

2008



Activity Report

OYAK EMEKLİLİK

2008 Activity Report

Mission and Vision

OUR MISSION

Setting the standard in helping our customers manage their financial future

OUR VISION

Being a company that is aware of its social responsibilities to the community at large,

Preferred by its employees and provides incentives, and

One that fulfils its promises to its participants.

OUR PRINCIPLES

We are committed to our integrity.

We aim for an above average return.

We are open and clear.

We promote sustainable development and respect human rights.

We respect each other and public.

We are involved in the communities we operate in.

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Chapter One

The Historical Development of OYAK Emeklilik (ING Emeklilik) and Partnership Structure

The Historical Development of OYAK Emeklilik (ING Emeklilik)

OYAK Emeklilik A.Ş, the first and only company to have been established for the express purpose of exclusively carrying out pension activities upon securing an establishment license on January 17, 2003, was established on January 23, 2003; was granted an activity license on July 07, 2003, and started activities as of October 27, 2003.

ING and OYAK Group had reached an agreement on June 19, 2007, for the sale of hundred per cent shares of OYAK Emeklilik to ING; and upon the transaction being approved by the Undersecretariat of Treasury General Directorate of Insurance on November 25, 2008, the acquisition has been closed on December 4, 2008, and OYAK Emeklilik was fully integrated into ING. As of January 27, 2009, it has been carrying out activities under the name of ING Emeklilik A.Ş.

ING is among the leading international financial institutions offering banking, asset management, life insurance and retirement services and a wide array of products to private and corporate clients. With 85 million clients and 130,000 employees in over 50 countries in Asia, the United States, Europe and Australia, the Dutch origin group ranked 81st in Interbrand top-100, in 2007. Following the conclusion of the acquisition, ING has started offering its services in Turkey, which is a fast growing economy with the dynamism brought about by the European accession preparations and the demographical features represented by the young population; and thus laid the foundations to offer integrated solutions in the financial services market.

Partnership Structure

All the shares of the company belong to ING after the acquisition.

The share transfers of the company took place on December 4, 2008 and the new shareholder distribution following the transfer is given below:

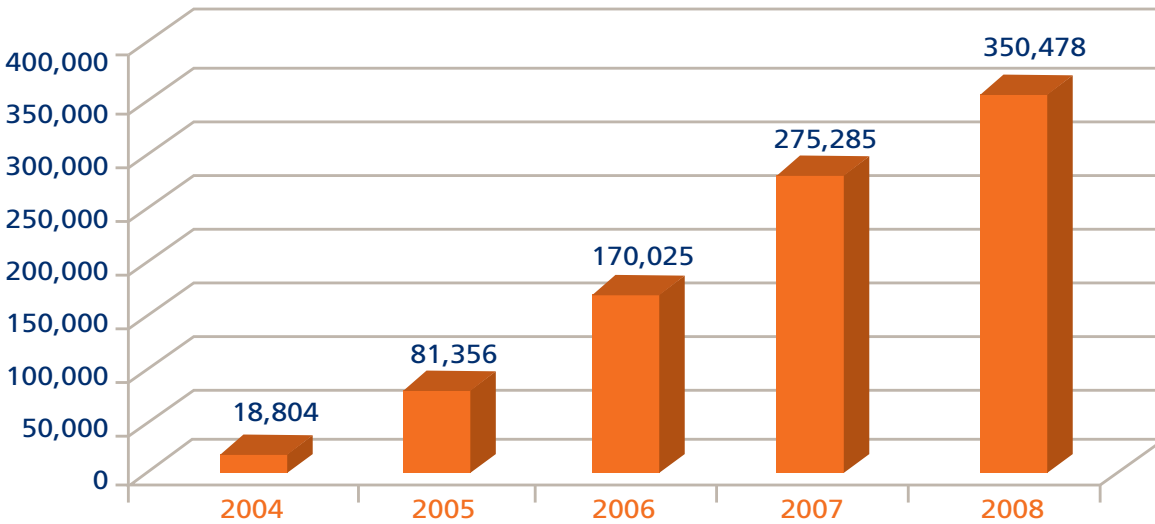
Shareholders	Number Of Shares	Total (TRY)	Ratio (%)
ING CONTINENTAL EUROPE HOLDINGS B.V.	44,999,996	44,999,996	100
OTHER	4	4	<1
TOTAL	45,000,000	45,000,000	100

Chapter One

Financial Indicators

	2007 (in thousand TRY)	2008 (in thousand TRY)
Assets Under Management	275,285	350,478
Paid In Capital	46,160	46,160
Shareholders' Equity	26,831	29,808
Total Assets	312,723	395,118
Technical Income	18,996	21,921
Technical Profit / (Loss)	-368	-1,764
Non Technical Profit / (Loss)	2,485	2,609
Profit / (Loss) Before Tax	2,117	845

AuM (in thousand TRY)



Chapter One

Message from the Chairwoman



Violeta CIUREL
Chairwoman

ING being one of the leading financial service providers worldwide offers services in banking, investments, life insurance and retirement services. Serving a total of 85 million clients in Europe, the United States of America, Canada, Latin America, Asia and Australia, ING has decided to be present as well in the Turkish market, with its fast growing economy, the dynamism brought about by the integration activities with Europe, and the demographical characteristics represented by the young population. Having acquired OYAK Bank in 2007 which was subsequently rebranded as ING Bank, ING acquired OYAK Emeklilik on December 4, 2008, and thus entered the private pension market. Through these acquisitions, ING has laid the foundations to offer integrated solutions in the Turkish financial services market.

OYAK Emeklilik (ING Emeklilik) has become the “first profiting company” in the private pension industry, as a company with a focus on efficiency, cost oriented approach and profitability. This is a real success story, and has set an exemplary model throughout the industry.

Whilst OYAK Emeklilik (ING Emeklilik) considers insurance agencies as the “sine qua non” of the private pension industry, the company has carried out dedicated activities with ING Bank, and thus ensured the integration of the distribution channels with major success.

It is obvious that throughout 2009, we shall be face-to-face with the phenomenon which started out as a financial crisis and converted into an economic crisis. It is a fact that during these times, efficiency and cost oriented approach have become the most important factors to keep economies and establishments alive. ING has completed its long term planning against the economic crisis, and displays a firm standing with its strong capital structure. OYAK Emeklilik (ING Emeklilik) proceeds accordingly, and is maintaining its skills of the previous terms, in terms of generating cash surplus, and is monitoring and making use of the potential opportunities, which will be generated through its liquid position, on behalf of its clients and ING, its shareholder.

All these reasons fortify our belief that OYAK Emeklilik (ING Emeklilik) will remain to be a market leading company in the private pension industry both today and in the future. I would like to extend my thanks to the CEO, and all the employees of OYAK Emeklilik (ING Emeklilik), who have confirmed this belief by creating value.

Yours faithfully,
Violeta CIUREL

Chapter One

Message from the CEO



Gökhan DERELİ
CEO

We have left a year best described as a year of turmoil behind us. While some, and even more so, most people out there describe 2008 as a "Lost Year". This may just as well be correct from a certain point of view. I, on the other hand, exercise caution while approaching such a view. This is because, as far as I am concerned the question should be, "A lost year, according to whom, and for whom?", or, "Were the previous years profitable?" There could of course be a number of answers for these questions.

2008 could be regarded as a year of profit despite all that has happened. Such a profit may in fact be entered in the plus side simply due to the fact that this is the year when the notion of out of control liberalist economy policies have gone bankrupt has been fully grasped. The "laissez affaire – laissez passer" concept that has emerged on the heels of the collapse of the bipolar world and has been the shining star of the past two decades, is no longer. Even the realization of this very notion renders 2008 a year that is well in the black, rather than loss.

There is no need to worry. An economical balance, albeit in lower levers yet more realistic in nature shall be established relatively soon. It is only natural that with this era, an era where the economy is based on fictitious values and the majority is vying for bits and pieces of this surreal structure, is coming to an end certain challenges shall be faced. At this point, a cursory look at the dynamics of the market we are operating in would reveal that it would not be difficult to realize that the very thought of solving the pension financing issue exclusively through economical regulations and stimulus packages would just be naive. Financing of retirement is the very subject of social policies at the same time. It is for all these reasons that the retirement industry has managed to weather the crisis so far with almost no negative impacts to speak of. This is due to the fact that individual retirement practices in Turkey have been tightly regulated since their inception and regarded as a social vehicle as well as an economic tool. This is why the law makers and the government bureaucracy enacting this legislation, as well as the shareholders and the employees diligently investing to comply with the law deserve all the praise.

Our expectation is such that the government does not limit its contributions to this sector to just the authorities we report to, and instead other authorities of economy, under the leadership of the Ministry of Finance, to exert more of an effort to provide incentives to our industry. This is because this industry shall more than pay back in return.

The individual retirement sector is certainly on its way to achieve its goals with its 1,750,000 participants and 6.4 billion TRY in fund size. It is my opinion that 2008, a very successful year for the sector shall continue to be so for 2009, as well.

OYAK Emeklilik (ING Emeklilik) has closed 2008 with a market share loss, albeit minimal. However, despite what has happened, the company has managed to close a year with an actual profit for the second time in its five year operation history so far. This market share decline, brought on by a momentary loss of concentration in the course of the acquisition of the company by ING from OYAK shall be more than compensated for in 2009.

OYAK Emeklilik (ING Emeklilik) shall continue to be a top contender under the management of ING, one of the largest and most prestigious groups in the world, through utilizing the experience and guidance of ING to the fullest.

I would like to take this opportunity to congratulate all of my colleagues, the devoted regional and branch managers of ING Bank, and its employees, as well as our much esteemed agencies who have diligently brought the success we have enjoyed in 2008 in our company.

Yours faithfully,
Gökhan DERELİ

Chapter One

A Look at the World Economy and Turkish Economy in 2008

The World and the Turkish Economy in 2008

The year 2008 is defined by the global financial crisis covering all the world economies. With the bankruptcy of the Lehman Brothers, one of the biggest investments banks in the United States, in the third quarter of 2008, the crisis worsened, and the impacts started to be felt significantly in the real industry during the last quarter. In terms of impact, many market specialists and economists worldwide compare the global crisis with that of 1929, and looking at the major macro and market indicators in the world and Turkish economies, it can be seen that there is a significant adverse impact.

The World Economy

The world economy, which grew by 5.2% in 2007 is expected to grow by 3.4% in 2008 due to the impact of the financial crisis. As for the estimates for the year 2009, the growth rate is estimated to be around 0.5% due to the shrinkage of demand particularly in the developed countries.

In line with the declining growth rates in 2008, and together with the decline in the prices of particularly the commodities and food, the global inflation rates also demonstrated a decreasing trend towards the end of the year. The global inflation, which was 4.9% in 2008, is expected to be 1.6% in 2009.

In line with the declining growth and inflation rates in 2008, all central banks worldwide decreased the indicator interest rates significantly, and particularly through this method, they intended to make positive contributions for boosting the domestic and foreign demand. In the year 2008, FED made a total discount of 400 base points, decreasing the indicator interest to the range of 0 to 0.25%, and the ECB, to 2.5% with a discount of a total of 150 base points. In 2009, while it is estimated that the central banks which have the capability to reduce interests will continue reductions, this policy is expected to have a positive contribution to economic growth in the mid term.

Turkish Economy

During the last 4 years covering the years between 2004 and 2007, the Turkish economy displayed a growth trend of approximately 7.3% per year on average, thus, above the potential growth rate of 5.5%, and particularly because of the shrinking domestic and foreign demand, it is expected to grow by 1.7% in 2008.

The impact of decreasing food and commodity prices in the second half of 2008 is seen in the year end inflation rate and after reaching a peak level of 12.06% recorded in July, inflation rate is realized at a rate of 10.06% at the end of 2008. The Central Bank's inflation target for the end of 2009 is at 7.5%.

Despite the global financial crisis, the total exports in 2008 increased by 23% in comparison with the previous year, and reaching 132 billion dollars. The total imports increased by 18.6% compared to 2007, reaching 201.8 billion dollars. In December 2007, the ratio of exports meeting imports was 60.3%, whereas it increased to 68.2% in December 2008.

In 2008, the C/A deficit to GDP ratio expected to be 5.5%. Together with the lowered domestic demand and the decreasing commodity prices in 2009, the relevant ratio is expected to fall to the level of 2.2%. Considering the positive impact this will have on lowering the foreign financing, it will help decrease the pressure on TRY to a certain extent.

The Central Bank started the year 2008 with an policy interest rate of 15.75%, and right after the 150 base point increase during May-July, in line with the move of the central banks worldwide, during the last quarter of the year, it lowered the rate to 15.00% with a 225 base point decrease, thus signalling the continuation of the interest reductions into the year 2009.

The benchmark bond interest rate which started the year 2008 at the level of 16.6% increased to 25% with the risk premium which increased as well, due to the effect of the global fluctuation in the last quarter of the year, and towards the end of the year, in line with the decreases in the global inflation expectations, it was closed at the level of 16.5% again.

The ISE-National 100 Index lost 51.6% value in parallel with the 58.7% decrease in the Morgan Stanley Developing Countries index. The US dollar started the year 2008 with 1.16 and closed it with 1.53. Thus, the US Dollar gained 31% value in 2008 against the TRY.

Chapter One

Private Pension Industry

Worldwide Developments in 2008

The worldwide economic crisis had significant effects on the Private Pension System. According to OECD figures, between January and October 2008, the total assets of OECD-based pension funds had declined by over USD 3.3 trillion, or about 20% in real terms since December 2007. If individual retirement accounts in the United States (the "401(k)" plans) and other countries are also taken into account, this figure increases to about USD 5 trillion.

Participants in defined benefit and defined contribution plans have felt the impact of the crisis to a great extent. Older members of defined contribution plans have also experienced large losses and risk having much lower income at retirement; younger workers, on the other hand, may benefit in the long term as future pension contributions will be invested at much lower prices, hence raising the potential rate of return on investments and future benefits.

If one looks at returns over the last fifteen years – up to October 2008 - a positive picture still emerges. For example, the average, annual real rate of return of pension funds was 8.5% in Sweden, and 6.1% in the United States. Looking at the particulars of the year 2008, we see that Turkey is one of the three countries with a positive weighted average of the nominal return rates for the pension funds, as announced by OECD for the period between January and October 2008. According to 2008 results, both nominal and the real return of the pension funds in Turkey are much above the OECD average .

The Developments in Turkey in 2008

The Private Pension System, which is of great significance, due to the intensity it shall create in the capital markets, and therefore due to the great effects on the country economy as well as the complementary aspects for the social security services, has continued growing in the year 2008.

The industry attracts major attention with its developing dynamics, and in the year 2008, two new companies were included in the industry. With the inclusion of Ergo İsviçre Emeklilik ve Hayat A.Ş. and Finans Emeklilik ve Hayat A.Ş., the number of companies increased to 12.

The number of total contributors within the Private Pension System at the end of the year 2008 has neared 1.8 million, and the total contributions have reached almost 5.5 billion TRY. Compared with the end of 2007, there was a growth rate of approximately 20% in the number of participants and 40% in the total of the contributions paid. The total AuM of the contributors have reached 6.4 billion TRY.

The company figures as of January 02, 2009 are as follows:

- Number of contracts and certificates 163,818
- Number of participants 150,061
- Total contributions collected 315.3 million TRY

All these results demonstrate a growth by 2.5% in the number of participants and a growth of 29% in the total contributions collected compared to the end of 2007.

The 2008 results are shown in the chart below (02/01/2009 Pension Monitoring Centre data).

