14.124	-
3	20.916	18.936	518	2.755	-	12.379	9.010	-
4	5.329.869	787.738	4.068	231.267	46.631	23.541	22.718	-
5	2.926.702	458.909	489	130.408	8.308	19.951	12.860	-

(\*) Fair values refer to the market values for the companies quoted on the stock exchange.

Although not being the subsidiaries of the Bank, Ak Receivables Corporation and A.R.T.S Ltd. which were established in July 1998 and November 1999 respectively in connection with raising long-term financing, are included in the scope of consolidation as "Special Purpose Entities" due to the 100% control of these entities by the Group.

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2(ii). Movement schedule for consolidated subsidiaries:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Balance at the Beginning of the Period	746.351	883.790
Movements During the Period		
Purchases	-	410.383
Bonus Shares and Contributions to Capital	50.382	-
Dividends from Current Year Income	-	-
Sales	-	(547.822)
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Additions to Consolidation	3.592	-
Increase /decrease due to foreign exchange valuation of foreign subsidiaries	111.853	-
Balance at the End of the Period	912.178	746.351
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

2(iii). Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

<b>Subsidiaries</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Banks	706.138	543.903
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	121.088	121.088
Finance Companies	-	-
Other Financial Subsidiaries	84.952	81.360

2(iv). Subsidiaries quoted on a stock exchange: None.

2(v). Consolidated subsidiaries disposed within the current period: None.

2(vi). Consolidated subsidiaries purchased within the current period: None.

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**i. Information on finance lease receivables (Net):**

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
2009	439.426	364.901	387.831	317.641
2010	263.624	221.293	196.388	168.083
2011	146.337	123.343	115.321	102.630
2012	80.319	67.270	41.514	36.883
2013	44.355	36.355	14.282	12.908
2014	113.750	95.735	12.745	11.351
<b>Total</b>	<b>1.087.811</b>	<b>908.897</b>	<b>768.081</b>	<b>649.496</b>

**j. Information on property and equipment:**

	<b>Immovables</b>	<b>Other Tangible Fixed Assets</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Prior Period End: 31 December 2007</b>				
Cost	722.023	609.683	3.430	1.335.136
Accumulated Depreciation(-)	198.850	405.773	-	604.623
Net Book Value	523.173	203.910	3.430	730.513
<b>Current Period End: 31 December 2008</b>				
Net Book Value at the beginning of the Period	523.173	203.910	3.430	730.513
Additions	46.316	129.098	11.398	186.812
Effect of Changes in Consolidation Scope	-	-	-	-
Disposals(-), net	354	1.167	-	1.521
Depreciation (-)	19.357	81.048	-	100.405
Impairment	-	-	-	-
Cost at Period End	766.611	639.558	14.828	1.420.997
Accumulated Depreciation at Period End (-)	216.833	388.765	-	605.598
<b>Closing Net Book Value</b>	<b>549.778</b>	<b>250.793</b>	<b>14.828</b>	<b>815.399</b>

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	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
<b>Prior Period End: 31 December 2006</b>				
Cost	670.799	622.588	4.982	1.298.369
Accumulated Depreciation(-)	183.166	394.559	-	577.725
Net Book Value	487.633	228.029	4.982	720.644
<b>Current Period End: 31 December 2007</b>				
Net Book Value at the beginning of the Period	487.633	228.029	4.982	720.644
Additions	51.622	60.080	11.314	123.016
Effect of Changes in Consolidation Scope	-	-	-	-
Disposals(-), net	256	2.241	12.866	15.363
Depreciation (-)	15.826	81.958	-	97.784
Impairment	-	-	-	-
Cost at Period End	722.023	609.683	3.430	1.335.136
Accumulated Depreciation at Period End (-)	198.850	405.773	-	604.623
<b>Closing Net Book Value</b>	<b>523.173</b>	<b>203.910</b>	<b>3.430</b>	<b>730.513</b>

As of 31 December 2008, total impairment amounting to TL11.799 for buildings is accounted in the financial statements (31 December 2007: TL11.799).

**k. Informations on intangible assets:**

1. Cost and accumulated amortization at the beginning and end of the period :

	Current Period 31 December 2008	Prior Period 31 December 2007
Book Values (Gross)	103.758	86.141
Accumulated Amortization (-)	66.885	54.170
Net Book Value	36.873	31.971

2. Reconciliation of movements for the current period and prior period:

	Current Period 31 December 2008	Prior Period 31 December 2007
Cost	86.141	69.954
Accumulated Depreciation (-)	54.170	44.947
<b>Net Book Value</b>	<b>31.971</b>	<b>25.007</b>
Opening Balance	31.971	25.007
Additions	17.940	16.253
Disposals (-), net	177	112
Depreciation (-)	12.861	9.177
<b>Closing Net Book Value</b>	<b>36.873</b>	<b>31.971</b>

**l. Information on the Hedging Derivative Financial Assets:** None.

**m. Information on the investment properties:** None.

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**n. Information on deferred tax asset :**

The Group's deferred tax asset as of 31 December 2008 amounts to TL123.056 (31 December 2007: TL17.858). Provisional differences subject to deferred tax calculation result from principally the difference between the book values and tax values of fixed assets and financial assets, and provision for employee rights.

