

Annual Report 2007

ANADOLUBANK NEDERLAND N.V.

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Profile

Anadolubank Nederland N.V. was established in 2006 and was granted a full banking license by De Nederlandsche Bank (Dutch Central Bank) early August 2007. AnadoluBank Nederland N.V. has issued a share capital of EUR 15,000,000 and is 100% owned by the Turkish AnadoluBank A.Ş. AnadoluBank A.Ş. belongs to the Habas Group which is one of the biggest industrial conglomerates of Turkey, operating in industrial and medical gases production, LPG and natural gas distribution, electricity generation, iron and steel manufacturing and industrial facilities construction.

Anadolubank A.Ş. is a commercial bank with 77 branches. Its branch network is still expanding. The bank is comparatively young in the industry, but already has reached a leading position in the sector, thanks to the strength of its shareholders, well-chosen experienced management team and most diligent employees. The bank provides small to medium-sized companies with short-term working capital and trade finance facilities.

Anadolubank Nederland N.V.'s main focus is on doing business with companies active in import and export between Turkey and member states of the European Union. Being present in the Netherlands, AnadoluBank will also focus on the Dutch market, amongst others offering deposits and savings accounts to retail customers.

Anadolubank Nederland N.V. will comply with the international best practices regarding corporate governance.

The Board of Supervisory Directors consists of four members: Mr. Mehmet R. Basaran, Mr. Pulat Akçin, Mr. Engin Turker and Mr. Bram W. Le Coultre. All four members are responsible for the performance of the Board as a whole, where Mr. Pulat Akçin is responsible for risk management, and Mr. Bram W. Le Coultre is responsible for audit.

The Management Board consists of Mr. M.A. Dabak and Mr. D. van Leeuwen, both General Manager of the bank.

Anadolubank Nederland N.V. being a Dutch bank with a Dutch banking license, and belonging to one of the biggest conglomerates of Turkey is in a unique position to offer attractive tariffs to our customers and to fulfill their needs.

Report of the Board of Supervisory Directors

The Board of Supervisory Directors herewith presents the Annual Report for 2007. The Annual Report includes the Annual Accounts and the auditor's opinion thereto of our external auditor.

The Annual Report has been discussed with the Board of Management and by the Audit Committee.

The annual result for 2007 is EUR 553,098 negative.

We propose to the General Meeting of Shareholders to approve the Annual Accounts 2007, to add the loss for 2007 to the accumulated results and to discharge the Board of Supervisory Directors and the Board of Management.

Amsterdam, 26 February 2008

M.R. Basaran, chairman
P. Akçin, vice chairman
E. Turker
B.W. Le Coultre

Report of the Management Board

Anadolubank Nederland N.V.

The year 2007 is and will remain historical for our bank. In 2007 we obtained a full banking license from De Nederlandsche Bank (the Dutch central bank, DNB). Under this license we can perform all bank activities. The bank falls under the supervision of DNB, a central bank with a high reputation.

In 2007 we made all preparations to establish the bank. In August we signed a contract to rent a new office at the south axis of Amsterdam at De Boelelaan, where we moved in late November. Since early 2008 the bank is operational.

Economic situation

World

The world economic situation during 2007 saw several turmoils. The crisis on subprime mortgages in the United States of America was the beginning of a much deeper crisis, of which the total effects are still unknown. Oil prices exceed USD 100 per gallon, the FED in America decreased the official interest rates to avoid a recession and gold prices are reaching new records.

Euro zone and the Netherlands

Contrary to the economic situation in America, in the Euro area the economic growth is on schedule. Due to increased prices of commodities, amongst others oil, and the strong economic growth, the inflation level is currently above 3%. As the European Central Bank (ECB) strives to an inflation rate close to, but not higher than 2% on the mid-term, the current level of 3% is above the target of the ECB. As some parties consider the current inflation levels of a temporary nature, an increase of the official interest rates in the EURO area is still questionable.

In the Netherlands the economy is growing. With an inflation of 1.9%, the level is below the Euro zone average. Also unemployment is below the EU-average. At this moment it cannot be predicted how far the Dutch economy will be affected by the current credit crisis.

Turkey

Economic developments in Turkey are moving the right way with an annual growth of 4.14% GDP, reaching total GDP of USD 456 billion (September 2006 - September 2007). Total export reached a value of USD 106 billion against total import value of USD 166 billion (both November 2006 - November 2007). The Turkish Central Bank recently decreased the interest to 15.25%. Taking into account the market interest of bonds and an inflation of currently 8.39%, the real interest rate in Turkey is at a level of 9.3%, very interesting for international investors. The economic situation of Turkey makes it an attractive market. Total foreign direct investments in 2007 amounted to USD 19.7 billion. More than 70% of the equities of listed companies are held by foreign investors. Dutch companies made many investments in Turkey making the

ANADOLUBANK NEDERLAND N.V.