Pension Companies	Number of Participants	Number of Total Contracts/Certificates	Total Contribution (TRY)	Total Amount Directed to Investment (TRY)
Aegon Emeklilik ve Hayat	60,295	73,449	73,503,245	70,690,484
Allianz Hayat ve Emeklilik	49,791	58,307	272,791,926	264,666,097
Anadolu Hayat Emeklilik	376,769	406,797	1,102,962,013	1,070,611,898
AvivaSa Emeklilik ve Hayat	280,266	327,630	1,269,252,804	1,223,411,812
Başak Groupama Emeklilik	65,247	70,095	310,560,737	305,832,503
Ergo İsviçre Emeklilik ve Hayat	949	954	71,300	69,539
Finans Emeklilik ve Hayat	16	17	62,865	62,725
Fortis Emeklilik ve Hayat	80,077	88,760	214,428,833	206,592,123
Garanti Emeklilik ve Hayat	336,840	357,307	763,320,944	741,872,850
OYAK Emeklilik (ING Emeklilik)	150,061	163,818	315,283,115	301,924,831
Vakıf Emeklilik	93,105	102,221	334,697,373	328,763,773
Yapı Kredi Emeklilik	253,670	286,469	818,215,922	776,981,943
Genel Toplam	1,747,086	1,935,824	5,475,151,078	5,291,480,579

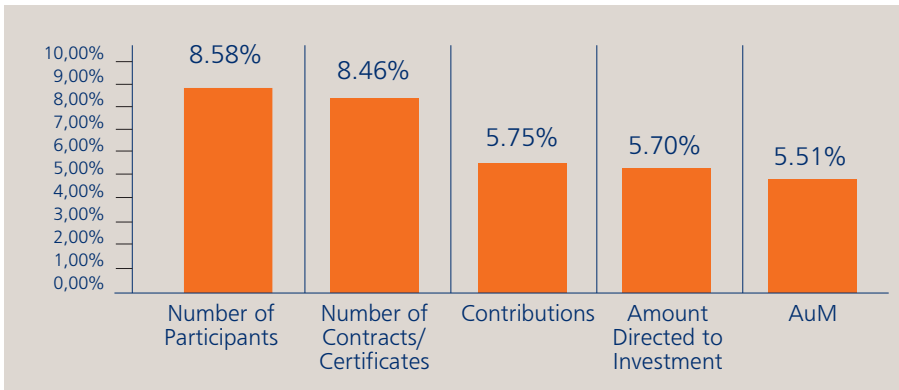
Chapter One

Private Pension Industry

The market shares of the company according to 2008 actualised figures are as follows:

- Number of participants 8.58%
- Number of contracts-certificates 8.46%
- Contributions collected 5.75%
- Amount directed to Investment 5.70%
- AuM 5.51%

OYAK Emeklilik (ING Emeklilik) Market Shares



Comparison of the 2008 expectations and the 2008 year and results industry-wide is as follows:

Unit/Quantity	Optimistic	Pessimistic	Most Probable	Actualised	Actualisation Rate (Most Probable)
Total Number of Contracts at the Year-end	2,183,319	1,828,588	1,999,821	1,935,824	96.80%
Total Number of Participants at the Year-end	2,036,442	1,709,775	1,869,059	1,747,086	93.47%
Net Cumulative Amount of Contributions at the Year-end (TRY)	6,454,723,044	5,493,090,294	5,998,233,539	5,475,151,078	91.28%
Total Amount to be Invested (Total Amount at the Year-end) (TRY)	6,241,159,845	5,306,742,952	5,797,006,393	5,291,480,579	91.28%
AuM at the Year-end (TRY)	7,749,580,956	6,292,307,196	7,026,297,608	6,405,294,643	91.16%

Chapter One

Private Pension Industry

Changes Introduced to the Regulations on the Private Pension System in 2008 and the Consequences thereof

1- Changes in Regulations

The regulations on the private Pension System, announced in the Official Gazette no 26842, on April 9, 2008, and became effective on August 9, 2008, introduced significant changes both for the companies and for the participants. In addition to reducing the deductions allowed through the legislation in favour of the participants, these changes have also expanded the utilisation limits of certain participant rights, and have set forth the principles requiring the participants to be informed when entering the system and throughout the duration of the system.

- Particularly with the change made in the entrance fee deductions, the entrance fee which used to be up to the entire gross minimum wage is now limited to half the gross minimum wage,
- Starting the practice of merging accounts, and also separating accounts for group contracts,
- Determining the principles of vesting in employer contribution plans,
- Setting the right to make changes in fund distributions as six times a year,
- Setting the right to make changes in retirement plans as four times a year,
- Providing full information for the participants when entering the system through system information forms,
- The new participants being allowed a withdrawal right during the first 30-day period, and the participants exercising such rights not being subject to any deductions
- Introducing principles for the exercise of rights and transfers,
- Ensuring full information through the information forms prepared,
- Creating options for retirement rights,
- The practices to determine the principles for entitlement in the employer contributed group plans,

have required changes for companies both during the operational process and in terms of marketing and sales action planning.

2- Regulations on Transfers from Associations, Foundations, Saving Funds, and Other Plans to Individual Retirement System and Annuities.

With the regulation announced in the Official Gazette No. 26941, on July 19, 2008, and became effective on August 9, 2008, the procedures and principles have been set forth for the partial or entire transfer of the retirement savings or undertaking related amounts by the associations, foundations, savings funds, professional legal entities or other commercial companies for their members or employees, to the Individual Retirement System and Annuities.

Thus, this will bring about new adjustments to the sales and marketing strategies of these potential companies which may constitute a new source for the Private Pension System.

Chapter One

Pension Plans

OYAK Emeklilik (ING Emeklilik) offers its participants different individual and group plans as well as 8 pension funds. The OYAK Emeklilik (ING Emeklilik) pension plans are as follows:

OYAK (ING) Individual Pension Plan

This is a pension plan offered to individual customers with a deduction that decreases based on the time participant remains at the company and depending on the contribution amount paid. It has 6 pension funds and 9 fund mix options created for 3 different risk categories for these funds. It is offered to individual customers through the ING Bank and the agency sales channels.

Pension Plan for the Members of the Turkish Armed Forces

This is a pension plan offered to the members of the Turkish Armed Forces as well as their spouses and children with a deduction that decreases based on the time participant remains at the company and depending on the contribution amount paid. Within the scope of the plan, the participants are given free of charge personel accident insurance. It has 6 pension funds and 9 fund mix options created for 3 different risk categories for these funds. It is offered to individual customers through the ING Bank, agency and broker sales channels.

Group Pension Plans

These plans have been created to serve corporate customers of any scale. Depending on their features, the plans have 6 to 8 pension funds and 9 fund mix options created for 3 different risk categories for these funds. They are offered to corporate customers through the ING Bank, agency and broker sales channels.

Chapter One

Pension Fund Benchmarks

Fund Name	Benchmark	Investment Strategy	Band
Government Bonds And Bills Income Pension Mutual Fund	20% KYD DİBS 182 Index 65% KYD DİBS 365 Index 12% KYD O/N repurchase (gross) Index 1% KYD Eurobond (USD-TRY) 1% Average deposit yield of five banks for one month 1% ISE 100 Index	Government Bond/Treasury Bill Reverse Repo Eurobond Deposits Share Certificates	70% - 100% 0% - 30% 0% - 10% 0% - 10% 0% - 10%
Flexible Income Mutual Fund	20% KYD FX DİBS (USD-TRY) Index 20% KYD Eurobond (EURO-TRY) Index 18% KYD O/N repurchase (gross) Index 40% KYD DİBS 182 Index 1% ISE 100 Index 1% Average deposit yield of five banks for one month	Eurobond FX Government Bond/Treasury Bill Reverse Repo Government Bond/Treasury Bill Share Certificates Deposits	5% - 35% 5% - 35% 0% - 30% 25% - 55% 0% - 30% 0% - 10%
Composite Growth Pension Mutual Fund	50% ISE 100 Index 40% KYD DİBS 182 Index 8% KYD O/N repurchase (gross) Index 1% KYD Eurobond (USD-TRY) 1% Average deposit yield of five banks for one month	Government Bond/Treasury Bill Share Certificates Reverse Repo Eurobond Deposits	25% - 55% 35% - 65% 0% - 20% 0% - 10% 0% - 10%
Stock Growth Pension Mutual Fund	90% ISE 100 Index 7% KYD O/N repurchase (gross) Index 1% KYD Eurobond (USD-TRY) Index 1% Average deposit yield of five banks for one month 1% KYD DİBS 182 Index	Share Certificates Reverse Repo Eurobond Deposits Government Bond/Treasury Bill	80% - 100% 0% - 20% 0% - 10% 0% - 10% 0% - 10%
Liquid Pension Mutual Fund	84% KYD O/N repurchase (gross) Index 15% KYD DİBS 30 Index 1% Average deposit yield of five banks for one month	Government Bond/Treasury Bill Reverse Repo Deposits	0% - 30% 70% - 100% 0% - 10%
Flexible Pension Mutual Fund	65% KYD DİBS 182 Index 25% ISE 100 Index 8% KYD O/N repurchase (gross) Index 1% Average deposit yield of five banks for one month 1% KYD Eurobond (USD-TRY) Index	Government Bond/Treasury Bill Share Certificates Reverse Repo Deposits Eurobond	50% - 80% 10% - 40% 0% - 30% 0% - 10% 0% - 10%
Government Bonds And Bills Pension Mutual Fund	40% KYD DİBS 365 Index 40% KYD DİBS 182 Index 17% KYD O/N repurchase (gross) Index 1% ISE 100 Index 1% KYD Eurobond (USD-TRY) Index 1% Average deposit yield of five banks for one month	Government Bond/Treasury Bill Share Certificates Reverse Repo Eurobond Deposits	80% - 100% 0% - 10% 0% - 30% 0% - 10% 0% - 10%
Flexible Growth Pension Mutual Fund	40% ISE 100 Index 25% KYD DİBS 182 Index 25% KYD DİBS 365 Index 9% KYD O/N repurchase (gross) Index 1% Average deposit yield of five banks for one month	Share Certificates Government Bond/Treasury Bill Reverse Repo Deposits Mevduat	20% - 50% 40% - 70% 0% - 20% 0% - 10%

Chapter One

Customer Communication Centre Activities

Customer Communication Centre Activities

OYAK Emeklilik (ING Emeklilik) Customer Communication Centre offers service through number 0 212 444 1 666. The Customer Communication Centre mainly responds to inbound calls, and also they place outbound calls to enhance the collection performance, as well as other calls and calls to respond to customer requests received over the website, which require audio recording. Furthermore, outbound calls are also being placed in order to help the participants who wish to leave the system, to stay in the system. The Customer Communication Centre operates between 09:00 and 18:00 during week days, and between 10:00 and 17:00 in the weekends.

The main functions of the Customer Communication Centre of OYAK Emeklilik (ING Emeklilik) can be studied in different groups. These cover the functions of information (basic information on customer-product-service process), introduction (company and product introduction), response to requests for information and meetings through the web site, and directing them to relevant departments, and retaining activities.

Customer satisfaction and customer complaint policies

In line with the customer satisfaction policy of OYAK Emeklilik (ING Emeklilik), the demands conveyed to our company through the Internet site are replied within 2 work days, and the customers are notified by the relevant departments. The demands conveyed to the company by the customers over the telephone are directed to the relevant departments and they are handled within the legal deadlines in compliance with the legislations.

The customers may convey their complaints to the Customer Communication Centre, to the company directly, or to the company through the agencies. The main principle as OYAK Emeklilik (ING Emeklilik) with regards to customer complaints is to inform the customer in writing or verbally in 2 working days, and to solve the demands or the complaints within 5 work days latest, to ensure satisfaction.

Chapter One

R&D for New Services and Activities and Projections for 2009

R&D for New Services and Activities

In 2008, the company continued the activities for ensuring accessibility by existing and potential customers and for offering effective services through the headquarters, liaison offices, web site and distribution channels.

In the 2008, 21 new group pension plans have been created to serve small, medium and large scale establishments, with different pricing. The customers within the scope of the company have been categorized, and different service packages have been created to suit identified levels. The relevant technology to this end has also been provided.

The web site at the address of www.ingemeklilik.com.tr has continued to give services with its contents and ease of usage. The site contains information on the Private Pension System, product presentations and pension mutual funds as well as detailed information demonstrating comparison with alternative investment instruments.

Projections for 2009

The global crisis which started becoming apparent in the last quarter of 2008 is expected to lead to adverse impacts in all sectors in the year 2009 as well. With the assumption that the expectations for improvement in economy will shift to the first and the second quarters of the year 2010; 250,000 new participants are expected in the system in 2009 with a 15% increase in the number of total participants, and the fund size is expected to reach 9 billion TRY approximately with a 40% increase.

Companies, which are expected to enter the industry in 2009, are the harbingers of the competition we shall face during this current year.

Under the light of all this, we shall place importance in activities geared to retain customers in addition to new sales within the 2009 action planning. Accordingly, the objective is to install a constant and effective communication with the participants, and to create an added value on the company-participant axis through this relation.

Chapter One

Annual Activity Report Compliance Opinion

Deloitte.

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ANNUAL ACTIVITY REPORT**Compliance Opinion**

To the General Assembly of Oyak Emeklilik Anonim Şirketi:

We have audited the accuracy and compliance of financial information provided in the accompanying annual activity report of Oyak Emeklilik Anonim Şirketi ("the Company") with the audit report issued as of December 31, 2008. The Board of Directors of the Company is responsible for the annual activity report. As independent auditors, our responsibility is to express an opinion on the annual activity report based on the compliance of financial information provided in the annual activity report with the audited financial statements and explanatory notes.

Our audit was performed in accordance with the auditing standards and principles and procedures of preparing and issuing annual activity reports as set out by the Insurance Law No: 5684 and Individual Retirement, Saving and Investment System Law No. 4632. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual activity report is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial information provided in the accompanying annual activity report presents fairly, in all material respects, the financial position of Oyak Emeklilik Anonim Şirketi as of December 31, 2008 in accordance with the prevailing accounting principles and standards set out in the Insurance Law No: 5684 and Individual Retirement, Saving and Investment System Law No. 4632. The financial information provided in the annual activity report is in compliance with the audited financial statements and explanatory notes, and also includes the executive summary report by the Board of Directors and our audit opinion on these financial statements.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU**



Hasan Kılıç
Partner, SMMM
İstanbul, March 13, 2009

Member of Deloitte Touche Tohmatsu

Chapter Two

Management Details - Members of the Board of Directors

Violeta Ciurel (1958) Chairwoman

Graduate of International Business and Economics - Academy of Economic Studies, Romania, Ph.D. in Economics; completed the Program for Management Development in Harvard Business School. Before joining ING in 1997, she was an academician at the Academy of Economic Studies in Bucharest, University of Economics, Romania. Presently she is full professor at the Academy of Economic Studies, Department of International Business and Economics. She works for ING since 1997 when she started as a marketing and training sales force manager in the life insurance operations in Romania. Between 2000 and 2004 she held the position of CEO of ING Life Insurance and Executive Director, Retail Distribution and Insurance ING in Romania. After serving as the general manager European and International Affairs, ING, Amsterdam, she is now the ING Insurance Central Europe CEO Greenfields.

John Thomas McCarthy (1946) Deputy Chairman

Graduate of Tufts University, B.A. in German and Economy, Ebenhard Karls University and Tufts University M.A. in Germanistics and an MBA in International Finance, Babson College. He worked as the General Manager with State Street Bank GmbH between 1971 and 1975. Between 1976 and 1988, he worked as the vice president and senior vice president in New York, London and Bahrain at the American Express Bank Ltd. He worked as the assistant general manager at the Koç-American Bank A.T. between 1989 and 1990. He worked as the general manager at ING Bank N.V. between 1991 and 2007. Since 2008, he works as the Chairman with ING Bank A.Ş.

Jaroslav Bartkiewicz (1968) Member of the Board

Graduate of Mathematics, Information Technologies and Technology as well as Economy Majors, Warsaw University, and MA in Mathematics. He started his career in 1993 at the Pionner Poland Fund as an analyst. Between 1996 and 1998, he worked as an actuary at the PBK Life Insurance Company. After working as the head actuary at the Zurich Life Insurance Company between 1998 and 2001, he worked as the chief financial officer and the member of board of directors at the ING Nationale-Nederlanden Polska Life Insurance between 2001 and 2006. Since 2006, he works as ING Insurance Central Europe Head of Business Development.

Rigt Hein Kliphuis (1964) Member of the Board

Graduate of Business Economy, Groningen University. He worked as the country manager at ING International between 1990 and 1992. In 1995, he worked with Marketing Individual Life in charge of product development, advertising and pricing. At the end of 1997, he started working as the Regional Manager for ING-FSI Europe and South America. In 2000, he was appointed as the general manager of ING Afore. Since January 2006, he is the CEO of ING Insurance Central Europe.

Tankut Taner Çelik (1968) Member of the Board of Directors

Graduate of Marmara University, Major in Business Administration (curriculum in English), MBA in Accounting and Finance at the Manchester University, and doctorate at the Istanbul Technical University. He started working for IMPEXBANK A.Ş. in 1990 as a specialist and assistant manager. He worked as an assistant manager between 1994 and 1996, and group manager between 1996 and 1998 at the ABN AMBRO BANK N.V. Between 1998 and 2002, he worked as a director and general manager at Global Portföy Yönetim A.Ş. Between 2003 and 2004, he worked at the OYAK Portföy Yönetimi A.Ş. as an assistant general manager, and appointed as the general manager in 2004.

Gökhan Dereli (1961) Member of the Board of Directors

Please see page 18 for his resume.

Chapter Two

Management Details - Audit - Auditors

Mehmet Müderrisođlu (1966)

Date of Appointment: 04.12.2008

Graduate of Istanbul University, Middle Level Management Major; and Finance Major, of Dokuz Eylül University. Started his career in 1989 at Karon Menkul Kıymetler A.Ş. as assistant branch manager. He worked at Henkel-Turyađ A.Ş. as an accounting representative between 1993 and 1995. He worked as a portfolio manager at TAIB Yatırım A.Ş. between 1995 and 2002 and at Hür Sigorta A.Ş. between 2002 and 2003. He is working as a financial affairs and operations manager at ING Portföy Yönetimi A.Ş. since 2003.

Sarper Volkan Özten (1958)

Date of Appointment: 05.12.2008

Graduate of Istanbul University, Faculty of Economics. He started his career as a financial analysis specialist at Emlak Bank between 1984 and 1987. He worked as a director at the İktisat Bank between 1987 and 1990 and as an assistant manager at Ege Bank between 1990 and 1991. He worked as an assistant general manager and general manager at Öncü Menkul Deđerler A.Ş. as of 1991, and as an assistant general manager at Finans Yatırım Menkul Deđerler A.Ş. in 1997. He works as the member of the audit board for ING Bank and ING Portföy Yönetimi A.Ş. since January 2008, as well as the member of the board of directors for Alarko Gayrimenkul.