Deferred tax assets and liabilities, which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation in the Bank and in consolidated subsidiaries, are presented as net on an individual entity level. As noted in Note XVIII of Section Three, for the purposes of consolidated financial statements deferred taxes arising from different consolidated subsidiaries are presented separately in assets and liabilities. There are no carry forward tax losses that can be used as deductions for the tax calculation for the Group. An explanation on the net deferred tax liability is given in Note II-h-2 of Section Five.

	<b>Accumulated Temporary Differences</b>		<b>Deferred Tax Asset//Liability</b>	
	<b>31 December 2008</b>	<b>31 December 2007</b>	<b>31 December 2008</b>	<b>31 December 2007</b>
Employee benefits	52.226	62.492	10.445	12.498
Differences between fair value and book value of financial assets	418.257	48.688	83.651	9.738
Other	185.874	81.041	37.175	16.208
<b>Deferred Tax Asset</b>			<b>131.271</b>	<b>38.444</b>
Differences between book value and tax base of property, plant and equipment	41.075	102.931	(8.215)	(20.586)
Country risk provision	212.180	198.720	(42.436)	(39.744)
<b>Deferred Tax Liabilities</b>			<b>(50.651)</b>	<b>(60.330)</b>
<b>Deferred Tax Asset/(Liabilities) Net</b>			<b>80.620</b>	<b>(21.886)</b>

**o. Information on property and equipment held for sale and related to discontinued operations:**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2008</b>	<b>31 December 2007</b>
Cost	3.958	3.384
Accumulated Depreciation (-)	308	105
<b>Net Book Value</b>	<b>3.650</b>	<b>3.279</b>
Opening Balance	3.650	3.279
Additions	310	2.394
Disposals (-), net	-	1.911
Depreciation (-)	88	112
<b>Closing Net Book Value</b>	<b>3.872</b>	<b>3.650</b>

**p. Information on other assets:**

Other assets amount to TL645.169 (31 December 2007: TL551.689) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES**

**a. Information on deposits:**

**1. Information on maturity structure of the deposits:**

There are no seven-day notification and accumulative deposits.

1(i). Current Period - 31 December 2008:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>Total</b>
Saving Deposits	1.375.364	6.565.252	11.684.127	428.466	139.926	32.214	20.225.349
Foreign Currency Deposits	4.527.732	7.904.423	8.393.515	1.308.021	2.158.838	1.321.681	25.614.210
Residents in Turkey	2.595.224	7.187.722	7.808.619	925.572	1.084.790	622.360	20.224.287
Residents Abroad	1.932.508	716.701	584.896	382.449	1.074.048	699.321	5.389.923
Public Sector Deposits	271.309	1.352	137.615	3.109	402	70	413.857
Commercial Deposits	1.862.061	1.595.501	2.779.528	44.030	18.801	693	6.300.614
Other Institutions Deposits	102.621	65.043	990.684	6.350	6.717	1.271	1.172.686
Gold Vault	-	-	-	-	-	-	-
Bank Deposits	376.928	620.375	2.662.988	167.800	20.451	-	3.848.542
The CBRT	-	-	-	-	-	-	-
Domestic Banks	9.282	192.711	-	3.013	1.004	-	206.010
Foreign Banks	65.676	427.664	2.662.988	164.787	19.447	-	3.340.562
Special Finance Institutions	301.970	-	-	-	-	-	301.970
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>8.516.015</b>	<b>16.751.946</b>	<b>26.648.457</b>	<b>1.957.776</b>	<b>2.345.135</b>	<b>1.355.929</b>	<b>57.575.258</b>

1(ii). Prior Period - 31 December 2007:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>Total</b>
Saving Deposits	1.336.972	5.511.058	8.808.103	712.308	160.520	53.973	16.582.934
Foreign Currency Deposits	3.232.210	2.370.304	8.991.477	1.517.804	905.617	1.106.404	18.123.816
Residents in Turkey	2.591.385	2.215.110	8.666.438	892.289	578.436	352.118	15.295.776
Residents Abroad	640.825	155.194	325.039	625.515	327.181	754.286	2.828.040
Public Sector Deposits	33.902	885	2.810	336	162	131	38.226
Commercial Deposits	1.511.996	1.558.716	1.513.873	106.808	2.747	1.217	4.695.357
Other Institutions Deposits	918.281	321.351	918.106	74.950	18.651	2.985	2.254.324
Gold Vault	-	-	-	-	-	-	-
Bank Deposits	153.252	903.202	872.381	10.124	1.005	-	1.939.964
The CBRT	-	-	-	-	-	-	-
Domestic Banks	6.388	751.520	1.005	-	1.005	-	759.918
Foreign Banks	38.104	151.682	871.376	10.124	-	-	1.071.286
Special Finance Institutions	108.760	-	-	-	-	-	108.760
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>7.186.613</b>	<b>10.665.516</b>	<b>21.106.750</b>	<b>2.422.330</b>	<b>1.088.702</b>	<b>1.164.710</b>	<b>43.634.621</b>



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**2. Information on saving deposits insurance:**

2(ii). Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund (\*):

	<b>Under the Guarantee of Deposit Insurance</b>		<b>Exceeding the Limit of Deposit Insurance</b>	
	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Saving Deposits	8.680.769	7.444.209	11.544.580	9.137.379
Foreign Currency Saving Deposits	4.111.634	4.759.710	10.021.373	7.810.869
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

(\*)The deposit amounts of the consolidated subsidiaries located abroad are subject to local insurance regulations and are not included in the table above.

