

## Financial Services

### AKBANK

As of the end of 2007, Akbank was Turkey's most valuable bank having the most profitable banking operations among privately owned banks in Turkey. In addition, with its extensive branch network, Akbank is one of the largest banks in Turkey in terms of loan volume.

As well as its core banking activities, Akbank offers a wide array of retail, commercial, corporate, private banking and international trade finance services. Non-banking financial services together with capital market and investment services are provided by the Bank's subsidiaries. With state-of-the-art IT systems and staff of experienced bankers, Akbank focuses on providing top quality services to a wide range of retail and corporate customers.

Akbank operates out of its Istanbul head office and 20 regional directorates throughout Turkey, underpinned by a strong and extensive domestic distribution network of 715 branches and a workforce of 13,513 employees. As well as its traditional delivery channels such as its branches -including "Credit Express" consumer loan only branches and "Big Red House" mortgage loan only branches- Akbank also provides services through its Retail and Corporate Internet Branches, the Telephone Banking Center, a total of 1,855 ATM and 835 BTM machines and 253,274 POS terminals as well as brand new high-tech channels such as mobile telephones and web-based platforms. Free Banking Areas have also been set up inside branches where customers have access to both Internet and telephone banking services.

Akbank's overseas operations are performed by Akbank NV in the Netherlands and Akbank AG in Germany as well as a branch in Malta.

Akbank and Citigroup successfully sealed a strategic partnership agreement on January 9, 2007, whereby Citigroup acquired a 20% equity stake in Akbank for approximately US\$ 3.1 billion (YTL 0.095 per share). This partnership with Citigroup has contributed extensively to the development of new commercial banking activities, the improvement of available products and the development of new products.

2007 was a year in which Akbank successfully became Turkey's most valuable, stable and innovative bank. It developed new products and delivery channels which addressed customers' needs such as SMS Credit that allows customers to apply for consumer loans by simply sending their national ID number through an SMS message; Credit Express branches, which only sell consumer loans; the Credit Machine, offering clients the opportunity to obtain loans without going to the bank; and the new credit card, Wings, the first of its kind in the sector with a generous air-miles program.

At the end of 2007, Akbank's net profit reached YTL 2 billion (approximately US\$ 1.76 billion) commanding a massive asset size of YTL 72.1 billion (approximately US\$ 62.2 billion). Buttressed by relatively high equity levels, a strong deposit franchise, low-cost funding opportunities and strong growth in its asset size, Akbank now boasts the most profitable banking operations among Turkey's privately owned banks. In 2007, Akbank's loan portfolio reached YTL 40 billion, expanding by 32% with a market share growing from 13% to 13.4%.



Consumer loans registered a growth of 43% in 2007 to reach YTL 8.8 billion, with the bank's market share reaching 13.2% in this segment. General purpose loans recorded a massive 83% increase to reach YTL 3.4 billion, where Akbank's market share improved from 10.4% in 2006 to 11.6% in 2007.

Deposits grew by 21.3% in 2007 to reach YTL 43.6 billion and the market share increased from 11% to 11.6%.

Akbank continued to raise funds from foreign markets at favorable terms in 2007, with the total of such resources rising to US\$ 7,889 million.

25% of Akbank's shares are traded on the Istanbul Stock Exchange. The bank's Level 1 ADRs are traded on the IOB in London and the OTC in the United States. Akbank's market capitalization stood at US\$ 22.5 billion on December 31, 2007, identifying it as the most valuable bank on the Istanbul Stock Exchange. Akbank commanded this position at the end of 2007, boasting the most profitable banking operations among all privately owned banks in Turkey. In addition, Akbank ranks as one of the largest banks in the country in terms of loan volume, supported by an extensive branch network.

## AKS:GORTA

Established in 1960, Aksigorta ranks as one of Turkey's leading non-life insurance companies in terms of premium generation, shareholders' equity and financial strength.

Based in Istanbul, Aksigorta offers its clients fire, marine, motor third party liability, accident, personal accident, credit, legal protection, engineering, agriculture and health insurance coverage. It operates from ten regional offices, four of which are located in Istanbul with one each in Izmir, Adana, Ankara, Trabzon, Bursa and Antalya (for the Mediterranean region). Aksigorta also works out of three additional representative offices throughout Turkey.

In the interests of providing a better quality service to its corporate and individual customers, the Company's insurance products are marketed and distributed through a wide network made up of 1,402 agents, 33 brokers and 698 Akbank branches. These channels are supported by the "Aksigorta Service Center" and website, which provides various services ranging from claims follow-up to other insurance services on a 24/7 basis.