Internal Audit

Hakan Gaygısız (1971)

Employment Date: 17.11.2003

Graduate of Dokuz Eylül University, Faculty of Economic and Administrative Sciences, Department of Finance, and currently he is completing his Master's degree at the Kadir Has University Banking Finance Department. He has passed the exam held in 1996 by the Akbank Inspection Board, and started his career as an assistant inspector. He worked at the Sümerbank A.Ş. Inspection Board as the assistant inspector in charge ex office between 1997 and 1998, and between 1998 and 2002, he worked at the Etibank A.Ş. and Toprakbank A.Ş. inspection boards as an inspector. He worked as an assistant manager at the Denizbank A.Ş. Bađcılar Branch between 2002 and 2003. He started working with OYAK Emeklilik (ING Emeklilik) on November 17, 2003, and he works as the manager in the Internal Audit Directorate.

Chapter Two

Management Details - Senior Management

Gökhan Dereli (1961) CEO

Graduate of Uludağ University, Economy Major. He started his career in 1985 at OYAK Sigorta A.Ş. as the department manager of Life and Health Insurance. Between 1995 and 1999, he worked with AXA OYAK Hayat Sigorta A.Ş. as the Assistant General manager and was appointed as the general manager in 1999. Since 2003, he is the general manager of OYAK Emeklilik (ING Emeklilik).

İhsan Çevik (1963) Assistant General Manager, Sales and Marketing

Graduate of Business Administration, Middle East Technical University. He worked at various public and private sector companies between 1980 and 1993. He worked at the Bayındır Hayat Sigorta in 1993 as the manager in charge of technical operations, product development and actuaries. In 1997, he was appointed as the assistant general manager. In 2001, he was appointed as the general manager of Ilgaz Tourism, one of the affiliates of the same group. Çevik worked as the regional director of AXA OYAK Insurance Bakırköy regional office in 2002, and since 2003, he works as the assistant general manager at OYAK Emeklilik (ING Emeklilik).

Süleyman Sarper Evren (1971) CFO-COO

Graduate of Bosphorous University, Mathematics Major. He started his career as an assistant specialist at OYAK Sigorta A.Ş. in 1994. Between 1995 and 1997, he worked as a specialist at AXA OYAK Hayat Sigorta, between 1997 and 1998 at Halk Yaşam Sigorta, and between 1998 and 1999 at Toprak Hayat Sigorta. Between 1999 and 2003, he worked at AXA OYAK Hayat Sigorta A.Ş. as assistant manager and manager. He started working with OYAK Emeklilik (ING Emeklilik) in 2003 as the head of Marketing, and he is currently the CFO-COO.

Chapter Two

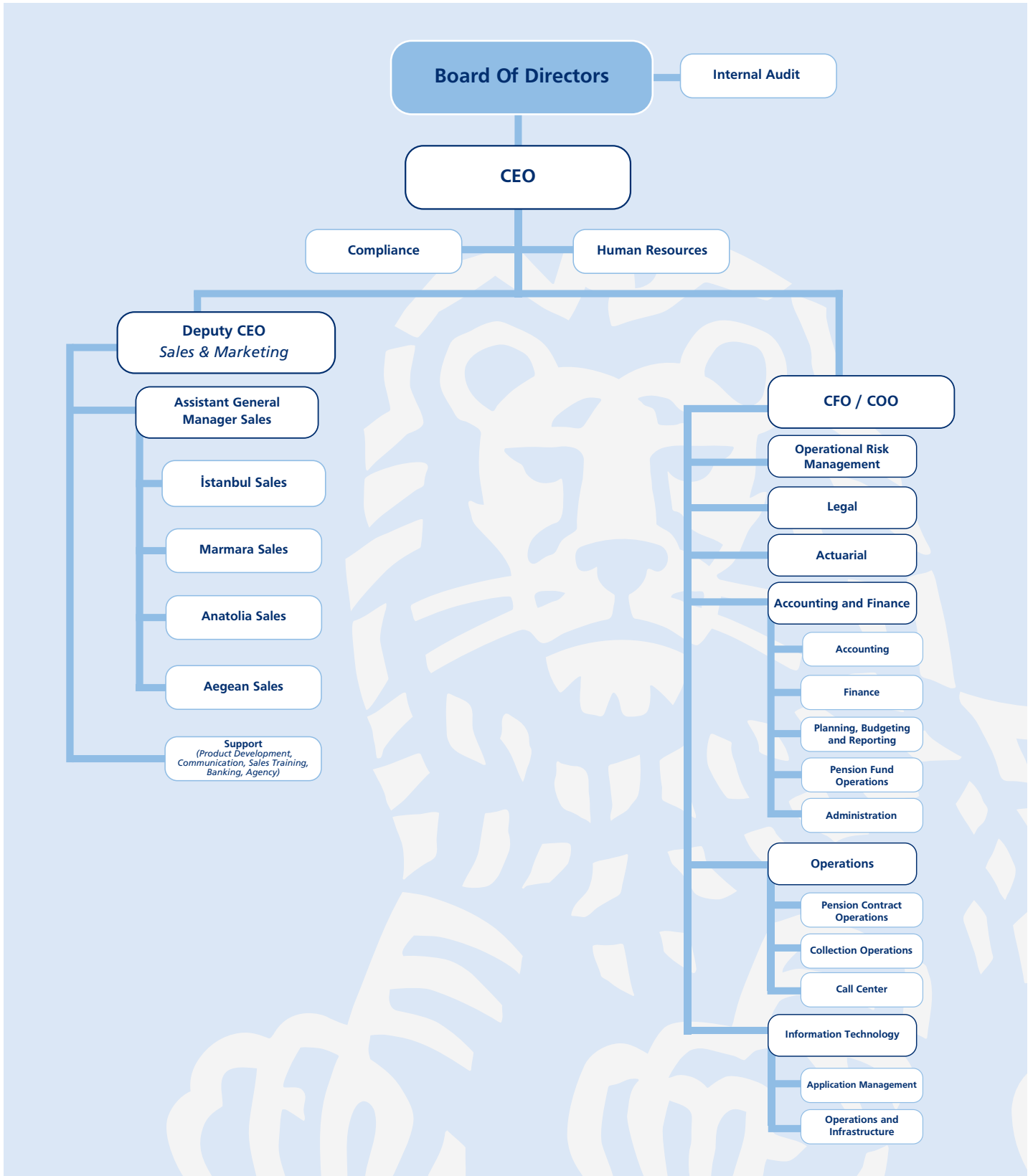
Management Details - Information about the Attendance of Members of the Board of Directors in the Relevant Meetings During the Fiscal Year

Dates of Board of Directors Meeting	Meeting No	Attendance
23.01.2008	67	6
29.01.2008	68	6
15.02.2009	69	6
25.03.2008	70	6
31.03.2008	71	6
24.04.2007	72	6
05.05.2008	73	6
19.06.2008	74	6
08.08.2008	75	6
17.09.2008	76	6
17.10.2008	77	6
24.11.2008	78	6
03.12.2008	79	6
04.12.2008	80	6
04.12.2008	81	6
04.12.2008	82	5
04.12.2008*	83	5
04.12.2008*	84	5
04.12.2008*	85	5
04.12.2008*	86	5
04.12.2008*	87	5
04.12.2008	88	6
05.12.2008	89	6
05.12.2008	90	6
12.12.2008	91	6
30.12.2008	92	6
31.12.2008	93	6

*The indicated meetings were held with the participation of five members of the Board of Directors, because the member who had resigned from the Board of Directors had not attended the meeting.

Chapter Two

Organisational Chart



Chapter Two

Human Resources Activities and Policies

Human Resources Activities

It is obvious that human resources are the most important building blocks of a company. It is humans who breathe life into establishments. It is humans who build systems. With this approach in mind, the company offers employment on one side, and gives training courses to ensure that the personnel hired is most efficient in the shortest time possible. These training courses are supported with regular internal and external training programmes in the relevant fields of the personnel. Staff members who have acquired capabilities must be encouraged to actively take part in the company management. Thus, the company will have a structure which is constantly renewed.

In line with the strategic importance of the year 2009, OYAK Emeklilik (ING Emeklilik) will follow a "target oriented performance assessment system" policy, under the light of the influence of performance assessment in an organisation. The main objective of the performance-based Human Resources is to develop business performance in line with the company strategies, and thus to convert the existing target oriented performance assessment system into clear, measurable, mutually agreed, realistic targets with deadlines, and in the meantime, by improving the relevant criteria.

In 2008, we have held training courses of a total of 608 hours with the participation of 49 people. The training length per person is 12.40 hours. The company had 155 employees as of 31.12.2008.

Human Resources Policies

Within the context of our "People First" (Our Values are Our People/Our Priority is Our People/Our Capital is Our People) approach, and within the realm of respecting people, equality of opportunity and an open door policy, being an employer who;

- Creates an environment of equal opportunity with sincerity, based on respect and trust, clear and open to two way communication and modern working conditions,
- Is open to change and innovation,
- Learns on an ongoing basis and makes an effort to constantly improve itself,
- Is open to success in an effective environment where solutions can be reached expediently,
- Achieves an employee profile who reflects their efforts in the company performance as well as their personal performance through acting with the awareness of "us",
- Gives quality social relations a priority,
- Ensures employees are working in positions in line with their knowledge and skills, as well as developing facilities to raise job productivity,
- Improves the performance based pay and career opportunities of employees, in line with the company means, along with opportunities of self improvement provided for employees, in order to reinforce their sense of belonging,
- Passes its success on to the means it provides to its employees,
- Is sought after, and is desired to work within.

Chapter Three

Report Submitted to the General Assembly

The Executive Summary of the Board of Directors Report Presented to the General Assembly

Dear Shareholders,

We would like to welcome you all to our annual general meeting, and take this opportunity to extend our thanks for honouring this meeting, assembled to examine the financial status and activity results for the 2008 business year with your attendance.

Our company, while retaining its unique status as the first and only retirement company established exclusively to operate in the field of pension within the private pension market, continues to march on towards its goals to hold customer satisfaction above all, be the most preferred and the most successful company in its market segment with an ever increasing number of participants every year, under the roof of the ING.

Fully aware of its social responsibilities, and working for the benefit of the country as much as it does for its customers in the course of its operations, our company has adopted a philosophy of holding the interests of its partners, investors and customers and the benefits of this country above all.

The nominal capital of ING Emeklilik for the year 2008 is 45,000,000 TRY, entirely paid up. Our equity amount for 2008, on the other hand, has reached 29,808,144 TRY in total.

Assets Under Management has grown 27 per cent to 350,478,033 TRY in 2008, from 275,285,053 TRY as of the end of 2007. Ranking in seventh place in terms of total fund size, ING Emeklilik is among the top five companies as far as the total number of contracts is concerned.

Net profit amount of ING Emeklilik, whose activities we have summarized above, for the year 2008 has reflected as 845,098 TRY in the financial tables.

We would like to thank you all once again for the interest you have vested in the General Assembly, and we wish the remainder of 2009 to be a prosperous time for our company in its endeavours, on board one of the largest international finance organizations with a 150-year experience and know how, the ING.

Yours faithfully,
Board of Directors

Chapter Three

Auditors' Report

ING EMEKLİLİK

ING EMEKLİLİK A.Ş. AUDITORS' REPORT

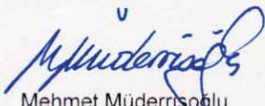
To the ING Emeklilik A.Ş. General Council,

The results of our audit studies through examinations of the accounts and transactions of Oyak Emeklilik A.Ş. for the fiscal year of 01.01.2008 to 31.12.2008, as required by the Turkish Commercial Code, the Shareholders' Agreement and the other regulations, have been completed and presented below for your kind review:

1. The examinations made on the company legal books and documents have proven that the obligatory books and files were kept; that the records were kept in line with the principles of accuracy and openness stipulated in Article 75 of the Turkish Commercial Code, as well as the general accounting principles and rules.
2. It has been found out that the balance sheet set forth in the official books of the company is the same with the balance sheet and the profit and loss calculation presented by the Board of Directors to the General Council and that it fully reflects the actual financial status of the term between 01.01.2008 and 31.12.2008.
3. During the term between 01.01.2008 and 31.12.2008, our Auditing Department has not been conveyed any complaints or fraud messages concerning the internal functioning of the Company.
4. It has been seen that the Board of Directors resolutions made during the above mentioned period by the Company Board of Directors have been duly recorded in the Book of Resolutions.
5. Pursuant to Article 353 of the Turkish Commercial Code, the inventory counts for the Company safe and the valuable papers have taken place and it has been observed that the safe contents and valuable papers are in line with the book records, and accurate.

We hereby present for your approval the Company activities indicated in the report prepared by the Board of Directors pursuant to the above presented findings, as well as the relevant balance sheet and the profit and loss charts, and the acquittal of the Board of Directors for the period between 01.01.2008 and 31.12.2008.

Yours faithfully,


Mehmet Müderrisoğlu
Auditor


Sarper Volkan Özten
Auditor

Chapter Three

Assessment of 2008 Activity Period by the Internal Audit Department

The internal audit activities are being carried out by the Internal Audit Group Directorate in order to ensure compliance of the transactions with the current laws and other regulations, as well as the corporate strategies, policies, procedures and internal regulations.

Internal audit activities cover the following issues and include all the departments of the company, the regional directorates and the agencies:

- Examining the compliance of all company activities with the legislations and the internal arrangements as well as the general policies of the company,
- Offering assurance in terms of the effective and adequate performance of risk management and internal control activities,
- Examining the accuracy and the reliability of financial and administrative information,
- Inspection of the economic and efficient utilisation of company resources,
- Ensuring that the activities and the programmes are in line with the objectives and the targets set by the company, and monitoring whether the activities are carried out the way they were planned or not.

Such activities are also monitored through the following methods:

- Compiling information and analysing them according to objective principles,
- Reporting them in clear and comprehensible ways and conveying to the relevant authorities directly,
- Taking action plans from the relevant executives pursuant to these reports,
- Checking whether the issues set forth in the audit reports are corrected or not, and whether the warning notes issued are taken into account during the continuation of the activities.

Furthermore, in addition to the internal activities, the examination and investigation activities are also carried out by the Internal Audit Group Directorate.

Pursuant to the "Regulations on the Internal Systems of Insurance and Reinsurance as well as Pension Companies" of 21.06.2008, it has been decided that the internal audit activities, which were carried out by the "Internal Audit and Risk Management Group" will be carried out by the "Internal Audit Group Directorate", which shall directly report to the Board of Directors, as per the Board of Directors Resolution of 17.10.2008.

"International Internal Audit Standards" are implemented taking as the basis the principles set forth in the regulations, and the internal audit activities are implemented in line with the risk assessments. Furthermore, creating opinions and suggestions which will help the company attain its goals and create added value is one of the most important objectives of internal audit activities.

Chapter Three

Agenda for the 2008 Ordinary General Assembly Meeting and Summary of the Financial Information for the Five-Year Period Including the Reporting Period

Agenda for the 2008 Ordinary General Assembly Meeting

1. Opening and the formation of the Council.
2. Authorising the Council to sign the minutes of meeting and the documents on behalf of the General Assembly.
3. Presenting for the approval of the General Assembly, the new members appointed by the Board of Directors in place of the members of Directors who had resigned in 2008, pursuant to Article 315 of the Turkish Commercial Code.
4. Election of the members of the Board of Directors and the auditors and determining their terms for duty.
5. Discussing and presenting for approval the 2008 Board of Directors activity report and the audit reports.
6. Reading the Independent Audit Report.
7. Reading, discussing and approving 2008 Profit and Loss Statement and Balance Sheet.
8. Discussing the issues of deducting the 2008 profit from the losses of the previous year and the fact that no profit distribution shall be made, and submitting it for approval.
9. Acquittal of the members of the Board of Directors and the Auditors.
10. Presenting the external auditing companies named by the Board of Directors for approval.
11. Allowing the members of the Board of Directors to carry out the affairs which are within the scope of the company personally, or on behalf of others, and to be partners to such companies, pursuant to Articles 334 and 335 of the Turkish Commercial Code.
12. Wishes and requests.

Summary of the Financial Information for the Five-Year Period including the Reporting Period

	2008 (in thousand TRY)	2007 (in thousand TRY)	2006 (in thousand TRY)	2005 (in thousand TRY)	2004 (in thousand TRY)
Assets Under Management	350,478	275,285	170,025	81,356	18,804
Paid In Capital	46,160	46,160	41,160	32,491	20,000
Shareholders' Equity	29,808	26,831	19,714	14,013	17,639
Total Assets	395,118	312,723	198,363	100,328	31,382
Technical Income	21,921	18,996	14,167	7,498	1,846
Technical Profit/(Loss)	-1,764	-368	-5,211	-6,865	325
Non Technical Profit/(Loss)	2,609	2,485	912	73	-1,303
Profit/(Loss) Before Tax	845	2,117	-4,299	-5,997	-7,999

Chapter Three

Information on the Financial Structure

Information Concerning the Risk Management Policies by Types of Risks Information About the Transactions of the Company with the Risk Group it is Involved in

Information on the Financial Structure

In the year 2008, OYAK Emeklilik (ING Emeklilik) continued its activities in an active manner, in the fast growing pension business. In 2008, the total equities reached 29,808 thousand TRY with an increase of 11.09% compared with the previous year. The total assets of the company increased by 26.35% as of December 31, 2008 compared to the year 2007, reaching 395,118 TRY. As of December 31, 2008, the share of the liquid assets among the total assets was 9.2% and the share of private pension system receivables among the total assets, was 89.74%. Although the profit before tax has been reduced by 60.08 % due to both the crisis which started affecting the business world in 2008 and the decreases in the sales, OYAK Emeklilik (ING Emeklilik) managed to have profit for two consecutive periods.