2(ii). Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children in care	683.039	590.183
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Turkey in Order to Engage in Off-shore Banking Activities Solely	7.366	2.522

**b. Information on trading derivative financial liabilities:**

Table of negative differences for trading derivative financial liabilities:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	11.849	-	4.999	638
Swap Transactions	2.587	79.069	49.117	43.060
Futures Transactions	2.723	205	2.724	272
Options	93	9.711	-	4.781
Other	-	-	-	-
<b>Total</b>	<b>17.252</b>	<b>88.985</b>	<b>56.840</b>	<b>48.751</b>

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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	146.243	356.843	159.083	186.196
From Foreign Banks, Institutions and Funds	74.496	11.733.429	15.644	9.130.198
<b>Total</b>	<b>220.739</b>	<b>12.090.272</b>	<b>174.727</b>	<b>9.316.394</b>

2. Information on maturity structure of borrowings:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term	213.512	5.537.885	153.591	3.673.158
Medium and Long-Term	7.227	6.552.387	21.136	5.643.236
<b>Total</b>	<b>220.739</b>	<b>12.090.272</b>	<b>174.727</b>	<b>9.316.394</b>

The liabilities providing the funding sources of the Group are deposits and borrowings. Deposits are the most important funding source of the Group and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitized borrowings, money market and post finance obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Group.

**d. Information on other foreign liabilities:**

Other foreign liabilities amount to TL747.726 (31 December 2007: TL1.487.317) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

**e. Information on leasing payables: None**

**f. Information on the Hedging Derivative Financial Liabilities:**

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair value Hedge	-	-	-	-
Cash Flow Hedge	69.854	138.214	-	-
Net investment Hedge	-	-	-	-
<b>Total</b>	<b>69.854</b>	<b>138.214</b>	<b>-</b>	<b>-</b>

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**g. Information on provisions:**

1. Information on general provisions:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>General Provisions</b>	<b>462.171</b>	<b>293.625</b>
Provisions for Group I. Loans and Receivables	312.939	240.718
Provisions for Group II. Loans and Receivables	66.314	12.406
Provisions for Non-Cash Loans	38.609	28.049
Other	44.309	12.452

2. Information on reserve for employment termination benefits:

<b>Balance Sheet Obligations for:</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	27.631	38.401
- Reserve for Unused Vacation	25.701	24.982
<b>Total</b>	<b>53.332</b>	<b>63.383</b>

As explained on note 2(ii) below, there is no amount recognized in the balance sheet for post-employment benefits since fair value of the Fund's plan assets compensate defined benefit obligations for the years ended 2008 and 2007.

<b>Income Statement Charge for:</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
- Post-employment benefits (pension and medical)	(87.580)	(76.275)
- Reserve for employment termination benefits	(13.326)	(11.605)
- Reserve for Unused Vacation	(2.832)	(1.761)
<b>Total</b>	<b>(103.738)</b>	<b>(89.641)</b>

The charge for the post-employment benefits represents the cash payments, which represent the employer's contribution determined by the Social Security Law No: 506 and additional 2% contribution of the employer. The employer's contribution amounting to TL87.580 (31 December 2007: TL76.275) during the year has been included in employee costs under operating expenses.

2 (i). Employment Termination Benefits and Unused Vacation Rights:

Under the Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TL2.173,18 in full TL amount (31 December 2007: TL2.030,19) for each year of service. The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to

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estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Discount Rate (%)	6,26	5,71
Rate for the Probability of Retirement (%)	0,92	0,92

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL2.260,05 (1 January 2008: TL2.087,92) effective from 1 January 2009 has been taken into consideration in calculating the reserve for employee termination benefits.

Movements in the reserve for employment termination benefits during the period are as follows:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Balance at the Beginning of the Period	38.401	37.503
Provisions Recognized During the Period	13.326	11.605
Paid During the Period	(24.096)	(10.707)
Balance at the End of the Period.	27.631	38.401

As of 31 December 2008, the Group has accounted a provision for unused vacation rights amounting to TL25.701 (31 December 2007: TL24.982).

2 (ii). Post-employment benefits:

The Group's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations; and the Group's obligation related to other non-transferrable benefits has been calculated in accordance with TAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%), except for the non-transferrable other benefits. Accordingly, including the obligation for non-transferable other benefits amounting TL69.181 (31 December 2007: TL68.529), the surplus of the Fund amounts to TL212.099 as of 31 December 2008 (31 December 2007: TL12.814).

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Present value of funded obligations	(576.660)	(693.564)
- Pension benefits transferrable to SSI	(541.150)	(601.307)
- Post-employment medical benefits transferrable to SSI	33.671	(23.728)
- Other non-transferrable benefits	(69.181)	(68.529)
Fair value of plan assets	788.759	706.378
<b>Surplus</b>	<b>212.099</b>	<b>12.814</b>

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The principal actuarial assumptions used were as follows:

<b>Discount rates</b>	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
- Pension benefits transferrable to SSI	9,80%	9,80%
- Post-employment medical benefits transferrable to SSI	9,80%	9,80%
- Other non-transferrable benefits	6,26%	5,71%

**Mortality Rate**

The average life expectancy in years of a pensioner retiring at age 60 for men, 58 for women determined using mortality table depending on statistical data is 17 years for men and 23 years for women.

