ANNUAL REPORT 2005

AKBANK

Creative approaches, innovative instruments in banking With its unique and authentic rhythms, a result of the colorful attributes and energy that has been nurtured by so many different cultures, jazz is one of the most progressive and creative forms of music. The jazz musician, who constantly interacts with other members of the band and the audience, joins his talent to a common repertory of familiar themes to achieve a combination of individuality and freedom. In this sense, jazz is a productive conversation fed by the strong emotional bonds of trust and sharing.

This year Akbank, celebrating the 15th anniversary of the Akbank Jazz Festival, is again offering jazz-lovers the opportunity to get together with many native and foreign jazz artists. One of Turkey's longest-running contemporary art events, the festival aims again to bring music enthusiast the enjoyment of jazz, free of commercial concerns.

Supporting art and artists as its social responsibility toward the community for more than 50 years, Akbank will continue its contributions to our social lives with the same excitement and determination as ever.

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FINANCIAL HIGHLIGHTS

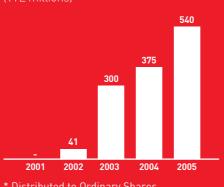
(New Turkish lira - YTL millions)

Key Financial Figures	
Total Assets	52,385
Deposits	31,451
Loans	22,106
Shareholders' Equity	6,353
Net Profit	1,438
Key Financial Ratios	
Loans / Total Assets	42.2%
	10 00/

Loans / Total Assets	42.2%
Deposits / Total Assets	60.0%
Return on Equity	23.7%
Return on Assets	3.3%
Non-performing Loans (NPLs)	1.6%
Capital Adequacy Ratio	21.4%
Earnings per Share (YTL)	0.80

For each share at a nominal value of YTL 1)

Dividends Distributed* (YTL millions)



AKBANK ANNUAL REPORT 2005

01

RESOLUTIONS OF THE GENERAL MEETING OF AKBANK T.A.Ş. HELD ON MARCH 27, 2000

1- Balance sheet and profit and loss accounts for 2005 have been ratified and each of the Members of the Board of Directors and Auditors has been released from their liability with regard to operations and accounts of 2005.

2- Net profit for 2005 will be distributed in conformity with the proposal of the Board of Directors, as follows:

• Gross YTL 540,001,363.20 will be allocated from 2005 profit to be distributed as cash dividend to shareholders, starting from March 29, 2006, against 2005 dividend coupons on shares with Series 12, 13, 14, 15, 16, 17, 18, 19, 21 and 22.

• Gross YTL 450,000 will be paid to the Chairman and the Members of the Board, starting on March 29, 2006.

• YTL 121,964,848.77 will be retained as Legal Reserves and the remaining sum will be allocated to Extraordinary Reserves.

• YTL 399,995,456 equal to 22.22% of the paid-in capital of the Bank, will be distributed to shareholders as bonus shares of which, YTL 82,481,665.50 from extraordinary reserves, YTL 117,516,062.50 from gains from the sale of fixed assets and subsidiaries and YTL 199,997,728 from inflation adjustment differences in other reserves.

3- M. Nedim Bozfakıoğlu and Mevlüt Aydemir have been appointed as statutory auditors for a period of three years, with a gross monthly remuneration of YTL 1,200.

4- The 4th, 24th and 101st articles of the Akbank's Articles of Association will be amended as per the proposal of the Board of Directors and approval shall be sought from appropriate authorities.

5- The Board of Directors has been empowered in connection with matters falling within the scope of Articles 334 and 335 of the Turkish Commercial Code.

02

VISION

Akbank's vision is to be the leading multi-specialist bank in Turkey.

MISSION

Akbank's mission is to contribute to the development of the Turkish economy and the Turkish financial system by providing high-quality, specialized banking products and services that are innovative and comprehensive.

GOALS

- Maximize shareholder value through sustainable growth
- Maintain profitability and a strong balance sheet
- Achieve a high level of customer satisfaction
- Be a market leader in terms of quality, creativity and technological development
- Support the development of staff, providing motivation and job satisfaction

FOUNDATIONS OF AKBANK'S STRENGTH

- Turkey's most profitable privately owned bank
- Credit rating above sovereign rating
- 658 branches located throughout the country
- An extensive and stable funding base
- A wide-ranging customer portfolio and the ability to attract new customers
- A robust capital structure and a high capital adequacy ratio of 21.4%
- A diversified loan portfolio with a low NPL ratio of 1.59%

AKBANK'S RATINGS BY INTERNATIONAL RATING AGENCIES

	National Rating	Financial Strength and Individual Bank Rating
Moody's	-	D+ (Positive Outlook)
FitchRatings	AA(Tur)	С
	Long-term	Long torm
	Long-term	Long-term
	YTL Rating	foreign currency rating
Moody's	5	•

Its strong capital base, stable deposit structure, ability to procure low-cost funding and robust growth in total assets combine to make Akbank the most profitable bank in the private sector in Turkey.

AKBANK IN BRIEF

As of the end of 2005, Akbank not only ranked as Turkey's most profitable privately-owned bank but also as the largest bank in Turkey in terms of its share of total loans.

Akbank was founded in Adana in January 1948, originally to provide financing for the cotton producers in the region. Growing and developing over time, the Bank opened its first branch in Istanbul in the district of Sirkeci on July 14, 1950, moving its Headquarters to Istanbul in 1954. Rapidly increasing the number of its branches, Akbank automated all banking operations in 1963. The Bank's first international representative office was opened in Frankfurt, Germany. The first Turkish private sector bank to be established abroad, Ak International Ltd., its name later to be changed to Sabancı Bank, was established in 1983. The Bank also established Ak Securities in 1996, Ak Investment Fund in 1998, Ak Asset Management and the Bank's Private Banking Department in 2000 and Ak Pension Fund in 2003. Akbank expanded its international network in 2002 with the launch of Akbank NV in the Netherlands. Akbank incorporated Ak Financial Leasing in 2005. In February 2006, a decision of the Board of Directors of the Bank initiated the sale of Ak Pension Fund to the insurance company Aksigorta.

In addition to its core banking activities, Akbank also offers a wide range of retail, commercial, corporate, private banking and international trade finance services. Non-banking financial, capital market and investment services are provided by the Bank's subsidiaries. With its use of the latest advances in technology and its staff of experienced bankers, Akbank continues to focus on providing the highest quality services to a wide-ranging private and corporate clientele.

Akbank operates through its Headquarters in Istanbul and its 13 Regional Directorates in Turkey. With a strong and extensive distribution network that includes 658 branches and 11,186 employees, Akbank provides services beyond traditional distribution channels, through its Retail and Corporate Internet Branches, its Telephone Banking Center, 1,502 ATMs, 136 BTMs, 217,198 POS terminals and the latest technology channels such as kiosks, cell phones and palm-PC platforms. In addition, a Freedom Banking Area has been set up within branch premises to allow customers to access its Internet and Telephone Banking platforms.

Akbank has a branch in Germany and one in Malta. Akbank has 100% ownership of Akbank NV established in the Netherlands and 65% of the London-based Sabancı Bank. In February 2006, a "Share Purchasing Agreement" was signed with regard to the sale of Sabancı Bank shares. Akbank, which previously owned 39.99% of the shares of Istanbul-based BNP-AkDresdner Bank, acquired an additional 60% of the shares from foreign partners in 2005 thereby merging this bank to its structure.

Its strong capital base, stable deposit structure, ability to procure low-cost funding and robust growth in total assets combine to make Akbank the most profitable bank in the private sector in Turkey. At year-end 2005, Akbank's gross profit was YTL 2,078 million (approx. US\$ 1,547 million) while total assets reached YTL 52,385 million (approx. US\$ 38,098 million). The capital adequacy ratio of the Bank is one of the highest in the sector at 21.4%.

Euromoney Magazine selected Akbank as Turkey's Best Bank for the seventh time in 2005.

In 2005, Akbank continued to obtain credits from overseas markets at favorable terms and the amount of these resources reached a total of US\$ 5,217 million.

Some 33.7% of Akbank shares are publicly traded and listed on the Istanbul Stock Exchange (ISE). Abroad, the Bank's Level 1 ADRs are traded on the London IOB and the OTC market in the US. As of December 31, 2005, the Bank's market value stood at US\$ 14,756 million, making it the corporation with the second highest market value on the ISE.

* Unless otherwise stated, all financial information presented in this annual report has been extracted from the unconsolidated financial statements based on BRSA accounting principles.

CHANGES MADE IN THE ARTICLES OF ASSOCIATION

- Akbank, in keeping with the resolution adopted at its Extraordinary General Meeting of Shareholders on May 30, 2005, has effected changes in Articles 4, 9 and 26 of its Articles of Association in order to make the necessary adjustment for YTL, while also adding Provisional Article 1.

- Article 9 of the Articles of Association has been changed due to the increase in capital from YTL 1,500,000,000 to YTL 1,800,000,000 based on the decision of the Bank's Board of Directors on June 7, 2005, Resolution No. 9018.

- Changes have been made in Articles 9, 18, 82 and 83 of the Articles of Association due to the decision of the Extraordinary General Meeting of Shareholders on June 23, 2005 concerning the buy-back of Founders and Usufruct Shares.

- Due to the merger by absorption of Ak Uluslararası Bankası A.Ş., the Bank's paid-in capital was increased by YTL 4,544 from YTL 1,800,000,000 to YTL 1,800,004,544 and shares worth of nominal YTL 4,544 was given as "merger by absorption payment" to the shareholders of Ak Uluslararası Bankası A.Ş. - other than Akbank T.A.Ş. -, in accordance with resolutions of the Extraordinary General Meeting on September 1, 2005. Accordingly, Article 9 of the Articles of Association has been changed.

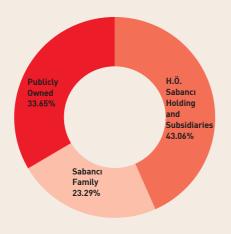
CAPITAL AND SHAREHOLDER STRUCTURE

- Akbank's capital was increased from YTL 1,500,000,000 to YTL 1,800,000,000 on June 30, 2005.
- Akbank's capital was increased from YTL 1,800,000,000 to YTL 1,800,004,544 on October 7, 2005.

- On January 26, 2005, a total of YTL 21,000,000 worth of shares belonging to the members of the Sabancı Family (1.4% of the capital of YTL 1,500,000,000 at the date in question) was sold on the ISE.

Shareholder Structure*

* As of December 31, 2005.



Natural and Legal Persons Owning More Than 10% of Capital and Their Shareholding

H.Ö. Sabancı Holding 34.23%



05

MESSAGE FROM THE CHAIRMAN



EROL SABANCI CHAIRMAN



The year 2005 was a period in which goals were met with regard to the Turkish Economy, while some targets were even surpassed. The drop in inflation to single digit levels as a result of the fight we have been conducting for so many years has restored economic stability and allowed for long-term investments to regain their attractiveness. The most important development recorded was perhaps the resurgence of foreign direct capital investment, something that has been absent in the country for many years. The progress achieved in privatization was also noteworthy. In addition, our country has entered a dynamic period of rapid progress with the goal of becoming a full member of the European Union. We look toward the future with great optimism because of all of these positive developments taking stage.

A look into the significant economic developments of 2005 indicates an expectation that economic growth as of the end of the year will be in the vicinity of 5%. The Consumer Price Index (CPI) and the Producer Price Index (PPI) recorded yearly rates of 7.72% and 2.66%, respectively. CPI thus remained below the government's target rate of 8%. An important achievement to acknowledge is that the inflation rate remained below the expected level, despite high oil prices. Improvement in public finance was the main reason for the decline in inflation and the relative economic stability attained.

In the last four years, Akbank has spent US\$ 350 million in renewing itself. Today, we are equipped with the management expertise, information technology, know-how, a widespread branch network and a brand name that allows us to compete on any ground, including with that of foreign banks.

For many years, one of the most challenging areas of our economy, public finance recorded a noticeable improvement in 2005, particularly in the areas of the budget deficit, public sector borrowing requirement, public debt stock and in terms of the extended maturities of the public debt. With the drop in inflation and the onset of stability in the economy, significant reductions were recorded in interest rates of government securities as well as in real interest rates.

On the other hand, the increases in the foreign trade and the current account deficits appear to be two adverse developments that will have to be watched closely and managed skillfully. The factors contributing to the increase in the foreign trade deficit are the strong growth rate, the appreciation of the Turkish lira, increasing international competition as a result of globalization and the rapid increase in oil prices.

There has been an improvement over recent years in the financing of the current account deficit, which has reached a level of 6.2% of National Income. The share of direct foreign capital in financing the current account deficit, which had been in the range of 10% before 2005, rose to 38% in 2005. I expect this trend to continue in 2006 parallel to the positive developments in the economy as the structure of financing displays further improvement.

I believe that the most critical element in Turkey's capacity to approach the level of the EU countries with regard to increasing per capita income and finding a solution to the country's problem of unemployment is to be able to achieve a sustainable economic growth rate of 5-6% per annum. Not only human capital but also an accumulation of physical capital will be key elements toward accomplishing this goal. This is why, in the years ahead, it will be of utmost importance to create a vision for the country that foresees an increasing influx of foreign capital into the industrial sector. In this context, the improvements in 2006 in Turkey's problem areas of taxation and the unregistered economy will have a direct influence on the increase in foreign direct investment.

With the New Horizons Transformation Program that we first launched at the beginning of the 2000s, we, at Akbank, have restructured the entire organization for a completely new customer-focused outlook. As part of the program, our clients were separated into five different segments and special products and services were designed for each particular group. An important goal of customer segmentation has been to ensure the specialization of each business unit within its own area.

One of the most striking results of the New Horizons Transformation Program was that it made Akbank the largest bank in Turkey in terms of lending volume. By renewing its information technology systems and branch network and continuously providing the market with new products, Akbank has become a leading bank for consumer loans as well as small business loans. In the last four years, Akbank has spent US\$ 350 million in renewing itself. Today, we are equipped with the management expertise, information technology, knowhow, a widespread branch network and a brand name that allows us to compete on any ground, including with that of foreign banks.

Our success and Akbank's strong position was made a cover story in the October issue of Institutional Investor, the reputed US business and finance magazine. Making note of the great interest shown by foreign banks in the Turkish banking sector, the news story points out that Akbank's growth is a reflection of the growth of modern Turkey. The article comments on how Akbank has sustained its leadership by maintaining its autonomy.

One of our Bank's most important objectives and goals is to always ensure the highest added value for our stakeholders. We are aware that achieving this can only be made possible by ensuring the highest level of customer satisfaction in every transaction we undertake. It is for this reason that we embrace change as we seek to constantly renew ourselves.

The competence and dedication of our staff are the greatest factors underlying our success. I would like to thank all our shareholders, customers, employees and other social and economic stakeholders - everyone who has contributed to bringing Akbank to where it stands today.

AKBANK

BOARD OF DIRECTORS

Erol Sabancı, Chairman and Managing Director

Serving as a Member of the Board of Directors and the Vice Chairman of the Board since 1967, Erol Sabanci was elected the Chairman of the Board on March 17, 1998. Mr. Sabanci also serves as the Vice-Chairman of the Board of Sabanci Holding and as a Board Member of the Turkish Industrial Development Bank. Erol Sabanci is authorized in all matters of the Bank.

Akın Kozanoğlu, Vice Chairman and Executive Director

Akın Kozanoğlu, serving as the Executive Vice President in Charge of Retail Banking and IT since 1987, was elected a Member of the Board of Directors on July 5, 2000 and as the Vice Chairman on December 1, 2000. Mr. Kozanoğlu is also the President of the Sabancı Holding Financial Services Group. Akın Kozanoğlu is authorized in all matters of the Bank.

Suzan Sabancı Dinçer, Managing Director

Suzan Sabancı Dinçer has served on the Akbank Board of Directors as a Managing Director since 1997. Previously serving as the Executive Vice President in Charge of the Treasury and Fund Management, Mrs. Sabancı Dinçer is authorized in all matters related to the treasury, foreign borrowing and strategies.

Özen Göksel, Managing Director

Özen Göksel started working at Akbank in 1964 as an assistant auditor and was appointed an Executive Vice President in 1981. He has served as a member on Akbank's Board of Directors and as the CEO of the Bank from 1994 until November 2000. Since November 2000, he has held the position of Managing Director on the Board of Directors. As a Managing Director, Mr. Göksel is authorized in matters related to credits, internal auditing and internal control. Özen Göksel is also the Vice Chairman of the Board and a Member of the Istanbul Stock Exchange.

Hamit Belig Belli, Director

Working at Akbank since 1955, Hamit Belli became a Member of the Board of Directors in 1995 after many years as the Head of the Board of Internal Auditors, an Executive Vice President and as the CEO. Additionally, Mr. Belli also serves as the Vice Chairman of the Board of Turkish Bank A.Ş.

Hikmet Bayar, Director

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

Aydın Günter, Director

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

Ş. Yaman Törüner, Director

Yaman Törüner became a Member of the Board of Directors in March 1998. Having served as a Member of Parliament between 1995 and 1999, Mr. Törüner also served as a Minister of State in 1996. He was the President of the ISE between 1990 and 1994 and worked at various administrative positions within the Central Bank of Turkey from 1972 to 1990. Mr. Törüner has also served as the Governor of the Central Bank of Turkey.

Zafer Kurtul, Director and CEO

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

Andrew Buxton, Advisor to the Board of Directors

Erkut Ulas, Head of the Board of Internal Auditors

STATUTORY AUDITORS

Nedim Bozfakıoğlu

Nedim Bozfakıoğlu works as the Vice President of Financial Planning and Control at H.Ö. Sabancı Holding. Previously, Mr. Bozfakıoğlu served as the Finance Manager and Financial Affairs Deputy Manager at Lassa and Kordsa, respectively. Mr. Bozfakıoğlu is a graduate of Istanbul University Faculty of Economics.

Mevlüt Aydemir

Serving in various positions at H.Ö. Sabancı Holding since 1981, Mevlüt Aydemir is currently the Vice President of Financing and Tax. Working in the Ministry of Finance as a Tax Auditor prior to 1981, Mr. Aydemir is a graduate of Istanbul University Faculty of Economics.



MESSAGE FROM THE PRESIDENT AND CEO



ZAFER KURTUL PRESIDENT AND CEO

In an economic environment of low inflation and sustainable and balanced growth, Akbank continues to maintain its leadership in the banking sector thanks to its customer-focused approach, widespread branch network, strong capital structure and high liquidity. Akbank moreover leads the sector in credit volume. With its record profit in 2005, Akbank continues to be Turkey's most profitable private sector bank.

In 2005, Akbank recorded a gross profit of YTL 2,078 million. Net profit stands at YTL 1,438 million, after tax provisions of YTL 640 million. Net profit has exhibited an increase of 41% over the previous year. As of year-end 2005, our loans had expanded by 71% over the end of the previous year, reaching YTL 22.1 billion. Assets grew by 50% to reach YTL 52.4 billion. In addition, Akbank increased return on equity to 23.7% in 2005 and maintained a high capital adequacy ratio of 21.4% despite the strong growth in lending volume.

The significant growth in the loan portfolio stemmed from the increase in consumer loans and loans extended to small and medium-sized enterprises (SMEs). Akbank's SME loan portfolio surged 116% in 2005 over the previous year, reaching YTL 7.7 billion. Consumer loans, particularly housing loans, displayed significant increases. The share of consumer and SME loans within total loans reached 66%. While the ratio of Akbank's interest-earning assets in YTL had been 48% in 2004, this ratio leaped to 60% in 2005. The ratio of loans to total assets rose from 37% to 42% in the same period. In spite of these achievements, the level of the Bank's non-performing loans remained at a negligible level of 1.59%.

In an economic environment of low inflation and sustainable and balanced growth, Akbank continues to maintain its leadership in the banking sector thanks to its customer-focused approach, widespread branch network, strong capital structure and high liquidity.

Deposits with the Bank increased significantly by 58% in 2005, exhibiting a performance well above the average in the sector, reaching YTL 31.5 billion. Turkish lira customer deposits grew by 157%. This increase in deposits is an indication of the trust our customers have placed in our Bank. Another factor that supported Akbank's strong performance in 2005 was the Bank's effective Customer Relationship Management systems.

With the New Horizons Transformation Program launched in 2000, Akbank has renewed its entire infrastructure, customdesigning its channels of customer access. Thanks to its free capital of YTL 5.1 billion, Akbank has been able to provide its customers with much greater credit opportunities compared to competitors and as a result, the Bank's credit portfolio has expanded rapidly. Predicting that small and medium-sized enterprises would have a high potential for growth under improved conditions and accelerated growth of the Turkish economy, Akbank combined its customerfocused outlook with effective corporate banking strategies to provide SMEs with new credit and cash management products that would meet their needs.

In the competition organized as part of the 6th MasterCard Europe Co-Branding Conference, Axess MasterCard beat 15 strong competitor card programs to capture the "Long-term Achievement Award". Axess owes this success to the implementation of a variety of products, its innovative and benefit-focused marketing strategies and the positive results of its card programs. Since 2001, when Axess was first introduced into the market, the card has gained more than three million users and now operates the most widespread merchant membership network in Turkey with almost 120,000 points of sale.

Upon completion of all legal work, Akbank acquired 60% of the shares of BNP-Ak-Dresdner Bank A.Ş. from foreign shareholders in addition to its 39.99% shareholding, thereby raising its shareholding to 99.99% and merged this bank into its corporate structure.

At the Extraordinary General Meeting of Shareholders and the Meeting of Founders and Usufructuary Shareholders on June 23, 2005, a decision was taken to buyback 2,538 founder and usufruct shares using the Bank's extraordinary reserves, after which these shares were to be cancelled and disposed of. This procedure had to be undertaken because the existence of these securities, corresponding to a 10% profit share out of the Bank's distributable profit and having no voting rights, was not compatible with the principles of contemporary corporate governance and that unnecessary pressure was being exerted on the value of Akbank shares.

All related legal procedures were completed and the said shares began to be purchased back on June 28, 2005. This repurchasing transaction resulted in:

- An increase in profit distributed to shareholders with ordinary shares,
- A reduction in surplus equity capital,
- An increase in return on equity and therefore a rise in Akbank's market value,
- An improvement in the quality of corporate governance,

• An enhancement of transparency in possible strategic cooperation and acquisitions in the future.

Akbank ADRs, which were traded on US markets before, were brought to Level 1 in 2005 and began to be marketed on the OTC market. This has expanded Akbank's base of international investors.