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In line with Aksigorta's customer-centric service philosophy, the "Aksigorta Service Center" continues to provide uninterrupted services, starting from the first step of an offer, through to focusing on every detailed processes of claim management. In addition, Aksigorta strives to simplify the claims process for its customers, to inform them in a timely manner and to call the customers (Happy Calls) in a bid to improve their satisfaction.

Aksigorta, with its customer-focused service philosophy, has increased its service quality and customer satisfaction, continuing to offer services for auto, household, business and health products. Aksigorta offers the highest quality service in the shortest time span starting as soon as it receives claim notification through its contracted auto repair services and contracted health associations. These assistance services play an integral part in the insurance business for Aksigorta and insurers.

In order to provide excellent service to insurers, Aksigorta has transferred claims process management to an electronic environment as part of its Operational Efficiency Project. Claims process management in an electronic environment, starting with claim notification, assures swift investigation of the claim, approval and finally payment of the claim.

Aksigorta had operated in both life and non-life insurance segments until the beginning of 1996, when the Company transferred its life insurance operations to the Sabanc Group's life insurance subsidiary, Akhayat. Within this new structure; Akhayat was converted into a pension fund company and renamed Ak Emeklilik A.i. In 2007, Ak Emeklilik and Aviva completed a successful merger and a new company, Avivasa, was formed. Aksigorta holds a 49.7% stake in this company.

Aksigorta modeled ISO 9001: 1994 Standards and established its Quality Control System, which was certified in 1998. This certificate was renewed in 2001 in accordance with the ISO 900: 2000 Standard; in 2007, Aksigorta extended the validity of the certificate until 2010.

Aksigorta continues to deliver on its commitment to social responsibility. Within the framework of the "Investing in the Future Project", initiated in 1995, the Fire and Earthquake Simulation Center, YADEM, started operations the following year. Aksigorta was named the "Most Trustworthy Insurance Company in Terms of Quality" and was awarded the Consumer 2007 Quality Prize in the annual competition held by the Tketici Dergisi (a free advertisement magazine). Furthermore, according to a survey carried out by A.C. Nielsen in 2007, Aksigorta was named the best known non-life insurance company in Turkey.

Aksigorta shares are listed on the Istanbul Stock Exchange with a free float of 38%.



## AVIVASA

Avivasa, Turkey's leading individual pensions fund and life insurance company, was founded on October 31, 2007 through the merger of Ak Emeklilik A.fi. and Aviva Hayat Emeklilik A.fi. in a 50/50 joint venture between Sabancı Group and the UK-based insurance giant Aviva.

With YTL 35,779,197 of paid in Capital, Avivasa employs a workforce of more than 2,300, of which 1,950 are sales staff.

Avivasa, with a range of distribution channels such as Bank Direct Sales, Direct Sales, Bank Sales, Agencies and Institutional Projects and Telemarketing, has 900,000 customer portfolios within individual pension fund and life insurance businesses.

Bank Direct Sales is a channel which ensures to introduce the individual pension and life insurance products to Akbank customers. While the Direct Sales Channel renders service through financial consultants to the various socio-economic customers, who are not attained by Bank Direct Sales, the Bank Sales Channel brings in not only individual pension funds but also other bank products to the Akbank clients through Branch Customer Representatives.

Moreover, Agencies and Institutional Projects Channel expands the current operation, while the Telemarketing Channel which has recently been constituted, plan on heading for divergent customer layers with more straightforward products.

Avivasa's funds are managed by a Sabancı Group company, Ak Asset Management, one of the largest companies in the portfolio management sector.

As of December 28, 2007, Avivasa being the leader in its sector with a 24.70% market share, managed a total of YTL 1.1 billion in pension funds, according to the data gathered by the Pension Monitoring Center.

With statistics gathered by the Turkish Association of Insurance and Reinsurance Companies, as of the 3<sup>rd</sup> quarter of 2007, Avivasa's total life insurance premium was ranked third in the sector with a production amounting to YTL 116.9 million, which indicates a market share of 11.09%.

Working toward its mission of providing the most comprehensive portfolio of services to its customers, Ak Securities has become one of Turkey's leading brokerage houses, with 205,453 investor accounts at the end of 2007 and a staff of 165.

## AK LEASE

Ak Lease, one of the first leasing companies to be established in Turkey, has since expanded to become a leading player in the sector with an equity of YTL 164 million and YTL 728 million in total assets.