Information Concerning the Risk Management Policies by Types of Risks

The risk management process established within the company ensures that the risks are defined, measured, risk policies and implementation procedures are created and implemented, risks are analysed and monitored, reported, investigated, confirmed and controlled.

The objective of a strong risk management system is to control the company risks and to minimise the losses on one hand and to add value for the participants, shareholders and employees under the light of risk-adjusted profitability analysis on the other hand.

Accordingly, including but not limited with the below defined basic risk factors, the scope of the risk management is thus constituted.

- a) Financial Risks
- b) Non-Financial Risks

1. Legislation and Compliance Risk (primarily the risk for Laundering Criminal Proceeds and Financing Terrorism)
2. Operational Risks
3. Strategic Risks
4. Business Risks
5. Reputation Risks
6. Performance and Quality Risks

For these defined risk types, "Risk Management Process" covering all company activities and departments are continuing. The main objective of this process can be summarized as:

- Defining all kinds of risks which would threaten company assets and earnings,
- Making these risks measurable, manageable, and controllable,
- Creating a risk culture perception within the company.

Therefore in order to meet these main targets, the following actions are taken:

- Defining the risks which the company will face, preparing the risk management strategies and policies and presenting them to the senior management,
- Defining company wide implementation procedures and risk, creating a risk management group, and sub-risk groups when necessary,
- Offering comprehensive training for the personnel who shall work within these groups and departments, and to ensure that the significance and the components of the risk concept are emphasized,
- Carrying out the functions of risk measurement, analysis and monitoring, making risk calculations as well as profit and cost calculations in order to be able to manage these risks,
- Ensuring integrity throughout the entire risk management system and making the necessary reporting concerning functionality, ensuring that all units operate in an integrated and coordinated manner,
- Building a Risk Management Information System (RMIS) consisting of integrated and accurate data throughout the company,
- Taking the necessary measures, managing defined and measured risks in order to ensure that the risks occurring within the company are not repeated.

Information About the Transactions of the Company Effected with the Risk Group it is Involved in

The transactions of the company with the group companies, included in the partnerships, affiliates and participations can be found in footnote 45 appended to the 2008 Financial Statements.

Independent Auditor's Report and Financial Statements

OYAK Emeklilik Anonim Şirketi

Independent Auditor's Report

Deloitte.

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Mali Müşavirlik A.Ş.
Sun Plaza
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İstanbul, Türkiye

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Fax: (212) 366 6010
www.deloitte.com.tr

CONVENIENCE TRANSLATION OF THE REPORT AND FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

OYAK EMEKLİLİK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Oyak Emeklilik Anonim Şirketi,

1. We have audited the accompanying financial statements of Oyak Emeklilik Anonim Şirketi, which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the prevailing accounting principles and standards issued based on insurance laws and regulations. This responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements 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

3. Our responsibility is to express a conclusion on these financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued based on insurance laws and regulations. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

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

OYAK Emeklilik Anonim Şirketi

Independent Auditor's Report

Deloitte.

Opinion

4. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Oyak Emeklilik Anonim Şirketi as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards issued (Note 2) based on insurance laws and regulations.

Additional paragraph for the English translation:

The effect of the differences between the accounting principles summarized in Note 2 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Company's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

İstanbul, 13 March 2009

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU**



Hasan Kılıç
Partner

The Unconsolidated Financial Report For the Year Ended 31 December 2008



THE UNCONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

We assure you that our year end unconsolidated financial report and the related disclosures and notes prepared in accordance with the requirements set out by the Turkish Republic Prime Ministry Undersecretariat of Treasury are in compliance with the provisions of the Decree on "Financial Reporting of Insurance and Reinsurance Companies and Pension Funds" and our Company's accounting records.

İstanbul, 13 March 2009

Gökhan DERELİ

General Manager

S. Sarper EVREN

Finance and
Operations Assistant
General Manager

Erdem AYDINLI

Accounting and
Finance Manager

Mehmet MÜDERRİSOĞLU

Statutory Auditor to Board
of Directors and General
Assembly

Sarper Volkan ÖZTEN

Statutory Auditor to Board of
Directors and General
Assembly

OYAK Emeklilik A.Ş.

Detailed Balance Sheet (Audited)

TRY

ASSETS		
I- Current Assets	Note	Current Period (31/12/2008)
A- Cash and Cash Equivalents		36.366.756
1- Cash		710
2- Cheques Received		-
3- Banks	14	36.179.602
4- Cheques Given and Payment Orders (-)		-
5- Other Cash and Cash Equivalents	14	186.444
B- Financial Assets and Investments with Risks on Policyholders		263.222
1- Financial Assets Available for Sale	11	263.222
2- Financial Assets Held to Maturity		-
3- Financial Assets Held for Trading		-
4- Loans		-
5- Provision for Loans (-)		-
6- Investments with Risks on Policyholders		-
7- Equity Shares		-
8- Impairment on Financial Assets (-)		-
C- Receivables From Main Operations		3.768.161
1- Receivables From Insurance Operations		-
2- Provision for Receivables From Insurance Operations (-)		-
3- Receivables From Reinsurance Operations		-
4- Provision for Receivables From Reinsurance Operations (-)		-
5- Cash Deposited With Insurance & Reinsurance Companies		-
6- Loans to Policyholders		-
7- Provision for Loans to Policyholders (-)		-
8- Receivables from Pension Operation	12	3.768.161
9- Doubtful Receivables From Main Operations	12	162.820
10- Provisions for Doubtful Receivables From Main Operations (-)	12	(162.820)
D- Due from Related Parties		187.516
1- Due from Shareholders		-
2- Due from Affiliates		-
3- Due from Subsidiaries		-
4- Due from Entities Under Common Control		-
5- Due from Personnel		-
6- Due from Other Related Parties	12	187.516
7- Discount on Receivables Due from Related Parties (-)		-
8- Doubtful Receivables Due from Related Parties		-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-
E- Other Receivables		6.193
1- Leasing Receivables		-
2- Unearned Leasing Interest Income (-)		-
3- Deposits and Guarantees Given		6.193
4- Other Receivables		-
5- Discount on Other Receivables (-)		-
6- Other Doubtful Receivables		-
7- Provisions for Other Doubtful Receivables (-)		-
F- Prepaid Expenses and Income Accruals		346.287
1- Prepaid Expenses		346.287
2- Accrued Interest and Rent Income		-
3- Income Accruals		-
G- Other Current Assets		37.534
1- Inventories		32.852
2- Prepaid Taxes and Funds		4.388
3- Deferred Tax Assets		-
4- Business Advances		294
5- Advances Given to Personnel		-
6- Stock Count Differences		-
7- Other Current Assets		-
8- Provision for Other Current Assets (-)		-
I- Total Current Assets		40.975.669

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

OYAK Emeklilik A.Ş.

Detailed Balance Sheet (Audited)

TRY		
ASSETS		
II- Non Current Assets	Note	Current Period (31/12/2008)
A- Receivables From Main Operations		350.478.033
1- Receivables From Insurance Operations		-
2- Provision for Receivables From Insurance Operations (-)		-
3- Receivables From Reinsurance Operations		-
4- Provision for Receivables From Reinsurance Operations (-)		-
5- Cash Deposited with Insurance & Reinsurance Companies		-
6- Loans to Policyholders		-
7- Provision for Loans to Policyholders (-)		-
8- Receivables From Pension Operations		350.478.033
9- Doubtful Receivables from Main Operations		-
10-Provision for Doubtful Receivables from Main Operations		-
B- Due from Related Parties		-
1- Due from Shareholders		-
2- Due from Affiliates		-
3- Due from Subsidiaries		-
4- Due from Entities Under Common Control		-
5- Due from Personnel		-
6- Due from Other Related Parties		-
7- Discount on Receivables Due from Related Parties (-)		-
8- Doubtful Receivables Due from Related Parties		-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-
C- Other Receivables		-
1- Leasing Receivables		-
2- Unearned Leasing Interest Income (-)		-
3- Deposits and Guarantees Given		-
4- Other Receivables		-
5- Discount on Other Receivables (-)		-
6- Other Doubtful Receivables		-
7- Provisions for Other Doubtful Receivables (-)		-
D- Financial Assets		-
1- Long-term Investments		-
2- Affiliates		-
3- Capital Commitments to Affiliates (-)		-
4- Subsidiaries		-
5- Capital Commitments to Subsidiaries (-)		-
6- Entities Under Common Control		-
7- Capital Commitments to Entities Under Common Control (-)		-
8- Financial Assets and Investments with Risks on Policyholders		-
9- Other Financial Assets		-
10- Impairment on Financial Assets (-)		-
E- Tangible Fixed Assets		1.058.974
1- Investment Properties		-
2- Impairment on Investment Properties (-)		-
3- Owner Occupied Property		-
4- Machinery and Equipments	6	2.133.701
5- Furnitures and Fixtures	6	577.531
6- Vehicles	6	65.788
7- Other Tangible Assets (Including Leasehold Improvements)	6	402.240
8- Leased Tangible Fixed Assets		-
9- Accumulated Depreciation (-)	6	(2.120.286)
10- Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)		-
F- Intangible Fixed Assets		466.918
1- Rights	8	2.279.139
2- Goodwill		-
3- Establishment Costs		-
4- Research and Development Expenses		-
5- Other Intangible Assets		-
6- Accumulated Amortizations (-)	8	(1.812.221)
7- Advances Regarding Intangible Assets		-
G- Prepaid Expenses and Income Accruals		-
1- Prepaid Expenses		-
2- Income Accruals		-
3- Other Prepaid Expenses and Income Accruals		-
H- Other Non-current Assets		2.137.927
1- Cash Foreign Currency Accounts		-
2- Foreign Currency Accounts		-
3- Inventories		-
4- Prepaid Taxes and Funds		-
5- Deferred Tax Assets	21	2.137.927
6- Other Non-current Assets		-
7- Other Non-current Assets Amortization (-)		-
8- Provision for Other Non-current Assets (-)		-
II- Total Non-current Assets		354.141.852
Total Assets		395.117.521

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

OYAK Emeklilik A.Ş.

Detailed Balance Sheet (Audited)

TRY

LIABILITIES		
III- Short Term Liabilities	Note	Current Period (31/12/2008)
A- Borrowings		143.986
1- Borrowings from Financial Institutions		143.986
2- Finance Lease Payables		-
3- Deferred Finance Lease Costs (-)		-
4- Current Portion of Long Term Borrowings		-
5- Principal, Installments and Interests on Issued Bills (Bonds)		-
6- Other Financial Instruments Issued		-
7- In Excess of Par of Financial Instruments (-)		-
8- Other Financial Borrowings (Liabilities)		-
B- Payables From Main Operations		10.874.646
1- Payables From Insurance Operations		-
2- Payables From Reinsurance Operations		-
3- Cash Deposited by Insurance & Reinsurance Companies		-
4- Payables From Pension Operations	19	10.874.646
5- Payables From Other Operations		-
6- Discount on Other Payables From Main Operations, Notes Payable (-)		-
C- Due to Related Parties		349.020
1- Due to Shareholders		-
2- Due to Affiliates		-
3- Due to Subsidiaries		-
4- Due to Entities Under Common Control		-
5- Due to Personnel		7.347
6- Due to Other Related Parties		341.673
D- Other Payables		475.883
1- Guarantees and Deposits Received		-
2- Other Payables	47.1	475.883
3- Discount on Other Payables (-)		-
E- Insurance Technical Reserves		-
1- Unearned Premiums Reserve - Net		-
2- Unexpired Risk Reserves - Net		-
3- Life Mathematical Reserves - Net		-
4- Outstanding Claims Reserve - Net		-
5- Provision for Bonus and Discounts - Net		-
6- Reserve for Policies Investment Risk, Belonging to Life Insurance Policyholders - Net		-
7- Other Technical Reserves - Net		-
F- Taxes and Other Liabilities and Provisions		1.287.028
1- Taxes and Dues Payable		1.139.712
2- Social Security Premiums Payable		147.316
3- Overdue, Deferred or By Installment Taxes and Other Liabilities		-
4- Other Taxes and Liabilities		-
5- Corporate Tax Provision on Period Profit		-
6- Advance Taxes and Other Liabilities on Period Profit (-)		-
7- Provisions for Other Taxes and Liabilities		-
G- Provisions for Other Risks		1.126.472
1- Provision for Employment Termination Benefits		-
2- Pension Fund Deficit Provision		-
3- Provisions for Costs	23	1.126.472
H- Deferred Income and Expense Accruals		350.531
1- Deferred Income		113.910
2- Expense Accruals		236.621
3- Other Deferred Income and Expense Accruals		-
I- Other Short Term Liabilities		31.268
1- Deferred Tax Liability		-
2- Inventory Count Differences		-
3- Other Short Term Liabilities		31.268
III - Total Short Term Liabilities		14.638.834

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

OYAK Emeklilik A.Ş.

Detailed Balance Sheet (Audited)

TRY

LIABILITIES		
IV- Long Term Liabilities	Note	Current Period (31/12/2008)
A- Borrowings		-
1- Borrowings From Financial Institutions		-
2- Finance Lease Payables		-
3- Deferred Finance Lease Costs (-)		-
4- Bonds Issued		-
5- Other Financial Instruments Issued		-
6- In Excess of Par of Financial Instruments (-)		-
7- Other Borrowings (Financial Liabilities)		-
B- Payables From Main Operations		350.478.033
1- Payables From Insurance Operations		-
2- Payables From Reinsurance Operations		-
3- Cash Deposited by Insurance & Reinsurance Companies		-
4- Payables From Pension Operations	19	350.478.033
5- Payables From Other Operations		-
6- Discount on Other Payables From Main Operations (-)		-
C- Due to Related Parties		-
1- Due to Shareholders		-
2- Due to Affiliates		-
3- Due to Subsidiaries		-
4- Due to Entities Under Common Control		-
5- Due to Personnel		-
6- Due to Other Related Parties		-
D- Other Payables		94.339
1- Guarantees and Deposits Received		94.339
2- Other Payables		-
3- Discount on Other Payables (-)		-
E- Insurance Technical Reserves		-
1- Unearned Premiums Reserve - Net		-
2- Unexpired Risk Reserves - Net		-
3- Life Mathematical Reserves - Net		-
4- Outstanding Claims Reserve - Net		-
5- Provision for Bonus and Discounts - Net		-
6- Reserve for Policies Investment Risk, Belonging to Life Insurance Policyholders - Net		-
7- Other Technical Reserves - Net		-
F- Other Liabilities and Provisions		-
1- Other Liabilities		-
2- Overdue, Deferred or By Installment Other Liabilities		-
3- Other Liabilities and Expense Accruals		-
G- Provisions for Other Risks		98.171
1- Provision for Employment Termination Benefits	22	98.171
2- Provisions for Employee Pension Fund Deficits		-
H- Deferred Income and Expense Accruals		-
1- Deferred Income		-
2- Expense Accruals		-
3- Other Deferred Income and Expense Accruals		-
I- Other Long Term Liabilities		-
1- Deferred Tax Liability		-
3- Other Long Term Liabilities		-
IV- Total Long Term Liabilities		350.670.543

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

OYAK Emeklilik A.Ş.**Detailed Balance Sheet (Audited)**

TRY

SHAREHOLDERS' EQUITY		
V- Shareholders' Equity	Note	Current Period (31/12/2008)
A- Paid in Capital		46.159.772
1- (Nominal) Capital	1.1	45.000.000
2- Unpaid Capital (-)		-
3- Positive Inflation Adjustment on Capital		1.159.772
4- Negative Inflation Adjustment on Capital (-)		-
B- Capital Reserves		-
1- Equity Share Premiums		-
2- Cancellation Profits of Equity Shares		-
3- Gain on Sale of Assets to be Transferred to Capital		-
4- Translation Reserves		-
5- Other Capital Reserves		-
C- Profit Reserves		-
1- Legal Reserves		-
2- Statutory Reserves		-
3- Extraordinary Reserves		-
4- Special Funds (Reserves)		-
5- Revaluation of Financial Assets		-
6- Other Profit Reserves		-
D- Previous Years' Profits		-
1- Previous Years' Profits		-
E- Previous Years' Losses (-)		(17.196.726)
1- Previous Years' Losses		(17.196.726)
F- Net Profit of the Period		845.098
1- Net Profit of the Period		845.098
2- Net Loss of the Period		-
Total Shareholders' Equity		29.808.144
Total Liabilities and Shareholders' Equity		395.117.521