With 33.65% of our shares traded on the ISE, our primary goal as Akbank management is to create and implement strategies and practices that will maximize the value of our shares on the market. As of December 31, 2005, our Bank's market value amounted to US\$ 14.8 billion. At the end of 2005, Akbank was the second largest corporation on the ISE in terms of market value.

I would like to thank all our customers, our staff and our shareholders for their material and moral support in 2005, all of which contributed to the successful results we were able to achieve.

AKBANK

EXECUTIVE MANAGEMENT

Zafer Kurtul, President and CEO

Hayri Çulhacı, Executive Vice President - Strategy and Corporate Communications

Hayri Çulhacı joined Akbank in 1990 as an Executive Vice President, after having served in various positions in the Ministry of Finance. Mr. Culhaci is a graduate of the Faculty of Political Sciences in Economics at Ankara University and holds an MBA degree from Northeastern University in the USA.

Zeki Tuncay, Executive Vice President - Support Services

Zeki Tuncay joined Akbank in 1980 as an Assistant Internal Auditor. After serving as the Personnel Manager, he was appointed the Executive Vice President of Human Resources in 1994. Since October 2003, he has been serving as the Executive Vice President in charge of Support Services. Mr. Tuncay is a graduate of the Academy of Economics and Commercial Sciences in Ankara.

Nuri Aksoy, Executive Vice President - Credit Approval, Monitoring and Follow-ups

Nuri Aksoy has been with the Bank since 1973 and has held various positions including Internal Auditor and Branch Manager. He was appointed Executive Vice President in 1996. Mr. Aksoy is a graduate of the Academy of Economics and Commercial Sciences in Istanbul.

Eyüp Engin, Executive Vice President - International Banking

Eyüp Engin joined Akbank in 1978 as an Assistant Internal Auditor. Prior to his appointment as an Executive Vice President in 1996, Mr. Engin was the Manager of the Treasury Department. He is a graduate of the Faculty of Business Administration at Middle East Technical University.

Ziya Akkurt, Executive Vice President - Corporate and Commercial Banking

Ziya Akkurt joined Akbank in 1996 as the Manager of the Corporate Banking Department and was appointed Executive Vice President in 1997. Before joining Akbank, Mr. Akkurt held managerial positions in various commercial banks including the Ottoman Bank and Banque Paribas/Paris. He is a graduate of the Faculty of Business Administration at Middle East Technical University.

Resit Toygar, Executive Vice President - Treasury

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

M. Fikret Önder, Executive Vice President - Private Banking

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

Dr. Balamir Yeni, Executive Vice President - Financial Coordination

Dr. Balamir Yeni joined Akbank in February 2001 as an Executive Vice President. He is a graduate of Istanbul University's Faculty of Law and received his MA from the Faculty of Business Administration of the same university. He went on to earn his PhD degree from Istanbul Technical University. Dr. Yeni served as a partner at KPMG Cevdet Suner Denetim ve Yeminli Mali Müşavirlik A.Ş. from 1986 to 2000. Until 2002, he also served on the academic staff at Bosphorous University where he lectured on accounting and auditing.

Sevilay Özsöz, Executive Vice President - Operations

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

Hakan Binbaşgil, Executive Vice President - Retail Banking

Hakan Binbaşgil initially joined Akbank in October 2002 as the Executive Vice President in charge of Change Management. In October 2003, he was appointed the Executive Vice President in charge of Retail Banking. A graduate of the Faculty of Mechanical Engineering at Bosphorous University, Mr. Binbaşgil has an MBA degree from Louisiana State University, Baton Rouge, Louisiana in the USA. After his academic training, he joined Andersen Consulting as a Management Consultant. Later, he moved to Pamukbank where he served as the Executive Vice President for Retail Banking. He has served as the Chairman of the Consumer Credit Bureau for many years. Mr. Binbaşgil currently represents Turkey as a Board Member of Visa - European Region.

Haluk Erdogan, Executive Vice President - Information Technologies

Haluk Erdoğan joined Akbank in 1975 and then held various management positions in Bimsa. In 1991, he began serving as the Implementation Director in Aknet A.Ş. and was appointed the President of the same company in August 1999. Since the merger of Aknet with Akbank in April 2003, Mr. Erdoğan has been serving as the Executive Vice President in charge of Information Technologies.

Esra Bozkurt, Executive Vice President - Human Resources

Esra Bozkurt joined Akbank in March 2004 as the Executive Vice President in charge of Human Resources. A graduate of Istanbul University, Faculty of Economics, Ms. Bozkurt held various HR-related managerial positions at Philip Morrissa and DHL before joining Akbank.





REVIEW OF OPERATIONS IN 2005

Offering customers creative, innovative, highly specialized and quality products and services is the main objective of Akbank's mission. As of the end of 2005, Akbank not only stood out as Turkey's most profitable private sector bank but also as Turkey's largest bank in terms of its share in total loans.

Akbank's Strategies

With nominal and real interest rates dropping in response to economic policies and resultant favorable macroeconomic conditions, new opportunities arose for the Turkish banking sector, necessitating the adoption of new strategies. The fall in interest rates improved basic indicators in the sector. While the ratio of bank assets, credits and deposits to Turkey's gross domestic product (GDP) had been 69%, 19% and 44%, respectively in 2003, these ratios increased to 80%, 31% and 52%, respectively by the end of 2005. The ratios foreseen for 2006 are even higher. The loans extended to consumers and small and medium-size enterprises will continue to occupy a significant portion of credit volume. Forecasts for 2007 indicate a 6% ratio of mortgage loans to GDP and a 15% ratio for consumer loans. These ratios in 2005 were 2.5% and 9.3%,

respectively. Their low level points to a substantial potential for growth in consumer loans.

A look at the distribution of investment instruments shows that, although wide fluctuations are not expected in the coming years, the Turkish lira will increasingly become the vehicle of choice. While in 2004, the ratio of TL savings deposits to total customer assets was 27%, this ratio was 34% at the end of 2005 and is expected to be 36% by the end of 2006.

In an environment of expected developments such as described, the strategies Akbank has followed and will continue to follow are:

- The creation of a growing customerfocused balance sheet and income statement,
- Greater focus on business in the retail and SME banking segments,



- More concentration on high-yield products,
- Ensuring important increases in income from fees and commissions,
- Increasing operational productivity.

The financial goals targeted in response to these strategies are:

- Attaining a sustainable 22% return on equity in the long term,
- Bringing the ratio of Loans / Assets up to 60%,
- Raising the share of Fees and Commissions in Total Income to 25%,
- Reducing the ratio of Operational Expenses / Interest-Earning Assets to below 3%.

Customer-focused banking is Akbank's priority. In this context, determining the financial and non-financial needs of individuals at all stages of their lives and creating strategic partnerships to find answers to individual needs with a variety of products has been one of the fundamental steps in the transformation of the Bank. Akbank continues to move away from classical and uncreative modes of service, offering customers the kind of service they deserve at the time and place they want it.

Offering customers creative, innovative, highly specialized and quality products and services is the main objective of Akbank's mission. Thanks to the successful implementation of its transformation program, Akbank has adopted a customer-focused approach in all its business areas and serves its customers with contemporary banking products and services before they even ask for them. From smiling faces and casual interaction at the branches to the services of the Internet and telephone banking branches that it brings right into the homes

and workplaces of its customers, Akbank has undergone a complete facelift that leaves its customers satisfied and comfortably at ease. After the reinforcement of branch sales teams in 2005, activities have increased in the SME and retail customer segments. Thanks to all these developments, Akbank's strong balance sheet and income statement are a direct reflection of the Bank's customer-focused approach. The direction and magnitude of the principal items in both the balance sheet and the income statement are therefore defined by customer needs.

2005 Results Summary

As of the end of 2005, Akbank not only stood out as Turkey's most profitable private sector bank but also as Turkey's largest bank in terms of its share in total loans. Akbank's total assets surged by 50% at the end of 2005 compared to the previous year, rising to YTL 52.4 billion (US\$ 38.1 billion). The total loan portfolio of the Bank increased by 71% in the same period with Turkish lira loans rising by 89%, SME loans by 116% and consumer loans by 119%. Akbank's share in the total loans market rose from 12.7% in 2004 to 14.4% in 2005. The Bank's market share of Turkish lira loans was 12.2% in 2004, rising to 13.6% in 2005.

Market Share in Loans (%)

	2004	2005
Turkish Lira Loans	12.2%	13.6%
Total Loans	12.7%	14.4%

Effective strategies to increase deposits were implemented and a 58% growth rate was achieved in 2005. There was a significant increase of 157% in the volume of Turkish lira deposits, particularly in commercial deposits. There was also important growth in Akbank's share in the deposits market. While Akbank's share in total deposits in 2004 had been 10.1%, at the end of 2005 this ratio was 12.5%, with the share of Turkish lira deposits in the total increasing from 6.2% to 10.9%. It is expected that deposits will continue to increase in 2006 as a result of an equalizing of tax rates in investment instruments and liberalization of public sector deposits in the period ahead.

Market Share in Deposits (%)

	2004	2005
Turkish Lira Deposits	6.2%	10.9%
Total Deposits	10.1%	12.5%

Parallel to the increases in credit card spending and consumer loans, there was a 49% growth in net fee and commission income.

As a result of this positive performance, Akbank achieved a 41% increase in net profit in 2005 over the year before, the amount standing at YTL 1,438 million (US\$ 1,070 million) and allowing Akbank to

Profitability (YTL millions)

	2004	2005	Change (%)
Net Interest Income	2,539	2,592	2%
Net Fee and Commission Incom	e 427	636	49%
Income Before Tax	1,497	2,078	39%
Net Income	1,021	1,438	41%
Return on Average Assets (%)	3.0%	3.3%	
Return on Average Equity (%)	17 1%	23.7%	

reserves.

AKBANK

maintain its position as Turkey's most

achievement are its financial strength,

infrastructure, transparent and stable

corporate and retail products and services.

Akbank's shareholders' equity, which was

the Bank's buying back founders' shares during the year. Despite the YTL 1,023

million paid out to founder shareholders

in 2005. Akbank continued to maintain its

position as the private bank with the highest

level of free capital. Among private sector

banks, Akbank ranked first in 2005 with its

free capital standing at YTL 5.1 billion.

Akbank is the first bank in Turkey to buy

process on June 28, 2005, Akbank bought

back its founders' shares. Starting this

back the founder and usufruct shares,

paying for this out of its extraordinary

YTL 6,227 million in 2004, amounted to YTL 6,353 million at the end of 2005 due to

The Private Bank with the Highest

management and diverse range of

underlying Akbank's continued

successful risk management

Level of Free Capital

strong and reliable shareholders,

profitable private sector bank. The elements

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Akbank is the first bank in Turkey to buy back its founders' shares. Starting this process on June 28, 2005, Akbank bought back the founder and usufruct shares, paying for this out of its extraordinary reserves.

The Transformation Program Has Yielded Positive Results

Corporate and Commercial Branches continued to be opened within the scope of the Transformation Program and the number of branches, which was 633 at the end of 2004, reached 658 in 2005.

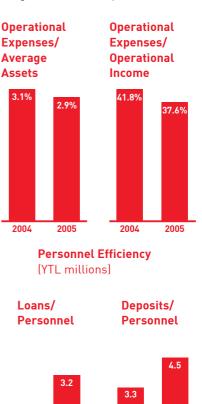
The profitability and performance measurement infrastructure, which was within the scope of the Program, was fully implemented this year. The upgraded system enables profitability and performance analysis at product, customer, Customer Relations Officer and branch levels. This infrastructure supports the management of customer segments as profit centers and enables a swift implementation of results-oriented action at all levels.

The lending and risk management infrastructure has also undergone significant upgrading. The new system infrastructure, developed to assess the credit applications of both corporate and commercial customers, not only provides the means of speeding up lending procedures but also lays the foundation for more effective risk management.

Within the scope of the New Horizons Transformation Program and through measures such as automation, promotion of alternative delivery channels and centralization of selected operations, significant increases in cost effectiveness as well as customer service quality and speed have been achieved. Intensified efforts continued in 2005 vis-à-vis automation and centralization to provide customers with faster quality service at branches and other service outlets.

Efficiency is a matter that Akbank treats with great sensitivity. Measures aimed at increasing operational efficiency both at the branch level and at Head Office continued in 2005. A significant proportion of the work being carried out on branch reorganization was completed in 2005 and





2004

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the systems installed during the year based on new technologies translated into reduced operational expenditures.

The quality of Akbank's human resources is one of the most fundamental factors in the success of the Transformation Program. Human resources systems were redesigned mindful of this fact and in order to harmonize with the Transformation Program. Akbank is one of Turkey's most productive banks in terms of personnel efficiency.

The Transformation Program has provided Akbank with the momentum it needs, to sustain its strength in the future. The Program will continue to be implemented within the same framework in 2006.

An Organizational Structure Based on Customer Segments

To better meet the requirements of management approach that is focused on customer needs, Akbank has based its organizational structure on customer segments. Accordingly, service units have been divided into:

- Corporate Banking,
- Commercial Banking,
- Retail Banking,
- Private Banking.

Branches have also been organized in parallel to this structure. The Bank

operates six Corporate Banking Centers, 44 Commercial Banking Centers, 10 Private Banking Centers and 598 Retail Banking branches throughout the country. The Retail Banking branches serve both individuals and small enterprises.

CORPORATE BANKING

In 2005, Akbank Corporate Banking Division continued to offer products and financial

solutions tailored to meet the requirements of customers and sectors through its corporate banking branches. By emphasizing a proactive and customerfocused approach and keeping customer satisfaction at the forefront of its services, the Bank aims to become a leader as a solutions-providing business partner for the companies that make up the corporate segment.

Playing an important role in 2005 in privatization projects and in the increasing and rapidly growing world of investment and foreign trade financing, Akbank's Corporate Banking Division has offered risk management services and working capital loans, investment loans, letters of guarantee, letters of credit, export factoring, domestic receivables financing, supplier financing and products such as forwards and swaps to more than 1,800 companies in the corporate segment.

Products such as repos, mutual funds, bills and Eurobonds, offered in collaboration with the Treasury Marketing Group, enable companies to more effectively utilize their idle funds.

In response to more intensive customer relationship management, the cross-sell ratio at Corporate Banking this year was 4.3. This ratio is expected to be 6 by the end of 2006.





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In addition to traditional banking products, Akbank's Commercial Banking Division developed new products in 2005 to meet the needs of its customers, thus expanding its range of products to include project-based investment credits.

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Corporate Loans and Project Finance Loans

An effective credit monitoring process is achieved through continuous risk monitoring systems and the acquisition of proper collaterals. Thanks to prudent credit policies, Akbank's non-performing loans (NPLs) have always been kept at a minimal level. Establishing long-term business relations with corporate clients through its quality and customer-focused approach, Akbank's total lending to companies in the corporate segment at the end of 2005 was US\$ 3.9 billion.

Project finance loans have increased significantly in volume and market share in recent years, particularly after 1998. Akbank's project finance outstanding balance was US\$ 1.7 billion at the end of 2005. During 2005, Akbank signed US\$ 425 million worth of new project finance loan agreements. Aiming to increase its project finance transaction volume, Akbank continues its effective management of credit risk while pursuing a cautious lending policy.

Akbank project finance loans are balanced evenly among the construction, telecommunications, energy and tourism sectors. The Bank's risk in project financing is quite low as these projects are generally covered by Turkish Treasury guarantees or are highly collateralized.

In addition to commercial investment loans, Akbank also mediates for the provision of investment loans under the guarantee/insurance schemes of international export credit agencies or insurance companies. Akbank also closely monitors the privatization program and extends loans for privatization projects.

Akbank initiated its activities in the international syndicated loan markets in

2003. Akbank's outstanding lending total for syndicated facilities made available to overseas corporate customers through its overseas branches was US\$ 160 million at the end of 2005.

COMMERCIAL BANKING

Akbank's Commercial Banking Division continued its efforts in 2005, through its extensive branch network and specialized products, to develop the fastest and easiest solutions at reasonable costs for financial transactions of all domestic and foreign companies operating in the commercial segment. The number of commercial branches increased from 41 at the end of 2004 to 44 by the end of 2005. While the total number of customers at the end of 2004 had been 10,424, this number increased by 5,328 to reach 15,752 at the end of December 2005. The sum of commercial segment cash loans, which was YTL 1.3 billion in 2004, rose to YTL 3.7 billion in 2005, an increase of 185%.

In response to more intensive customer relations, the cross-sell ratio at Commercial Banking was 4.5 at the end of 2005. This ratio is expected to be 6 at the end of 2006. In addition to traditional banking products, Akbank's Commercial Banking Division developed new products in 2005 to meet the needs of its customers, thus expanding its range of products to include project-based investment credits.

Financing support continued to the industrial sectors of the economy by establishing strategic partnerships. In this context, a plan for providing industrial enterprises financial support through a five-year investment loan with a grace period of one year was initiated as a contribution to Turkey's development. Also in 2005, Akbank cooperated with chambers of industry and commerce to offer medium- and long-term investment loans to chamber members.

With the recession in the housing market coming to an end as of 2004, an upswing was predicted to occur in 2005 in the construction business and the Bank took the necessary steps to offer customers Commercial Real Estate Loans starting at the beginning of the year. Workplace Loans, targeted for companies wishing to purchase new property to be used in their commercial activities, Workplace Renovation-Completion Loans for companies wishing to renovate their existing properties and Land Purchase Loans for those wishing to acquire land to be used for commercial and manufacturing purposes were offered at attractive rates, agreeably long terms and convenient payment conditions.

With inflation and interest rates falling in Turkey, corporate acquisitions and investments began to grow. Companies active in Turkey wishing to increase their market share have started to seek ways of acquiring other companies in the same sector. A new loan product, Leveraged Buy-Out, designed to meet the financing needs of such companies, was launched during the year.

Tourism Renovation and Tourism Support Loans were initiated in an effort to provide commercial customers in the tourism sector with assistance in preparing for the new season. These loans are designed for tourism operators who wish to renovate, repair or restock their facilities and carry the advantage of no repayment until the start of the season. Tourism Investment Loans were made available to meet the needs of commercial customers interested in making a new investment in the field of tourism. With the second largest branch network among privately owned banks in Turkey, Akbank has more than 5.5 million retail customers. The number of its active retail customers has surpassed 3.6 million.

In light of the expansion of the gold sector, which reached an export volume of US\$ 910 million in November 2005, a new product in the form of a Gold Loan was developed to support the financing needs of exporting customers in the gold sector.

In an effort to support Turkish agriculture in its progress toward EU membership, a cooperative effort with the Agricultural Products Office (TMO) was initiated on June 3, 2005 to extend credit to farmers, merchants and companies delivering produce to the TMO against a receipt issued by that Office.

In view of growing exports in recent years and the fact that a large portion of exporters undertake transactions on a cash against goods basis and thus many times finding it difficult to secure guarantees, a new form of foreign currency loan under the name Cash Against Goods Export Credit has been made available to meet the needs of these exporting companies.

A concentrated effort has been made to market export factoring services that protect the exporter from risks arising from open accounts due to short-term cash against goods sales as well as against risks stemming from debtor bankruptcy and defaults on payment.

Akbank's Commercial Banking Division, working to contribute to the development of Turkey's exports with the aim of increasing the level of exports in the economy, acted as main sponsor in 2005, its third year in this capacity, for the Stars of Export Awards, an event geared to provide incentives for Turkey's exporters.

Besides the traditional products offered in the intense competitive environment of the banking sector, Akbank has also concentrated on marketing derivatives. At a time like the present, when exchange rates can be unpredictable, importance has been placed on Alternative Foreign Exchange Deposit Transactions, which provide an opportunity for earnings beyond exchange guarantees and deposit income.

To meet the different needs of commercial customers through the commercial branches, the Bank has also promoted and offered for sale the products of its subsidiaries, Ak Pension Fund, Ak Leasing and Ak Securities.

The KOBİ2B project was launched in 2005 in the area of cash management. This project is designed to give existing customers using Logo software and potential customers the opportunity to carry out automatic cash flow reporting in their banking operations. In 2006, this system will be completely synchronized with the Bank's own system and cash flow reports will be possible for all banking transactions.

This year, an effort will continue to be made, as in 2005, in targeting the SME market to create loans and alternative instruments that will meet the special needs of these enterprises.

Corporate Internet Branch

The Corporate Internet Branch, as a distribution channel, was launched in June 2000 to serve the corporate, commercial and small business segments. Utilization of this channel continues to grow rapidly and at the end of December 2005, the number of companies carrying out transactons reached approximately 145,000 accounting for a total transaction volume of YTL 8 billion.

Many transactions including money transfers, tax payments, utility bills and social security premium payments, member merchant transactions, checks and notes, file transfers and investments can be handled through the Corporate Internet Branch.

Corporate and Commercial Loans Approval

The Corporate and Commercial Loans Approval Division process loan applications of companies with a turnover of US\$ 3 million or more. Data such as the economic environment, sectoral trends, market structure and micro-market characteristics are all reviewed in an effective assessment process. A restructuring of this process was initiated with a customer-focused perspective in 2005 in order to achieve maximum productivity and speed.

Loan approvals and marketing processes have been separated to work as independent functions and the Bank's credit scoring model has been revised. The Credit Analysis Group provides direct support to the branches where the application process begins, reducing procedural time to a minimum.

The Bank's scoring system was updated and implemented in 2005 on the basis of a statistical model. This method allows risk assessment to be more objective in corporate and commercial loans. The new scoring model is also an important first for Akbank in terms of being able to achieve pricing according to the degree of risk. The adoption of the system will make it easier for Akbank to rapidly conform to the directives of the Basel Committee on Company Rating Models.

With its effective credit monitoring, Akbank works steadily to improve and automate its early warning systems. The loan approval, monitoring, scoring, analysis and credit investigation departments work independently but the basic technical structure of the system allows the units to support and cross-check each other.



The Bank in this way is able to not only increase its market share but to keep the ratio of NPLs at a minimum.

RETAIL BANKING

Akbank's Retail Banking Business Unit provides banking products and services to individuals and small businesses. Consumer and Small Business Banking Departments serve these segments.

Competitive pricing in 2005, improvements in lending processes and the focus of branches on consumer loans led to significant increases in the number and volume of consumer loans. Through cooperation with leading brands, a loan volume of YTL 4.4 billion and a market share of 15.4% were achieved in consumer loans, excluding credit cards as of December 2005.