The Company had previously served large-scale companies. However, after Akbank's full takeover of Ak Lease in 2005, it focused more on small and medium-size enterprises, offering clients leasing services through nine recently established regional representative offices and Akbank's widespread nationwide branch network.

Since 2005, Ak Lease entered a period of rapid growth and attained a total YTL 693 million of net lease receivables in 2007, five times higher than YTL 170 million in 2004.

Ak Lease's rank in transaction volume grew up from 12th in 2004 to 6th in 2007. Ak Lease aims to increase its strength in the market, in 2008.

## AK SECURITIES

Ak Securities has achieved rapid and sustained growth since its establishment as an investment brokerage company in 1996. Working toward its mission of providing the most comprehensive portfolio of services to its customers, Ak Securities has become one of Turkey's leading brokerage houses, with 205,453 investor accounts at the end of 2007 and a staff of 165. In 2007, Ak Securities ranked fourth among brokerage houses in Turkey, realizing a 4.61% share of transactions on the Istanbul Stock Exchange (ISE).

As well as basic equity, bond trading and repo transactions, Ak Securities also provides portfolio management and investment advisory services and Amex mutual funds trading. The Institutional Sales Department caters to international corporate clients seeking to invest in the Turkish capital markets with a full range of trading services. The Research Department's periodicals, along with event-specific publications in Turkish and English play a key role in investment decisions to both domestic and foreign clients.

The Corporate Finance Department offers consultancy services to local and foreign companies regarding public offerings, mergers and acquisitions and provides buyer and seller consultations for privatization projects.

Backed by a wide investor network, Ak Securities offers these services from its Istanbul head office as well as 13 special Ak Securities Branches, five in Istanbul and a branch office in Ankara, Izmir, Adana, Gaziantep, Antalya, Bursa, Denizli and Kayseri as well as 698 Akbank branches, which also serve as Ak Securities agencies.

In addition, these services are available to customers on a 24/7 basis through the Internet. Ak Securities endeavors to provide the best service to its customers through investment in its human capital through an emphasis on information technology, as in previous years. Ak Securities' clients may execute stock transactions using Blackberry technology while simultaneously following global market indices. Ak Securities' new SMS service enables clients to perform a host of transactions such as displaying their portfolios, following and displaying their orders and reaching information through their mobile telephones.

Ak Securities' website ([www.akyatirim.com](http://www.akyatirim.com)) reaches a wide base of investors by publishing daily and weekly reports, industry and company reports and quarterly reports as well as macro notes and daily technical analysis comments.



## AK ASSET MANAGEMENT

Ak Asset Management was established in June 2000 as a wholly owned subsidiary of Akbank, with YTL 1 million of paid in capital.

Ak Asset Management manages a total of 39 funds from four different promoters, including 17 mutual funds from Akbank, one from Ak Securities and 19 pension funds from Avivasa Pension Company and the Ak Investment Trust. Ak Asset Management, additionally manages individual portfolios for high net-worth individuals and institutions, tailored according to their financial expectations and risk profiles.

Ak Asset Management is Turkey's fourth largest mutual fund management company in terms of annual average volume of assets under its management (AUM). The company's AUM totaled US\$ 2.9 billion by the end of 2007.

Ak Asset Management is Turkey's largest pension fund management company in AUM terms, with assets under its management reaching US\$ 1 billion by the end of 2007.

Ak Asset Management commanded a 12.9% market share in the Turkish mutual fund market, at the end of 2007. The Company is ranked first in the pension fund market with a market share of 24.7%. Meanwhile, Ak Asset Management's market share in the individual and institutional portfolio management business line had also reached 5% by the end of the year.

With an emphasis on the importance of risk management in meeting client expectations, Ak Asset Management practices a clearly defined and well-disciplined investment strategy. The Company's general approach in asset management is to achieve above benchmark returns for each mandate on a risk adjusted basis, considering the liquidity and diversification limitations of its clients.

Ak Asset Management strives to be a pioneer in the Turkish asset management industry, leading in terms of performance creation and product innovation.

## AK INVESTMENT FUND

The Ak Investment Fund ranks as the third largest fund in terms of assets among the 30 active investment funds in Turkey. This fund commanded a 7.73% market share in terms of investment portfolio size at the end of 2007 and yielded an 18.82% rate of return in 2007. Its stock traded at an average discount rate of 42.45%.

The Fund's strategy is to diversify its investment portfolio in such a manner as to minimize risk and maximize return. The fund has a focus on domestic markets and seeks for long-term capital appreciation through equity investment.