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

OYAK Emeklilik A.Ş.**Detailed Income Statement (Audited)**

TRY

I-TECHNICAL DIVISION	Note	Current Period 01/01/2008 -31/12/2008
A- Non-Life Technical Income		
1- Earned Premiums (Net of Reinsurer Share)		-
1.1 - Premiums (Net of Reinsurer Share)		-
1.1.1 - Gross Premiums (+)		-
1.1.2 - Ceded Premiums to Reinsurers (-)		-
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)		-
1.2.1 - Unearned Premiums Reserve (-)		-
1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)		-
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward)(+/-)		-
1.3.1 - Unexpired Risks Reserve (-)		-
1.3.2 - Reinsurance Share of Unexpired Risks Reserve (+)		-
2- Investment Income Transferred from Non-Technical Division		-
3- Other Technical Income (Net of Reinsurer Share)		-
3.1 - Gross Other Technical Income (+)		-
3.2 - Reinsurance Share of Other Technical Income (-)		-
B- Non-Life Technical Expenses (-)		-
1- Total Claims (Net of Reinsurer Share)		-
1.1- Claims Paid (Net of Reinsurer Share)		-
1.1.1 - Gross Claims Paid (-)		-
1.1.2 - Reinsurance Share of Claims Paid (+)		-
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-
1.2.1 - Outstanding Claims Reserve (-)		-
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)		-
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-
2.1 - Bonus and Discount Reserve (-)		-
2.2 - Reinsurance Share of Bonus and Discount Reserve (+)		-
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-
4- Operating Expenses (-)		-
C- Non Life Technical Profit/(Loss) (A-B)		-
D- Life Technical Income		-
1- Earned Premiums (Net of Reinsurer Share)		-
1.1 - Premiums (Net of Reinsurer Share)		-
1.1.1 - Gross Premiums (+)		-
1.1.2 - Ceded Premiums to Reinsurers (-)		-
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)		-
1.2.1 - Unearned Premiums Reserve (-)		-
1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)		-
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward)(+/-)		-
1.3.1 - Unexpired Risks Reserve (-)		-
1.3.2 - Reinsurance Share of Unexpired Risks Reserve (+)		-
2- Life Branch Investment Income		-
3- Accrued (Unrealized) Income from Investments		-
4-Other Technical Income (Net of Reinsurer Share)		-
E- Life Technical Expense		-
1- Total Claims (Net of Reinsurer Share)		-
1.1- Claims Paid (Net of Reinsurer Share)		-
1.1.1 - Gross Claims Paid (-)		-
1.1.2 - Reinsurance Share of Claims Paid (+)		-
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-
1.2.1 - Outstanding Claims Reserve (-)		-
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)		-
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-
2.1 - Bonus and Discount Reserve (-)		-
2.2 - Reinsurance Share of Bonus and Discount Reserve (+)		-
3- Changes in Life Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-
3.1 - Life Mathematical Reserves		-
3.2 - Reinsurance Share of Life Mathematical Reserves		-
4- Changes in Technical Reserves for Investments with Risks on Policyholders (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-
4.1 - Technical Reserves for Investments with Risks on Policyholders (-)		-
4.2 - Reinsurance Share of Technical Reserves for Investments with Risks on Policyholders (-)		-
5- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-
6- Operating Expenses (-)		-
7- Investment Expenses (-)		-
8- Unrealized Losses from Investments (-)		-
9- Investment Income Transferred to Non Technical Divisions (-)		-
F- Life Technical Profit/(Loss) (D-E)		-

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

OYAK Emeklilik A.Ş.**Detailed Income Statement (Audited)**

	Note	TRY Current Period 01/01/2008 -31/12/2008
I-TECHNICAL DIVISION (Cont'd)		
G- Private Retirement Technical Income		21.920.923
1- Fund Management Fee		10.072.231
2- Management Fee Deduction		6.050.480
3- Initial Contribution Fee	25	5.129.297
4- Management Fee In Case Of Temporary Suspension		560.984
5- Withholding tax		107.931
6- Increase in Market Value of Capital Commitment Advances		-
7-Other Technical Income		-
H- Private Retirement Technical Expenses		(23.685.123)
1- Fund Management Expenses (-)		(2.172.244)
2- Decrease in Market Value of Capital Commitment Advances (-)		(1.700)
3- Operating Expenses (-)	32	(20.873.712)
4- Other Technical Expenses (-)		(637.467)
I- Private Retirement Technical Profit/(Loss) (G-H)		(1.764.200)
II-NON TECHNICAL DIVISION		
C- Non Life Technical Profit/(Loss)		-
F- Life Technical Profit /(Loss)		-
I- Private Retirement Technical Profit/(Loss)		(1.764.200)
J- Total Technical Profit/(Loss) (C+F+I)		(1.764.200)
K- Investment Income		4.790.758
1- Income From Financial Investment	26	4.693.749
2- Income from Sales of Financial Investments		-
3- Revaluation of Financial Investments		-
4- Foreign Exchange Gains		80.673
5- Dividend Income from Affiliates		-
6- Income form Subsidiaries and Entities Under Common Control		-
7- Income Received from Land and Building		-
8- Income from Derivatives		-
9- Other Investments		16.336
10- Investment Income transferred from Life Technical Division		-
L- Investment Expenses (-)		(758.930)
1- Investment Management Expenses (Including Interest) (-)		(2.316)
2- Valuation Allowance of Investments (-)		-
3- Losses On Sales of Investments (-)		-
4- Investment Income Transferred to Life Technical Division (-)		-
5- Losses from Derivatives (-)		-
6- Foreign Exchange Losses (-)		(17.022)
7- Depreciation Charges (-)	6, 8	(739.592)
8- Other Investment Expenses (-)		-
M- Other Income and Expenses (+/-)		(1.422.530)
1- Provisions (+/-)		(1.245.345)
2- Discounts (+/-)		-
3- Specialty Insurances (+/-)		-
4- Inflation Adjustment (+/-)		-
5- Deferred Tax Asset (+/-)		(79.810)
6- Deferred Tax Liability Accounts (+/-)		-
7- Other Income and Revenues		3.092
8- Other Expenses and Losses (-)		(100.467)
9- Prior Period Income		-
10- Prior Period Losses (-)		-
N- Net Profit / (Loss)		845.098
1- Profit /(Loss) Before Tax		845.098
2- Corporate Tax Charge (-)		-
3- Net Profit (Loss)		845.098
4- Inflation Adjustment Account (+/-)		-

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

OYAK Emeklilik A.Ş.**Detailed Statement of Changes in Equity (Audited)**

	TRY										
Current Period (31/12/2008)	Capital	Treasury stock	Investment revaluation reserves	Inflation adjustment to shareholders' equity	Exchange differences arising on translation of foreign operations	Legal Reserves	Statutory Reserves	Other reserved and retained earnings	Net profit / (loss) for the period	Previous period's losses (-)	Total
I- Balance at 31/12/2007	45.000.000	-	-	1.159.772	-	-	-	-	-	(19.328.473)	26.831.299
II- Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	2.131.747	2.131.747
III- As restated (I+II) (01/01/2008)	45.000.000	-	-	1.159.772	-	-	-	-	-	(17.196.726)	28.963.046
A- Capital increase	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal Resources	-	-	-	-	-	-	-	-	-	-	-
B- Change in treasury shares	-	-	-	-	-	-	-	-	-	-	-
C- Income / (expenses) recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-
D- Valuation gains on assets	-	-	-	-	-	-	-	-	-	-	-
E- Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
F- Other income / (expenses)	-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustments	-	-	-	-	-	-	-	-	-	-	-
H- Net profit for the period	-	-	-	-	-	-	-	-	845.098	-	845.098
I- Payment of dividends	-	-	-	-	-	-	-	-	-	-	-
J- Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-
IV - Balance at 31/12/2008 (III+A+B+C+D+E+F+G+H+I+J)	45.000.000	-	-	1.159.772	-	-	-	-	845.098	(17.196.726)	29.808.144

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

OYAK Emeklilik A.Ş.

Cash Flow Statement (Audited)

	Note	TRY Current Period (01/01-31/12/2008)
A. CASH FLOWS FROM THE OPERATING ACTIVITIES		
1. Cash inflows from the insurance operations		-
2. Cash inflows from the reinsurance operations		-
3. Cash inflows from the pension operations		25.269.393
4. Cash outflows due to the insurance operations (-)		-
5. Cash outflows due to the reinsurance operations (-)		-
6. Cash outflows due to the pension operations (-)		(23.812.123)
7. Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)		1.457.270
8. Interest payments (-)		-
9. Income tax payments (-)		-
10. Other cash inflows		2.045.390
11. Other cash outflows (-)		(1.104.565)
12. Net cash generated from the operating activities		2.398.095
B. CASH FLOWS FROM THE INVESTING ACTIVITIES		
1. Sale of tangible assets		40.068
2. Purchase of tangible assets (-)	6	(760.658)
3. Acquisition of financial assets (-)		-
4. Sale of financial assets		-
5. Interest received		4.877.644
6. Dividends received		-
7. Other cash inflows		97.003
8. Other cash outflows (-)		(196.308)
9. Net cash generated from the investing activities		4.057.749
C. CASH FLOWS FROM THE FINANCING ACTIVITIES		
1. Issue of equity shares		-
2. Cash inflows from borrowings		11.406.945
3. Payments of financial leases (-)		-
4. Dividends paid (-)		-
5. Other cash inflows		-
6. Other cash outflows (-)		(11.407.861)
7. Cash generated from/(used in) the financing activities		(916)
D. EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS		
E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)		6.454.928
F. Cash and cash equivalents at the beginning of the period		29.648.967
G. Cash and cash equivalents at the end of period (E+F)	14	36.103.895

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

OYAK Emeklilik A.Ş.**Statement of Profit Distribution (Audited)**

	TRY
	Current Period (01/01-31/12/2008)
I. DISTRIBUTION OF PERIOD PROFIT	
1.1 PERIOD PROFIT	845.098
1.2 TAXES AND SURCHARGES PAYABLE (-)	-
1.2.2 Corporate tax (Income tax)	-
1.2.2. Income withholding tax	-
1.2.3 Other taxes and surcharges	-
A. NET PERIOD PROFIT (1.1-1.2)	845.098
1.3 PRIOR PERIODS' LOSSES (-)	(17.196.726)
1.4 FIRST LEGAL RESERVE (-)	-
1.5.COMPULSORY LEGAL FUNDS TO BE RETAINED IN THE COMPANY (-)	-
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-
1.6.1 To Holders of Ordinary Shares	-
1.6.2 To Holders of Preferred Shares	-
1.6.3 To Holders of Participating Redeemed Shares	-
1.6.4 To Holders of Bonds Participating to Profit	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-
1.7 DIVIDENDS TO PERSONNEL (-)	-
1.8 DIVIDENDS TO FOUNDER SHAREHOLDERS (-)	-
1.9 DIVIDENDS TO BOARD OF DIRECTORS (-)	-
1.10 SECOND DIVIDEND TO SHAREHOLDERS (-)	-
1.10.1 To Holders of Ordinary Shares	-
1.10.2 To Holders of Preferred Shares	-
1.10.3 To Holders of Participating Redeemed Shares	-
1.10.4 To Holders of Bonds Participating to Profit	-
1.10.5 To Holders of Profit and Loss Sharing Certificates	-
1.11 SECOND LEGAL RESERVE (-)	-
1.12. STATUTORY RESERVES (-)	-
1.13. EXTRAORDINARY RESERVES	-
1.14 OTHER RESERVES	-
1.15 SPECIAL FUNDS	-
II. DISTRIBUTION OF RESERVES	-
2.1 DISTRIBUTED RESERVES	-
2.2. SECOND LEGAL RESERVES (-)	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-
2.3.1 To Holders of Ordinary Shares	-
2.3.2 To Holders of Preferred Shares	-
2.3.3 To Holders of Participating Redeemed Shares	-
2.3.4 To Holders of Bonds Participating to Profit	-
2.3.5 To Holders of Profit and Loss Sharing Certificates	-
2.4 DIVIDENDS TO PERSONNEL (-)	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-
III. EARNINGS PER SHARE	-
3.1 TO OWNERS OF ORDINARY SHARES	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-
3.3 TO OWNERS OF PREFERRED SHARES	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-
IV. DIVIDEND PER SHARE	-
4.1 TO OWNERS OF ORDINARY SHARES	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-
4.3 TO OWNERS OF PREFERRED SHARES	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-

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

Chapter Four / Independent Auditor's Report and Financial Statements

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***1. General Information****1.1 The title of the parent company and the ultimate shareholders**

Oyak Emeklilik Anonim Şirketi ("Company"), the former subsidiary of Ordu Yardımlaşma Kurumu, has been taken over by ING Continental Europe Holdings B.V. on 4 December 2008 after approval of Undersecretariat of Treasury, Directorate of Insurance on 25 November 2008. The capital structure of the Company is stated below:

	31 December 2008	
	Share Amount TRY	Share Rate %
ING Continental Europe B.V.	44.999.996	100
Others	4	<1
	<u>45.000.000</u>	<u>100</u>

1.2 Company's address and legal structure, country where the company was founded and the address of the registered office (if the company's address is different from the address of the registered office, the main location where the operations are maintained)

The Company maintains its operations at headquarters located at Beyoğlu Arapcami Mah., Tersane Cad., No: 5, İstanbul and has joint stock company statute as per the Turkish Commercial Code. The Company is regulated under Private Pension, Saving and Investment System Law No. 4632.

1.3 The Company's main operations

The Company's main areas of business are the establishment of pension investment fund, private pension, personal accident and life insurance activities. As of the balance sheet date the Company operates in private pension activities only.

Eight pension funds were established by the Company as of 31 December 2008.

1.4 Details of the Company's operations and nature of activities

Principals of the activities for individual and group pension plans are determined based on Private Pension, Saving and Investment System Law No. 4632 and the related pronouncements in support of this Law.

1.5 Average number of personnel based on their categories

	<u>Number</u>
Top management	4
Manager	19
Specialist	113
Officer	11
Other	8
Total	<u><u>155</u></u>

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***1. General Information (Cont'd)****1.6 Wages and Other Benefits Given to Top Management**

The gross remuneration and fringe benefits provided to top management such as the president of the board of directors and its members, general manager, assistant general managers and general coordinators totalled TRY 1.754.368 during 1 January-31 December 2008.

1.7 Distribution tables used in the distribution of investment income and operating expenses (personnel, administration, research and development, marketing, selling, and other operating expenses) in the financial statements

The distribution of operating expenses is made based on the "Circular about the standards and policies set out in relation to distribution tables used in the financial statements prepared in accordance with the Insurance Uniform Chart of Accounts" issued by Undersecretariat of Treasury on 4 January 2008. The Company does not use distribution table for administration, research and development, marketing, selling, and advertisement expenses as the Company operates only in private pension business.

1.8 Stand-alone or consolidated financial statements

Financial statements include financial information of Oyak Emeklilik A.Ş., only.

1.9 Name of the reporting company or other information and the changes occurred since previous balance sheet date

Entity Name	: Oyak Emeklilik A.Ş.
Headquarter Address	: Beyoğlu Arapcami Mah., Tersane Cad., No:5 İstanbul
Phone	: (212) 334 05 00
Fax	: (212) 251 17 13
Web page address	: www.oyakemeklilik.com.tr
E-mail address	: info@oyakemeklilik.com.tr

There has been no change in the above information since the prior balance sheet date.

1.10 Subsequent events

After the balance sheet date, the Company has decided to amend the main agreement to change the entity title as ING Emeklilik Anonim Şirketi and the amendment has been registered on 27 January 2009, in accordance with Turkish Commercial Code No: 6762.

The Company's financial statements have been approved by Board of Directors resolution numbered 130, dated 13 March 2009.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies****2.1 Basis of Preparation****2.1.1 Information about the basis and special accounting policies used in the preparation of the financial statements****Accounting Standards**

The Company prepares its financial statements in accordance with the principles set out by the Undersecretariat of the Treasury for Insurance and Reinsurance Companies and the Insurance Law No. 5684 and the related pronouncements in support of this Law declared in the Official Gazette on 14 June 2007.

The Decree on "Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" was published in the Official Gazette No: 26852 on 14 July 2007 and has become effective as of 1 January 2008.

The Article 4(1) of the Decree requires the recognition and measurement of operations in accordance with the requirements for preparation and presentation of financial statements per the Decree by Turkish Accounting Standards Board ("TASB"), except for any decrees issued by the Undersecretariat of Treasury in relation to the matters specified in the Article 4(2), and the Article 4(2) of the Decree requires the determination of principles and procedures on insurance contracts, accounting of subsidiaries, associates and entities under common control, consolidated financial statements, publicly disclosed financial statements and the related disclosures and notes in accordance with the decrees issued by the Undersecretariat of Treasury.

In that respect, the explanations related to the item 2 of the Article 4 of that regulation placed in the sector announcement dated 18 February 2008 numbered 2008/9 are as follows:

1. TASB's "Insurance Contracts" standard numbered 4 will be applied for the financial periods after 31 December 2005 that will be effective from 25 March 2006. But since the second phase of the "insurance contracts" project of International Financial Reporting Standards Board has not been completed yet, TFRS 4 (Turkish Financial reporting Standard – "TFRS") will not be applied. However, if required, standards and applications about the preparation of notes and explanations about the insurance contracts will be determined through the pronouncement declared by the Undersecretariat of Treasury.

2. Accounting of subsidiaries, entities under common control and affiliates is determined by the circular numbered 2007/26 declared by Undersecretariat of Treasury. Accordingly, up to date until an announcement about the accounting of subsidiaries, entities under common control, affiliates and joint ventures is made, such items will be accounted for in accordance with TASB's related standards, in order to prevent any misinterpretation in practise.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.1 Basis of Preparation (Cont'd)****2.1.1 Information about the basis and special accounting policies used in the preparation of the financial statements (cont'd)****Accounting Standards (cont'd)**

3. The draft statement about the consolidated financial statements will be prepared and is planned to be applied in 2009. Thus, TAS 27 will not be applied.