In 2005, credit card loans increased by 26%, reaching YTL 2.3 billion. As a result of this increase, Akbank's market share rose to 13.8% in credit card loans.

Consumer Banking

Akbank aims to be the leading bank in consumer banking by offering quality products and services, meeting the expectations and needs of individuals and thereby increasing its market share in all product groups. Akbank provides services for deposits, consumer loans, credit cards, insurance and asset management through its customer-focused and competitive approach while closely following technological developments.

With the second largest branch network among privately owned banks in Turkey, Akbank has more than 5.5 million retail customers. The number of its active retail customers has surpassed 3.6 million.

Customer-focused banking is a priority at Akbank. Consequently, a basic strategy has been formulated to consider the potential financial and non-financial requirements of individuals throughout their lives. Strategic partnerships have been formed to meet these requirements via a diversified product portfolio. Akbank is moving away from traditional and noncreative services to provide innovative services to customers at a time and manner that best suits their needs.

Consumer loans, mutual funds and CRMbased cross-sell campaigns were emphasized in 2005. Customers were granted pre-approved credit limits with Consumer Credit Certificates. Akbank sponsored major events such as the Rock'n Coke Festival and the IT Fair and investor seminars were also held, targeting high-income group customers.

With its new segmentation model, Akbank's customer-focused approach has been further refined and enhanced.



Akbank offers a broad range of financial products and services, including cash management, brokerage and investment advisory, in addition to traditional types of banking products and services.



Banking for the High-Income Group

As part of its customer focused approach, Akbank has continued to develop special services directed at the financial expectations and requirements of its customers belonging to different income groups. To this end in 2005, the Bank adopted a One-on-One service approach to the top 1% of the consumer segment, the group that has been determined by certain criteria to have more sophisticated financial requirements. The Bank has speeded up its efforts to strengthen its brand name, both to increase customer satisfaction and to enhance its competitive edge within this group of high-net worth individuals.

Youth Banking, exi26

Young people make up one of the basic foundation stones of Akbank's long-lasting relations with its customers. Addressing each segment differently, Akbank has aims to take into consideration the needs of young people as a priority and to be the type of bank that will serve their interests. Offering young people between the ages of 16 and 26, the special service, exi26, Akbank finds solutions for the banking and financing needs of this age group, seeking to be a vital part of their world. Creating products and services suitable to the needs of young people with exi26, Akbank also provides other differentiated products and service channels such as Campus Branches, exi26.com young people's portal, Campus Card, Axess exi26, Adrenaline Insurance and Electronic Equipment Insurance.

Akbank Baby Account

Akbank's Baby Account is a current account investing in Type B Variable Funds that enables customers to make a secure and long-term investment for their children's future or as a gift for a loved one. Baby Accounts can be opened over the Retail Internet Branch, the Call Center or at all Akbank branches. In addition, funds can be regularly deposited in Baby Accounts via credit cards.

Akbank Roof Account

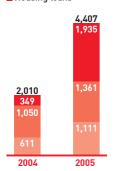
The Akbank Roof Account is a current account where services provided to consumers are combined under one roof and the cash management requirements of customers are met.

The Roof Account was designed to provide Akbank customers with quality service and to save time in banking transactions. The number of Roof Accounts reached 1,000,000 as of December 2005 and the Bank realized a considerable amount of savings as a result. In addition to cutting transaction costs, this account type also reduced the operational costs of branches, increased the average number of products per customer, boosted product utilization rates, activated passive customers and enabled the Bank to acquire new customers over the long run. As in 2004,

Consumer Loans (YTL millions)

General purpose loans Car loans

Housing loans



the Roof Account demonstrated significant performance with regard to product penetration, operational efficiency and customer satisfaction.

Consumer Loans

Akbank consumer loans continued their trend of growth and profitability in 2005, showing a significant increase of 119% year-on-year growth and capturing a 15.4% market share. The volume of housing loans expanded six-fold, reaching YTL 1.9 billion.

In 2005, the Bank concluded agreements with the Chambers of Real Estate Dealers throughout Turkey and other branded real estate agencies with a view to increasing market penetration in housing loans. Agreements were executed with a total of 20,000 real estate offices. Thus, important steps have been taken in terms of housing loans toward the objective of becoming the most effective bank at points of sale.

Continuing with its success in the consumer loan market, Akbank assumed the position of market leader among private sector banks in 2005 with its 15.4% market share. As of the end of 2005, the Bank's ratio of consumer NPLs was 0.9%.

Market Positioning in Consumer Loans

	l	Ranking
		Among
		Private
	Market	Sector
	Share	Banks
Consumer Loans	15.4%	1
Housing Loans	15.6%	1
Car Loans	22.1%	1
General Purpose Loans*	11.0%	2

* Including Overdraft facilities.

Mutual Funds

As of the end of 2005, there were 12 mutual funds founded by Akbank and one mutual fund by Ak Securities. Akbank's market share in mutual funds was 12.8% at the end of the year. With this market share, Akbank had the sector largest portfolio of assets in the sector. The Bank's mutual funds portfolio reached a volume of YTL 3.8 billion in 2005; at the end of the year, YTL 122 million had been earned from commissions.

The number of Akbank's mutual fund customers increased from 373,178 to 399,171, a rise of 7% over 2004.

Stocks

While providing its customers with fast and secure stock market transactions, Akbank also aims to minimize risk and operational costs. The Bank's market share in stock transactions rose from 4% to 4.4% over the previous year and revenues from commissions reached an approximate level of YTL 11 million.

Other Banking Services

Akbank aims to specialize in many areas of financial services while providing quality customer service. To achieve this aim, the



Bank offers a broad range of financial products and services, including cash management, brokerage and investment advisory, in addition to traditional types of banking products and services. These services are provided by the Bank's subsidiaries, namely, Ak Securities, Ak Investment Fund and Ak Asset Management.

As the agent of the non-life insurance Company Aksigorta, Akbank plans to further expand the range of services it offers at its branches and create new resources for commission revenue. Parallel to the organization of the Bank with respect to its customers, Akbank works with Aksigorta to develop products that will answer customer needs.

As of December 2005, Akbank handles salary disbursements for 582,000 personnel at 6,200 enterprises. Work is underway to increase loyalty of customers whose salaries are deposited at Akbank. The objective is to become the all-around bank of choice for these customers. Special promotional packages have been prepared for customers in every phase of their lives, providing information in products and services, automatic overdraft and credit

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The Akbank Internet Branch won recognition again, as it had in 2003, as The Best Consumer Internet Bank in Turkey in the competition organized by New York-based Global Finance Magazine.

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AKBANK ANNUAL REPORT 2005

card issuing, special advantages and privileges such as reduced consumer credit interest rates and other procedural conveniences as well as insurance products at reduced rates.

In 2004, net fees and commissions income corresponded to 40% of operational costs, while in 2005 this amounted to 51%. This ratio is expected to increase in 2006.

Alternative Distribution Channels

Freedom Banking

Freedom Banking channels (Internet Branch, Telephone Branch, GSM Phone Branch and ATMs and BTMs) are being developed in line with customer requirements to attain greater efficiency at the branch level. These services, called Freedom Banking services, are more than an ordinary alternative channel in that they provide customers with the opportunity to make use of a variety of banking services - from cash transactions to investment transactions - without time or location restraints.

At the end of 2005, about 2,000,000 customers were actively using Akbank's Freedom Banking services. The number of transactions executed by these customers via Freedom Banking channels constitutes approximately two-thirds of the total number of customer transactions carried out at Akbank.

Freedom Banking Areas

To introduce Akbank customers to the Internet and Telephone Branches and to encourage them to use these facilities while visiting a branch, a red-colored wall area called the Freedom Banking Area has been established at the entry of some Akbank branches. Within this designated area, there is a touch-screen monitor that provides access to akbank.com and a direct telephone line that connects with the Telephone Branch at 444 25 25. Customers are able to make use of the Internet and Telephone Branches without having made an application beforehand.

Some 200 Akbank branches are now equipped with Freedom Banking Areas and the areas will be established in many more branches in 2006.

Internet Branch - www.akbank.com

In 2005, the Internet Branch menus were reformatted and enhanced with new functions such as direct application via an Axess Card and the Akbank Mobile Phone Branch service.

The Akbank Internet Branch won recognition again, as it had in 2003, as The Best Consumer Internet Bank in Turkey in the competition organized by New Yorkbased Global Finance Magazine.

In 2005, the number of customers using the Retail and Corporate Internet Branches for their banking transactions increased by 50% over the previous year, reaching 540,000.

Thanks to innovations implemented and the rising number of customers using the Internet Branch, the volume of transactions concluded in this channel increased by 35% in 2005.

444 25 25 Akbank Telephone Branch

The number of monthly incoming calls to the Telephone Branch, established in 2002, reached 2 million as of December 2005. At the end of 2004, important revisions were made in the Telephone Branch menu and in the Voice Answering System to provide callers with prompt and high quality customer service. The number of completed calls in the Voice Answering System climbed from its monthly level of 200,000 to 800,000 over the year, resulting in a 45% share of total calls made to the Telephone Branch. The revisions have made it possible to achieve a 91% answering rate in the first 20 seconds of a customer's call.

In 2005, with over 50 million transactions, the 444 25 25 Akbank Telephone Branch became an alternative distribution channel over which 7% of Akbank's total number of transactions was concluded.

Telephone and Internet Banking without Prior Application

In 2003, a system had been set up within the scope of Freedom Banking whereby access to the Internet channel was made available to customers with a bank card password without a formal application, enabling all Axess and debit card holders to make use of the Internet Branch with ease. The convenience provided with this customer service innovation has led to a significant increase in the number of customers making use of both the Internet and the Telephone Branches.

4425 Mobile Phone Branch

The 4425 Mobile Phone Branch was launched in the last quarter of 2005. This new alternative distribution channel enables customers to carry out many banking transactions via SMS, saving time and virtually without location restrictions.

The 4425 Mobile Phone Branch's functionality includes CepAjan (Mobile Agent), CepEkstre (Mobile Bank Statement), CepHesap (Mobile Account), CepCüzdan (Mobile Bankbook) and Customer ID Line. With CepAjan, customers can obtain instant information about transactions on their credit cards (and supplementary cards) via SMS.

CepHesap and CepEkstre provide customers with both credit card information and the balance on their current accounts via SMS. Customers can use CepCüzdan to send money to an account belonging to anyone who has a mobile phone. The person to whom the money is sent may withdraw the amount from any Akbank ATM without a bank card. Akbank's Small Business Banking Unit aims to engender an environment of trust and to offer the kinds of services and tailor-made solutions that small businesses need.

The Customer ID Line provides customers with convenient direct access to 444 25 25 from their mobile phones without entering a customer ID or a credit card number.

ATMs

At the end of 2005, with some 1,502 ATMs, Akbank accounted for 10.5% of the ATM market in Turkey. This is the third largest ATM network within the banking sector in Turkey. Akbank ATMs serve an average of 1,500,000 customers a month, representing a volume of 15 million transactions.

In close cooperation with other leading banks in the country, Akbank set up the ATM-sharing system of Golden Points in 1994. Today numbering nearly 5,000, Golden Point ATMs comprise about 34% of the total number of ATMs in the country.

BTMs

Akbank BTMs, which are ATMs with a money deposit facility, were launched in September 2004 and handle a monthly total of approximately half a million deposits and credit card payment transactions. At the end of 2005, 136 BTMs were in service at 125 branches. Akbank's goal is to install at least one BTM in every branch.

In March 2005, Akbank initiated a new BTM service that is the first of its kind in Turkey. This new service allows everyone, whether they are an Akbank customer or not, to deposit money or make a credit card payment at an Akbank BTM without using a card.

Credit Cards

Akbank is a leader in the credit card market in terms of the variety of products offered and the volume of transactions. The Bank's



priority in credit cards is to provide customers with new opportunities and product choices that always meet their expectations and needs. Further to this goal, different types of products under the Axess and American Express brands have been made available to customers. Continuing to expand in the credit card market, Akbank demonstrated growth in 2005 that surpassed market averages and increased its issuing volume by 34%.

Akbank keeps close track of credit cardholders' spending cycles and habits and organizes promotional campaigns and activities that cater to customer expectations. Work that began in 2004 on customer segmentation was completed in 2005 and more effective campaigns are being launched on a customer and segment basis.

Axess

The Axess card, since its launch in November 2001, has become one of the most popular credit cards due to its versatility. With close to 120,000 points of sale, Axess is the card with the most widespread merchant member network in Turkey.

Thanks to the differentiated services offered to the higher income group in 2005, the share of this segment captured by Axess has grown rapidly. The bonus points and miles that the Axess Platinum card provides to cardholders in its Flight Program is unique in Turkey and has left competitor cards behind.

The Axess exi26 credit card, which was launched in 2005, was created to meet the demands and needs of the youth segment. The card is now marketed at universities.

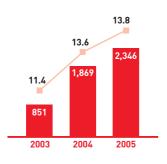
One of the market's leading credit cards, Axess displays its record of achievement with the awards it wins every year. Issuing 1 million cards in the eighth month of its launch. Axess earned MasterCard's recognition of being Europe's Fastest Growing Card Brand in 2002. In the space of just four short years after its introduction, the number of Axess cards issued has now surpassed 3 million.

Axess offers customers bonuses and incentives, as well as the opportunity to make purchases on an installment plan. Using state-of-the-art technology to learn

Credit Card Loans

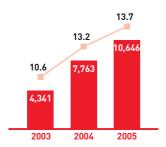






Credit Card Issuing Volume*

(YTI millions) Market Share %



* Including American Express cards

the spending patterns and preferences of customers, Axess provides cardholders with special deals and surprises at Axess sales points. As a result, Axess fits in easily with the cardholder's needs and expectations and awards customers with the privilege and pleasure of always being a winner. Axess actively promotes this distinction. In addition, The Banker magazine recognized Axess in 2004 as the winner of The Banker Technology Award, for Technology of the Year.

The card also received the European Longterm Achievement Award as considered from MasterCard in the competition organized among co-branded card programs in 2005. For three consecutive years, Axess has received awards for its phenomenal success and its creative and utility-focused marketing strategies. The criteria used included product features in the co-branded card programs, the superiority of the product over its competitors, innovative marketing strategies and overall success achieved in the card program.

Small Business Banking



With its slogan of Your Success is Our Success. Akbank's Small Business

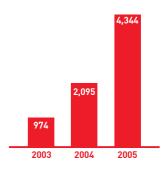
Banking Unit aims to engender an environment of trust and to offer the kinds of services and tailor-made solutions that small businesses need. Using a customerfocused approach. Small Business Banking meets client demands ranging from cash management of small businesses to loans, investments to overseas transactions with existing and ever-evolving new products. Solutions are especially focused on providing financing and funding options, one of the most critical issues small businesses face.

Small Business Banking provides customers in different sectors and regions with custom-tailored products and service packages covering a variety of banking transactions. A new loans module and other efforts were launched geared toward increasing the volume of loans: the Turkish lira cash loan volume expanded by 103%. reaching a level of YTL 4.3 billion at the end of the year. In 2005, the total number of customers exceeded 300.000 while credit clients reached 145.000.

The work carried out by the Small Business Banking Unit in 2005 on a sectoral basis was reorganized into three main areas in the headquarter organization: Retail, Services and Manufacturing. This new organization was made to help the Unit provide customers more tailored services, create a staff of sectoral experts and thereby be better equipped to meet customer needs and expectations.

Akbank's Small Business Banking Unit continued in 2005 to offer packages of products and services in the direction of sectoral needs. Existing packages were expanded and new ones were added. The

Loans to Small Businesses (YTL millions)





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Playing a leading role in cash management services with its widespread network of branches all over Turkey, Akbank creates customized solutions pertaining to receivables and payments to meet the needs of corporate and commercial customers.



variety of packages presented to SMEs included the Production Support Package, Tourism Support Package, Fuel Products Dealers Package, Food Wholesalers Package, Construction Contracting Sector Package, Car Dealers Package, Pharmacy Package, White Goods Dealers Package, Farmers Support Package, Computer/Mobile Telephone Dealers Package, Furniture Dealers Package and the Customs Consultants Package.

NPLs within the group of loans extended to small businesses were at a level of 2.1% at the end of the year. The cross-sell ratio in small business transactions was 3.3 in 2005.

Member Merchant Activities

Akbank continued to successfully implement its activities concerning member merchants, becoming one of the leading banks in the sector at the end of 2005 with a total of 204,028 member businesses and 217,198 POS terminals. In 2005, Akbank's acquiring volume increased by 25% over the year before, resulting in a 17.4% market share. Significant gains were achieved in foreign credit card turnover and foreign exchange inflow through the special efforts undertaken in tourist resort areas to increase tourist receipts. Akbank increased its overseas credit card turnover by 18.7% compared to the previous year on a Turkish lira basis and reached a market share of 24.3% in the acquisition of foreign credit cards.

Axess, introduced by Akbank into the credit card payment systems market in 2001, consolidated its market position through its widening member merchant network and consumer-oriented promotional campaigns. In 2005, Axess cardholders were provided with installment payment plans and rewards in their transactions with member merchants in 116,404 outlets, an increase of 30.4%. The campaigns organized in 2005 led to an increase of 67% in Axess turnover at Axess member outlets. Within the framework of agreements concluded with market leader companies, the market presence of Axess was strengthened and its position was consolidated among other leading credit cards.

Turkey's two banks with the biggest market share in the area of POS terminal transactions, Akbank and Yapı Kredi, have signed an agreement to join forces in this market. Expected to achieve significant synergies, this cooperation will ensure the joint use of the more than 30,000 POS terminals belonging to the two banks by the end of 2006. It is anticipated that this joint effort will create a total savings of US\$ 7 million for the two banks.

Akbank's cooperation with Turkcell in the area of loans and bank cards developed further as of the first quarter of 2005 with the launch of new joint projects. These projects include: automatic bill payment from current accounts via Axess and American Express credit cards and/or Akbank bank cards; loading prepaid minutes over the Bank's telephone and Internet banking services; Turkcell bill payment and prepaid minutes online at Turkcell Subscription Center POS; loading prepaid minutes online via Turkcell Subscription POS and online loading of prepaid minutes at BP dealers and at Carrefoursa and Championsa stores; and shopping opportunities with Akbank cards via mobile phones at businesses that are participating members in the Turkcell mobile payment project.

Because of the importance of being close to the customer in this competitive environment, an online reporting platform has been established to provide member merchants with the opportunity to know their customers better. The digital information portal Raportal offers customer analyses, sales, marketing and reconciliation-based reporting.

Retail Credit Approval and Monitoring

Consumer Loans

Automatic credit allocation processes in line with customer characteristics and needs were implemented in cooperation with the Fair Isaac Company. These were integrated with systematic assessment and scorecard applications for more effective management of credit risks and to reduce operational costs.

The Bank has actively participated in discussions with government regulatory bodies for the establishment of the infrastructure for a mortgage system for housing loans. Akbank is assessing its own mortgage credit processes and considering a restructuring of products for this end in cooperation with the groups involved and the McKinsey & Company consulting firm.



With the completion of a loan extension infrastructure in 2005, Turkey's first Mobile Loan was launched. This system enables a customer to apply for a loan via a mobile phone and receive an answer within 20 minutes.

In the first quarter of 2006, the practice of creating a customer limit by using a Behavioral Scorecard will be initiated.

Small Business Loans

The Small Business Loans Group conducts the process of credit approval on the basis of minimum cost, minimum risk and maximum speed. To this end, credit decision models based on data and statistical modeling are used in credit allocation processes and work-flows are tailored to the characteristics of the customers in the small business segment. This decision model is used to calculate risk ratings in conformity with Basel II norms.

In 2005, the Bank achieved efficient credit management in the allocation of loans to small businesses, creating a system of quick response in this area.

Credit Card Loans

A rapid and accurate credit allocation system was formulated and implemented together with the Fair Isaac Company. Behavioral Scoring has been initiated for credit cards. This system provides the means for customer credit card limits to be increased or decreased or for credit cards to be cancelled depending upon the customer's score.

Work will continue concerning credit systems in 2006 as well, the objective being to revise systems so as to attain the maximum market share and a minimum of credit risk.

Retail Loans Monitoring

Since more robust and rapid growth in retail loans may only be made possible with more effective and systematic monitoring, the Retail Loans Monitoring Group has been reorganized to deal with credit cards and consumer loans. The Collection Team at the Call Center has joined the Group. More members have been added to the team and an effective early warning system has been established.

In addition, a Restructuring Team has been formed to deal with potential credit card defaulters. This team is responsible for designing an installment plan for these customers to lessen NPL risk.

Work has been completed on a Monitoring Module, which will result in a more effective and systematic monitoring process.

NPLs

Akbank continues to maintain a low NPL ratio of 1.59%, which is well under the 4.69% ratio in the banking sector as a whole and also lower than the 4.05% ratio in the group of privately-owned commercial banks. Akbank continued to maintain its prudent approach in 2005, setting aside provisions covering 100% of NPLs.

TRANSACTION BANKING

Akbank, adopting international banking practices, founded a Transaction Banking Division, a first for Turkey. This Division gathers under one roof the services of foreign trade financing, cash management, securities settlement and custody, supply chain management and electronic banking products. Reporting directly to the CEO, the Division has developed specialized products and projects for all customer segments and is also responsible for marketing them. Transaction Banking







Making use of the latest technologies in electronic banking, Akbank has pioneered a joint project with the Microsoft BizTalk Server for its customers, the first of its kind in Turkey.

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works on these products with its own special team of system analysts and software specialists.

The Transaction Banking Division coordinates payment/collection-based cash management products with the Bank's customer segments that are involved in supply chain management of the network of dealers, suppliers and distributors. It is also responsible for coordinating initiatives to increase income from savings deposits and fees and commissions.

Besides conducting system development activities for solution partnerships directed at the financing of foreign trade, the Division is active in adapting and enriching the Corporate Internet Branch as an alternative distribution channel that is also the primary conduit of these solutions for customers.

Playing a leading role in cash management with its widespread network of branches all over Turkey, Akbank creates special customized solutions pertaining to receivables and payments to meet the needs of corporate and commercial customers.

In terms of payment/collection management products, Transaction Banking manages, based on the Central Bank clearinghouse data on checks, a yearly volume of approximately YTL 50 billion (US\$ 38 billion) through direct debiting, collective payment transactions, fuel products payment transactions, invoices and other legal payments and products such as biz.card.