Netherlands the biggest foreign investor for 2007. The high real interest levels however caused an overvaluation of the New Turkish Lira compared with the major currencies.

Anadolubank Nederland N.V. will focus amongst others on financing the import and export from Turkey.

Financial position and results

Originally with a statutory and issued capital of EUR 500,000, the shareholder of the bank decided after the bank license had been granted to increase the statutory and issued share capital to EUR 15,000,000.

The asset total at the end of 2007 amounts to EUR 15 million, mainly consisting of investments in our new office of EUR 0.5 million and balances with banks amounting to EUR 14.4 million. At the liability side the share capital minus accumulated result at the end of 2007 amounts to EUR 14.4 million. Banks amounted to EUR 0.3 million and other liabilities to EUR 0.3 million.

In 2007 the main expenses were made to establish the bank. Total expenses reached EUR 0.8 million over 2007. On interest we received EUR 0.2 million. The result over 2007 was EUR 0.6 million negative.

Corporate governance, Board of Supervisory Directors and Management Board

The bank will comply with the best international practices on corporate governance. The Board of Supervisory Directors and the Board of Management are both appointed by the Shareholder of the bank.

The Board of Supervisory Directors consists of three members who also have a position in the Board of our shareholder, while one member is from outside the shareholder. Within the Board of Supervisory Directors, the vice chairman is especially assigned with risk management and one of the members with audit. Within the bank we have several committees to control the risks. Next to the bank risk committee and the audit committee, we have a management committee, credit committee, asset & liability committee and an IT committee.

Staff

Staff plays a key role in the development of Anadolubank Nederland N.V. The bank is now employing 12 staff, expecting to reach more than 20 at the end of 2008. In three years time we are planning to have 30 staff. We consider ourselves favored to have a team of professional people who are very motivated and show their strong commitment to build up this bank.

Prospects for 2008

The operations of the bank started early 2008. At the time of writing this report we already have more than 35 counterparts, reaching an asset total of EUR 52 million. We expect to reach an asset total of EUR 120 million by the end of 2008.

We expect to reach a break-even result for the first time over the month October of this year, resulting in a loss over the whole financial year. Starting 2009 we expect to be profitable each month, resulting in a positive result over the whole financial year.

Amsterdam, 26 February 2008

Management Board

M.A. Dabak, General Manager

D. van Leeuwen RA, General Manager

ANADOLUBANK NEDERLAND N.V.

Balance sheet

(before appropriation of results)

Assets

	31 December 2007		31 December 2006	
	€	€	€	€
Banks		14,374,476		501,657
Property and equipment		492,066		0
Prepayment and accrued income		25,387		2,241
Other assets		47,837		4,000
Total assets		14,939,766		507,898

Liabilities

Banks		274,172		64,629
Other liabilities		141,104		1,131
Accruals and deferred income		140,443		4,993
		<u>555,719</u>		<u>70,753</u>
Paid-in capital	15,000,000		500,000	
Accumulated results	(62,855)		0	
Result financial year	(553,098)		(62,855)	
		<u>14,384,047</u>		<u>437,145</u>
Total liabilities and equity		14,939,766		507,898

ANADOLUBANK NEDERLAND N.V.

Profit and loss account

	2007		2006	
	€	€	€	€
Income				
Interest income	217,180		1,054	
Interest expense	0		0	
Total income		217,180		1,054
Operating expenses				
Staff costs	453,408		433	
Other administrative expenses	308,523		63,476	
Depreciation	8,347		0	
Total operating expenses		770,278		63,909
Operating result before taxation		(553,098)		(62,855)
Taxation		0		0
Result after tax		(553,098)		(62,855)

ANADOLUBANK NEDERLAND N.V.

Cash flow statement

	2007		2006	
	€	€	€	€
Net cash flow from operating activities				
Result after tax	(553,098)		(62,855)	
Adjusted for depreciation	8,347		0	
		(544,751)		(62,855)
Banks - assets	(14,354,493)		0	
Prepayment and accrued income	(23,146)		(2,241)	
Other assets	(43,837)		(4,000)	
Banks - liabilities	209,543		64,629	
Other liabilities	139,973		1,131	
Accruals and deferred income	135,450		4,993	
		(14,481,261)		1,657
Net cash flow from investing activities				
Investment in property and equipment		(500,413)		0
Net cash flow from financing activities				
Issue of shares		14,500,000		500,000
Net cash flow		(481,674)		501,657
Cash balance 1 January		501,657		0
Cash balance 31 December		19,983		501,657
		(481,674)		501,657

Cash represents the balance of the current accounts with banks.