4. Announcement about the presentation of financial statements including the notes and disclosures has been effective as published in the Official Gazette numbered 26851 dated 18 April 2008. According to the temporary article 1 of the standard, comparative information of the year 2007 is not presented together with 2008 financial statements.

a. Preparation of Financial Statements in Hyperinflationary Periods

In accordance with the Undersecretariat of the Treasury's declaration no: 19387 issued on 4 April 2005, the Company's financial statements as of 31 December 2004 are adjusted and its 2005 openings are prepared based on the requirements set out in "the preparation of financial statements in hyperinflationary periods" specified in the Capital Market Board's ("CMB") Decree No: XI, No: 25 "Accounting Standards in Capital Markets" which was published in the Official Gazette No: 25290 on 15 November 2003. Based on the same declaration of the Undersecretariat of the Treasury, application of preparation of financial statements in hyperinflationary periods has been ceased. So, non-monetary assets, liabilities and shareholders' equity including capital are calculated as indexed balances until 31 December 2004 and carrying the entries after that day with their nominal values.

b. Comparative Information and Restatement of Prior Period Financial Statements

Restatements made in the retained earnings / (accumulated deficit) account in the Company's 31 December 2007 financial statements are as follows:

Restated Balance Sheet / Income Statement Item	TRY
Accumulated deficit as previously reported	(19.328.473)
Unused Vacation Accrual	(161.720)
Discount of Retirement Pay Provision	551.652
Establishment Expenses	(6.767)
Provision for Doubtful Trade Receivables	(469.155)
Deferred Tax	2.217.737
Accumulated deficit as restated	<u>(17.196.726)</u>

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.1 Basis of Preparation (Cont'd)****2.1.1 Information about the basis and special accounting policies used in the preparation of the financial statements (cont'd)****Accounting Standards (cont'd)****b. Comparative Information and Restatement of Prior Period Financial Statements (cont'd)**

According to the announcement about the presentation of financial statements, the Company is not required to give comparative information of the year 2007 within the financial statements prepared in the year 2008. Accordingly, the accompanying financial statements are not presented comparatively.

c. Receivables from Contract Holders

Entrance fee from contract holders (participants) and other receivables are accounted for in this account. Entrance fee recorded in this account is paid by the contact holders who entered the private pension system.

d. Sales Orders

This is the account in which the receivables for the related funds are recorded on behalf of contract holders, when a sale order is given to the portfolio management company for sale of fund shares of contract holders. When the sale order is given on behalf of contract holders, this account is debited and when the sale is realized, this account is credited.

e. Receivables of Deductions for Fund Management Fee

This account is used for the receivables of fund management fee which could not be collected in the same day. When the fund management fee is accrued, this account is debited. When the fund management fee is paid, this account is credited.

f. Receivables from the Custodian

This account includes the receivables from the custodian for each fund, on behalf of contract holders. This receivable account and the liabilities of the contract holders are two reciprocal accounts.

g. Allocation of Capital Advance for Pension Mutual Funds

This account is used for the capital advance for pension mutual funds allocated by the Company. Capital advance is not subject to valuation.

h. Payables to Contract Holders

This account includes the liabilities of the Company on behalf of the contract holders for each fund. This liability account and the receivables from the custodian company are two reciprocal accounts.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.1 Basis of Preparation (Cont'd)****2.1.1 Information about the basis and special accounting policies used in the preparation of the financial statements (cont'd)****Accounting Standards (cont'd)****i. Temporary Accounts for Contract Holders**

This account is used for recording the money that is not yet directed to investment on behalf of the policy holders. It is also used for recording the sales amount of the funds of the policy holders, net off entrance fee and other payables, which will be paid to them or transferred to other firms, in case of leaving the system or transferring their funds to another firm.

When a collection is made from the policy holder, or if the sale of fund shares is realized, this account is credited.

i. Unearned income

Unless the pension contract is rejected by the company, private pension contracts are effective after 30 days from the date when proposal form is signed by the participant as stated in Private Pension Regulations published in the official gazette numbered 26842, dated 9 April 2008 and effective on 9 August 2008. Departures from the private pension system before 30 days period are subject to procedures according to article 7 of related regulation.

If the part or all of the participant fee or entrance fee is paid by the participant, the collected portion without any deduction has to be given back to the participant in 7 days. The Company journalizes the collections for contracts that are not yet effective in unearned income.

j. Purchase Orders Account

Fund purchase orders to the portfolio management company on behalf of the contract holders are recorded in this account. When purchase order is given to the portfolio management company on behalf of the contract holder, this account is credited. When the purchase on behalf of the contract holder is realized, this account is debited.

k. Payables to Private Pension Agencies

This account is used for recording payables to private pension agencies.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.1 Basis of Preparation (Cont'd)****2.1.1 Information about the basis and special accounting policies used in the preparation of the financial statements (cont'd)****Accounting Standards (cont'd)****I. Effects of the Changes in Foreign Exchange Rates**

The Company values foreign currency assets and liabilities with the exchange rates announced by Turkish Central Bank as at balance sheet date. The Company journalizes gain or loss on exchange rate differences in the income statement.

m. Subsequent Events

Subsequent events cover any events which arise between the balance sheet date and the reporting date, including events subsequent to the announcement of net profit for the period or specific financial information publicly disclosed, if any.

The Company adjusts its financial statements if any subsequent events that may require adjustments in the financial statements arise.

2.1.2 Other related accounting policies relevant for the financial statements

Accounting policies are explained in note "2.1.1, Information about the basis and special accounting policies used in the preparation of the financial statements" and in the other notes below.

2.1.3 Functional currency

Financial statements are expressed in New Turkish Lira (TRY) as functional currency and presentation currency for the financial statements which is the currency relevant in the economic environment that the Company operates (functional currency).

In accordance with Law No: 5083 "Monetary Unit of the Turkish Republic" (Law No: 5083), the name of the Turkish Republic's monetary unit and its sub-currency had been changed to the New Turkish Lira and the New Turkish Cent, respectively. However, in accordance with the additional resolution of the Council of Ministers in regards to the removal of the phrase "New" in the New Turkish Lira and the New Turkish Cent and Its Application Principles, the phrase "New" used in the Turkish Republic's monetary unit is removed both from New Turkish Lira and the New Turkish Cent as of January 1, 2009.

2.1.4 Rounding degree used in the financial statements

All the balances presented in the financial statements are expressed in full New Turkish Lira (TRY).

2.1.5 Measurement method (or methods) used in the presentation of the financial statements

The financial statements have been prepared on the historical cost basis except for the valuation of certain non-current assets and financial instruments.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.1 Basis of Preparation (Cont'd)****2.1.6 Adoption of new and revised standards**

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("the IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2008.

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but they are not relevant to the company's operations:

- IFRIC 11, "IFRS 2 – Group and treasury share transactions",
- IFRIC 12, "Service concession arrangements",
- IFRIC 14, "IAS 19- The limit on a defined benefit asset, minimum funding requirements and their interaction",
- IAS 39, IFRS7 "Financial Instruments: Recognition and Measurement"

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

• IFRS 8, "Operating segments"	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 13, "Customer loyalty programmes"	Effective for annual periods beginning on or after 1 July 2008
• IFRIC 15, "Agreements for the construction of real estate"	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 16, "Hedges of a net investment in a foreign operation"	Effective for annual periods beginning on or after 1 November 2008
• IFRIC 17, "Distributions of Non-Cash Assets To Owners"	Effective for annual periods beginning on or after 1 July 2009
• IFRIC 18 "Transfers of Assets From Customers"	Effective for annual periods beginning on or after 1 July 2009
• IFRS 2, "Share-based Payment Amendment relating to vesting conditions and cancellations"	Effective for annual periods beginning on or after 1 January 2009
• IFRS 1, "First-time Adoption of International Financial Reporting Standards" (-) Amendment relating to cost of an investment on first-time adoption	Effective for annual periods beginning on or after 1 January 2009
• IFRS 3, "Business Combinations" • IAS 27, "Consolidated and Separate Financial Statements" • IAS 31, "Interests in Joint Ventures " Comprehensive revision on applying the acquisition method	Effective for annual periods beginning on or after 1 July 2009
• IAS 23, "(Amendment) Borrowing costs" Comprehensive revision to prohibit immediate expensing • IAS 27, "Consolidated and Separate Financial Statements" Amendment relating to cost of an investment on first-time adoption	Effective for annual periods beginning on or after 1 January 2009 Effective for annual periods beginning on or after 1 January 2009
• IAS 1, "Presentation of Financial Statements" • IAS 32, "Financial Instruments: Presentation" - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation • IAS 1, "Presentation of Financial Statements" Comprehensive revision including requiring a statement of comprehensive income • IAS 39, "Financial Instruments:" Recognition and Measurement - Amendments for eligible hedged items	Effective for annual periods beginning on or after 1 January 2009 Effective for annual periods beginning on or after 1 January 2009 Effective for annual periods beginning on or after 1 July 2009

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.1 Basis of Preparation (Cont'd)****2.1.6 Adoption of new and revised standards (cont'd)**

Amendments to IFRS 1 "First-time Adaptation of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements"

The amendment determines the cost of a subsidiary, jointly controlled entity or associate on transition to IFRS under IAS 27 or as a deemed cost. The amendment to IAS 27 requires the recognition of dividends from a subsidiary, jointly controlled entity or associate as income in the unconsolidated financial statements. The adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

IFRS 2 "Share-Based Payments"

The amendments clarify the definition of vesting conditions and introduce the concept of a 'non-vesting condition' which is a condition that is neither a service condition nor a performance condition. The standard also requires the application of similar criteria to be used in the recognition of awards cancelled by either an entity or the counterparty (employer or employee). The adoption IFRS 2 in future periods will have no material impact on the financial statements of the Company.

IFRS 8 "Operating Segments"

IFRS 8 "Operating Segments" supersedes IAS 14 'Segment Reporting'. The standard specifies how an entity should report information about its operating segments based on the segment criteria used in internal reporting which are prepared by the management. The Company will apply IFRS 8 for annual periods beginning from 1 January 2009.

IAS 32 and IAS 1 "Puttable Instruments and Obligations Arising On Liquidation"

Under the revised IAS 32, subject to specified criteria are being met, puttable instruments and obligations arising on liquidation will be classified as equity while, the amendment to IAS 1 requires the definition and disclosure of such instruments, which are classified as equity. The adoption of these standards in future periods will have no material impact on the financial statements of the Company.

IAS 23 (Revised) "Borrowing Costs"

The amendment requires an entity to capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The amendment will eliminate the expensing option of borrowing costs in the period in which they are incurred. The Company will apply IAS 23 (Revised) for annual periods beginning from 1 January 2009.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2.Summary of Significant Accounting Policies (Cont'd)****2.1 Basis of Preparation (Cont'd)****2.1.6 Adoption of new and revised standards (cont'd)****IFRS 3 "Business Combinations"**

The amendments require the recognition of an acquisition related cost of a business combination as an expense in the period in which the cost is incurred. It also requires subsequent changes in the fair value of a contingent consideration recognized in business combination to be recognized in the income statement rather than in equity.

IFRIC 13 "Customer Loyalty Programmes"

Under IFRIC 13, customer loyalty programmes should be recognized as a separately identifiable component of the sales transaction(s). A portion of the fair value of the consideration received in respect of the initial sale shall be allocated to the award credits and the consideration allocated to award credits should be recognized as revenue when awards credits are redeemed. The adoption IFRIC 13 in future periods will have no material impact on the financial statements of the Company because the interpretation is not relevant to its operations.

IFRIC 15 "Agreements for the Construction of Real Estate"

IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 "Construction Contracts" or IAS 18 "Revenue" and when revenue from the construction should be recognized.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

IFRIC 16 provides guidance on three main issues: The presentation currency used in the entity's financial statements cannot be used as a basis for the application of hedge accounting. Therefore, a hedged risk can be considered as the exchange differences arising between the functional currency of the foreign operation and the presentation currency used in the financial statements of the parent entity. A hedging instrument can be held within the Company or companies. The adoption of the Interpretation in future periods will have no material impact on the financial statements of the Company.

IFRIC 17 "Distributions of Non-Cash Assets to Owners"

IFRIC 17 applies to all reciprocal non-cash distributions of assets by an entity to its owners, including the distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The adoption of the Interpretation in future periods will have no material impact on the financial statements of the Company.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.1 Basis of Preparation (Cont'd)****2.1.6 Adoption of new and revised standards (cont'd)****IFRIC 18 "Transfers of Assets from Customers"**

The Interpretation clarifies the accounting for cash received from a customer that must be used only to acquire or construct the item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services. The adoption of the Interpretation in future periods will have no material impact on the financial statements of the Company.

IAS 1 (Revised) "Presentation of Financial Statements"

IAS 1 has been revised in order to improve users' ability to analyze and compare the information given in financial statements. Changes made to the revised standard are summarized below:

A revised version of IAS 1 Presentation of Financial Statements has been issued to provide more useful information. The major changes are the statement of changes in equity will only include the transactions with the shareholders, introduction of "total comprehensive income" in addition to the income statement which will present all profit or loss as income and expenses. The revised interpretation of the prior year financial statements and disclosing the restatement effect of change in accounting policies to prior year financial statements. The Company will adopt the changes in financial statement presentation in 2009.

IAS 39, "Financial Instruments: Recognition and Measurement" Amendments for eligible hedged items

The Company's management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

2.2 Consolidation

The Company does not have any affiliates or subsidiaries.

2.3 Segment Reporting

The company does not have any operational or geographical segment for segmental reporting purposes.

2.4 Reserves in Foreign Currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the Company are expressed in YTL, which is the functional currency of the Company.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.4 Reserves in Foreign Currencies (Cont'd)**

In preparing the financial statements of the Company, transactions in currencies other than YTL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies or foreign currency indexed monetary assets and liabilities are retranslated into New Turkish Lira at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

2.5 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for use in operations, if any, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs are capitalized in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Estimated useful life, residual value, and amortization method are reviewed at the end of each annual reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

Property, plant and equipment are depreciated with useful lives stated below:

	<u>Useful Life</u>
Machinery and equipment	5 years
Vehicles	4 years
Fixtures	5 years
Leasehold improvements	5 years

2.6 Investment Properties

The Company does not have any investment property as at balance sheet date.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.7 Intangible Fixed Assets****Intangible assets acquired**

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives (5 years). Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Acquired computer software licences are capitalized on the basis of the costs incurred from the date of acquisition to the date to bring the specific software in use. These costs are amortized over their estimated useful lives (5 years).

Costs associated with developing or maintaining computer software programmes are recognized as expense as incurred. Costs that are directly associated with the development of identifiable and unique software products that are controlled by the Company and will probably provide more economic benefits than costs in one year are recognized as intangible assets. Costs include software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding three years).

2.8 Financial Assets

Investments are measured at fair value, net of transaction costs attributable to the purchase transaction directly except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Investments are recognized and derecognized on a settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity investments", "available-for-sale" (AFS) financial assets and "loans and receivables".

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial assets at fair value through profit and loss (Held-for-trading financial assets)

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008**

(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)

2. Summary of Significant Accounting Policies (Cont'd)**2.8 Financial Assets (Cont'd)****Financial assets at fair value through profit and loss (Held-for-trading financial assets)(cont'd)**

Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets, if any.

Held-to-maturity investments

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

Financial assets other than (a) held-to-maturity debt securities, (b) held for trading securities and (c) loans and receivables are classified as available-for-sale, and are measured at subsequent reporting dates at fair value if their fair values can be reliably measured.

The financial investments that do not have quoted prices in active markets and whose fair values cannot be reliably measured are stated at cost. Gains and losses arising from available for sale financial assets are included in the profit or loss for the period. Gains and losses arising from changes in fair value of such assets are recognized directly in equity.

When the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.

Impairment losses recognized in profit or loss for debt instruments not classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.9 Impairment of Assets****Impairment of non-financial assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For loans and receivables, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For AFS equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

2.10 Derivative Financial Instruments

As of balance sheet date, the Company has no derivative financial instruments.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008**

(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)

2. Summary of Significant Accounting Policies (Cont'd)**2.11 Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.13 Share Capital

As of 31 December 2008, the Company's nominal capital is TRY 45.000.000, and is formed by 45.000.000 shares with a par value of TRY 1 (one) per share.

The Company is not subject to registered capital system and there are no shares having voting right preference.

There is no capital increase in the current year.

2.14 Insurance and Investment Contracts-Classification**Insurance Contracts:**

The Company does not have any insurance contracts.

Investment Contracts:

The Company does not have any investment contracts.

2.15 Insurance and Investment Contracts With Discretionary Participation Features

None.

2.16 Investment Contracts without Discretionary Participation Features

None.

2.17 Borrowings

The Company has a non-interest bearing short term loan obtained for payments to Social Security Organization, with a maturity of one day.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.18 Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are stated on a net basis in the financial statements.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity.

2.19 Employee Benefits

Under the Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan in accordance with IAS 19 "Employee Benefits". The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

2.20 Provisions**Provisions, Contingent Liabilities and Contingent Assets**

As of balance sheet date the amount of the cases filed against the Company is TRY 107.100. The Company has provided provision for the whole amount. There are no cases that the Company has filed against any third parties and that third parties have filed against the Company after 31 December 2008 which may have material effect on the financial statements of the Company.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***2. Summary of Significant Accounting Policies (Cont'd)****2.21 Accounting of Income**Fund Management Fee

This is the account in which fund operating fee is recorded which is calculated as a % of the fund net asset value, subject to a maximum of 0,01%.

Administrative Expenses Fee

This is the account in which administrative expense fee is recorded as a % of the private pension contributions, subject to a maximum of 8%.