Making use of the latest technologies in electronic banking, Akbank has pioneered a joint project with the Microsoft BizTalk Server for its customers, the first of its kind in Turkey. Renewing its cash management infrastructure at its head office and at the branches, this first application of BizTalk server in Turkey has

completely automated cash management products such as direct debiting, check collection systems, bill collection, group payments, salary payments as well as customer file transfers and accounting integration. The application reduces operational costs for customers and the bank in cash management activities and ensures the speedy and reliable completion of transactions. Files sent by customers to the Bank are rapidly downloaded, no matter what format or accounting system they have been prepared in and customers are kept promptly informed via preliminary and periodic tracking files.

This application was recognized as a financial success story on Microsoft's corporate website and in Microsoft Finance Magazine, appearing as a news story in both the local and foreign press. Close to 1,000 corporations benefit from the zeroerror, reliable and rapid information flow that this system provides.

Akbank took part as the main sponsor and only bank at the SAP 2005 Business Forum in Istanbul. With its cash management staff, the only specialist group that was trained by SAP Turkey in cash and treasury management, Akbank presents special solutions for SAP and provides consulting services to corporate enterprises.

Akbank also has an effective role in the collection of legal payments (taxes and social security premiums) and bills (electricity, water, gas, telephones and GSMs). In addition, Akbank acts as an intermediary for fuel bill payments of companies' vehicle fleets to fuel distributors, with which it has signed an agreement.

biz.card

Akbank's biz.card continues to enjoy the advantages of being Turkey's first multifunction card: an ATM card, a company credit card and a supply card. In fact, biz.card maintained its market leadership in 2005 on the basis of number of cards issued.

In addition, through its supply card feature, particularly needed in cash management projects, biz.card has facilitated the purchase of goods by 7,500 dealers from 100 supplier companies. In 2005, a turnover of approximately YTL 700 million was achieved in the use of the card both as a supply card and as a credit card. Users of biz.card are not only furnished with a credit limit but cross-sell opportunities are also made available through the establishment of a long-term banking relationship.

Ak Emeklilik (Private Pension Fund)

Holding 73.41% of the shares, Akbank is a major shareholder in Ak Emeklilik, a private pension fund scheme. Akbank is also its main distribution channel with its network of branches spread out over the country.

Joining the Sabancı Group in 1974 and first assuming the name of Ak Hayat Sigorta A.Ş. in 1995 as a company that would be active in life and health insurance branches, the Company was later to begin operating in the private pension scheme sector after Turkey adopted the legal framework that would make activity in this area possible. Changing its name to Ak Emeklilik A.Ş., the enterprise was one of the founding companies of the system and its adherence to ethical standards, its strong financial structure, its paid-in capital of YTL 20 million and the support it enjoys from the Sabancı Group have made Ak Emeklilik an institution of stability and trust in the eyes of the public.

Working with the vision of being a leading company that shapes market rules in the private pension scheme and life insurance sector through an innovative service Customer Relations Managers at Akbank Private Banking, located at specially designed, comfortable branch offices, work with customers under the tenet of mutual trust and confidentiality, constantly monitoring investment strategies and providing personalized solutions.

approach, Ak Emeklilik aims to launch many firsts in the sector. Ak Emeklilik has already not only earned the distinction of being one of the first companies to operate in the sector, but it was also the first private pension company to initiate an awareness program to make private pension known widely. In addition, Ak Emeklilik is the first company to establish an Independent Financial Consultancy channel in the sector.

With headquarters in Istanbul, Ak Emeklilik has three regional representative offices in Istanbul and one office each in the Aegean, Central Anatolian, Black Sea, Southern Anatolian and Western Mediterranean regions. It boasts of a wide service network consisting of 58 independent agencies, more than 450 Financial Consultants and over 600 Akbank branches.

Ak Emeklilik funds are managed by one of the three leading companies in the asset management sector, Ak Asset Management. Ak Asset Management acts as a strategic business partner that creates earnings for fund participants with its experience in fund management and its effective investment decision-making structure.

According to data of the Capital Markets Board as of December 30, 2005, out of a market total of YTL 1,220,767,916 in invested funds, Ak Emeklilik led the sector with a 17.16% market share representing a fund total of YTL 209,423,050. Data from the Pension Surveillance Center on December 26, 2005 showed that out of a total of 705,138 contracts, Ak Emeklilik was responsible for some 95,609. Ak Emeklilik has also been successful in corporate participation from the beginning of its operation and today boasts of 120 corporate participants and 25,189 corporate contracts.

Continuing to define the trends in the sector in the area of technological infrastructure, Ak Emeklilik has launched some of the sector's most successful CRM projects, providing its customers with the highest quality and fastest access to its website, its sales automation systems and its call center.

Besides its accomplishments in the Private Pension Sector, Ak Emeklilik completed 2005 with awards that acknowledged its brand value and the quality of its human resources. Ak Emeklilik is the first company in the Private Pension Sector to be internationally acknowledged for the quality of its personnel. Ak Emeklilik staff members were awarded in 2005 with the International Quality Award of LIMRA, the international organization to which the world's leading insurance and finance companies belong and a market research organization that specializes in financial services and supplies its members with resources.

A review of the April 2005 results of AC Nielsen Brand Research showed that in terms of the difference in levels of mention between 2003 and 2004 according to categories where the difference was most pronounced, Ak Emeklilik was the brand that outshined the rest with a ratio of 14.4% in the Private Pension company category. The British independent assessment organization Superbrands, which operates in 45 countries around the world, included Ak Emeklilik among the 89 super-brands in Turkey in the first assessment of Turkish brands that it has ever conducted. In addition, Capital Magazine's survey of The Most Popular Companies in 2005 designated Ak Emeklilik as the Most Popular Private Pension Company.

AKBANK PRIVATE BANKING

Private The Akbank Private Banking Unit, in operation since 2001, has been structured to offer customers full consultancy services provided by experienced specialists in its 10 specially designated offices: four in Istanbul (in the districts of Levent, Nişantaşı, Suadiye and Yeşilyurt) and one each in Ankara, İzmir, Bursa, Adana, Antalya and Denizli. Akbank Private Banking was established as a unit that would serve individuals with a minimum account balance of US\$ 200,000 by providing them with highly personalized services, assisting them in their investment decisions and devising special banking solutions whenever necessary.

Customer Relations Managers at Akbank Private Banking, located at specially designed, comfortable branch offices, work with customers under the tenet of mutual trust and confidentiality, constantly monitoring investment strategies and providing personalized solutions. These services reach customers through the support of specialists from Ak Securities and Ak Asset Management. Under continuously changing market conditions, periodic reports on all kinds of market, sectoral and product research are sent to customers.

Total assets managed by the Private Banking Business Unit at the end of 2005 reached US\$ 5.5 billion, representing a 44% increase over the year-end figure for 2004. With regard to cross-selling opportunities during this period, the average number of products per customer was 3.8.

Ultra High Net Worth Group

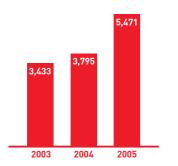
Akbank Private Banking reorganized itself into segments in 2005 and established an Ultra High Net Worth (UHNW) Group that would provide a multi-faceted service for individuals and families with assets of over US\$ 5.0 million. The mission of the UHNW Group is to protect family assets, transferring them to the next generation in the most suitable fashion, to increase family assets with the right investments and to provide monitoring and reporting of these assets. Each Customer Relations Officer working in the Group is responsible for a maximum of 20 customers, a practice





Akbank Private Banking Portfolio of Assets

(US\$ millions)



that increases and maximizes service quality and therefore customer satisfaction. UHNW customers are not only offered investment services but, using the expertise of consultants from Sabanci Holding, are presented with the opportunity of meeting individually on matters of taxation, inheritance or finance. Other special privileges for this group of customers are the use of a private meeting room and an arts consultancy.

Private Banking Mutual Funds

Within the scope of developing a range of products, a group of mutual funds with many advantages that are only available at Akbank Private Banking branches - A and B Type Variable Funds - have been on the market since the end of 2004. Of these high-yielding Private Banking funds, the A Type Variable Fund resulted in annual earnings of 58.5%, while the B Type Variable Fund yielded annual earnings of 19.3%.

INTERNATIONAL BANKING

Akbank continued to maintain its leading position in the area of international banking in 2005. While developing its correspondent network, now including 1,100 banks in 120 countries, the Bank successfully marketed products and services in trade finance, foreign exchange and Turkish Lira clearing. With the valuable relationship that Akbank has fostered with its correspondent banks, the Bank has been able to secure long term bilateral financing at competitive rates from many international banks.

Since 2003, Akbank has been the only Turkish bank to participate in the management of the Trade Bank of Iraq. In 2005, Akbank continued to serve its customers working with Iraq in the area of letters of credit and letters of guarantee as well as in money transfers.

Since 1997, Akbank has steadily increased its foreign borrowings. In addition to the borrowing limits secured from correspondent banks, Akbank has also successfully benefited from other financing instruments. The Bank has been continuously active in syndication markets



In 2005, Akbank was acknowledged by foreign research publications as having one of Turkey's best treasury management groups.



and two syndicated facilities in the sum of US\$ 1,650 million were obtained with the participation of the world's leading banks in 2005. Moreover, in 2005, Akbank has finalized many transactions in Turkey that should be considered as record-breaking and that will serve as a model for the country's financial sector.

The syndicated facility signed on August 22, 2005, for an amount of US\$ 1,250 million was concluded with the participation of 53 banks from 24 countries. This was a record for Akbank and for Turkey as well since it was the first syndicated facility secured in Turkey in an amount exceeding US\$ 1 billion. Furthermore, this facility has been awarded by Euroweek as the Best Turkish Loan of 2005. The maturity of the facility was one year, with the proceeds to be used in pre-export financing.

Following this record syndicated loan, Akbank undersigned another syndicated facility with a maturity of three years. This facility for US\$ 400 million, signed on December 22, 2005, is another exceptional loan as it represents the highest loan amount secured in the country for the longest term. Another distinctive aspect of the loan is that a portion of US\$ 200 million is a revolving facility where drawdown and repayment are possible at the Bank's discretion in the amount selected for a period of three years. On June 30, 2005, Akbank raised US\$ 1 billion under the A.R.T.S. Ltd. Trade and Diversified Payment Rights Future Flow Securitization Program. With this "Further Advance" issuance, A.R.T.S. program reached US\$ 2.5 billion in sixteen tranches. The majority of the US\$ 1 billion Further Advance was wrapped by five monoline insurers; Ambac, Assured Guaranty, CIFG, MBIA and XL Capital Assurance.

The tranching was split in US\$ 450 million at an 8 year maturity and US\$ 550 million at a 7 year maturity. Out of the US\$ 1 billion issuance, US\$ 700 million was placed as floating rate notes in international markets. US\$ 300 million was financed by WestLB in the CP markets.

This was the largest securitization issue from Turkey, as well as being the largest program of its type worldwide and was the largest ever wrapped bond placement for a Turkish originator. Akbank also achieved very competitive cost of funds through this transaction and improved its investor base.

The transaction, with all its recordbreaking aspects, has consolidated Akbank's leadership position and a new benchmark in developing markets. It was also acknowledged by The Banker as the Best Turkish Securitisation Deal of 2005.

In December 2005, Akbank completed another securitisation transaction which amounted to US\$ 500 million backed by foreign currency credit card receivables with a maturity of 8 years. The US\$ 500 million transaction was composed of three tranches. US\$ 250 million of the loan was wrapped by XL Capital Assurance and US\$ 150 million was wrapped by MBIA. The remaining US\$ 100 million of the deal was unwrapped but was priced at the same level as the wrapped tranches which was rated by Moody's and S&P as Baa2/BBB-.

Total loans secured through international markets reached US\$ 5.2 billion in 2005.

In addition to these transactions, Akbank utilized an OPIC loan with a maturity of 7 years in the amount of US\$ 30 million which was secured from Wachovia Bank to support funding of housing loans.

Akbank's affiliate in the Netherlands, Akbank N.V., provides retail and corporate banking services. The Bank's Frankfurt and Malta Branches serve corporate banking customers.

TREASURY MANAGEMENT

In 2005, Akbank was acknowledged by foreign research publications as having one of Turkey's best treasury management groups. Treasury Management at Akbank is made up of the Fund Management Group, the Fixed Income Securities Group and the Treasury Marketing Group.

Fund Management

The Fund Management Group announces free market foreign exchange rates according to changing local and foreign market conditions with an eye to providing customers with very narrow spreads that will facilitate the handling of their transactions at the branches and over the Internet. Akbank is a leader in this area. Customers can buy and sell foreign exchange in an amount of up to US\$ 150,000 depending on their individual profile. This capability has resulted in a high level of customer satisfaction. Additionally, retail customers can also deal in FX/FX arbitrage over the Internet in an amount of up to US\$ 50,000. Moreover, both the Internet and the network of

Akbank branches respond to customers' repo needs by providing the most suitable repo rates under current market conditions.

The Fund Management Group is not only active in finding and providing YTL funding in money markets, but also deals in spot, swap and forward transactions. Instructions are accepted 24 hours a day

for FX/FX arbitrage transactions, which are then executed for the customer.

Fixed Income Securities Group

The Fixed Income Securities Group deals in the trading of securities at all maturity groups through the Akbank branches or over the Internet at the most competitive prices on the market. Akbank is one of the 12 market-maker banks designated by the Turkish Treasury. The Bank actively engages in the trading of bonds for investment or speculative purposes on the ISE and in the Interbank market, maintaining its leadership position within the market. In addition, the Group is also a leader in foreign-currency denominated government bonds and Eurobond markets, making this facility available both at the branches and over the Internet and pricing these securities at every available maturity. With the recent improvements undertaken in the Securities System and in pricing techniques that have led to the launching of the new Electronic Transaction Channel, there has been a significant increase in customer loyalty and the Bank's market share in the Interbank market.

Treasury Marketing Group

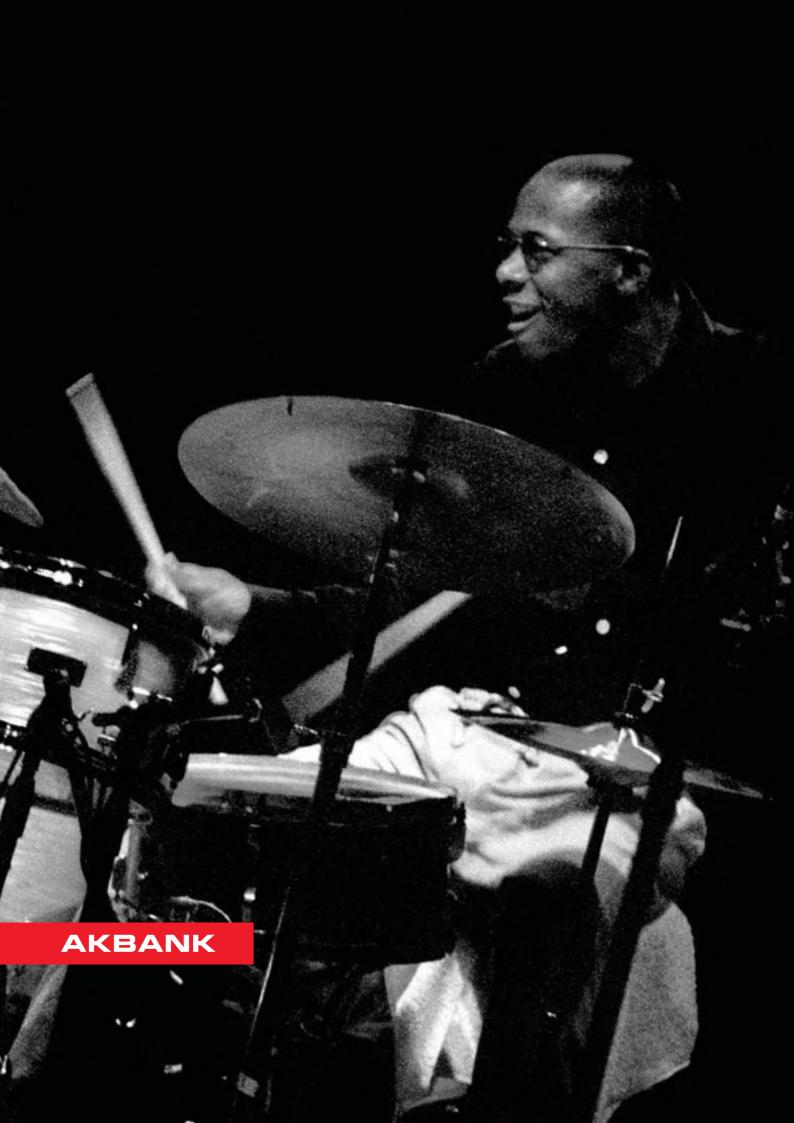
The Treasury Marketing Group has considerably increased its brokerage activities in T-bill trading by making use of the Bank's extensive branch network.



Other treasury products marketed to customers include derivative instruments such as swaps, futures and options.

The Treasury Marketing Group also supports retail and corporate customers in their decision-making by providing different derivative products used in international financial markets. Since political and macroeconomic uncertainties increase price, interest rates and foreign exchange rate risks in globalizing economies, the use of forward transactions as hedging against such financial risks or as speculative products has begun to be more widespread. Options are used as structured income-yielding financial products. Akbank's competitive prices and increased transaction volume have earned it a significant share in the market of popular derivatives. The application of interest swap contracts is in the form of fixing credit costs of libor + spread, thereby making long-term fixed interest loans possible. Other structured new products are always in development to continuously better meet customer needs

AKBANK



One of the first financial leasing companies established in Turkey, Ak Leasing is a leading company in the sector in terms of its paidin capital, the size of its assets and its volume of transactions.

CAPITAL MARKETS

Akbank provides capital market services through its subsidiaries, Ak Securities, Ak Asset Management, Ak Investment Fund and Ak Leasing. Branches operate as marketing and sales outlets for products and services delivered by these subsidiaries.

Ak Securities

AKYatırım

Established in 1996 to operate as a brokerage house in capital markets, Ak Securities has ever since grown rapidly and steadily. Acting with the mission to offer the widest range of products to a more widespread investor base, the number of accounts at Ak Securities reached 194,374 at the end of 2005. With its 173 employees, the Company has entered the ranks of the leading brokerage houses in Turkey. Realizing 4.4% of the total transaction volume on the ISE in 2005, Ak Securities ranks fifth among the 101 brokerage houses executing trades on the Exchange.

Ak Securities offers its customers stocks, bills and bonds, Akbank and Amex investment funds, Derivatives Exchange and repo transactions as well as investment advisory services. Through its International Institutional Sales Department, Ak Securities provides foreign corporate customers with trading services for Turkish Capital Markets products. The periodic reports and bulletins of the Research Division, prepared in both Turkish and English, are sent to domestic and foreign customers, thereby playing an important role in their investment decisions.

The specialists on the staff of the Corporate Finance Division offer consultancy services to domestic and foreign companies regarding IPOs, mergers and acquisitions and potential financial partners. The Division also provides advice to both buyers and sellers in privatization projects.

With its widespread network, Ak Securities operates from its Head Office and 14 branches located in Istanbul (5), Ankara (2), Izmir, Adana, Gaziantep, Antalya, Bursa, Denizli and Kayseri and through the 658 Akbank branches that act as its agents and from trading rooms at 32 Akbank branches.

In addition, Ak Securities makes its services available 24 hours a day over the Internet. Its website, www.akyatirim.com, provides a wide investor audience with daily and weekly bulletins, periodic balance sheet analyses, macroeconomic, sectoral and company reports as well as daily bulletins.

Ak Asset Management

Ak Asset Management places equal importance on high yields and risk management, aiming at a long-term perspective, stability and quality in earnings. The Company manages the 13 Type A and Type B mutual funds of both Akbank and Ak Securities, the 10 pension investment funds of Ak Emeklilik as well as Ak Investment Fund's portfolio, for a total of 24 portfolios.

Assets managed by Ak Asset Management amount to YTL 3,769 million in mutual funds, YTL 209 million in pension funds and YTL 49 million in investment portfolios, for a total of YTL 4,027 million as of the end of December 2005.

In terms of size of portfolios managed, Ak Asset Management leads the pension funds sector with a 17% market share and is second in the mutual funds sector with its 13% market share.

Ak Investment Fund



Ak Investment Fund ranks fourth as of the end of 2005 among the 25 investment trust companies in the market in terms of registered capital and issued capital and second in terms of portfolio size. Ak Investment Fund's market share at the end of 2005 was 9.9%. Its yield on investments was 45.4% for the year.

Ak Investment Fund seeks to offer investors the best investment alternatives in the market, ensuring steady and balanced earnings.

Ak Leasing

One of the first financial leasing companies established in Turkey, Ak Leasing is a leading company in the sector in terms of its paid-in capital, the size of its assets and its volume of transactions. Ak Leasing's trade name was changed to AKLease, after all of its shares were acquired by Akbank in 2005.

Ak Leasing entered a period of rapid growth after Akbank's acquisition. Transaction amounts rose by 108%, a striking increase over the sectoral average rate of increase of 39%. Its current market share in the sector standing at 4.7%, Ak Leasing aims to expand this share to 8% in 2006 and to rank among the first four companies in terms of net leasing receivables.

Initially targeting large-scale companies, Ak Leasing turned its attention to smalland medium-sized enterprises after

AKBANK

Akbank's budget, which was prepared and followed in business unit and segment levels in previous years, started to be prepared at the branch level in early 2005.

Akbank's acquisition of the company and it now makes use of the Bank's widespread network of branches to provide investors all over Turkey with leasing services.

The advantages Ak Leasing offers investors are:

- A strong financial and shareholder structure which provides the means for offering investors low-cost and longterm funding.
- With its six liaison offices located in Turkey's various regions and the wide Akbank network of branches, the Company provides investors all over Turkey with high quality leasing services.
- Its stable and reliable organizational structure provides continuity in customer relations.

• An experienced, dynamic staff of specialists is on hand to share with investors the information gathered through the strength of its robust financial structure, providing at the same time suitable and creative solutions for their investments.