The movement in the fair value of plan assets of the year is as follows:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Beginning of year</b>	<b>706.378</b>	<b>655.608</b>
Actual return on plan assets	116.363	90.730
Employer contributions	87.580	76.275
Employee contributions	62.920	50.020
Benefits paid	(184.482)	(166.255)
<b>End of year</b>	<b>788.759</b>	<b>706.378</b>

Plan assets are comprised as follows:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
Bank placements	730.571	93%	638.488	90%
Premises and equipment	32.897	4%	30.044	4%
Equity securities	17.147	2%	34.625	5%
Other	8.144	1%	3.221	1%
<b>End of year</b>	<b>788.759</b>	<b>100%</b>	<b>706.378</b>	<b>100%</b>

Expected contributions to post-employment benefit plans for the year ending 31 December 2009 are TL175.000.

**3. Information on provisions related with foreign currency difference of foreign indexed loans:**

As of 31 December 2008, the provision related to foreign currency difference of foreign indexed loans amounts to TL1.099 (31 December 2007: TL46.879), which is offset with the balance of foreign currency indexed loans in these financial statements.

**4. Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash:**

Provision for non-cash loans that are non-funded and non-transformed into cash as of 31 December 2008 is amounting to TL63.584 (31 December 2007: TL41.017).

**5. Information on other provisions:**

5 (i). Information on general provisions for possible risks: None.

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5 (ii). Information on provisions for banking services promotion:

The Group has provisions for credit cards and banking services promotion applications amounting to TL71.020 (31 December 2007: TL84.352).

**h. Explanations on tax liability :**

**1. Explanations on tax liability:**

Tax calculations of the Group are explained in Note XVIII of Section Three. As of 31 December 2008, the tax liability after the deduction of temporary taxes paid is TL67.264 (31 December 2007: TL173.093).

1(i). Information on taxes payable:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Corporate Taxes Payable	67.264	173.093
Taxation on Marketable Securities	134.032	67.849
Property Tax	593	444
Banking Insurance Transaction Tax (BITT)	38.936	33.714
Foreign Exchange Transaction Tax	-	1.558
Value Added Tax Payable	2.834	1.437
Other	19.275	14.339
<b>Total</b>	<b>262.934</b>	<b>292.434</b>

1(ii). Information on premium payables:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Social Security Premiums - Employee	152	105
Social Security Premiums - Employer	130	189
Bank Social Aid Pension Fund Premium- Employee	3	7
Bank Social Aid Pension Fund Premium - Employer	160	165
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance - Employee	476	375
Unemployment Insurance - Employer	912	713
Other	-	-
<b>Total</b>	<b>1.833</b>	<b>1.554</b>

**2. Information on deferred tax liability:**

As of 31 December 2008, the deferred tax liability of the Group amounts to TL42.436 (31 December 2007: TL39.744). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

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**i. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Common Stock	3.000.000	3.000.000
Preferred Stock	-	-

2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so, the amount of registered share capital ceiling:

<b>Capital System</b>	<b>Paid-in capital</b>	<b>Ceiling</b>
Registered Share Capital	3.000.000	5.000.000

3. Information on the share capital increases during the period and their sources: None.
4. Information on share capital increases from capital reserves during the current period: None.
5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.
6. The effects of anticipations based on the financial figures for prior periods regarding the Group's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity:

The Group has been continuing its operations with high profitability and has been retaining most of its net profit in the equity, either by increasing its capital or transferring it into reserves. On the other hand, only a small part of the equity is allocated to associates and subsidiaries and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and high interest bearing assets. Considering all these factors, the Group's shareholders' equity is getting steadily stronger.

7. Information on privileges given to shares representing the capital: None.

**j. Information on marketable securities value increase fund:**

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	(6.046)	-	4.956	-
Valuation Difference	54.981	(141.196)	202.323	(26.270)
Foreign Currency Differences	-	-	-	-
<b>Total</b>	<b>48.935</b>	<b>(141.196)</b>	<b>207.279</b>	<b>(26.270)</b>

The part of value increase fund related to foreign currency marketable securities is the difference between the fair values and amortized costs, calculated in accordance with the "Effective yield method" of government bonds classified as "Available-for-sale financial assets".



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**k. Information on minority interest:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Balance at the Beginning of the Period	239	102.070
Other Shareholders' Net Dividend	28	(231)
Prior Period Dividend	(36)	(2.462)
Net Foreign Currency Difference From Subsidiaries Abroad	-	-
Effect of Changes in Consolidation Scope	-	(99.138)
<b>Current Period End Balance</b>	<b>231</b>	<b>239</b>

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**III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT**

**a. Information on interest income:**

1. Information on interest income on loans:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term Loans	2.970.457	190.557	2.826.881	135.098
Medium and Long-term Loans	2.172.857	866.109	1.725.406	588.184
Interest on Loans Under Follow-Up	41.225	214	42.823	400
Premiums Received from the Resource				
Utilization Support Fund	-	-	-	-
<b>Total(*)</b>	<b>5.184.539</b>	<b>1.056.880</b>	<b>4.595.110</b>	<b>723.682</b>

(\*) Fee and commission income from cash loans is included.