Income from the Entrance Fee

This account is used for recording the entrance fee that is received from the policy holder or the person acting on behalf of the policy holder who is entering the system for the first time or opening a new pension account, subject to a maximum amount of half of monthly gross minimum base wage effective on the date of signing of pension policy proposal form.

Interest Income from Capital Advance Allocation

This is the account in which the positive difference between the advance amount and the sale proceeds of fund shares after deducting any costs incurred during the establishment of the fund from portfolio value increase generated in between the establishment date of pension funds and the date of fund share sale.

Fund management fee expenses

Management and operating expenses of pension funds are journalized in this account.

Agency Commissions

The commissions that are paid to private pension agencies are recorded in this account.

Interest income and expense

Interest income and expenses are accounted for on accrual basis.

2.22 Leasing – the Company as lessee

The Company has no leasing receivables as of the balance sheet date.

2.23 Profit Share Distribution

The Company has not made profit distribution as of the balance sheet date.

3. Significant Accounting Estimates and Requirements

The Company has TRY 19.119.121 carry forward tax losses that are deductible for income tax purposes as of the balance sheet date (31 December 2007: TRY 21.320.574). The Company estimates that TRY 9.705.734 will be deducted from taxable profits based on the estimated total profit for the following 5 years and TRY 1.941.147 deferred tax asset is recorded as of the balance sheet date (As of 31 December 2007, TRY 11.122.032 is estimated for following 5 years and TRY 2.224.406 is recorded as deferred tax asset).

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***4. Insurance and Financial Risk Management****4.1 Insurance risk****4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks**

There is no insurance risk exposure, because the Company only operates in private pension business.

4.1.2 Information about the insurance risks including the information about the issues below (before and after the reduction of risk through reinsurance)**4.1.2.1 Sensitivity to insurance risk**

None.

4.1.2.2 Insurance risk concentrations

None.

4.1.2.3 Comparison of incurred claims with past estimations

None.

4.1.2.4 Effects of the changes in assumptions used in the measurement of insurance assets and liabilities showing the effect of each change separately that has significant effect on financial statements

There are no insurance contracts relevant to TFRS 7.

4.2 Financial Risk**4.2.1 Capital risk management and explanations about the capital requirement**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's capital is significantly higher than the required capital limit calculated based on the Decree "Measurement and Assessment of Capital Adequacy of Insurance and Reinsurance Companies and Pension Funds" published in the Official Gazette No: 26761 on 19 January 2008.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***4. Insurance and Financial Risk Management (Cont'd)****4.2 Financial risk (Cont'd)****4.2.1 Capital risk management and explanations about the capital requirement (cont'd)****Capital Adequacy Summary Table**

	31 December 2008
METHOD 1	
Required Capital For Non-Life Branches	-
Required Capital For Life Branch	-
Required Capital For Pension Branch	2.377.390
TOTAL REQUIRED CAPITAL	2.377.390
METHOD 2	
Asset Risk	1.947.714
Reinsurance Risk	-
Excessive Premium Increase	-
Outstanding Claims Risk	-
Retention Risk	-
Exchange and Interest Rate Risk	4.871
TOTAL REQUIRED CAPITAL	1.952.585
EQUITY	29.808.144
REQUIRED EQUITY	2.377.390
CAPITAL ADEQUACY TEST RESULT	27.430.754

4.2.2 Financial Risk Factors

The Company is subject to market risk (exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk due to its financial assets and liabilities. The Company's risk management program focuses on minimizing the negative effects of the uncertainties in financial markets on the Company's financial statements. The Company is usually subject to credit risk due to its pension receivables. The detailed information on these receivables is given in Note 12.

Market risk

The Company is subject to market risk as a result of the changes in exchange rates, interest rates and market prices of equity shares.

Foreign Currency Risk

The Company's foreign currency denominated assets and liabilities are exposed to currency risk. The details of the foreign currency denominated assets and liabilities as of 31 December 2008 are stated below:

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***4. Insurance and Financial Risk Management (Cont'd)****4.2 Financial risk (Cont'd)****4.2.2 Financial Risk Factors (Cont'd)****Foreign Currency Risk (cont'd)**

	Foreign Currency Amount	Exchange Rate (CBRT Purchase)	Amount TRY
Foreign Currency Assets			
Banks (foreign currency)			
US Dollars	210.085	1,5123	317.711
EURO	21.149	2,1408	45.334
TOTAL			<u>363.045</u>
Foreign Currency Liabilities			
Deposits and guarantees received:			
US Dollars	22.953	1,5123	34.712
EURO	12.957	2,1408	27.738
Expense accruals:			
EURO	110.529	2,1408	236.621
TOTAL			<u>299.071</u>
NET POSITION			<u>63.974</u>

Foreign Currency Sensitivity

The Company's sensitivity to an increase and decrease in US Dollar and Euro exchange rates by 10% is presented below. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity.

	US Dollar Effect 2008	Euro Effect 2008
Profit/ (loss) - increase	28.300	(21.903)
Profit/ (loss) - decrease	(28.300)	21.903

Interest rate risk

The Company's sensitivity to interest rate risk is related to the unmatching maturities of assets and liabilities. This risk is managed through matching the assets that are affected by the changes in interest rate with the same type of liabilities. The Company's remaining maturities to re-pricing periods of assets and liabilities are broadly similar to the maturities explained in liquidity risk. For this reason, there is no additional table for the interest rate risk included in the financial statement notes.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***4. Insurance and Financial Risk Management (Cont'd)****4.2 Financial Risk (Cont'd)****4.2.2 Financial Risk Factors (Cont'd)****Interest rate risk (cont'd)**

The Company is not subject to interest rate risk since there are no government bonds and other debt instruments classified as held-for-trading financial asset in the Company's balance sheet.

Price risk

The Company is not subject to price risk since there are no equity investments.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit exposure is controlled by counterparty limits and obtaining sufficient collateral. Amounts of collaterals and the limits are determined by assessing the criteria such as the each party's financial position and trading capacity. Credit risk of the Company is in Turkey, where it operates.

Receivables from private pension activities, collaterals taken for these receivables and doubtful receivable provision provided as of the balance sheet date are stated in note 12.1. There are no restructured receivables.

Other than the receivables, financial assets, cash and cash equivalents are subject to credit risk. All such assets are considered as financial assets that are neither impaired nor due.

Liquidity risk

Liquidity risk is the possibility of Company's not meeting its net funding liabilities. Cases such as meltdowns in markets or decreasing the credit rating which may cause to decrease in fund resources that generates liquidity risk. The Company management manages the liquidity risk through holding adequate cash and cash equivalents to meet the current and possible liabilities by distributing the fund resources.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***4. Insurance and Financial Risk Management****4.2 Insurance Risk (Cont'd)****4.2.2 Financial Risk Factors (cont'd)****Liquidity risk (cont'd)**

31 December 2008							
	No Maturity	Up to 1 month	1-3 months	3 months-1 year	1 - 5year	Unallocated	Total
Cash and Cash Equivalents	7.816.554	28.363.758	186.444	-	-	-	36.366.756
Financial Assets	-	-	-	-	-	263.222	263.222
Trade Receivables	-	2.567.889	39.121	1.002.044	-	350.637.140	354.246.194
Due from Related Parties	-	187.516	-	-	-	-	187.516
Property, Plant and Equipment	-	-	-	-	-	1.058.974	1.058.974
Intangible Fixed Assets	-	-	-	-	-	466.918	466.918
Deferred Tax Assets	-	-	-	-	-	2.137.927	2.137.927
Other Receivables and Current Assets	-	6.487	-	-	-	383.527	390.014
Total Assets	7.816.554	31.125.650	225.565	1.002.044	-	354.947.708	395.117.521
Financial Liabilities	-	143.986	-	-	-	-	143.986
Trade Payables	-	11.350.529	-	-	-	305.835.745	361.828.562
Due to Related Parties	-	349.020	-	-	-	-	349.020
Corporate Tax Provision	-	-	-	-	-	-	-
Provisions	-	754.064	-	372.408	98.171	-	1.224.643
Total Equity	-	-	-	-	-	29.808.144	29.808.144
Other Liabilities	-	1.554.917	-	-	-	208.249	1.763.166
Total Liabilities and Equity	-	14.152.516	-	372.408	98.171	380.494.426	395.117.521
Net liquidity surplus / (deficit)	7.816.554	16.973.134	225.565	629.636	(98.171)	(25.546.718)	-

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***4. Insurance and Financial Risk Management (Cont'd)****4.2 Financial Risk (Cont'd)****4.2.2 Financial Risk Factors (Cont'd)****Categories of Financial Instruments:**

<u>Financial Assets</u>	<u>Book value</u>	<u>Fair value</u>
Banks	36.179.602	36.179.602
Other Cash and Cash Equivalents	186.444	186.444
Available-for-sale Financial Assets	263.222	263.222
Receivables	3.768.161	3.768.161
Due from Related Parties	187.516	187.516
Other Receivables	6.193	6.193
Total Financial Assets	40.591.138	40.591.138
<u>Financial Liabilities</u>		
Borrowings	143.986	143.986
Payables from main operations	10.874.646	10.874.646
Due to Related Parties	349.020	349.020
Other	475.883	475.883
Total Financial Assets	11.843.535	11.843.535

Fair value of financial assets

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The Company determines the estimated fair value of its financial instruments by using the current market information and appropriate valuation methods.

The following methods and assumptions are used in fair value estimations for financial instruments for which such fair values can be reliably measured:

Financial assets:

It is anticipated that fair value of the financial assets including cash and cash equivalents and other financial assets carried at cost will approximate to their book value based on their short term nature and having insignificant potential losses.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***4. Insurance and Financial Risk Management (Cont'd)****4.2 Financial Risk (Cont'd)****4.2.2 Financial Risk Factors (cont'd)****Fair value of financial assets (cont'd)***Financial liabilities:*

It is anticipated that fair value of monetary liabilities will approximate to their carrying value based on their short term nature.

5. Segment Information**Operational Segments**

The Company only operates in private pension business.

Geographical Segments

The Company only operates in Turkey.

6. Property, Plant and Equipment

<u>Cost Value</u>	<u>Vehicles</u>	<u>Machine and Equipment</u>	<u>Furniture and Fixtures</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Opening balance as of 1 January 2008	127.269	1.889.874	510.441	265.221	2.792.805
Additions	65.507	295.805	262.327	137.019	760.658
Disposals	(126.988)	(51.978)	(195.236)	-	(374.203)
Closing balance as of 31 December 2008	65.788	2.133.701	577.531	402.240	3.179.260
<u>Accumulated Depreciation</u>					
Opening balance as of 1 January 2008	(104.558)	(1.349.187)	(351.309)	(228.255)	(2.033.309)
Charge of the period	(17.329)	(271.147)	(84.315)	(41.132)	(413.923)
Disposals	109.324	46.279	171.343	-	326.946
Closing balance as of 31 December 2008	(12.563)	(1.574.055)	(264.281)	(269.387)	(2.120.286)
Carrying value as of 31 December 2008	53.225	559.646	313.250	132.853	1.058.974

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***6. Property, Plant and Equipment (Cont'd)**

There is no impairment loss recognised in tangible assets in the period.

The Company does not have any pledges and mortgages on tangible assets.

7. Investment Properties

None.

8. Intangible Fixed Assets

Cost Value	Rights	Total
Opening balance as of 1 January 2008	2.095.066	2.095.066
Additions	184.091	184.091
Disposals	(18)	(18)
Closing balance as of 31 December 2008	2.279.139	2.279.139
Accumulated Amortization		
Opening balance as of 1 January 2008	(1.486.570)	(1.486.570)
Charge for the period	(325.669)	(325.669)
Disposals	18	18
Closing balance as of 31 December 2008	(1.812.221)	(1.812.221)
Carrying value as of 31 December 2008	466.918	466.918

The Company has not recognized any impairment loss for its intangible assets in the current period.

The Company does not have goodwill in the current period.

9. Investments in Associates

As of 31 December 2008, the Company has no investments in associates.

10. Reinsurance Assets

None.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***11. Financial Assets****11.1 Subcategories of Financial Assets**Current Period

	31 December 2008 TRY
Available- for sale financial assets	263.222
TOTAL	<u>263.222</u>

	Cost Value TRY	Book Value TRY
Available- for sale financial assets		
Emeklilik Gözetim Merkezi A.Ş.(*)	225.000	263.222
TOTAL	<u>225.000</u>	<u>263.222</u>

(*) The financial asset is stated as cost with indexed value up to 2004 in accordance with inflation accounting, because there is no fair value of this financial asset.

11.2 Securities other than equity shares issued in the current period:

None.

11.3 Debt instruments issued in the current period:

None.

11.4 Fair values of securities and long-term financial assets that are carried at cost in the balance sheet and cost values of securities and long-term financial assets that are carried at fair value in the balance sheet:

Cost, fair value and carrying value of marketable securities are presented in Note 11.1.

11.5 Marketable securities issued by the shareholders, associates and subsidiaries of the company classified under marketable securities and subsidiaries and their issuers:

None.

11.6 Value increases of financial assets in the last three periods

Value increases reflect the difference between the carrying value and cost of the financial assets. There is no value increase in financial assets of the Company in 3 years.

Chapter Four / Independent Auditor's Report and Financial Statements

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***11. Financial Assets (Cont'd)****11.7 Financial Instruments**

- i) Information to help the financial statement users to evaluate the financial position and performance of the Company is disclosed in Note 4.1.
- ii) Information on the carrying value of the financial assets is disclosed in Note 11.1.
- iii) Comparison of the fair and carrying values of financial assets is disclosed in Note 11.1.
- iv) There is no financial asset overdue or impaired.

12. Receivables and Payables**12.1 Details of the Company's receivables:**

	31 December 2008
	TRY
Receivables from pension fund operations	3.768.161
Doubtful receivables	162.820
Provisions for doubtful receivables (-)	(162.820)
	3.768.161
Receivables from pension fund operations -Due from Related Parties	187.516
Total	3.955.677

Aging of receivables from the pension fund operations are below:

	31 December 2008
	TRY
0-30 days	2.755.405
31-90 days	39.121
90 days – 1 years	1.002.044
Past due receivables (*)	159.107
Total	3.955.677

(*) This balance consists of the receivable balances that are past due but not impaired.

Chapter Four / Independent Auditor's Report and Financial Statements

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***12. Receivables and Payables (cont'd)****12.1 Details of the Company's receivables (cont'd):**

Guarantees received for receivables are stated below:

<u>Type of Guarantee</u>	<u>31 December 2008</u> <u>TRY</u>
Letter of guarantee	492.000
Real estate pledge	585.000
Restricted cash	67.799
Other	270.330
Total	<u>1.415.129</u>

Movement for provision for doubtful receivables is stated below:

<u>Movement of provision for doubtful receivables</u>	<u>31 December 2008</u>
Opening balance	469.153
Charge for the period	373.114
Write-off	(679.447)
Collections	-
Closing balance	<u>162.820</u>

Total doubtful receivables amount to TRY 162.820, for which a full provision is set. There is no guarantee received for doubtful receivables.

Aging of past due and impaired receivables is stated below:

	<u>31 December 2008</u>
Over 60 days	162.820
	<u>162.820</u>

Aging of past due but not impaired receivables is stated below:

	<u>31 December 2008</u>
Up to 1 month	159.107
	<u>159.107</u>

Chapter Four / Independent Auditor's Report and Financial Statements

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***12. Receivables and Payables (Cont'd)****12.2 Receivable-payable balances with shareholders, associates and subsidiaries of the Company:**

<u>Related Parties</u>	<u>Trade Receivable</u>	<u>Trade Payable</u>	<u>Non Trade Payable</u>
ING Bank	187.516	145.514	-
ING Portföy Yönetimi A.Ş.	-	196.159	-
Payables to employees	-	-	7.347
	<u>187.516</u>	<u>341.673</u>	<u>7.347</u>

12.3 Total of pledges and other guarantees:

Total of pledges and other guarantees received is stated in note 12.1

12.4 Amounts of the Company's foreign currency denominated receivables and non-exchange rate guaranteed receivables are presented below:

There are no receivables or payables in foreign currencies.

13. Derivative Instruments

None.

14. Cash and Cash Equivalents

	<u>31 December 2008 TRY</u>
Cash	710
Cash at banks	36.179.602
Demand deposits	7.815.844
Time deposits	28.363.758
Other cash equivalents	186.444
Total	<u>36.366.756</u>
Interest accruals on cash and cash equivalents (-)	(262.861)
Total in Cashflow Statement	<u><u>36.103.895</u></u>

TRY 7.525.070 of cash at banks is restricted.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***14. Cash and Cash Equivalents (Cont'd)**

Cash and cash equivalents in foreign currencies are stated below;

<u>31 December 2008</u>	<u>Currency</u>	<u>Amount</u>	<u>TRY Amount</u>
Banks	US Dollars	210.085	317.711
	EURO	21.176	45.334
Total			<u>363.045</u>

Details of time deposits are stated below:

<u>Currency</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
TRY	2-15 January 2009	%15-%22	28.000.713
US Dollars	28 January 2009	%4	317.711
EURO	24 January 2009	%5	45.334
			<u>28.363.758</u>

15. Share Capital

The Company's shareholders and its shareholders' equity structure are stated in Note 1.1.

The Nominal share capital of the Company is TRY 45.000.000 and composed of 45.000.000 shares with a par value of YKr 1 (one) per share.

There is no privileged equity share of the Company.

There is no equity transaction after balance sheet date.