SUPPORT SERVICES

Information Technology

Rapid advances in technology create new behaviors and expectations. Always seeking to blend the Bank's and customers' needs with the right technology to foster strong growth and to create added value for its stakeholders, Akbank has continued to be a pioneer in the use of technology, implementing numerous successful IT projects in 2005:



- A new era was ushered in with the introduction of CepKredi consumer loans, offering customer loan application and approval over mobile phones.
- Customers can now complete a transaction conveniently from wherever they are via the Bank's Mobile Phone Branch and benefit from the services offered by ATMs/BTMs without the need for a card.
- The exi26 project was launched as part of the Bank's mission to prepare the country's young people for the future.
- The state-of-the-art Operations Center has been enhanced with new functionality that carries quality services quickly to branch customers.
- In its sensitivity to the environment, Akbank has speeded up the transfer of internal correspondence to the electronic medium, creating savings in both paper and processing costs.

Akbank's success in converting technology into service has not gone without acknowledgement. Akbank Retail Internet Branch was chosen the best retail Internet branch by Global Finance Magazine and Microsoft commended the FTP project involving BizTalk Server technology as a model for the rest of the world.

Akbank's IT investments in 2005 reached US\$ 66 million. Its POS network is the largest in Turkey, and the Bank has a wide network of branches and ATMs.

Giving priority to user-friendly technology in services along with a wide range of access possibilities, Akbank's concept of rapid, reliable and uninterrupted services provision will be the background of the innovative and effective projects in the coming year that will consolidate the Bank's leadership in the sector. 41

Akbank has been continuously investing in information technology for many years in an effort to keep up with innovations and to mirror the importance the Bank places on practical applications of IT. The total level of investments made in information technology since 2000 has exceeded US\$ 300 million.

Centralized Operations and Increasing Efficiency

In 2005, the Akbank Operations Center launched the first and only application in the banking sector that establishes direct customer relations. The direct handling of all transaction requests by a centralized organization has now been made possible with a department that responds to and executes the instructions of customer companies. This implementation has resulted in a significant increase in efficiency, both for customers and for branches.

Important efforts continued in 2005 to make centralized processes more widespread. Centralization of operations at Akbank is handled at the Operations Center. While transactions are relayed from the branch to headquarters rapidly and safely, operational risks are managed and kept at a minimum level, resulting in a significant reduction in risks.

Aiming to centralize all work loads that may be transferred from the branches, the Operations Center accomplished another first during 2005 when it implemented the Branch Tax Centralization Application. Tax calculations, e-declarations and all tax payment for branches have been removed from the branch to be processed completely and efficiently by the Center.

In 2005, eight Affiliated Check Operation Centers (COC) were established as an addition to the Check Operations Center in Istanbul. These COCs, functioning in the Aegean Region, Ankara, the Çukurova Region, İzmit, the Mediterranean Region, Thrace, Gaziantep and Samsun, provide the means for branches to centralize their post-dated check entries.

With the information-sharing system that Akbank has created in the form of a common platform for all its employees, the Bank is making use of communication techniques to reinforce its corporate culture - the concept of Being and Living the Life of an Akbank Employee. The Corporate Portal - ilet.isim - is a special Intranet environment for exclusive use by Bank employees.

One of the benefits resulting from the portal in 2005 was a savings of 40 million sheets of A4 paper. This not only meant a cost savings but represented a contribution to the preservation of the environment and a reduction in the number of trees cut to produce that much paper loss.

The new branch system AKrobat was used throughout the branch network in 2005. Now, 87% of branch transactions can be carried out through the AKrobat system. The remaining 13% will be incorporated into AKrobat in 2006.

The Customer Signature and Identity Scan Project involves automatic access to customer signatures and to photocopies of IDs filed at the branches during the course of a transaction, eliminating the need for searching into customer and signature paper files, thereby saving time and also ensuring a more careful confirmation of signatures and identity. Because the system also allows for confirmation of documentation at the reciprocal branch, transaction time is shortened. Thirty percent of this project has been completed. It is expected to be in operation throughout the Bank as of June 2006.

Business Intelligence Applications – ARGUS

Akbank put in place an information system in 2004, called ARGUS and designed as both a Management Information System and a Decision Support System. ARGUS aims to present users with comprehensive data enabling them to conduct analyses regarding the performance of the Bank utilizing the most important criteria. Daily, weekly and monthly data depending on the nature of the records can be accessed via ARGUS.

Within this framework, ARGUS provides the following information about Akbank or the relevant variable in various dimensions and in line with '4C' objectives (Correct information, Correct time, Correct format and Correct target group):

- financial figures,
- customer-focused indicators,
- indicators concerning business processes,
- indicators concerning human resources and
- risk indicators.

The number of users and the coverage of ARGUS were expanded during 2005. Coverage of ARGUS and the number of users will be further expanded in 2006 to effectively facilitate Akbank's strategy, fast decision-making and performance monitoring processes.

Profitability System

In 2004, Akbank's Profitability System aiming to analyze profitability in a multidimensional manner was put in place. The Bank's profitability is analyzed regularly



Akbank Sanat works to achieve its goal of providing substantial support to contemporary art in Turkey and creating visionary works in all areas of art.

within the framework of the Profitability System taking into consideration the following parameters:

- Customer profitability,
- Customer Relations Officer's profitability,
- Branch profitability,
- Segment and Business Unit profitability and
- Product profitability.

Management and marketing strategies are formulated, actions enhancing profitability are defined and realized as a result of customer, product and segment profitability analyses. Additionally, branch and Customer Relations Officer's profitability are used in the Bank as important performance indicators. Profitability reports are forwarded to users through ARGUS.

The Profitability System will also be serving Akbank's Branch Performance System in 2006, since performance premiums will be based on profit. Thus, the system will have been actively used to maximize shareholder value.

AkTarget

Akbank with its extensive, strong branch network has developed the AkTarget system to preserve its market leadership position and to obtain maximum efficiency at each branch in 2005.

The AkTarget system compares branches with each other in an objective and rational manner and quickly determines targets for each branch. AkTarget also automatically ascertains how much a branch should focus on a specific product at the branch level. The AkTarget system effectively channels branch resources to the right targets.

Budget

Akbank's budget, which was prepared and followed in business unit and segment levels in previous years, started to be prepared at the branch level in early 2005. The branches, which had received their performance targets from the Head Office before, began to estimate their own budgets. The forecasts are sent first to the regions and then to the Head Office by the budget program. The program, using a bottom-up approval system, consolidates the collection of budget data throughout the organization; budgets prepared at branch, business unit and head office department levels are combined to generate the consolidated budget of the Bank.

In addition, for the 2006 budget, income statements, balance sheets and profitability reports were prepared at branch level. So, branches and the other units of the Bank can follow and analyze their budget variances with a single tool. The budget program also plays an important role in productivity, expense management and monitoring. Expenditure is budgeted and monitored at the head office and at branches.



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Akbank Art Center

Akbank Art Center

AKBANK SANAT

Knowing that protecting local and universal cultural legacies and sharing this heritage with future generations are matters of social responsibility, the Akbank Art Center is an important showcase in Beyoğlu, the heart of Istanbul's cultural and artistic life. The Center works to achieve its goal of providing substantial support to contemporary art in Turkey and creating visionary works in all areas of art. In 2005, the Art Center continued to host many cultural and artistic activities on behalf of Akbank. Akbank Art Center has hosted many newsworthy events in culture and the arts. This year, the Akbank Jazz Festival, celebrating its 15th year, once again brought together numerous Turkish and international musicians and enthusiastic jazz-lovers.

One of the most important activities at the Center is the theater with its appeal to audiences of all ages. The plays of the Children's Theater, the New-Generation Theater and the Production Theater are performed outside of the Center, at venues where the Bank's target audiences are located.

The Center's exhibits in contemporary art have attracted great interest in both

the press and by art enthusiasts. The Sarkis exhibit in April was one of the most important exhibits organized in Turkey in the area of contemporary art. Conferences and seminars were also organized in support of the various exhibitions staged.

One of the leading artists in modern dance, Zeynep Tanbay, has been invited to the Stuttgart Festival with her dance troupe project, one that promises to be one of Akbank's most significant forays into dance, a major area of artistic expression.

Also a supporter of one of the most popular areas of art among young people, the cinema, Akbank was the main sponsor this year for the Film Festival organized by the Istanbul Foundation for Culture and Arts. Akbank Art Center also holds viewings of films in an effort to support the film industry. The second Akbank Short Film Festival that was held in 2005 attracted great interest and close to 300 film applications were reviewed. Viewings of Festival films were held both at the Akbank Art Center Hall and at the movie theater of the Istanbul Museum of Modern Art. The award-winning films were shown at 17 universities after the Festival in various cities throughout Turkey.

In addition to the year-round musical performances held at the Cemal Resit Rey Concert Hall and the Kadıköy Public Education Center in 2005, the Akbank Chamber Orchestra held youth concerts at a different university every month in an effort to inspire appreciation for classical music among young people. The Orchestra also held concerts in Izmir, Muğla, Afyon, Denizli and Burdur.

The book "Installation Art in the New Millennium" was prepared in 2005 as an Akbank publication.



MANAGEMENT AND CORPORATE GOVERNANCE PRACTICE

Akbank has documented its corporate values that have made the Bank what it is today as well as its management practices based on those corporate values. Akbank is the first bank to announce its Corporate Governance Principles in its annual report and web site. The Akbank Board of Directors has formulated the Bank's vision, mission, short and long-term strategic goals clearly and intelligibly and as set forth in the Annual Report.

BOARD OF DIRECTORS

The Akbank Board of Directors has formulated the Bank's vision, mission, short and long-term strategic goals clearly and intelligibly and as set forth in the Annual Report. The Articles of Association of the Bank states that the duties and responsibilities of the Board of Directors are subject to the principles determined in the provisions of the Turkish Commercial Code and Banking Law and to the Articles of Association. The Articles also declare that the Board of Directors is required to meet at least once a month, clearly setting forth the conditions for such a meeting. The Internal Auditing Board, which is responsible for the internal auditing system and the Internal Control Center, responsible for the internal control system, report directly to the Board of Directors.

The Board of Directors and Senior Management are responsible for developing risk management policies and strategies. These strategies are periodically reviewed in the light of changing marketing conditions both at daily Assets-Liabilities Committee Meetings and at Board meetings. The CEO is responsible for ensuring that the Bank's departments operate in line with policies and strategies determined by the Board of Directors in connection with the Risk Management Process. Additionally, internal controls and periodic audits are other means of checking to ensure that compliance with policies and strategies has been achieved.

The members of the Board of Directors were elected in March 2004 for a term to end in 2007.

Auditors were elected in March 2003 for a term to end in 2006.

In the absence of a legitimate excuse, all Board and Committee members attend meetings. An assessment of the Bank's operations and related information can be found in the first part of our Annual Report, in the messages of the Chairman and CEO.

Board Members and Biographical Information

Detailed information has been presented on pages 8-9.

SENIOR MANAGEMENT

Detailed information has been presented on pages 12-13.

Board Member in charge of Internal Auditing and Internal Control

Özen Göksel

Board Member in charge of Risk Management

Akın Kozanoğlu

Credit Committee

In keeping with legal practice, a Credit Committee composed of two Board Members and the CEO administers the lending process at Akbank. The Credit Committee is the ultimate decision-making body that reviews a loan application to ensure that it is in conformity with legal regulations, banking practices and the Bank's goals and loan policies.

A Preliminary Committee has been organized within the headquarters to provide support for the Credit Committee, evaluating the loan proposals coming in from the branches and making the necessary screening. The permanent members of this committee are the CEO and the Executive Vice President and Heads of the Credits and Marketing Divisions (5 persons).

The purpose of the Preliminary Committee is to increase efficiency, speed up the loan process, act as a bridge between branches and the Credit Committee and closely monitor and direct branches in order to make proper screening in accordance with the approval criteria of the Credit Committee.

Credit Committee

Erol Sabancı, Chairman Özen Göksel, Member Zafer Kurtul, Member

Preliminary Committee

Zafer Kurtul, Chairman Nuri Aksoy, Member Ziya Akkurt, Member Cem Mengi, Member Ferda Besli, Member Ahmet Fuat Ayla, Member

Risk Management Committees Assets-Liabilities Committee (ALCO)

ALCO meets daily and reviews the latest developments in the economy and markets. ALCO's responsibilities include developing investment, pricing and funding strategies, making decisions related to daily cash flow and cash management.

Zafer Kurtul, Chairman

Hayri Çulhacı, Member

Nuri Aksoy, Member

Eyüp Engin, Member

Ziya Akkurt, Member Resit Toygar, Member

M. Fikret Önder, Member

Balamir Yeni, Member

Hakan Binbaşgil, Member

Executive Risk Committee

The Executive Risk Committee is responsible for developing risk policies,

determining methodologies for measuring and managing risk and creating and monitoring allowable risk limits. All risk policies that are formulated are written up and integrated into the Bank's longterm general strategy plan.

Akın Kozanoğlu, Chairman

Suzan Sabancı Dincer. Member

Özen Göksel, Member

Zafer Kurtul, Member

Balamir Yeni, Member

Sebnem Tarhan, Member

Bank Risk Committee

The Bank Risk Committee aims at developing general risk management systems that are suitable for risk measurement and overall management, achieving coordination and cooperation between the Executive Risk Committee and separate risk committees.

Şebnem Tarhan, Chairman

Sevgi Onur, Member

Arzu Türkmen Burnaz, Member

Okan Korkmaz, Member

Ferhat Aslan, Member

Fulya Kutluk Polat, Member

Alper Cibili, Member

Hülya Keskintaş, Member

Nihal Sırakaya, Member

Esra Başol, Member

Market Risk Committee

The Market Risk Committee aims at measuring and managing market risk and contributing to the determination of the Bank's general policies. Additionally, this Committee also focuses on achieving coordination and cooperation between the measurement and management. Sebnem Tarhan, Chairman Okan Korkmaz, Member Emre Yıldırım, Member Muammer Çakır, Member Pinar Diren. Member Serkan Aynalı, Member Önder Sora, Member Hasan Orhan Özenç, Member Fatma Melek. Member **Credit Risk Committee**

departments in charge of risk

The Credit Risk Committee aims at measuring and managing credit risks and contributing to lending policies and general decisions related to credit risk. Additionally, this Committee also focuses on achieving coordination and cooperation between the departments in charge of credit risk measurement and management and those that work on formulating lending policies and making loan decisions.

Sebnem Tarhan, Chairman Sevgi Onur, Member

Derya Ergören Öztürk, Member Tuncay Akdevelioğlu, Member

Emel Özkurt, Member

Ferhat Sami Özcelik. Member

Murat Emre Duman, Member

Neslihan Ünsal, Member

Cemal Durmaz. Member

Operational Risk Committee

The Operational Risk Committee aims at working to measure and manage operational risk and contributing to the determination of the Bank's general policies.

Sebnem Tarhan. Chairman Arzu Türkmen Burnaz, Member Ferhat Aslan, Member Pinar Anapa, Member Tuncay Akdevelioğlu, Member Namık Kemal Parmaksız, Member

Report of the Board Member in charge of Internal Auditing and Internal **Control Systems**

For some years, our Bank's internal auditing operations have been performed under the direction of the Internal Auditing Board and the Internal Control Center, both of which report directly to the Bank's Board of Directors. The Board, their autonomy and objectivity ensured, has authorized both units for control. These units benefit from qualified and experienced human resources that work with a technical infrastructure that effectively supports their efforts.

The work of our internal auditing units in the performance of their respective duties and responsibilities and their contribution to launching the Bank's adoption of the principles of corporate governance, their effectiveness, efficiency and reliability in ensuring that all Bank operations are in keeping with internal and regulatory provisions, their competence in providing control, consultancy and support services through auditing, review, control and monitoring ensuring that financial and administrative reporting is performed with accuracy and integrity and that operational and credit risks are kept to a minimum

AKBANK

has been acknowledged in the sector for the first time by UKAS in England and certified by TÜRKAK in Turkey with an accredited ISO 9001-2000 quality certificate.

The duties and responsibilities of the Internal Auditing Board and the Internal Control Center include the auditing of branches, headquarter units and affiliates that are subject to consolidation at sight, the auditing of branch operations through computer systems, assessment of information security of IT applications and systems, investigation of undesired actions and transactions.

In 2005, a large proportion of our headquarter units, our domestic and foreign branches and our affiliates have undergone auditing and all significant complaints, products and operations have been reviewed. The results of the auditing and control review have shown that Bank operations have in general been performed at low-risk, that work has been in keeping with regulations and further indicated that no adversity would endanger the Bank's assets.

In short, our internal auditing and control systems are effective and successful in preventing, spotting and eliminating risks arising from our operations.

Özen Göksel, Managing Director

Report of the Board Member in charge of Risk Management Systems

The year 2005 was a period in which our country experienced some very positive developments, a year in which the economic stability that had started in 2004 continued to thrive. For the Turkish banking and finance sector, 2005 was a busy and active year. In the increasingly competitive environment, many striking increases were seen in the variety of customers and products at the banks and shrinking profit margins resulted in a rise in the tendency of banks to assume higher risks. In the light of these developments, the importance that banks began to place on protecting themselves from increasing risk and managing these risks in the best possible manner led to an emphasis on developing effective risk management systems.

In addition to Akbank's robust financial structure, the fact that its risk management system is strongly embedded in its corporate formation further enhances the Bank's reliability and value. Within the scope of achieving the optimal level of risk management, very important steps were taken in 2005 to develop risk management models that are in conformity with the Basel II Framework and to establish suitable management systems. Today at Akbank, strategic decisions taken by the Board of Directors and Senior Management are the result of a comprehensive evaluation of analyses, calculations, simulations, stress tests and other elements of risk management.

Akın Kozanoğlu, Vice-Chairman and Executive Director

HUMAN RESOURCES AND TRAINING

Parallel to its strategies for growth and change, Akbank has organized an intensive training program for new personnel and existing staff at a new training center that has been equipped according to the highest standards.

In keeping with the Bank's transition from a title-based to a job-based organizational structure, all knowledge and skills required by each job has been defined and career training on the basis of these job descriptions has been implemented. In addition to the technical training and personal development courses, Akbank offers newly hired management candidates and assistant internal auditors training in connection with the Bank's products and services.

Recruitment

Akbank's Recruiting System has been designed and is applied to support the Bank's job organization, meet the requests and needs of operating units and place utmost importance on customer satisfaction. It can be integrated with all competence-based human resources systems.

Recruitment is conducted through three different processes: Multiple Hiring (Managerial Candidates, Assistants, Call Center Personnel, Assistant Auditors), Individual Hiring (Expert Personnel, Managerial Candidates, Assistants at all levels) and Other (Foreign Branches/Representative Offices, Security Personnel).

In 2005, Akbank's headcount increased by 773.

Promotions

Promotions at Akbank fall into two categories: promotion to a higher level at the same job or change of job group.

Promotion to a higher level at the same job takes place within the range of levels available for the job as a result of increased competence. The promotion is geared to motivate and recognize the added value contributed by excellent and very good performers who increased their experience and competence and have been working at the same job for a long period.

Change of job group is the change in authority and responsibility within the scope of the job description. It is a vertical promotion to a higher job level. In vertical promotion, transition is made to the new position. This type of promotion is carried out only on the basis of adequate competence, excellent performance and the availability of a vacant higher position.

Career Management

Career management at Akbank revolves around available jobs and the levels that these jobs encompass.

Jobs have been defined within job groups and movement has been made possible within the jobs included within each job group. Horizontal or vertical transition between job groups is also possible.

The competency of existing personnel is closely monitored and based on a predetermined job requirement scheme. Required development plans are formulated and applied and career development is achieved by employing and placing people with the right competencies in the right jobs.

Training

As an organization that is itself constantly learning, Akbank is a school that continuously develops its employees. Akbank is aware that leadership in the banking sector is possible through continuous personnel development and learning. All employees hired at the Bank participate in orientation training that focuses on providing the knowledge and skills necessary for the job. Subsequently, parallel to career planning and in the case of job changes or promotions, employees participate in training that is designed to offer them the knowledge and skills necessary in their new jobs. A significant number of employees also participate in various conferences throughout the country and abroad as Akbank representatives.

The total number of hours devoted to training in 2005 was 576,545 and a yearly average of 55 hours/7.8 days of training was provided per employee. The ratio of hours spent in training to total work time is 3%. In 2005, the personnel attended a total of 2,900 seminars.

Of the 10,356 employees working at Akbank at the end of 2005, 3,137 were working in the Headquarters, 198 in the Regional Directorates and 7,021 in branch offices. There are also 830 security personnel at the Bank. The average age of the Bank's personnel is 32 and 81% are university graduates.

Information on Related-party Transactions

The relationship of the Group with the entities that are included in the Group's risk group covers all banking activities that are consistent with the Banking Act, within the terms of bank-customer relationship and the market conditions. Detailed explanations can be found in Note VIII of Section 5 in "Publicly Available Consolidated Financial Statements at 31 December 2005 Together With Auditor's Report".

Number of Employees Working at Branches in Turkey

	2003	(%)	2004	(%)	2005 (%)
Operations Staff	1,874	31.9	1,660	27.3	1,234 17.7
Counter Staff	2,192	37.4	2,122	34.8	2,963 42.5
Sales Staff	1,802	30.7	2,310	37.9	2,775 39.8
Total	5,868	100.0	6,092	100.0	6,972 100.0



FINANCIAL ASSESSMENT AND RISK MANAGEMENT

The management of risk in the prescribed manner and with professional finesse has always been one of the most important competencies established within Akbank's corporate culture. The cautious approach that has been adopted with respect to risk is in full harmony with long-term banking strategies.

Assessment of Financial Position, Profitability and Debt Servicing Capability

Akbank operates at high profitability and continuously strengthens its equity capital. A very small proportion of the Bank's equity capital has been allotted to fixed investments such as fixed assets and affiliates but free equity capital is quite high and is protected with interest-earning assets. Thanks to the Bank's effective risk management, its capital adequacy standard ratio is significantly above the minimum required by regulators and its cash flow is sufficient for debt servicing.

Strong Capital Adequacy

	BASEL I	BASEL II
Market Risk Credit Risk Operational Risk	Standard Standard 	Internal Internal Standard
Capital Adequacy Ratio	21.41%	21.64%

As of December 31, 2005

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

Risk Management Policies

The management of risk in the prescribed manner and with professional finesse has always been one of the most important competencies established within Akbank's corporate culture. The cautious approach that has been adopted with respect to risk is in full harmony with long-term banking strategies. Risk management is an integral part of Akbank operations, having a direct impact on all units of management. All risk management activities are geared to identify, measure, aggregate, assess and manage risks effectively across the organization. Risk policies seek to analyze and monitor risk to keep it within acceptable limits.