2. Information on interest income on banks:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From the CBRT	191.282	7.564	161.718	10.990
From Domestic Banks	5.375	265	8.524	99
From Foreign Banks	1.457	94.945	501	111.130
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>198.114</b>	<b>102.774</b>	<b>170.743</b>	<b>122.219</b>

3. Information on interest income on marketable securities:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Trading Financial Assets	40.261	97.809	61.691	330.721
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	2.367.391	215.653	2.337.244	299.140
From Held-to-Maturity Investments	598.255	88.016	-	-
<b>Total</b>	<b>3.005.907</b>	<b>401.478</b>	<b>2.398.935</b>	<b>629.861</b>

4. Information on interest income received from associates and subsidiaries: None.

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**b. Information on interest expense:**

1. Information on interest expense on borrowings:

	<b>Current Period 31 December 2008</b>		<b>Prior Period 31 December 2007</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	47.029	524.035	41.590	531.927
The CBRT	-	-	-	-
Domestic Banks	36.857	1.162	41.181	1.797
Foreign Banks	10.172	518.057	409	530.130
Headquarters and Branches Abroad	-	4.816	-	-
Other Institutions	-	-	-	-
<b>Total(*)</b>	<b>47.029</b>	<b>524.035</b>	<b>41.590</b>	<b>531.927</b>

(\*) Fee and commission income from cash loans is included.

2. Information on interest expense given to associates and subsidiaries :

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
To Associates and Subsidiaries	-	1.855

3. Maturity structure of the interest expense on deposits :

There are no deposits with seven-day notification and accumulative deposits.

	<b>Time Deposit</b>						
	<b>Demand Deposits</b>	<b>Up to 1 Month</b>	<b>Up to 3 Months</b>	<b>Up to 6 Months</b>	<b>Up to 1 Year</b>	<b>1 Year and Over</b>	<b>Total</b>
<b>TL</b>							
Bank Deposits	-	60.006	164.054	2.227	77	-	<b>226.364</b>
Saving Deposits	1.012	1.014.910	1.762.645	121.921	22.461	7.328	<b>2.930.277</b>
Public Sector Deposits	269	151	211	111	20	10	<b>772</b>
Commercial Deposits	3.799	291.763	411.466	4.875	23.134	132	<b>735.169</b>
Other Deposits	895	39.294	187.890	12.247	-	2.510	<b>242.836</b>
<b>Total</b>	<b>5.975</b>	<b>1.406.124</b>	<b>2.526.266</b>	<b>141.381</b>	<b>45.692</b>	<b>9.980</b>	<b>4.135.418</b>
<b>FC</b>							
Foreign Currency Deposits	14.261	186.045	394.193	60.744	99.645	64.854	<b>819.742</b>
Bank Deposits	-	11.260	27.894	5.888	248	-	<b>45.290</b>
Gold Vault	-	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>14.261</b>	<b>197.305</b>	<b>422.087</b>	<b>66.632</b>	<b>99.893</b>	<b>64.854</b>	<b>865.032</b>
<b>Grand Total</b>	<b>20.236</b>	<b>1.603.429</b>	<b>2.948.353</b>	<b>208.013</b>	<b>145.585</b>	<b>74.834</b>	<b>5.000.450</b>

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**c. Explanations on dividend income:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
From Trading Financial Assets	191	3
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-Sale Financial Assets	536	2.660
Other (*)	3.624	8.833
<b>Total</b>	<b>4.351</b>	<b>11.496</b>

(\*)Discloses the dividend income received from non consolidated investments in associates and subsidiaries.

**d. Information on trading profit/loss (Net):**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Profit</b>	<b>23.840.475</b>	<b>9.662.726</b>
Income from Capital Market Transactions	595.933	239.800
From Derivative Financial Transactions	489.263	183.770
Other	106.670	56.030
Foreign Exchange Gains	23.244.542	9.422.926
<b>Loss (-)</b>	<b>23.775.058</b>	<b>9.512.100</b>
Loss from Capital Market Transactions	716.143	255.717
From Derivative Financial Transactions	671.184	243.513
Other	44.959	12.204
Foreign Exchange Loss	23.058.915	9.256.383
<b>Total</b>	<b>65.417</b>	<b>150.626</b>

**e. Explanations on other operating income:**

The Bank had filed three lawsuits, total of which amounted to TL754.303, against the Ministry of Finance regarding the correction of corporate tax paid in 2001, 2002, and 2003 with reference to the temporary article 4, added by the Law No.4743 to the Banking Law No.4389, which was annulled on 1 November 2005.

Considering the status of legal and administrative process, the Board of Directors decided to settle with the Ministry of Finance in scope of the article 3 of the "Act on collection of some public receivables through settlement" published in the Official Gazette No.26800 dated 27 February 2008.

Accordingly, the Bank has withdrawn the lawsuits explained in the first paragraph and according to the calculations made for the purpose of the settlement, the Bank's total amount of receivables from the Ministry of Finance related to those lawsuits is confirmed as TL494.710. The remaining amount of TL224.709 after deducting the amount of TL270.001, which was accepted by the Ministry of Finance to be offset against various tax debt of the Bank and recognized in the financial statements of the year 2007, is recorded as income in the year 2008 financial statements.