16. Other Provisions and Capital Component of Discretionary Participation**16.1 Income and expense amounts accrued under shareholders' equity in the current period in accordance with other standards and interpretations**

The Company has no income and expense items classified separately as an equity item.

16.2 Net exchange differences classified separately as an equity item and reconciliation of exchange differences at the beginning and end of the period

None.

16.3 Hedging for forecasted transactions and net investment hedging

None.

16.4 Hedging for other financial risks

None.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***16. Other Provisions and Capital Component of Arbitrary Participation (Cont'd)****16.5 Gains and losses from equity instruments recognized directly in equity for in the current period:**

None.

16.6 Revaluation increases in property, plant and equipment

None.

16.7 Current and deferred income taxes on gains and losses recognized directly in equity

None.

17 Insurance Liabilities and Reinsurance Assets**17.1 Guarantees to be provided for life and non-life insurances and guarantees provided for life and non-life insurances based on assets**

None.

17.2 Number of life insurance policies, additions, disposals in the current period, and current life insurees and their mathematical reserves.

None.

17.3 Insurance Guarantees given to non life insurances

None.

17.4 Pension funds established by the Company and their unit prices

The pension funds established by the Company and unit prices are stated below:

Name of Funds	31 December 2008 Unit Price (TRY)
Gelir Amaçlı Kamu Borçlanma Araçları E.Y.F. (Government Bonds and Bills Income PMF)	0,023825
Gelir Amaçlı Esnek E.Y.F. (Flexible Income PMF)	0,015434
Büyüme Amaçlı Karma E.Y.F. (Composite Growth PMF)	0,027748
Büyüme Amaçlı Hisse Senedi E.Y.F. (Stock Growth PMF)	0,022750
Likit E.Y.F. (Liquid PMF)	0,023270
Esnek E.Y.F. (Flexible PMF)	0,021069
Kamu Borçlanma Araçları E.Y.F. (Government Bonds and Bills PMF)	0,015842
Büyüme Amaçlı Esnek E.Y.F. (Flexible Growth PMF)	0,010029

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OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***17. Insurance Liabilities and Reinsurance Assets (Cont'd)****17.5 Total numbers and amounts of participation certificates in portfolio and in circulation**

Numbers and amounts of participation certificates in portfolio and in circulation are stated below:

31 December 2008

Participation certificates in portfolio	Number	Amount TRY
Gelir Amaçlı Kamu Borçlanma Araçları E.Y.F.	6.417.534.097	152.867.758
Gelir Amaçlı Esnek E.Y.F.	1.269.528.902	19.618.616
Büyüme Amaçlı Karma E.Y.F.	1.678.177.704	46.627.877
Büyüme Amaçlı Hisse Senedi E.Y.F.	539.266.508	12.327.474
Likit E.Y.F.	2.273.589.504	52.951.184
Esnek E.Y.F.	2.485.191.471	52.368.270
Kamu Borçlanma Araçları E.Y.F.	845.147.800	13.392.243
Büyüme Amaçlı Esnek EYF	32.313.427	324.611

17.6 Numbers and portfolio values of additions, disposals and reversals and current pension participants

Numbers and portfolio values of additions, disposals, reversals and current individual and group pension participants are stated below:

31 December 2008	Individual		Group	
	Portfolio Values		Portfolio Values	
	Number	TRY	Number	TRY
Addition	31.788	30.422.062	4.022	1.352.142
Disposal	26.772	69.862.571	4.588	12.628.375
Current	135.026	265.759.506	28.660	84.319.743

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***17. Insurance Liabilities and Reinsurance Assets (Cont'd)****17.6 Numbers and portfolio values of additions, disposals and reversals and current pension participants (Cont'd)**

Addition: Number of agreements which have become in effect in the current period and their portfolio values.

Disposal: Number of agreements which are disposed in the current period and their portfolio values.

Current: Number of agreements effective as at the balance sheet date and their portfolio values.

Periodical changes have to be considered in total numbers and portfolio values, because there are transfers between individual and group pension plans. Also, for cancelled agreements which were effective in previous period or cancelled agreements which have become effective in the current period have been offset at the end of the period. The number of individual and group agreements and portfolio amounts stated in Note 17.8 states the total agreements on hand.

17.7 Valuation methods used in profit share calculation for life insurances with profit shares

None.

17.8 Number of additions and gross / net share participations in the current period

1 January 2008 – 31 December 2008

	Share Participation(Gross)		Share Participation (Net)
	Number	TRY	TRY
Individual	31.788	33.197.339	32.274.535
Corporate	4.022	1.971.768	1.935.832
TOTAL	35.810	35.169.107	34.210.367

17.9 Number of additions from the other companies and gross / net share participations in the current period

1 January 2008 – 31 December 2008

	Share Participation(Gross)		Share Participation (Net)
	Number	TRY	TRY
Individual	1.739	19.424.578	19.330.202
Corporate	128	556.487	555.271
TOTAL	1.867	19.981.065	19.885.473

17.10 Number of transfers from the Company's life portfolio to private pension portfolio and their gross / net share participations

None.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***17. Insurance Liabilities and Reinsurance Assets (Cont'd)****17.11 Number of transfers from the Company to other companies and their gross / net share participations**

	Share Participation(Gross)		Share Participation (Net)
	Number	TRY	TRY
Individual	26.772	69.862.571	61.382.671
Corporate	4.588	12.628.375	10.788.149
TOTAL	31.360	82.490.946	72.170.820

Number: The participants who left the Company's pension plans from 1 January 2008 to 31 December 2008.

Share Participation (Gross): The gross share of participants who left the Company's pension plans.

Share Participation (Net): The net share after deducting entrance fee and withholding of participants who leave the Company's pension plans.

17.12 Number of additions of life insurances and their gross / net premiums

None.

17.13 Number of disposals and their gross / net mathematical reserves

None.

17.14 Profit share distribution rate in the current period

None.

17.15 Amounts from insurance contracts in the financial statements

None.

17.16 Assets, liabilities, income and expense and cash flows from insurance contracts recognized when the insurer is a ceding company

None.

17.17 Comparison of the claims incurred with past estimates

None.

17.18 Effects of changes in the assumptions used in the measurement of insurance assets and liabilities, showing the effects of each change that has significant effect on the financial statements

None.

17.19 Reconciliation of changes in insurance payables, reinsurance assets and deferred acquisition costs, if any

None.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***18. Investment Contract Liabilities**

None.

19. Trade and Other Payables, Deferred Income**19.1 Sub-classifications of presented items in line with the Company's operations**

	31 December 2008 TRY
Borrowings	143.986
Payables due to pension plans-short term	10.874.646
Payables due to pension plans-long term	350.478.033
Other payables –short term	475.883
Deferred income	113.910
	<u>362.086.458</u>

19.2 Related Parties

Transactions and balances with related parties are presented in Note 12.2.

20. Payables

None.

21. Deferred Income Tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for Turkey Financial Reporting Standards (TFRS) purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

For calculation of deferred tax assets and liabilities, the rate of 20% is used.

	31 December 2008
<u>Deferred tax assets/(liabilities) :</u>	
Useful life differences of tangible and intangible assets	(113.349)
Retirement pay provision	19.634
Unused vacation accrual	27.662
Doubtful receivable provision	168.453
Carry forward tax losses	1.941.147
Expense accruals	94.144
Other	236
	<u>2.137.927</u>

The Company has TRY 17.041.034 carry forward tax losses which can be offset from taxable income in the following years. Based on the estimated taxable profits for the following years, TRY 9.705.734 of accumulated deficit can be offset. The amount of TRY 1.941.147 is recorded as deferred tax asset. Recorded deferred tax assets' utilization will expire in 2011.

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OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***21. Deferred Income Tax (Cont'd)**

The movement of deferred tax asset as of 31 December 2008 is stated below:

	1 January 31 December 2008
Movement of deferred tax (asset) / liability:	
Opening balance at 1 January	(2.217.737)
Charged to income statement	79.810
Closing balance at 31 December	<u>(2.137.927)</u>

22. Retirement Benefits

Under Turkish Labour Law, the Company is required to pay employment termination benefits to each employee who has qualified. Also, employees are required to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to current 506 numbered Social Insurance Law's 6 March 1981 dated, 2422 numbered, 25 August 1999 dated and 4447 numbered with 60th article that has been changed. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was amended as of 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 2.173,19 for each period of service as of 31 December 2008.

Retirement pay provision is not subject to any funding by law. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2008, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet date have been calculated assuming an annual inflation rate of 5,4% and a discount rate of 12%, resulting in a real discount rate of approximately 6,26%. The anticipated rate of forfeitures is considered.

The amount of TRY 2.260,05 effective from 1 January 2009 has been taken into consideration in calculation of provision from employment termination benefits

	1 January- 31 December 2008
Provision at 1 January	63.694
Service cost	75.354
Interest cost	3.650
Retirement pay paid	(44.527)
Provision at 31 December	<u>98.171</u>

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***23. Other Liabilities and Expense Accruals**

	31 December 2008
Unused vacation accrual	138.308
Provision for lawsuits	107.100
Bonus accrual	754.064
Other provisions	127.000
Total	1.126.472

Unused vacation accrual movement is stated below:

	1 January- 31 December 2008
At 1 January	161.720
Change in the current period	(23.412)
At 31 December	138.308

Contingent liabilities comprise TRY 21.100 letters of guarantee given.

24. Net Insurance Premium Revenue

None.

25. Contribution Income

	1 January- 31 December 2008
Service in come / (Expense)	
-Entrance fee while participating	2.822.424
-Entrance fee while leaving	2.306.873
Total	5.129.297

26. Investment Income/Expense

Interest on time deposits	4.693.749
Total	4.693.749

27. Net Income Accrual on Financial Assets

None.

28. Assets Held at Fair Value through Profit and Loss

None.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***29. Insurance Rights and Claims**

None.

30. Investment Agreement Rights

None.

31. Other Expenses

Details of expenses are stated in note 32.

32. Operational Expenses

	1 January- 31 December 2008
Personnel wages and other benefits	8.725.806
General administrative expenses	2.018.149
Commission expenses	5.028.685
Marketing, sales and distribution expense	2.178.867
Social benefit expenses	1.297.244
Rent expenses	422.542
Miscellaneous services	733.185
Communication expenses	469.234
	20.873.712

33. Employee Benefit Expenses

	1 January- 31 December 2008
Wages paid to personnel	5.556.640
Wages and other related benefits paid to top management	1.754.368
Retirement pay provision	79.004
Total	7.930.012

There is no equity share-based payment in the extent of TFRS 2 in the current period.

34. Financing Costs

There is no financing expense.

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OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***35. Income Tax**

	31 December 2008
<i>Current tax liability:</i>	
Corporate tax payable	-
Less: Advance taxes and surcharges	-
	<u>-</u>
	<u>-</u>
 <i>Income tax charge/(benefit) is composed of the items below:</i>	
	1 January - 31 December 2008
Current tax charge	-
Deferred tax charge /(benefit) related to the occurrence and reversal of the temporary differences	79.811
Total tax charge / (benefit)	<u>79.811</u>

Corporate Tax

The Company is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's result for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate used in 2008 is 20%.

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate used in 2008 is 20%. Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the closing of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Tax Withholding

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003 by the end of 22 July 2006. However, this rate was changed to 15% commencing from 22 July 2006 upon the order no: 2006/10731 of the Council of Ministers. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, companies can deduct 40% of their investments within the scope of the investment incentive certificate and that are directly related to production facilities of the Company. Investments without investment incentive certificates do not qualify for tax allowance.

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***35. Income Tax (Cont'd)**

Investment incentive certificates were revoked commencing from 1 January 2006. However if companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years so as to be deducted from taxable income of subsequent profitable years.

However, companies can deduct carried forward outstanding allowance from the 2006, 2007 and 2008's taxable income. Investment incentive amount that cannot be deducted from the 2008's taxable income will not be carried forward to following years.

Income tax rate that can be used by companies in the case of deducting the tax investment incentive amount in 2006, 2007 and 2008 is 30%. If the Company cannot apply investment incentive carried forward, the effective tax rate will be 20% and unused investment incentive will be forfeited.

Since the Company has not benefited from investment incentives, corporate tax rate is used as 20%.

Inflation Adjusted Legal Tax Calculation

For 2003 and previous years, taxable profits were calculated without any inflation adjustment to the statutory records, except that fixed assets and the related depreciation were revalued annually. The Company has adjusted its statutory financial statements as of 31 December 2004 in accordance with Law No. 5024 published in the Official Gazette No. 25332 on 30 December 2003 which requires the application of inflation accounting in Turkey in 2004 and future years for tax purposes, if the actual rate of inflation meets certain thresholds.

Principles of inflation accounting in tax legislation do not differ substantially from the principles in IAS 29. Since the inflation has met certain thresholds for the year 2004, the Company has made inflation adjustments in accordance with Law No. 5024 and inflation adjusted balances as at 31 December 2004 were taken as opening balances as of 1 January 2005. However, as inflation did not meet the required thresholds as at 31 December 2005, 2006, 2007 and 2008, no further inflation adjustment made to the Company's statutory financial statements in 2005, 2006, 2007 and 2008.

Reconciliation of tax for the period is below:

Tax Provision Reconciliation	1 January - 31 December 2008
Income before tax:	924.909
Tax calculated: %20	(184.982)
Effect of non-deductible expenses	(21.209)
Effect of other permanent differences	126.381
Deferred tax charge	<u>(79.810)</u>

OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***36. Net Income from the Changes in Exchange Rates**

	<u>1 January - 31 December 2008</u>
Foreign exchange gains	80.673
Foreign exchange losses	(17.022)
	<u><u>63.651</u></u>

37. Earnings per Share

The Companies whose equity shares are not traded on the stock exchange are not obliged to present earnings per share per TAS 33 "Earnings Per Share". Because the Company's shares are not publicly traded, earning per share is not disclosed in the financial statements.

38. Dividends per Share

None.

39. Cash Generated from the Operations

Statement of cash flow is presented with the financial statements. The Company's net cash from operating activities, net cash from investing activities, and net cash from financing activities amount to TRY 2.398.095, TRY 4.057.749 and TRY (916), respectively.

40. Bonds Convertible to Equity Shares

None.

41. Preferred Equity Shares Convertible to Cash

None.

42. Risks

Information on the contingent liabilities and assets are presented in Note 2.20.

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OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***43. Commitments**

Information on commitments is presented in Note 2.20.

44. Business Combinations

None.

45. Related Parties

The details of receivable and payable balances and transactions related parties are disclosed below:

	31 December 2008
<u>Due from Related Parties</u>	
ING Bank A.Ş.	187.516
	187.516
<u>Due to Related Parties</u>	
ING Bank A.Ş.	145.514
ING Portföy Yönetimi A.Ş.	196.159
Payables to personnel	7.347
TOTAL	349.020
	1 January- 31 December 2008
<u>Service Expenses</u>	
Mais Motorlu Araçlar İmal ve Satış A.Ş.	74.791
OYAK Teknoloji Bilişim ve Kart Hizmetleri A.Ş.	410.175
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	114.329
OYAK Genel Müdürlüğü A.Ş.	78.750
AXA Hayat Sigorta A.Ş.	196.750
AXA Sigorta A.Ş.	211
OYAK İnşaat A.Ş.	84.369
OYAK Pazarlama Hizmet ve Turizm A.Ş.	594.845
ING Portföy Yönetimi A.Ş.	196.159
<u>Purchases</u>	
OYAK Teknoloji Bilişim ve Kart Hizmetleri A.Ş.	160.164
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	2.142
<u>Sales to Related Parties</u>	
Mais Motorlu Araçlar İmal ve Satış A.Ş.	19.500
<u>Rent paid to Related Parties</u>	
ING Bank A.Ş.	609
AXA Sigorta A.Ş.	29.632

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OYAK Emeklilik Anonim Şirketi**Notes to Financial Statements as of 31 December 2008***(Amounts expressed in New Turkish Lira (TRY) unless otherwise stated)***45. Related Parties (Cont'd)**

	<u>1 January - 31 December 2008</u>
<u>Commission Paid to Related Parties</u>	
ING Bank A.Ş.	160.250
OYAK Yatırım Menkul Değerler A.Ş.	451
<u>Interest income earned from Related Parties</u>	
ING Bank A.Ş.	457.990

The benefits provided to top management is as follows:

	<u>1 January - 31 December 2008</u>
Short term benefits	1.625.790
Other	128.578
	<u>1.754.368</u>

The Company has no provision for receivables from shareholders, associates or other related parties.

46. Subsequent Events

After the balance sheet date, the Company has decided to amend the main agreement to change the legal name to ING Emeklilik Anonim Şirketi and the amendment was registered on 27 January 2009, in accordance with Turkish Commercial Code numbered 6762.

The Company has approved the financial statements on 13 March 2009 based on the Board of Directors Decision numbered 130.

47. Other

47.1 Items and amounts classified under the "other" category in the financial statements which either exceed 20 % of the total amount of the group to which they relate or 5 % of the total assets in the balance sheet

	<u>1 January- 31 December 2008</u>
<u>Other debtors</u>	
Payables to suppliers	435.812
Honorarium	40.071
	<u>475.883</u>

47.2 Total amount of each due to/from personnel items classified under "Other Receivables" and "Other Short and Long Term Payables" exceeding one percent of total assets in the balance sheet

None.

47.3 Subrogation receivables followed under the off-balance sheet accounts

None.

47.4 Disclosures in relation to amounts and resources of income, expenses, and losses related to the prior periods

None.

Contact Details

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