Risk Management Principles

The main principles of the Akbank's risk management philosophy are to:

- Manage the risks proactively; identify and analyze risks at an early stage through a framework of guiding principles, risk strategies, models and parameters,
- Set centralized policies and monitor the Bank's large and highly diversified portfolios,
- Create a risk management function independent of the commercial lines of business,
- Integrate the risk management function into the organizational business process,
- Report all risks across the organization,
- Manage and monitor the market, credit, operational and other risks efficiently; and allocate the capital among the business units appropriately,
- Learn and evolve continuously to keep up with volatile and rapidly changing business environment,
- Deliver maximum long-term value for shareholders, clients and employees,
- Be a trusted, strong and sustainable financial intermediary for our shareholders and clients so that our relationships last long years,

• Be in line with Basel II and other international guiding principles.

Basel II Framework

In order to fulfill New Capital Accord (Basel II) requirements, various implementation projects are taking place for credit, market, asset & liability and operational risks. Akbank aims to create a comprehensive risk management framework to identify, measure and report all primary risks; assess and allocate capital in line with Basel II implementations.

Key Responsibilities

The Board of Directors (the Board) is responsible for the Bank's fundamental approach to risk, risk principles and the determination of its risk capacity. The Board manages risks through two important committees: the Assets and Liabilities Committee (ALCO) and the Executive Risk Committee (ERC).

ALCO, which is responsible for managing the daily liquidity and cash management, meets everyday to discuss recent developments in the economy and changes in the markets. ALCO also defines investment, pricing and funding strategies.

ERC is responsible for formulating risk policies, determining methodologies to measure risks and setting and monitoring limits where appropriate. All the policies are clearly defined, formally documented and integrated within the overall business plan and the strategy of the Bank.

The Risk Management Group, which directly reports to the ERC, is responsible for:

 Developing risk management systems and infrastructures; analyzing results and reporting to management as well as integrating market, credit and operational risk,

- Following up and preparing developments about Basel II and other risk management implementations,
- Relationships with Banking Regulation and Supervision Agency (BRSA), Central Bank of Republic of Turkey (CBRT), other international authorities and institutions in terms of effectiveness of risk management function.

Internal Control and Internal Audit Groups are responsible to ensure compliance with policies and procedures.

Risk Categories

The most important types of risks are credit risk, market risk, operational risk and asset & liability risk.

Credit Risk

Credit risk arises from the failure of a customer or counterparty to meet its obligations under a contract. Credit risk also arises through the downgrading of counterparties whose credit instruments Akbank may be holding, causing the value of those assets to fall. Credit risk is inherent in all banking products from loans and commitments to letters of credit. Credit risk management in Akbank is governed by detailed credit policies and procedures.

Akbank assesses the credit quality and assigns an internal risk rating to all borrowers and other counterparties based upon the Advanced Internal Ratings Based Approach (Advanced IRB Approach) in compliance with Basel II standards.

The default probabilities of counterparties are calculated by using scoring tools tailored to various categories of counterparty and from these are derived credit ratings for the corporate & commercial, SME, consumer and credit card loan portfolios. The collateral structure of each portfolio is considered in order to determine the severity of loss in case default occurs. Default probabilities and severity of loss values are combined in order to account for expected loss and unexpected loss values over time and to encourage risk adjusted pricing.

Market Risk

Market risk exposure arises from the movements of market prices, such as foreign exchange rates, interest rates and equity prices. Market risk of the trading portfolio is measured through different risk factors using the Value at Risk (VaR) approach.

Akbank uses variance-covariance, historical simulation and Monte Carlo simulation methods to calculate VaR. Software applications used for this purpose calculate forward efficiency curves and volatility models. The VaR model uses a 99% confidence interval and a 10-day retention period. VaR analyses are daily reported to senior management and are also used as a risk parameter and limit management tool for the bond portfolio. VaR measures are supplemented with scenario analysis and stress testing that determines the effects of sudden, extreme changes and market volatility. Regular backtests are carried out in order to monitor the integrity of the system.

Operational Risk

Operational risk management is conducted by a triple management system that is composed of the Risk Management Group, Board of Internal Control and the Board of Internal Auditors. Akbank maintains a system of comprehensive policies and procedures that are regularly reviewed and redesigned parallel to the development of new products and services and the changes in the existing ones.

The calculation of operational risk capital is based on the Standardized Approach in accordance with Basel II and computed monthly. The Bank plans to develop an internal operational risk management model consistent with the advanced measurement approaches under Basel II. In this manner an operational loss database was developed that consists of business lines and loss event types compatible with Basel II.

Asset & Liability Risk

Asset & Liability risk is managed by ALCO via daily/weekly meetings that set the strategies for managing the Bank's liquidity, taking positions according to interest rate and currency movements. Hence liquidity is managed to ensure that sufficient funds are available to meet the Bank's cash requirements. ALCO also makes contingency plans for unexpected changes in market environment to fully protect the Bank from adverse conditions.

Akbank Credit Rating System

Corporate and Commercial Credit Rating System

The system, designed by Dun & Bradstreet, was developed based on a judgmental model initially; it was changed in 2005 to a more sophisticated and non-linear statistical model. The scorecard algorithm also calculates a score for the Holding groups.



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Five-Year Summary of Financial Data

(YTL millions)	2001*	2002*	2003*	2004*	2005
Total Assets	28,901	31,718	33,565	34,913	52,385
Deposits	20,018	21,527	21,747	19,918	31,451
Loans	8,159	8,149	9,924	12,939	22,106
Shareholders' Equity	3,418	4,214	5,741	6,227	6,353
Net Income	(26)	889	1,508	1,021	1,438

* Expressed in terms of the purchasing power of the Turkish lira on December 31, 2004.

Small Business Credit Rating System

The system designed by Dun & Bradstreet comprises two scorecards for micro and SME sub-segments. The scorecard also includes a behavioral module.

Consumer Loans Rating System

Devised by Fair Isaac, the system comprises three application and four behavioral scorecards.

Credit Card Rating System

Devised by Fair Isaac, the system comprises application and behavioral scorecards.

Akbank's Ratings Assigned by International Rating Agencies

The ratings assigned to Akbank by the rating agencies can be found in Note IVg of Section 5 in "Publicly Available Consolidated Financial Statements at 31 December 2005 Together With Auditor's Report".

International Acknowledgement

A study by Standard & Poor's on Compliance to Corporate Governance Principles resulted in the announcement that Akbank is the leading bank in Turkey in the areas of transparency and disclosure of information. This study covered 52 publicly traded companies in three categories. The main areas reviewed were shareholder structure and investor relations, financial transparency, information disclosure and Board of Directors and management structure and processes.

Akbank is the first bank to:

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

In the survey published in the October 2005 issue of Euromoney, Akbank ranks in the first 100 companies in the list of Companies in Emerging Countries that Adhere to Corporate Governance. This survey has named Akbank as the best company in Turkey in terms of the application of Corporate Governance principles and the 20th in the ranking of best companies in emerging Europe. The same issue of the magazine also lists Akbank 37th in the world in terms of cash management services.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Statement of Compliance with Corporate Governance Principles

Akbank's Corporate Governance Practice

In this period of accelerating competition and change, the quality of corporate governance practices has become as important as financial performance. In order to achieve our goals and sustain our tradition of excellence, we have collected the corporate values that have earned Akbank its current position and the management practices based on these values in the form of a written document. The fundamental management principles regulating the relations between our Bank's management, shareholders, employees and third parties (customers, suppliers and all persons and institutions that have relations with the Bank) are stated below:

Integrity

We adhere to the principle of integrity in our endeavors and activities, our relations with our customers, employees, shareholders and other banks, institutions and corporations.

• Credibility

Knowing that trust underlies the banking business, we offer our customers, shareholders and employees clear, rational and accurate information and provide services duly, thoroughly and in compliance with our pledge.

Impartiality

We do not act with prejudice based on gender, behavior, opinion or ethnic origin in our relations with customers, suppliers, employees and shareholders and do not discriminate under any condition or circumstance.

Conformity

We abide by all laws, regulations and standards.

Confidentiality

We do not share any information, above all personal information about our customers and transaction details concerning our shareholders, employees, suppliers and business partners with any person or institution, except with the authorities permitted by law.

• Transparency

Except for information that is deemed a secret of the trade and not yet announced to the public, we disclose information with or without financial content about the Bank to the public promptly, accurately, thoroughly, rationally and in an interpretable and accessible manner.

• Social Responsibility

We consider the Bank's image and interests as well as issues like social benefit, improving the banking business and sustaining trust in the sector and we abide by the regulations concerning the environment, the consumer and public health in all our endeavors, practices and investments.

In accordance with the principle of public disclosure and transparency, Akbank announces information that is not considered a secret of the trade and that may interest shareholders and stakeholders on its Internet website. Moreover, the Bank has established a Corporate Portal to enhance communication among its employees and to keep them promptly informed.

The Bank set up the Investor Relations Group in 1996 and made public its dividend policy in 2003. Information such as the Corporate Governance Principles Compliance Report, commercial registry data, shareholding and management structure, the updated Articles of Association, annual reports, periodic financial statements and reports, the agendas of the General Meetings, minutes of the meetings and proxy forms which are cited in Article 1.11.5 of Capital Markets Board Corporate Governance Principles Part II and requested to be published on the Internet are posted and updated on the Bank's website. In addition, the website also includes the Bank's vision, mission and goals, its history, the Board of Directors Report, Corporate Governance Principles, subsidiaries, previous dividend distribution and capital increase data, ratings and news about Akbank.

Corporate Governance Principles, which have been determined by the Capital Markets Board, consist of four parts and are generally implemented. Those parts of the principles that are not implemented are explained in detail along with their rationale in subsequent articles.

PART I - SHAREHOLDERS

2. Shareholder Relations Department

An Investor Relations Group was set up in 1996 to provide correct and timely answers to shareholder inquiries. This Department provides answers to all questions not categorized as secrets of the trade on a principle of equality enabling the management and the shareholder to be in constant communication.

The Investor Relations Group organizes overseas investor visits four to five times a year with senior management, regularly develops presentations promoting the Bank and posts them on the Internet web page and prepares quarterly press



releases providing detailed information to investors about the Bank. Major activities of the Investor Relations Group are explained in Article 8.

In 2005, the Department met with representatives of approximately 300 international investment funds and three rating agencies. In addition, more than 300 e-mail inquiries from investors and analysts were answered.

Investor Relations Group

Group Head: A. Cenk Göksan

Team Manager: Arbil Öztozlu

Manager: Ertan Küçükyalçın

Assistant Manager: Ela Okur

investor.relations@akbank.com Telephone: +90 (212) 280 13 35 +90 (212) 279 07 61

3. Shareholders' Right to Information

Developments that may impact the exercise of shareholders' rights are regularly announced through the Istanbul Stock Exchange (ISE). Moreover, information of interest to the shareholders is regularly announced in detail on the Internet. Important issues are communicated to investors and analysts through e-mail as well.

Responding correctly to queries from shareholders within one hour if the information already exists and if not, at most within one day, is one of the performance criteria for the Investor Relations Group staff.

Article 44 of the Articles of Association stipulates that the General Assembly may appoint a special auditor for the inspection of certain issues if deemed necessary. It lays down the conditions under which shareholders with shares equivalent to onetwentieth of the capital may carry out the selection of the special auditor. There has been no request for the selection of a special auditor during the past period.

4. Information on the Annual General Meeting

During the period in question (January 1, 2005 – December 31, 2005) an Ordinary General Meeting and three Extraordinary General Meetings were held. The quorum during the Ordinary General Meeting was 51.05%; the quorum for the Extraordinary General Meetings were 51.65%, 64.84% and 49.98%, respectively and stakeholders who wished to do so, attended the meeting. Invitations for the General Meetings were placed in the Turkish Commercial Registry Gazette and a national daily. There is no specific time frame stipulated for attendance at the Annual General Meeting of shareholders with registered stocks. Prior to the General Meeting, the meeting date, venue and agenda are announced in the Turkish Commercial Registry Gazette, a national daily and on the Bank's website. The date and venue are also announced in the company news section of the ISE website. The meeting date, venue and provisional Annual Report are announced in the Shareholders Service, Ankara, Adana and Izmir Branches. During the General Meeting, shareholders use their right to ask questions and all their questions are answered. No suggestion concerning a matter outside the agenda was brought forth by shareholders during the past period. There are no provisions in the Articles of Association stipulating that decisions such as the sale, purchase or lease of property should be taken at the General Meeting. As the Board of Directors represents the will of the General Meeting, no such arrangement was deemed necessary.

It is possible to vote by proxy according to the provisions of the Articles of Association. According to subparagraph (a) of Article 64 of the Articles of Association, shareholders may use their right to vote either in person or through another shareholder. Annual General Meeting resolutions are disclosed to shareholders on the ISE and Akbank websites and the Shareholders Service.

5. Voting Rights and Minority Rights

There are no privileged voting rights stated in the Articles of Association. There is no subsidiary that owns shares in the Bank. The cumulative voting principle is not exercised.

6. Dividend Distribution Policies and Dividend Distribution Timeline

There are no privileges connected with profit distribution at the Bank. Akbank's dividend distribution policy is to disburse 30-50% of the distributable profit in cash to shareholders stipulated by the Articles of Association and this policy has been declared to the public. It has been stipulated that the dividend policy will be implemented in the absence of adversities in national and global economic conditions and provided that the Bank's capital adequacy ratio is at the targeted level. Dividend distribution has been realized during the legally stipulated timeframe.

Following the setting aside of 5% of the profit for legal reserves and 5% of the paid-in capital to shareholders as first dividends, up to a maximum of 2% of the remainder of the profit is allocated equally to the Chairman and Members of the Board of Directors. The General Assembly of Shareholders is authorized to decide whether to distribute the remaining profit entirely or partially to shareholders or to set it aside as extraordinary reserves.

Profit distribution is the subject of Article 82 of the Bank's Articles of Association and has been posted on the Bank's Internet website.

7. Transfer of Shares

There are no provisions in the Articles of Association restricting share transfers.

PART II - INFORMING THE PUBLIC AND TRANSPARENCY

8. Company Information Policy

The Bank has established an information policy that has been announced in the annual report and on the Internet in Akbank's Corporate Governance Compliance Report, under the heading of Informing the Public and Transparency. In accordance with this policy, the Bank's externally audited financial results are announced through a press conference on a quarterly basis and posted on the Bank's Internet website.

Additionally, the Bank's Internet site has a Financial Announcements Calendar to inform the public in advance about information that is periodically disclosed.

Individuals responsible for executing the information policy are:

Zafer Kurtul, President and CEO

Hayri Çulhacı, Executive Vice President in charge of Strategy and Corporate Communications

9. Material Disclosures

Including an additional disclosure in 2005, the Bank has made a total of 84 material disclosures. The aforementioned additional disclosure was requested by the ISE. The Bank's Level 1 ADRs are traded on the OTC market in the USA and the IOB (London Stock Exchange). Important information that could impact the price of ADRs (such as dividend distribution dates and amounts, capital increases) is announced through the Bank of New York. Moreover, any important information is posted on the Bank's Internet website in English. All overseas disclosures are initially made to the ISE. No sanctions have been imposed against the Bank for not making prompt material disclosures.

10. Internet Website and Contents

The Internet address of the Bank is www.akbank.com. The information stipulated in Article 1.11.5 of Part II of the CMB Corporate Governance Principles and included on the Bank's Internet website is as follows:

Corporate Governance Principles Compliance Report, commercial registry information, shareholder and management structure, updated Articles of Association, material disclosures, annual reports, periodical financial statements and reports, agendas of General Meetings, proxy voting forms.

In addition to information cited in Article 1.11.5 of Part II of the CMB Corporate Governance Principles, issues included in the Bank's information policy are posted on the Internet website.

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

No real person is the ultimate controlling shareholder of the Bank. There are no real person shareholders with shares exceeding 5% of the capital.

Shareholder structure is announced in the annual reports and on the Internet website.

12. Disclosure of Individuals who are in a Position to Have Insider Information

There is no separate list that is announced, specifying those who are in a position to obtain insider information. Members of the Board of Directors and Senior Management who could be in such a position are announced in annual reports and on the Internet website. In addition to these persons, the following are considered to be in a position to obtain insider information:

Cenk Göksan, Group Head, Investor Relations Group

Atıl Özus, Group Head, Financial Coordination and International Reporting Group

Arbil Öztozlu, Team Manager, Investor Relations Group

PART III - STAKEHOLDERS

13. Informing Stakeholders

As stated in the vision, mission and goals section of the annual report, supporting and motivating employees to achieve job satisfaction is among the Bank's main goals. The Bank's written and spoken principles, code of conduct and issues governing relationships with individuals and institutions internally and externally are recognized and known by the entire Bank staff and published as Ethics and Professional Principles. This document can be accessed on the Bank's Turkish or English Internet website. Ethics and Professional Principles aim to regulate the code of conduct and behavior of Akbank employees at all levels as well as their relationships with individuals and institutions within or outside the Bank. Employees at all levels are expected to heed this body of rules and principles, approved on September 26, 2003, by decision No. 8783 of the Board of Directors and will comply fully with these regulations while performing their duties. Naturally, our employees will act with due prudence in line with basic rules and principles in any situation not included in the aforementioned document.

A Corporate Portal has also been set up to provide employees with information. Through the corporate portal, which is an in-house information sharing system, all announcements have been transferred from a paper environment into a paperless,

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digitally based medium. In addition, some social activities may also be followed through this portal. As access to all corporate information is achieved over this system, employees can immediately obtain the information they are seeking from different entry points by using various key search words. This will increase employee satisfaction and prevent unnecessary loss of time and effort.

In addition to cost cutting and faster communications, the Corporate Portal aims to underscore the importance of a common corporate culture.

14. Participation of Stakeholders in Management

Work to enhance communication among employees is undertaken in order to establish effective and efficient working relations and create team spirit. Participation in management is always encouraged and suggestions by personnel for improvements at work are collected through a suggestion system that is evaluated carefully and rewarded.

15. Human Resources Policy

Akbank's human resources policy entails giving direction to our organizational structure and human resources in line with our business strategies and goals in order to sustain the Bank's success in the everchanging, competitive business environment. Our goal is to maximize our employee competencies and efficiency and reflect this fully in their business dealings. Within this framework, we focus on recruiting the best candidates; constantly developing our corporate culture and business approach; making the right investment in human resources in line with goals and strategies; putting in place a participatory career planning system; establishing a transparent and fair performance management system; and establishing a reward system that encourages and supports high performance.

The Human Resources Business Unit is organized in parallel to the structures, requirements and expectations of the business units to carry out relations with employees and provides the necessary support to the relevant units concerning all human resources issues.

There is also Banksis - the Bank and Insurance Employees' Union - that is involved in relationships with employees. Collective biannual bargaining agreements concluded between the Bank and its employees regulate financial rights and other administrative issues with personnel that are covered under union membership.

No complaints concerning discrimination have been received from employees. This issue is one which the Bank and the HR Business Unit is most sensitive to and it has been explained to all employees within the framework of the principle of impartiality stipulated in our Ethics and Professional Principles manual. Necessary care is taken to prevent any such occurrence with any of our employees.

16. Information about Customers and Suppliers

Relationships with customers have been taken up as a separate section in the Bank's Ethics and Professional Principles document. Relationships with customers should be as follows:

Employees are aware that one of the most important ways for creating an edge over competitors is to provide the best service to customers.

In the event the task, the transaction or the request employees are confronted with exceed their responsibilities or are not relevant to their area of interest, they will refer the issue to the authorized person or unit in charge.

Although essentially no room should be left for customer complaints, employees ascribe special importance to any unavoidable customer complaints. They will try to solve the customers' problems provided that they are within the confines of general principles and the Bank's procedures and they will take measures and make every effort to preclude them from recurring.

Employees deduct interest, commission, fees, etc. from every service in line with the Bank procedures and general notices and immediately reflect any and all such deductions in the records without recourse to any other condition or reason.

Employees do not undertake any transactions that must be undertaken by the customers in person even if affidavits or proxies are provided for them to do so and undertake each and every transaction on behalf of the customer based on open and clear instructions from the customer.

17. Social Responsibility

For many years Akbank has given support to culture and the arts on a wide-ranging platform. The Akbank Art Center, the Akbank Jazz Festival, Akbank Chamber Orchestra, Production Theatre, Children's Theatre and the Karagöz Puppet Theatre are all artistic activities and have become brands in their own right. The Bank's aim is to focus on branches of art that need support in particular and provide assistance in those areas to both the artists and the community.

In the awareness of its social responsibilities, Akbank has mobilized its resources to make it possible for the Make a Wish Foundation to provide service in Turkey as it has been doing in more than 30 countries around the world. The Foundation, which operates in Turkey under the name of Bir Dilek Tut, provides hope and motivation to children struggling with life-threatening diseases and aims to make their wishes come true. Akbank has been the Turkish Make A Wish Foundation's sponsor since 2005. There are no lawsuits filed against the Bank for any damage that has been inflicted on the environment.

PART IV - BOARD OF DIRECTORS

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

Erol Sabancı, Chairman of the Board of Directors and Managing Director [Executive]

Akın Kozanoğlu, Vice Chairman of the Board of Directors and Executive Director (Executive)

Suzan Sabancı Dinçer, Managing Director (Executive)

Özen Göksel, Managing Director (Executive)

Hamit Belig Belli, Director (Non-executive)

Hikmet Bayar, Director (Non-executive)

Aydın Günter, Director (Non-executive and independent)

\$. Yaman Törüner, Director (Non-executive and independent)

Zafer Kurtul, Director (Executive), President and CEO

Members of the Board of Directors have been elected for a three-year term and are presently serving within this term.

The Board of Directors has been mandated with full authority by the General Assembly to take action based on Articles 334 and 335 of the Turkish Commercial Code.

19. Qualifications of the Members of the Board of Directors

The minimum requirements that are sought in the selection of Members of the Board of Directors overlap with those stipulated in articles 3.1.1, 3.1.2 and 3.1.5 of the CMB Corporate Governance Principles Part IV and corresponding principles are included in the Bank's Articles of Association.