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**f. Provision expenses related to loans and other receivables of the Group:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Specific Provisions for Loans and Other Receivables	998.574	625.132
III. Group Loans and Receivables	923.575	525.153
IV. Group Loans and Receivables	62.038	83.628
V. Group Loans and Receivables	12.961	16.351
General Provision Expenses	168.546	100.594
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	3.120	-
Financial Assets at Fair Value through Profit or Loss	790	-
Available-for-sale Financial Assets	2.330	-
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	3.657	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	3.657	-
Other	20.239	10.222
<b>Total</b>	<b>1.194.136</b>	<b>735.948</b>

**g. Information related to other operating expenses:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Personnel Expenses	877.859	650.003
Reserve for Employee Termination Benefits	140	898
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	100.493	94.958
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	12.861	12.004
Impairment Expenses of Equity Participations for Which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	939.987	726.551
Operational Leasing Expenses	61.916	35.643
Maintenance Expenses	33.712	21.808
Advertisement Expenses	113.304	105.953
Other Expenses	731.055	563.147
Loss on Sales of Assets	495	78
Other	330.176	288.180
<b>Total</b>	<b>2.262.011</b>	<b>1.772.672</b>

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**h. Profit/Loss of minority interest:**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2008</b>	<b>31 December 2007</b>
Profit/Loss of Minority Interest	28	(231)

**i. Information on tax provision of continued and discontinued operations:**

1. Information on calculated current tax income or expense and deferred tax income or expense:

As of 31 December 2008, the Group has a current tax expense of TL439,269 and deferred tax income of TL69.811.

2. Information on deferred tax income or expense arising from the temporary differences that have occurred or have been closed:

The amount of deferred tax income that occurred due to the temporary differences is TL28.308 and deferred tax expense is TL14.784; the amounts of deferred tax income and deferred tax expense that occurred due to the closing of temporary differences are TL94.794 and TL38.507 respectively. The Group has TL69.811 net deferred tax income.

3. Information on recognition of temporary difference, financial loss, diminution of tax and exemptions on income statement: None.

**j. Explanation on current period net profit and loss:**

1. Explanation on the quality, amount and frequency of the figures of the income and expense stemming from ordinary banking operations, if necessary to understand the performance of the Bank for the current period: None.
2. Explanation on the changes in the estimations regarding the figures on the financial statements, if there exists a possibility that the profit and loss for the current or the following periods will be impacted: None.

**k. Other figures on profit and loss statement:**

Other figures on the profit and loss statement do not exceed 10% of the total profit and loss.

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**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS**

**a. Explanations on off-balance sheet commitments:**

1. Type and amount of irrevocable commitments:

TL385.541 asset purchase commitments (31 December 2007: TL457.507), TL7.553.232 commitment for credit card limits (31 December 2007: TL6.001.065) and TL1.691.653 commitments for cheque books (31 December 2007: TL1.737.614).

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

The Group has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments".

2 (i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Bank Acceptance Loans	65.349	46.857
Letters of Credit	1.801.453	1.176.932
Other Commitments and Contingencies	236.124	177.362
<b>Total</b>	<b>2.102.926</b>	<b>1.401.151</b>

2 (ii). Revocable, irrevocable guarantees and other similar commitments and contingencies:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Revocable Letters of Guarantee	178.477	158.327
Irrevocable Letters of Guarantee	2.992.788	2.525.041
Letters of Guarantee Given in Advance	615.315	409.563
Guarantees Given to Customs	266.190	244.313
Other Letters of Guarantee	618.833	441.489
<b>Total</b>	<b>4.671.603</b>	<b>3.778.733</b>

3. (i) Total amount of non-cash loans:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
Non-cash Loans Given against Cash Loans	120.459	106.217
With Original Maturity of 1 Year or Less Than 1 Year	93.360	87.722
With Original Maturity of More Than 1 Year	27.099	18.495
Other Non-cash Loans	6.654.070	5.073.667
<b>Total</b>	<b>6.774.529</b>	<b>5.179.884</b>