Statement of movement in equity

	Paid-in capital	Accum. result	Result financial year	Total
	€	€	€	€
Issue of shares in 2006	500,000	0	0	500,000
Result for 2006	0	0	(62,855)	(62,855)
31 December 2006	500,000	0	(62,855)	(437,145)
Appropriation of the 2006 result	0	(62,855)	62,855	0
Issue of shares in 2007	14,500,000	0	0	14,500,000
Result for 2007	0	0	(553,098)	(553,098)
31 December 2007	15,000,000	(62,855)	(553,098)	(14,384,047)

Notes

General

Activities

The main activity of Anadolubank Nederland N.V. is exercising the business of a credit institution. The bank has been founded on 5 April 2006 and the statutory business location is Amsterdam.

Banking permit

The Dutch central bank granted a license to the bank as per 2 August 2007.

Personnel

During the financial year on average the bank employed 3 persons (2006: 0).

Group structure

The bank is a wholly owned subsidiary of Anadolubank A.S., which is incorporated in Turkey.

Accounting principles

General

The Bank's financial statements are prepared in accordance with Book 2 of the Dutch Civil Code and the Guidelines of the Dutch Accounting Standards Board.

Tangible fixed assets

The tangible fixed assets are valued at purchase price minus the accumulated depreciations based on the expected economical lifetime. When applicable, residual value will be taken into account.

The yearly depreciation percentages are:

Office decoration	20%
Automation	20%
Office furniture	20%

Receivables

Receivables are valued at amortised cost, less impairment if any.

Taxes

Taxes are taken into account according to the effective tax rate. Deferred tax assets are accounted for if and when collection will be more likely than not.

Notes to the balance sheet*Banks – assets*

	2007	2006
	€	€
Payable on demand	19,983	501,657
Remaining term < 1 month, at 3.8% interest	14,300,000	0
Remaining term 1 – 5 years	54,493	0
Total	14,374,476	501,657

Property and equipment

	Office decoration	Auto- mation	Office furniture	Total
	€	€	€	€
Investments during 2007	304,567	156,556	39,290	500,413
Depreciation during 2007	(5,343)	(2,666)	(338)	(8,347)
Balance as at 31 December 2007	299,224	153,890	38,952	492,066

Banks - liabilities

This item comprises of a liability to the parent company Anadolubank A.Ş. in Turkey.

Shareholder's equity

The authorised share capital as per 31 December 2007 amounts to € 15,000,000, divided in shares of € 1,000.

The bank amply complies with the solvency requirements of the Dutch central bank.

Long-term commitments

The bank has entered into a long-term financial obligation with a duration of 5 years for the rental of an office (€ 217,974 a year).

Notes to the profit and loss account*Staff costs*

	2007	2006
	€	€
Salary costs	396,373	0
Social charges	28,320	0
Pension expenses	28,715	0
Total	453,408	0

Remuneration of the Board of Supervisory Directors and the Management Board

The remuneration relates to the 11 month period 1 February 2007 – 31 December 2007.

	2007	2006
	€	€
Board of Supervisory Directors	37,879	0
Management Board	253,415	0

Other information

Provisions of the articles of association concerning the appropriation of the result

Profits are at the disposition of the General Meeting of Shareholders. Distribution of profit will only take place if the shareholder's equity of the company exceeds the issued share capital, plus the reserves which have to be kept pursuant to the law.

Proposed appropriation of result

Addition accumulated results	€ (553,098)
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Management Board

Amsterdam, 26 February 2008

M.A. Dabak

D. van Leeuwen

To: the Board of Supervisory Directors and the Management Board of Anadolubank Nederland N.V.

AUDITOR'S REPORT

Report on the annual accounts

We have audited the annual accounts 2007 of Anadolubank Nederland N.V., Amsterdam, which comprise the balance sheet as at 31 December 2007, the profit and loss account, the cash flow statement, the statement of movement in equity for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the annual accounts and for the preparation of the report of the Management Board, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Anadolubank Nederland N.V. as at 31 December 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the report of the Management Board is consistent with the annual accounts as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 26 February 2008

for Ernst & Young Accountants

signed by
J.W. Moison

Officers

Board of Supervisory Directors

Mehmet R. Basaran	Chairman
Pulat Akçin	Vice Chairman
Engin Turker	Member
Bram W. Le Coultre	Member

Management Board

M. Adnan Dabak	General Manager
Dirk van Leeuwen RA	General Manager

Marketing Group

Sarp Akkartal	Assistant General Manager (from March 2008)
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Operations Group

Fusun Yaksi	Senior Vice President
Oguz R. Kavafoglu	Manager (from February 2008)

IT – Organization & Financial Control Group

Adnan Buyukbilgin	Senior Vice President
Derrel Tjon-A-Tsien	Manager