20. The Company's Mission, Vision and Strategic Objectives

The Board of Directors has formulated Akbank's vision, mission and short- and long-term strategic objectives included in the annual report in a clear and understandable manner. The Bank's Articles of Association stipulate that the duties and responsibilities of the Board of Directors are subject to the provisions of the Turkish Commercial Code and the Banking Law and the provisions of the Articles of Association. The Articles of Association also indicates that the Board of Directors must have a minimum of one meeting per month stipulating the conditions under which the meeting will be held. In these meetings, the Board of Directors monitors the Bank's progress against its strategic objectives and evaluates performance. The Board of Directors approves the annual budget of the Bank and its strategic plan. The Board of Directors closely follows the budget and its actual implementation, receives information about variations from the budget and follows up the decisions taken. In the event there are significant variations in the macroeconomic environment, the budget is revised and resubmitted to the Board of Directors. The Board of Directors follows up strategic objectives, budget targets and the realized figures on a daily, weekly and monthly basis depending on the nature of the issues under scrutiny. Moreover, in addition to reports on paper, the Board can also access the Bank's financial statements, various financial and non-financial indicators on a customer, branch, business unit or general basis through the Executive Information System.

21. Risk Management and Internal Control Mechanism

The Board of Directors and the Senior Management are responsible for developing risk management policies and strategies. These policies are revised based on changing market conditions of the day both during the daily Assets & Liabilities Committee meetings and periodically at the Board of Directors meetings. The CEO is responsible for ensuring that the Bank's departments operate in line with policies and strategies determined by the Board of Directors in connection with the risk management process. Additionally, compliance with policies and strategies are also checked by means of internal controls and periodic audits.

Akbank's Board of Directors is heavily involved in the risk management process by developing risk management strategies, policies, limit systems and procedures through the Executive Risk Committee. The Executive Risk Committee meets once a month to review the Bank's position and other developments in the economy.

The Board of Internal Auditors responsible for internal audits and the Internal Control Center, responsible for the Bank's internal control systems, report directly to the Board of Directors.

The assessment reports of the Members of the Board of Directors responsible for Risk Management, Internal Auditing and Internal Control Systems are published in the related section of the Annual Report.

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

The Bank's administrative structure and organization are explained in Part 3 of the Bank's Articles of Association. The duties and responsibilities of the Board Members have also been laid down in this section. Accordingly; the duties and responsibilities of the Board of Directors are subject to the principles laid down in the provisions



of the Turkish Commercial Code, the Banking Law and the provisions of the Bank's Articles of Association. The Board of Directors is authorized to decide on matters which fall outside the decision making power of the General Assembly, to absolutely use the powers of settlement, release of debt, arbitration and waiver and to decide on matters which fall or are left outside the powers of the Credit Committee and the CEO or person fulfilling such duty.

The Board of Directors can either perform these duties itself or delegate part or all of these duties it may deem possible or appropriate to the Credit Committee, a Managing Director, any of the committees whose formation it authorizes as per provisions of the Articles of Association or to the Bank's CEO.

23. Working Principles of the Board of Directors

A secretariat office has been appointed with the task of informing and communicating with the Members of the Board of Directors. Twelve meetings are held each year; and the agenda is determined upon the evaluation of the proposals made by the CEO and the Bank results. The agenda is communicated to the Members of the Board prior to the meeting. Topics included in Article 2.17.4 under Part IV of the CMB Corporate Governance Principles de facto participation in the Executive Board Meetings will be ensured.

The quorum for the Board of Directors decisions is a simple majority (one member more than half the number of members of the Board of Directors). Decisions are taken by simple majority. The discussions of the Board of Directors are regularly recorded by a secretary to be selected either from among the Members or from outside the Board. The minutes must be signed by the attending Members and those opposing the decisions taken must include their reservation in the minutes and sign it. The decisions are valid only when signed. Principles concerning the minutes of the decisions are stipulated in the Articles of Association Part 3, (the Administrative Body and Organization of the Bank), Article 31 (Quorum and Decisions) and Article 32 (Minutes of Board decisions).

Members of the Board of Directors have no weighted vote and/or veto power.

24. Doing Business with the Bank and Non-Compete Clause

Based on Article 32 of the Articles of Association, unless they have the permission of the Annual General Meeting, members of the Board of Directors cannot undertake commercial transactions with the Bank in terms of banking activity either in person or by proxy. Provisions of Article 335 of the Turkish Commercial Code pertaining to the non-compete clause and the provisions of the Banking Law are reserved.

Members of the Board of Directors of Akbank have not undertaken any business transactions with the Bank in 2005.

25. Rules of Ethics

A separate document based on the seven indispensable principles of corporate culture and governance (integrity, credibility, impartiality, conformity, confidentiality, transparency and social responsibility) has been developed by the Bank and titled, Ethics and Professional Principles. It has been disclosed to Bank employees and to the public.

26. Number, Structure and Independence of the Committees formed by the Board of Directors

In keeping with legal regulations, Akbank operates a Credit Committee in the loan process composed of two Board Members and the CEO. The Credit Committee is the final decision-making center for loans that have been approved by General Management and screened according to the criteria of legal regulations, banking principles and the Bank's own goals and loan policies. In compliance with Banking Law No. 5411, Akbank has established an Executive Risk Committee. Akbank's Board Members take a vigorous role in the management of the Bank's risk exposure by developing strategies, policies, limit systems and procedures through the activities of the Executive Risk Committee.

The Executive Risk Committee meets twice a month to review the Bank's position and other developments in the economy.

The Chairman of the Executive Risk Committee is the Vice Chairman of the Board of Directors, Akın Kozanoğlu. The members are Managing Director Suzan Sabancı Dinçer, Managing Director Özen Göksel, President and CEO Zafer Kurtul and Executive Vice President responsible for Financial Coordination Balamir Yeni and the Bank's Risk Committee Chairman Şebnem Tarhan.

Though not a legal requirement, Akbank has an Assets & Liabilities Committee (ALCO).

There are no other requirements for forming other committees according to the Banking Law and it was not deemed necessary to form a Corporate Governance Committee.

27. Remuneration of the Board of Directors

In Article 37 of the Articles of Association, it is stipulated that, "The Annual General Meeting determines a monthly salary or an honorarium for the Members of the Board of Directors within the provisions of this contract." In addition, Ordinary Annual General Meeting resolutions disclose what part of profit is to be distributed to the Chairman and Members of the Board. Executive Members are also given 12 monthly salaries and four bonus payments. The Board of Directors determines these salaries annually.

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THE UNCONSOLIDATED FINANCIAL STATEMENTS BASED ON THE ACCOUNTING PRINCIPLES, PROMULGATED BY THE BRSA AT 31 DECEMBER 2005

"The Bank prepared its unconsolidated financial statements in accordance with accounting principles, promulgated by the Banking Regulation and Supervision Agency ("the BRSA") as at 31 December 2005. Those full set of unconsolidated financial statements together with the explanatory disclosure notes were audited by Başaran Nas Serbest Muhasebeci Mali Müşavirlik A.Ş., a member of PricewaterhouseCoopers, whose audit report dated 10 February 2006 expressed an unqualified ("clear") opinion on these full set of financial statements. The Bank's balance sheet at 31 December 2005 and statement of income for the year then ended on the following pages are extracted from those full set of unconsolidated financial statements."

AKBANK T.A.Ş BALANCE SHEETS AT 31 DECEMBER 2005 AND 31 DECEMBER 2004

(Amounts are expressed in thousands of YTL)

			CURRENT PERIOD (31/12/2005)			PREVIOUS PERIOD (31/12/2004)	
ASSET	S	YTL	"Foreign Currency"	Total	YTL	"Foreign Currency"	Total
Ι.	Cash	245,624	606,424	852,048	154,367	119,885	274,252
 1.1	Cash	232,036	-	232,036	148,629	-	148,629
1.2	Foreign Currency	· -	159,519	159,519		117,768	117,768
1.3	Balances with the Central Bank of Turkey	9,610	446,247	455,857	5,738	33	5,771
1.4	Other	3,978	658	4,636	-	2,084	2,084
II.	Trading Securities (Net)	31,765	6,310,654	6,342,419	173,485	3,588,762	3,762,247
2.1	Government Debt Securities	31,582	6,310,654	6,342,236	173,483	3,573,536	3,747,019
2.1.1	Government Bonds	25,139	6,310,654	6,335,793	147,819	3,573,536	3,721,355
2.1.2	Treasury Bills	6,443		6,443	25,664		25,664
2.1.3	Other Public Debt Securities	-	_	-	20,004	-	
2.2	Share Certificates	183	_	183	2	-	2
2.3	Other Marketable Securities	100		-	-	15,226	15,226
III.	Banks and Other Financial Institutions	246,968	1,381,414	1,628,382	17,039	1,273,629	1,290,668
3.1	Due from Banks	246,968	1,381,414	1,628,382	17,039	1,273,629	1,290,668
3.1.1	Domestic Banks	246,445	1,301,414	246,445	3,039	1,273,027	3,039
3.1.1	Foreign Banks	246,443 523	1,381,414	1,381,937	14,000	1,273,629	1,287,629
3.1.2 3.1.3	Foreign Banks Headquarters and Branches Abroad	323	1,301,414	1,301,737	14,000	1,2/3,029	1,207,029
3.1.3 3.2	Other Financial Institutions	-	-	-	-	-	-
		-	-	-	-	-	/00//5
IV.	Money Markets	400,000	-	400,000	-	429,665	429,665
4.1	Interbank Money Market Placements	400,000	-	400,000	-	429,665	429,665
4.2	Receivables from Istanbul Stock Exchange Money Market	-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements	-		-		-	-
v.	Available-for-sale Securities (Net)	10,516,487	2,914,233	13,430,720	6,298,603	4,855,057	11,153,660
5.1	Share Certificates	63,595	113	63,708	17,425	72	17,497
5.2	Other Marketable Securities	10,452,892	2,914,120	13,367,012	6,281,178	4,854,985	11,136,163
VI.	Loans	14,680,685	7,425,464	22,106,149	7,779,672	5,159,528	12,939,200
6.1	Short-term	8,310,865	2,026,119	10,336,984	4,988,157	1,082,498	6,070,655
6.2	Medium and Long-term	6,369,820	5,399,345	11,769,165	2,791,515	4,077,030	6,868,545
6.3	Loans under Follow-up	336,192	20,961	357,153	171,227	32,892	204,119
6.4	Specific Provisions (-)	336,192	20,961	357,153	171,227	32,892	204,119
VII.	Factoring Receivables	-	-	-	-	-	-
VIII.	Held-to-maturity Securities (Net)	322,382	-	322,382	322,382	-	322,382
8.1	Government Debt Securities	322,382		322,382	322,382	-	322,382
8.1.1	Government Bonds	322,382		322,382	322,382	-	322,382
8.1.2	Treasury Bills	-	-	-	-	-	-
8.1.3	Other Public Debt Securities	-	-	-	-	-	-
8.2	Other Marketable Securities	-	-	-	-	-	-
IX.	Investments and Associates (Net)	19,268	-	19,268	87,988	99,448	187,436
9.1	Financial Investments and Associates	19,268	-	19,268	87,988	99,448	187,436
9.2	Non-financial Investments and Associates	-	-	-	-	-	-
x.	Subsidiaries (Net)	209,763	246,226	455,989	111,772	93,481	205,253
10.1	Financial Subsidiaries	209,763	246,226	455,989	111,772	93,481	205,253
10.2	Non-Financial Subsidiaries	· -	-	-		-	
XI.	Oher Investments (Net)	-	-	-	-	-	-
XII.	Financial Lease Receivables (Net)	-	-	-	-	-	-
12.1	Gross Financial Lease Receivables	-	-	-	-	-	-
12.2	Unearned Income (-)	-	-	-	-	-	-
XIII.	Reserve Requirements with the Central Bank of Turkey	2,709,644	1,187,747	3,897,391	699,986	1,225,572	1,925,558
XIV.	Miscellaneous Receivables	19,072	885	19,957	20,341	906	21,247
XV.	Accrued Interest and Income Receivable	1,885,537	284,756	2,170,293	1,160,419	514,064	1,674,483
15.1 15.2	Loans Marketable Securities	182,021	77,564 199,702	259,585	149,573	52,040 255,989	201,613
15.2		1,675,682		1,875,384	995,679		1,251,668
15.3 VVI	Other Property and Equipment (Net)	27,834	7,490	35,324	15,167	206,035	221,202
XVI.	Property and Equipment (Net)	660,274	3,098	663,372	653,163	7,154	660,317
16.1	Book Value	1,159,122	4,607	1,163,729	1,089,202	8,680	1,097,882
16.2	Accumulated Depreciation (-)	498,848	1,509	500,357	436,039	1,526	437,565
XVII.	Intangible Assets (Net)	21,218	-	21,218	24,830	-	24,830
17.1	Goodwill	-	-		-	-	
17.2	Other	56,333	-	56,333	50,866	-	50,866
17.3	Accumulated Amortisation (-)	35,115	-	35,115	26,036	-	26,036
XVIII.	Deferred Tax Assets Other Assets	- 41,087	- 13,857	- 54,944	- 33,479	- 8,735	- 42,214
XIX.	other Assets	4.1001					

AKBANK T.A.Ş BALANCE SHEETS AT 31 DECEMBER 2005 AND 31 DECEMBER 2004

(Amounts are expressed in thousands of YTL)

LIADY		V.T.1	CURRENT PERIOD (31/12/2005)	Tatal	VTI	PREVIOUS PERIOD (31/12/2004)	
	ITIES AND SHAREHOLDERS' EQUITY	YTL	"Foreign Currency"	Total	YTL	"Foreign Currency"	Tota
Ι.	Deposits	17,314,843	14,136,134	31,450,977	6,749,021	13,169,404	19,918,42
1.1	Bank Deposits	1,024,881	1,617,319	2,642,200	54,571	938,996	993,56
1.2	Saving Deposits	10,725,149	-	10,725,149	5,336,319	· -	5,336,31
.3	Public Sector Deposits	23,483	-	23,483	8,802	-	8,80
.4	Commercial Deposits	3,944,189	-	3,944,189	1,185,017		1,185,01
1.5	Other Institutions Deposits	1,597,141		1,597,141	164,312		164,31
.6	Foreign Currency Deposits	1,077,141	12,518,815	12,518,815	104,012	12,230,408	12,230,40
1.7	Gold Vault		12,310,013	12,510,015		12,230,400	12,200,40
I./	Money Markets	5,140,056	247,974	5,388,030	2,102,358	170,956	2,273,31
•• 2.1	Funds from Interbank Money Market	3,140,030	247,774	3,300,030	2,102,550	170,750	2,275,51
2.2	Funds from Istanbul Stock Exchange Money Market	-	-	-	20,787	-	20,78
		= = 1/0.0E/	247,974	E 200 020			
2.3	Funds Provided Under Repurchase Agreements	5,140,056		5,388,030	2,081,571	170,956	2,252,52
II.	Funds Borrowed	79,742	7,202,898	7,282,640	61,867	4,782,868	4,844,73
3.1	Funds Borrowed from the Central Bank of Turkey	-	-	-	-	-	
3.2	Other Funds Borrowed	79,742	7,202,898	7,282,640	61,867	4,782,868	4,844,73
3.2.1	Domestic Banks and Institutions	79,742	29,382	109,124	61,867	21,510	83,37
3.2.2	Foreign Banks, Institutions, and Funds	-	7,173,516	7,173,516	-	4,761,358	4,761,35
v.	Marketable Securities Issued (Net)	-	-	-	-	-	
4.1	Bills	-	-	-	-	-	
4.2	Asset Backed Securities	-	-	-	-	-	
4.3	Bonds	-	-	-	-	-	
۷.	Funds	-	-	-	-	-	
VI.	Miscellaneous Payables	632,665	20,444	653,109	654,350	30,286	684,63
VII.	Other Liabilities	122,236	56,004	178,240	131,018	106,585	237,60
VIII.	Taxes and Other Duties Payable	73,344	230	73,574	66,701	79	66,78
х.	Factoring Payables	-		-		-	,
κ.	Financial Lease Payables (Net)	-	863	863	-	5,496	5,49
10.1	Gross Financial Lease Payables		898	898		5,971	5,97
10.2	Deferred Financial Lease Expenses (-)		35	35		475	47
(I.		341,551	153,892	495,443	10/ 022	86,087	271,00
	Accrued Interest and Expenses Payable			,	184,922		
11.1	Deposits	241,238	42,754	283,992	90,830	35,827	126,65
11.2	Borrowings	3,738	43,495	47,233	2,581	26,537	29,11
11.3	Repurchase Agreements	4,866	3,139	8,005	1,084	1,674	2,75
11.4	Other	91,709	64,504	156,213	90,427	22,049	112,47
XII.	Provisions	458,194	8,890	467,084	331,269	2,358	333,62
12.1	General Loan Loss Provision	124,809	-	124,809	76,592	-	76,59
2.2	Reserve for Employment Termination Benefits	15,735	-	15,735	13,765	-	13,76
12.3	Provision for Income Taxes	202,388	-	202,388	132,096	-	132,09
2.4	Insurance Technical Provisions (Net)	-	-	-	-	-	
2.5	Other Provisions	115,262	8,890	124,152	108,816	2,358	111,17
KIII.	Subordinated Loans	-	4,159	4,159	-	4,778	4,77
XIV.	Deferred Tax Liabilities	37,194	-	37,194	46,018	-	46,01
KV.	Shareholders' Equity	6,351,467	1,752	6,353,219	6,226,792	199	6,226,99
14.1	Paid-in Capital	1,800,005	,	1,800,005	1,500,000	-	1,500,00
4.2	Capital Reserves	2,650,844	1,752	2,652,596	2,631,527	199	2,631,72
4.2.1		2,000,044	1,752	2,002,070	2,001,027		2,001,72
	Share Cancellation Profits	-		-	-	-	
		-	-	-	-	-	
	Marketable Securities Valuation Fund	245,204	1,752	246,956	74,320	199	74,51
	Revaluation Fund	3,747	-	3,747	5,314	-	5,31
	Evaluation Differences	-	-	-	-	-	
	Other Capital Reserves	2,401,893	-	2,401,893	-	-	
4.2.7	Adjustment to Share Capital	-	-	-	2,551,893	-	2,551,89
4.3	Profit Reserves	462,324	-	462,324	1,074,737	-	1,074,73
4.3.1	Legal Reserves	255,315	-	255,315	160,977	-	160,97
4.3.2	Statutory Reserves	-	-	-	-	-	
	Extraordinary Reserves	207,009	-	207,009	913,760	-	913,70
	Other Profit Reserves	-	-		-	-	1.
4.4	Income or (Loss)	1,438,294	-	1,438,294	1,020,528	-	1,020,5
	Prior Years' Income or (Losses)	.,	-	.,	.,520,020	_	.,020,02
	Current Year Income or (Losse)	1,438,294	-	1,438,294	1,020,528	-	1,020,52
4.4.Z		1,430,274	-	1,400,274	1,020,320	-	1,020,32



AKBANK T.A.Ş. INCOME STATEMENTS FOR THE PERIODS ENDED 31 DECEMBER 2005 AND 31 DECEMBER 2004

(Amounts are expressed in thousands of YTL)

INCO	ME AND EXPENSES	CURRENT PERIOD (31/12/2005)	PREVIOUS PERIOD (31/12/2004)
I.	Interest Income	5,301,319	4,412,601
1.1	Interest on Loans	2,766,210	1,924,089
1.1.1	Interest on YTL Loans	2,456,514	1,698,523
	1 Short-term Loans	1,539,058	1,091,790
	2 Medium and Long-term Loans	917,456	606,733
1.1.2	Interest on Foreign Currency Loans	290,299	208,370
	1 Short-term Loans	67,413	37,412
	2 Medium and Long-term Loans	222,886 19,397	170,958 17,196
1.1.4	Interest on Exercised from Resource Utilisation Support Fund Interest Received from Reserve Requirements with the Central Bank of Turkey	89,081	68,046
1.3	Interest Received from Banks	31,238	19,907
1.3.1	The Central Bank of Turkey	2,932	18
1.3.2	Domestic Banks	2,364	5,126
1.3.3 1.3.4	Foreign Banks Headquarters and Branches Abroad	25,942	14,763
1.4	Interest Received from Money Market Transactions	3,126	40,017
1.5	Interest Received from Marketable Securities Portfolio	2,410,319	2,359,504
1.5.1	Trading Securities	428,720	724,039
1.5.2	Available-for-sale Securities	1,937,914	1,560,660
1.5.3	Held-to-maturity Securities	43,685	74,805
1.6	Other Interest Income	1,345	1,038
II.	Interest Expense	2,709,791	1,873,642
2.1	Interest on Deposits	2,106,677	1,586,044
2.1.1	Interbank Deposits	115,173	38,885
2.1.2	Saving Deposits	1,236,664	1,104,338
2.1.3	Public Sector Deposits	1,322	122
2.1.4	Commercial Deposits	356,819	54,778
2.1.5	Other Institutions Deposits	109,443	105,590
2.1.6	Foreign Currency Deposits	287,256	282,331
2.1.7 2.2	Gold Vault Interest on Money Market Transactions	389,128	164,585
2.3 2.3.1	Interest on Funds Borrowed The Central Bank of Turkey	211,600	120,147
2.3.2	Domestic Banks	11,963	10,363
2.3.3	Foreign Banks	198,319	97,663
2.3.4 2.3.5	Headquarters and Branches Abroad Other Financial Institutions	1,318	12,121
2.4 2.5	Interest on Securities Issued Other Interest Expenses	2,386	2,866
Ш.	Net Interest Income (I-II)	2,591,528	2,538,959
IV.	Net Fees and Commissions Income	636,367	426,569
4.1	Fees and Commissions Received	850,922	656,247
4.1.1	Cash Loans	80,864	98,304
4.1.2	Non-cash Loans	34,374	26,654
4.1.3	Other	735,684	531,289
4.2	Fees and Commissions Paid	214,555	229,678
4.2.1	Cash Loans	24,260	33,841
4.2.2	Non-cash Loans	303	470
4.2.3	Other	189,992	195,367
V. 5.1	Dividend Income Trading Securities	3,997	2,621
5.2	Available-for-sale Securities Net Trading Income / (Loss)	3,997	2,621
VI.		234,543	328,970
6.1	Trading Gains or (Losses) on Securities (net)	186,566	299,530
6.1.1	Trading Gains on Securities	241,267	355,058
6.1.1.1	1 Trading Gains on Derivative Financial Instruments	26,486	28,590
	2 Other Trading Gains on Securities	214,781	326,468
6.1.2	Trading Losses on Securities (-)	54,701	55,528
6.1.2.2	1 Trading Losses on Derivative Financial Instruments	34,977	4,384
	2 Other Trading Losses on Derivative Financial Instruments	19,724	51,144
6.2	Foreign Exchange Gains or (Losses) (net)	47,977	29,440
6.2.1	Foreign Exchange Gains	5,079,281	3,515,225
6.2.2	Foreign Exchange Losses (-) Other Operating Income	5,031,304	3,485,785
VII.		239,479	155,196
VIII.	Operating Income (III+IV+V+VI+VII)	3,705,914	3,452,315
IX.	Provision for Loan Losses and Other Receivables (-)	347,935	192,538
х.	Other Operating Expenses (-)	1,325,904	1,148,570
XI.	Net Operating Income (VIII-IX-X)	2,032,075	2,111,207
XII.	Income from Investments and Associates	46,347	31,307
XIII.	Income / (Loss) on Net Monetary Position	-	(645,962)
XIV.	Income Before Taxation (XI+XII+XIII)	2,078,422	1,496,552
XV.	Provision for Income Taxes (+/-)	640,128	476,024
15.1	Current Tax Provision	648,952	436,108
15.2		(8,824)	39,916
XVI.		1,438,294	1,020,528
XVII.	Extraordinary Income / (Loss) After Taxes		
	Extraordinary Income / (Loss) Before Taxation	-	-
17.2		-	-
XVIII.	NET INCOME / (LOSS) (XVI+XVII)	1,438,294	1,020,528
	Earnings / (Loss) per share in YTL full	0.00799	0.00567

CONVENIENCE TRANSLATION INTO ENGLISH OF PUBLICLY AVAILABLE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH, SEE NOTE IN SECTION SIX/I

AKBANK T.A.Ş.