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3 (ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2008				Prior Period 31 December 2007			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	12.562	0,43	412	0,01	17.600	0,65	2.652	0,10
Farming and Raising								
Livestock	3.216	0,11	412	0,01	4.606	0,17	2.381	0,09
Forestry	9.305	0,32	-	-	12.935	0,48	271	0,01
Fishing	41	0,00	-	-	59	0,00	-	-
Manufacturing	912.042	31,15	1.900.724	49,42	834.286	31,23	1.300.641	51,86
Mining	7.963	0,27	23.778	0,62	11.170	0,42	3.586	0,14
Production	842.376	28,77	1.595.672	41,49	786.350	29,43	1.141.951	45,54
Electric, Gas and Water	61.703	2,11	281.274	7,31	36.766	1,38	155.104	6,18
Construction	189.889	6,48	331.360	8,62	133.924	5,01	137.331	5,48
Services	1.453.943	49,65	1.519.669	39,50	1.493.118	55,87	744.307	29,68
Wholesale and Retail Trade	976.598	33,35	495.144	12,87	1.043.283	39,04	205.791	8,21
Hotel, Food and Beverage								
Services	18.071	0,62	2.511	0,07	17.116	0,64	1.400	0,06
Transportation and								
Telecommunication	49.149	1,68	41.313	1,07	66.272	2,48	34.057	1,36
Financial Institutions	363.111	12,40	942.060	24,49	318.627	11,92	493.077	19,66
Real Estate and Leasing								
Services	431	0,01	13	0,00	366	0,01	29	0,00
Self-Employment Services	6.553	0,22	3.533	0,09	6.692	0,25	2.080	0,08
Education Services	2.389	0,08	187	0,00	4.263	0,16	53	0,00
Health and Social Services	37.641	1,29	34.908	0,91	36.499	1,37	7.820	0,31
Other	359.787	12,29	94.141	2,45	193.117	7,24	322.908	12,88
<b>Total</b>	<b>2.928.223</b>	<b>100,00</b>	<b>3.846.306</b>	<b>100,00</b>	<b>2.672.045</b>	<b>100,00</b>	<b>2.507.839</b>	<b>100,00</b>

3 (iii). Information on the non-cash loans classified in Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans</b>	<b>2.599.361</b>	<b>3.832.100</b>	<b>328.862</b>	<b>14.206</b>
Letters of Guarantee	2.598.493	1.918.038	144.254	10.818
Bank Acceptances	15	63.873	-	1.461
Letters of Credit	16	1.799.888	-	1.549
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	837	50.301	184.608	378

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**4. Mutual Funds:**

As of 31 December 2008, the Group is the founder of 21 mutual funds (31 December 2007: 16) with a total fund value of TL3.231.885 (31 December 2007: TL3.366.029). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by ISE Settlement and Custody Bank, Inc.

**b. Information on derivative transactions:**

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Types of Trading Transactions</b>		
Foreign Currency Related Derivative Transactions (I)	8.822.489	6.380.850
FC Trading Forward Transactions	746.705	506.208
Trading Swap Transactions	6.998.681	4.983.667
Futures Transactions	35.596	53.681
Trading Option Transactions	1.041.507	837.294
Interest Related Derivative Transactions (II)	3.061.764	8.579.136
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	3.061.764	8.579.136
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	-	25.212
A. Total Trading Derivative Transactions (I+II+III)	11.884.253	14.985.198
<b>Types of Hedging Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	8.605.358	-
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	8.605.358	-
<b>Total Derivative Transactions (A+B)</b>	<b>20.489.611</b>	<b>14.985.198</b>

**c. Explanations on contingent assets and liabilities:**

**1. Contingent Liabilities**

The Group has accounted a provision amounting to TL44.042 (31 December 2007: TL35.651) for the contingent liabilities with a high probability of realization.

**2. Contingent Assets**

None.

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**V. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY**

**a. Information on distribution of profit:**

The Ordinary General Assembly Meeting of the Parent Bank was held on 28 March 2008. In the Ordinary General Assembly, it was resolved to distribute a TL720.511 cash dividend over the TL1.994.294 net unconsolidated income from 2007 operations to the Bank's shareholders, Chairman and Members of the Board of Directors. It was also resolved in the General Assembly to transfer TL8.025 to capital reserves, to allocate TL156.765 as legal and TL1.108.993 extraordinary reserves.

**b. Information on hedge funds:**

**1. Information on cash flow hedge:**

The Bank is hedged against cash flow risk arising from local and foreign currency floating rate borrowings through the use of interest rate swaps. In this context, effective portion of the fair value change of the hedging instrument is recognized under "Hedging reserves" within equity. As of 31 December 2008, the amount directly recognized in equity is (-)TL145.300.

**2. Information on net investment hedge:**

The Bank is hedged against net investment risk arising from fluctuations in foreign exchange rates through the use of foreign currency denominated financial borrowings. In this context, effective portion of the change in foreign currency denominated financial liabilities resulting from changes in the foreign exchange rates is recognized under "Hedging reserves" within equity. As of 31 December 2008, the amount directly recognized in equity is (-)TL108.355.

**c. Information on to foreign exchange difference:**

Within the financial statements of the Group's subsidiaries founded abroad, balance sheet items are translated into Turkish Lira with the foreign exchange rates prevailing at the balance sheet date, and income statements items are translated into Turkish Lira with the average foreign exchange rates. Related foreign exchange differences are accounted in the shareholders' equity under "Other profit reserves."

**d. Information on available-for-sale financial assets:**

"Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities value increase fund" account under equity, until the financial assets are sold, disposed or impaired.

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**VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOWS**

**a. Information on cash and cash equivalents:**

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as "Cash"; interbank money market and time deposits in banks with original maturities less than three months are defined as "Cash equivalents".

1. Cash and cash equivalents at the beginning of the period:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Cash</b>	<b>1.793.500</b>	<b>2.121.379</b>
Cash, Foreign Currency and Other	515.781	532.703
Demand Deposits in Banks	1.277.719	1.588.676
<b>Cash Equivalents</b>	<b>728.196</b>	<b>2.501.316</b>
Interbank Money Market Placements	2.547	9
Time Deposits in Banks	712.034	2.499.270
Marketable Securities	13.615	2.037
<b>Total Cash and Cash Equivalents</b>	<b>2.521.696</b>	<b>4.622.695</b>

The total amount from operations in the prior period gives the total cash and cash equivalents amount at the beginning of the current period.

2. Cash and cash equivalents at the end of period:

	<b>Current Period 31 December 2008</b>	<b>Prior Period 31 December 2007</b>
<b>Cash</b>	<b>2.455.991</b>	<b>1.793.500</b>
Cash, Foreign Currency and Other	610.540	515.781
Demand Deposits in Banks	1.845.451	1.277.719
<b>Cash Equivalents</b>	<b>4.273.767</b>	<b>728.196</b>
Interbank Money Market Placements	1.416	2.547
Time Deposits in Banks	4.261.130	712.034
Marketable Securities	11.221	13.615
<b>Total Cash and Cash Equivalents</b>	<b>6.729.758</b>	<b>2.521.696</b>

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**b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:**

The “Other” item under “Operating profit before changes in operating assets and liabilities” amounting to (-)TL660.535 (31 December 2007: (-)TL846.034) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expense, foreign exchange gains/losses, depreciation, provisions and bonus shares

The “Net increase/decrease in other liabilities” item under “Changes in operating assets and liabilities” amounting to (-)TL905.381 (31 December 2007: TL1.074.706) consists mainly of changes in miscellaneous payables, other liabilities and taxes and other duties payable.

The effect of changes in the foreign currency rates on the cash and cash equivalents is reflected in net foreign exchange gains/losses. The foreign exchange gains/losses amount mentioned above is included in the “Other” line under “Operating profit before changes in operating assets and liabilities”.

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**VII. EXPLANATIONS AND NOTES RELATED TO GROUP'S RISK GROUP**

**Information on the volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit and loss of the period:**

1. Current Period - 31 December 2008:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	241	934.432	483.693	1.078	3.237
Balance at the End of the Period	-	234	868.632	456.327	1.910	3.680
Interest and Commission Income Received	-	-	74.464	24.933	32	6

2. Prior Period -31 December 2007:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	733.456	358.675	6	3.238
Balance at the End of the Period	-	241	934.432	483.693	1.078	3.237
Interest and Commission Income Received	-	15	85.303	15.937	927	5

3. Information on deposits of the Group's risk group:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007
<b>Deposit</b>						
Balance at the Beginning of the Period	13.541	9.035	1.050.463	722.059	752.238	373.756
Balance at the End of the Period	-	13.541	1.561.491	1.050.463	760.150	752.238
Interest on Deposits	-	1.855	136.302	91.869	33.259	28.702

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4. Information on forward and option agreements and other similar agreements made with the Group's risk group:

Group's risk group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007	Current Period 31 December 2008	Prior Period 31 December 2007
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	151.126	224.377	-	-
Balance at the End of the Period	-	-	810.079	151.126	-	-
Total Income/Loss	-	-	(16.037)	(843)	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	410.886	-	-	-
Total Income/Loss(*)	-	-	(14.509)	-	-	-

(\*) The amount represents fair value differences of hedging derivative financial instruments whose effective parts are accounted under shareholders' equity.

Figures presented in the table above show the sum of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Group. As of 31 December 2008, the net exposure for direct and indirect shareholders of the Group is (-)TL3.893 (31 December 2007: (-)TL131).

5. Information regarding benefits provided to the Parent Bank's key management:

As of 31 December 2008, benefits provided to the Parent Bank's key management amount to TL13.100 (31 December 2007: TL10.438).



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**VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK**

1. Information on domestic and foreign branches and representative offices of the Bank:

	Number	Number of Employees			
Domestic Branch	867	15.117			
			<b>Country of Incorporation</b>		
Foreign Representation Office	-	-	-		
				<b>Total Assets</b>	<b>Statutory Share Capital</b>
Foreign Branch	-	-	-	-	-
Off-shore Banking Region Branches	1	10	Malta	19.119.764	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure: In 2008, the Bank has opened 157 domestic branches and closed up 5 domestic branches.

**IX. INFORMATION AND NOTES RELATED TO SUBSEQUENT EVENTS**

At the meeting of the Board of Directors on 27 January 2009, the Ordinary General Assembly Meeting of the Bank has been decided to be held on 27 March 2009 at 14:30, Sabancı Center, 4. Levent/İstanbul Headquarters.

**SECTION SIX  
OTHER EXPLANATIONS**

**I. OTHER EXPLANATIONS**

None.

**SECTION SEVEN  
EXPLANATIONS ON INDEPENDENT AUDIT REPORT**

**I. EXPLANATIONS ON INDEPENDENT AUDIT REPORT**

The consolidated financial statements for the period ended 31 December 2008 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers). The auditor's report dated 13 February 2009 is presented prior to the consolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS**

None.





Napoleon's Nose, Transformed into a Pregnant Woman, Strolling His Shadow with Melancholia amongst Original Ruins (1945), oil on canvas



Geological Echo. La Pietà (1982), oil on canvas





Figures Lying on the Sand (1926), oil on canvas



Interatomic Balance of a Feather (1947), oil on canvas





The Grape Pickers: Bacchus's Chariot (1953), watercolor on cardboard



Study for the Backdrop of "Mad Tristan" (Act II) (1944), oil on canvas











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