PUBLICLY AVAILABLE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 TOGETHER WITH AUDITOR'S REPORT

PriceWATerhouseCoopers 🛽

Başaran Nas Serbest Muhasebeci Mali Müşavirlik A.Ş. a member of PricewaterhouseCoopers BJK Plaza, Süleyman Seba Caddesi No:48 B Blok Kat 9 Akaretler Beşiktaş 34357 İstanbul-Turkey www.pwc.com/tr Telephone +90 (212) 326 6060 Facsimile +90 (212) 326 6050

CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

AKBANK T.A.Ş.

AUDITOR'S REPORT FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2005

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

- 1. We have audited the accompanying consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries at 31 December 2005 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Act No. 5411. Those principles require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Akbank T.A.Ş. at 31 December 2005 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by the regulations in conformity with article 37 and temporary article 1 of the Banking Act No. 5411.

Additional paragraph for convenience translation into English:

4. As explained in Section Six/I, the effects of differences between accounting principles and standards set out by regulations in conformity with article 37 and temporary article 1 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi a member of PricewaterhouseCoopers

Cansen Başaran Symes, SMMM Istanbul, 10 February 2006

AKBANK

CONVENIENCE TRANSLATION INTO ENGLISH OF PUBLICLY AVAILABLE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE IN SECTION SIX/I

CONSOLIDATED FINANCIAL REPORT OF AKBANK T.A.Ş. AT 31 DECEMBER 2005

Address : Sabancı Center 34330, 4. Levent/Istanbul Telephone: (0 212) 270 00 44 Fax : (0 212) 269 77 87 Web Site : www.akbank.com.tr E-mail : hizmet@akbank.com

The financial reporting package includes the following sections in accordance with "Communiqué 17-Financial Statements and Related Explanation and Footnotes" as sanctioned by the Banking Supervision and Regulation Agency:

 Section One 	-	GENERAL INFORMATION
 Section Two 	-	CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
 Section Three 	-	EXPLANATIONS ON SIGNIFICANT ACCOUNTING POLICIES
 Section Four 	-	INFORMATION REGARDING THE GROUP'S FINANCIAL POSITION

- Section Five INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- Section Six OTHER EXPLANATIONS AND FOOTNOTES
- EXPLANATIONS ON INDEPENDENT AUDIT REPORT Section Seven

Subsidiaries and associates whose financial statements have been consolidated in this reporting package are as follows:

Subsidiaries	Investments in associates
1. Ak Finansal Kiralama A.Ş.	-
2. Ak Yatırım Menkul Değerler A.Ş	- -
3. Akbank N.V.	-
4. Sabancı Bank plc.	-
5. Ak Emeklilik A.Ş.	-

Ak Receivables Corporation and A.R.T.S. Ltd., which are not subsidiaries of the Bank, have been included in the consolidation due to the reason that these companies are "Special Purpose Entities".

The accompanying audited consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of New Turkish lira (YTL), have been prepared based on the accounting books of the Bank in accordance with the Accounting Application Regulation and the communiqués on accounting standards.

10 February 2006



Erol SABANCI Chairman of The Board of Directors

Akın KOZANOĞLU Member of the Board of Directors in charge of Risk Management

Özen GÖKSEL Member of the Board of Directors in charge of Internal Audit

Zafer KURTUL President

Balamir YENİ **Executive Vice** President

Atıl ÖZUS Manager

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

:	Atıl ÖZUS / Manager
:	(0 212) 270 00 44
:	(0 212) 325 12 31
	:

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AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

SECTION ONE GENERAL INFORMATION

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

Akbank T.A.Ş. ("the Bank", "the Parent Bank" or "Akbank") was established on 30 January 1948 as a private commercial bank, in accordance to the decision of the Council of Ministers, No 3/6710; it was authorised to perform all economic, financial and commercial activities allowed by the laws of the Turkish Republic. No changes have been made to the status of the Bank since its foundation.

II. PARENT BANK'S CAPITAL STRUCTURE AND SHAREHOLDERS OF THE BANK

Some of the Bank's shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1990. In 1998, 4.03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipts ("ADRs"). As of 31 December 2005, almost 34% of the shares are publicly traded, including the ADRs. (31 December 2004: 32%).

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

III. BOARD OF DIRECTORS, MEMBERS OF THE INTERNAL CONTROL COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS

Title	Name	Responsibility	Education
Chairman	Erol SABANCI	Chairman and Managing Director	Undergraduate
Board of Directors	Akın KOZANOĞLU	Vice Chairman and Executive Director	Graduate
	Suzan SABANCI DİNÇER	Managing Director	Graduate
	Özen GÖKSEL	Member of the Board	
		of Directors in charge	
		of Internal Audit	Undergraduate
	Hamit B. BELLİ	Director	Undergraduate
	M. Hikmet BAYAR	Director	Undergraduate
	Aydın GÜNTER	Director	Undergraduate
	Yaman TÖRÜNER	Director	Undergraduate
	Zafer KURTUL	Director and CEO	Graduate
President and CEO	Zafer KURTUL	Director and CEO	Graduate
Director of Internal Audit	Erkut ULAŞ	Head of Internal Audit	Undergraduate
Executive Vice Presidents	Hayri ÇULHACI Zeki TUNCAY Nuri AKSOY Eyüp ENGİN	Strategy Corporate Committee Support Services Loans International Banking	Graduate Undergraduate Undergraduate Undergraduate

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

Title	Name	Responsibility	Education
Executive Vice Presidents			
(Continued)	Ziya AKKURT	Corporate and Commercial Banking	Undergraduate
	Reșit TOYGAR	Treasury	Graduate
	M. Fikret ÖNDER	Private Banking	Undergraduate
	Balamir YENİ	Financial Coordination	Doctorate
	Sevilay ÖZSÖZ	Operations	Undergraduate
	S. Hakan BİNBAŞGİL	Retail Banking	Graduate
	Haluk ERDOĜAN	Information Technology	Undergraduate
	Esra BOZKURT	Human Resources and	
		Change Management	Undergraduate
Auditors	Mevlüt AYDEMİR	Auditor	Undergraduate
	Nedim BOZFAKIOĠLU	Auditor	Undergraduate

The above persons' shares in the Bank are at immaterial levels.

IV. PARENT BANK'S SERVICES AND NATURE OF OPERATIONS

The Bank's main operating activity is banking including retail banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and Ak Emeklilik A.Ş. As of 31 December 2005, the Bank has 658 branches dispersed throughout the country and 2 branches operating outside the country (31 December 2004: 633 branches, 1 representative office and 8 branches operating outside the country). As at 31 December 2005, the Bank employed 11.186 people (31 December 2004: 10.413). As at 31 December 2005, the Group employed 12.106 people (31 December 2004: 10.592).

V. EXPLANATION ON CONSOLIDATED SUBSIDIARIES:

The Parent Bank, its subsidiaries Ak Yatırım Menkul Değerler A.Ş., Akbank N.V., Ak Finansal Kiralama A.Ş., Sabancı Bank plc., Ak Emeklilik A.Ş. and Ak Receivables Corporation and A.R.T.S. Ltd ("the Special Purpose Entities"), which are not subsidiaries rather controlled entities of the Bank, have been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are collectively refered to as the "Group".

AKBANK

AKBANK T.A.Ş.

I- CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2005 AND 2004

(Amounts are expressed in "YTL Thousand")

				CURRENT PERIOD (31/12/2005)			PRIOR PERIOD (31/12/2004)	
ASSET	75 N	otes (Section V)	YTL	"Foreign Currency"	Total	YTL	"Foreign Currency"	Total
	Cash	(I-a)	245,646	613,913	859,559	154,374	125,920	280,294
1.1	Cash		232,058	-	232,058	148,636	-	148,636
1.2	Foreign Currency		-	167,008	167,008	-	123,803	123,803
1.3	Balances with the Central Bank of Turkey		9,610	446,247	455,857	5,738	33	5,771
1.4	Other		3,978	658	4,636	-	2,084	2,084
Ι.	Trading Securities (Net)	(I-b)	54,205	6,310,654	6,364,859	195,202	3,588,762	3,783,964
2.1	Government Debt Securities		35,208	6,310,654	6,345,862	180,840	3,573,536	3,754,376
2.1.1	Government Bonds		28,007	6,310,654	6,338,661	153,282	3,573,536	3,726,818
2.1.2	Treasury Bills		7,201	-	7,201	27,558	-	27,558
2.1.3	Other Public Debt Securities		-	-	-	-	-	-
2.2	Share Certificates		18,997	-	18,997	14,362	-	14,362
2.3	Other Marketable Securities		-	-	-	-	15,226	15,226
П.	Banks and Other Financial Institutions	(I-c)	273,404	2,509,600	2,783,004	17,039	1,384,276	1,401,315
3.1	Due from Banks		273,404	2,509,600	2,783,004	17,039	1,384,276	1,401,315
3.1.1	Domestic Banks		246,543	132,404	378,947	3,039	-	3,039
3.1.2	Foreign Banks		26,861	2,377,196	2,404,057	14,000	1,384,276	1,398,276
3.1.3	Headquarters and Branches Abroad		-	-	-	-	-	-
3.2	Other Financial Institutions		-	-	-	-	-	-
v.	Money Markets	(I-d)	491,771	-	491,771	80,074	429,665	509,739
4.1	Interbank Money Market Placements		400,000	-	400,000	-	429,665	429,665
4.2	Receivables from Istanbul Stock Exchange Money Ma	ırket	-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		91,771	-	91,771	80,074	-	80,074
۷.	Available-for-sale Securities (Net)	(I-e)	10,570,674	3,435,271	14,005,945	6,298,603	5,164,391	11,462,994
5.1	Share Certificates		64,190	113	64,303	17,425	72	17,497
5.2	Other Marketable Securities		10,506,484	3,435,158	13,941,642	6,281,178	5,164,319	11,445,497
/I .	Loans	(I-f)	14,698,026	7,920,028	22,618,054	7,790,677	5,432,239	13,222,916
5.1	Short-term		8,327,663	2,439,965	10,767,628	4,999,162	1,351,471	6,350,633
5.2	Medium and Long-term		6,370,363	5,480,063	11,850,426	2,791,515	4,080,768	6,872,283
5.3	Loans under Follow-up		336,192	22,921	359,113	171,227	32,892	204,119
5.4	Specific Provisions (-)		336,192	22,921	359,113	171,227	32,892	204,119
VII.	Factoring Receivables	(I-g)	-	-	-	-	-	-
/111.	Held-to-maturity Securities (Net)	(I-h)	341,104	280,008	621,112	322,382	-	322,382
3.1	Government Debt Securities		341,104	156,561	497,665	322,382	-	322,382
3.1.1	Government Bonds		328,547	156,561	485,108	322,382	-	322,382
3.1.2	Treasury Bills		12,557	-	12,557	-	-	-
3.1.3	Other Public Debt Securities		-	-	-	-	-	-
3.2	Other Marketable Securities		-	123,447	123,447	-	-	-
х.	Unconsolidated Investments in Associates (Net)	(I-i)	19,268	-	19,268	93,196	141,038	234,234
7.1	Financial Investments in Associates		19,268	-	19,268	93,196	141,038	234,234
7.2 v	Non-financial Investments in Associates	(1.3)		- 29	-	-	- 33	-
K. 10.1	Unconsolidated Subsidiaries (Net) Financial Subsidiaries	(I-j)	3,592 3,592	29	3,621 3,621	30,412 30,412	33	30,445 30,445
10.2	Non-Financial Subsidiaries		5,572	27	5,021	50,412		50,445
KI.	Unconsolidated Other Investments (Net)	(I-k)	-	-	-	-	-	-
KII.	Financial Lease Receivables (Net)	(I-L)	96,922	160,208	257,130	-	-	-
12.1	Gross Financial Lease Receivables		122,479	180,261	302,740	-	-	-
12.2	Unearned Income (-)		25,557	20,053	45,610	-	-	-
KIII.	Reserve Requirements with the Central Bank of Tu	rkey	2,709,644	1,187,747	3,897,391	699,986	1,225,572	1,925,558
KIV.	Miscellaneous Receivables	(I-m)	228,698	5,724	234,422	20,540	906	21,446
KV.	Accrued Interest and Income Receivable	(I-n)	1,895,294	364,044	2,259,338	1,161,398	573,443	1,734,841
15.1	Loans		182,410	82,483	264,893	149,876	53,401	203,277
15.2	Marketable Securities		1,683,965	268,818	1,952,783	996,315	291,923	1,288,238
15.3	Other Property and Equipment (Nat)	(1)	28,919	12,743	41,662	15,207	228,119	243,326
KVI. 16.1	Property and Equipment (Net) Book Value	(I-o)	679,495 1,190,472	6,511 12,833	686,006 1,203,305	668,251 1,111,288	10,832 14,039	679,083 1,125,327
16.2	Accumulated Depreciation (-)		510,977	6,322	517,299	443,037	3,207	446,244
KVII.	Intangible Assets (Net)	(I-p)	22,348	0,322	22,348	25,142	5,207	25,142
17.1	Goodwill	·· F·		-	,		-	
17.2	Other		58,653	-	58,653	51,590	-	51,590
17.3	Accumulated Amortisation (-)		36,305	-	36,305	26,448	-	26,448
KVIII.		(I-r)	-	1,851	1,851	-	-	-
KIX.	Other Assets	(I-s)	54,925	18,225	73,150	33,872	8,735	42,607
	ASSETS		32,385,016	22,813,813	55,198,829	17,591,148	18,085,812	35,676,960

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

AKBANK T.A.Ş. I- CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2005 AND 2004

(Amounts are expressed in "YTL Thousand")

				CURRENT PERIOD (31/12/2005)			PRIOR PERIOD (31/12/2004)	
IABILI	ITIES and SHAREHOLDERS' EQUITY	Notes (Section V)	YTL	"Foreign Currency"	Total	YTL	"Foreign Currency"	Tota
	Deposits	(II-a)	17,308,494	14,648,170	31,956,664	6,747,710	13,496,574	20,244,284
1.1	Bank Deposits		1,024,881	1,616,251	2,641,132	54,571	938,996	993,56
.2	Saving Deposits		10,752,022	-	10,752,022	5,336,319	-	5,336,31
.3	Public Sector Deposits		23,483	-	23,483	8,802	-	8,80
.4	Commercial Deposits		3,910,967	-	3,910,967	1,183,706	-	1,183,70
.5	Other Institutions Deposits		1,597,141	-	1,597,141	164,312	-	164,31
.6	Foreign Currency Deposits		-	13,031,919	13,031,919	-	12,557,578	12,557,57
.7	Gold Vault		-	-	-	-	-	
l.	Money Markets	(II-b)	5,229,614	247,974	5,477,588	2,171,617	170,956	2,342,57
.1	Funds from Interbank Money Market		-	-	-	-	-	00.50
.2	Funds from Istanbul Stock Exchange Money Marke	2	- 5.229.614	-	-	20,787	170.05/	20,78 2.321.78
.3 I I.	Funds Provided Under Repurchase Agreements	(II-c)		247,974	5,477,588	2,150,830	170,956	
.1	Funds Borrowed	(11-C)	83,253	8,893,477	8,976,730	61,991	5,117,865	5,179,85
.1	Funds Borrowed from the Central Bank of Turkey Other Funds Borrowed		83,253	8,893,477	- 8,976,730	61,991	5,117,865	5,179,85
3.2.1	Domestic Banks and Institutions		83,253	335,938	419,191	61,991	21,510	83,50
.2.2	Foreign Banks, Institutions, and Funds		03,233	8,557,539	8,557,539	01,771	5,096,355	5,096,35
v.	Marketable Securities Issued (Net)	(II-d)	-	0,337,337	0,007,007	-	3,070,333	3,070,33
.1	Bills	(11 4)		-				
.2	Asset Backed Securities							
.3	Bonds			-				
	Funds	(II-e)	-		-			
/1.	Miscellaneous Payables	(II-f)	844,030	36,996	881,026	655.566	30,286	685.85
	Other Liabilities	(II-g)	133,217	60,614	193,831	131,083	106,585	237,66
/111.	Taxes and Other Duties Payable	(II-h)	76,316	372	76,688	67,275	79	67,35
x.	Factoring Payables	(II-i)			-		-	0,100
	Financial Lease Payables (Net)	(II-j)	-	-	-	-	5,496	5,49
0.1	Gross Financial Lease Payables		-	-	-	-	5,971	5,97
0.2	Deferred Financial Lease Expenses (-)		-	-	-	-	475	47
(I.	Accrued Interest and Expenses Payable	(II-k)	343,435	188,777	532,212	184,970	93,795	278,76
1.1	Deposits		241,326	49,070	290,396	90,830	37,765	128,59
1.2	Borrowings		3,743	49,563	53,306	2,581	29,051	31,63
1.3	Repurchase Agreements		4,942	3,139	8,081	1,119	1,674	2,79
1.4	Other		93,424	87,005	180,429	90,440	25,305	115,74
(II.	Provisions	(11-1)	497,429	57,254	554,683	332,360	4,387	336,74
2.1	General Loan Loss Provision		124,809	5,926	130,735	76,592		76,59
2.2	Reserve for Employment Termination Benefits		16,451	496	16,947	13,984	-	13,98
2.3	Provision for Income Taxes	(II-h)	203,833	3,125	206,958	132,968	136	133,10
2.4	Insurance Technical Provisions (Net)		37,074	36,785	73,859	-	-	
2.5	Other Provisions		115,262	10,922	126,184	108,816	4,251	113,06
(111.	Subordinated Loans	(11-1)	-	4,159	4,159	-	4,778	4,778
(IV.	Deferred Tax Liaibility		43,474	-	43,474	47,809	-	47,809
(V.	Minority Interest	(II-u)	112,218	-	112,218	173	-	17:
(VI.	Shareholders' Equity	(II-m)	6,387,804	1,752	6,389,556	6,245,406	199	6,245,60
6.1	Paid-in Capital		1,800,005	-	1,800,005	1,500,000	-	1,500,000
6.2	Capital Reserves		2,651,209	1,752	2,652,961	2,631,527	199	2,631,72
6.2.1	Share Premium	(II-n)	-	-	-	-	-	
6.2.2	Share Cancellation Profits		-	-	-		-	
6.2.3	Marketable Securities Valuation Fund	(II-o)	245,569	1,752	247,321	74,320	199	74,51
6.2.4	Revaluation Fund	(II-p)	3,747	-	3,747	5,314	-	5,31
6.2.5	Evaluation Differences	(II-r)	-	-	-	-	-	
6.2.6	Other Capital Reserves	(II-y)	2,401,893	-	2,401,893	-	-	0.554.65
	Adjustment to Share Capital		-	-	-	2,551,893	-	2,551,89
6.3	Profit Reserves	(11)	476,611	-	476,611	1,074,271	-	1,074,27
	Legal Reserves	(II-s)	259,712	-	259,712	164,557	-	164,55
	Statutory Reserves Extraordinary Reserves	(II-t)	-	-	- 216,899	- 909,714	-	000 74
	Extraordinary Reserves Other Profit Reserves	[11-T]	216,899	-	210,877	707,/14	-	909,71
6.3.4 6.4	Uther Profit Reserves Income or (Loss)		- 1,459,979	-	- 1,459,979	- 1,039,608	-	1,039,60
	Prior Years' Income or (Losses)			-			-	32,20
	Group's Share		(1,191) 5,633	-	(1,191) 5,633	32,205 32,203	-	32,20
	? Minority Interest		(6,824)	-	(6,824)	32,203	-	32,20
	Current Year Income or (Loss)		1,461,170	-	1,461,170	1,007,403	-	
	Group's Share			-		1,007,403	-	1,007,40 1,007,41
	? Minority Interest		1,467,176 (6,006)	-	1,467,176 (6,006)	1,007,415	-	1,007,41
6124			[0,000]	-	(0,000)	(I Z J	-	(12
6.4.2.2	,							

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



AKBANK T.A.Ş.

II- CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Amounts are expressed in "YTL Thousand")

OME and EXPENSES	Notes (Section V)	CURRENT PERIOD (31/12/2005)	PRIOR PERIOD (31/12/2004)
Interest Income Interest on Loans Interest on YTL Loans	(III-a)	5,449,675 2,786,318 2,459,889	4,466,184 1,935,227
i Interest on YTL Loans .1. Short-term Loans .2. Medium and Long-term Loans		2,437,667 1,542,433 917,456	1,701,468 1,094,735 606,733
2 Interest on Foreign Currency Loans		307,032	216,563
2.1 Short-term Loans 2.2 Medium and Long-term Loans		80,940 226,092	40,389 176,174
3 Interest on Loans Under Follow-up 6 Premiums Received from Resource Utilisation Support Fund		19,397	17,198
Interest Received from Reserve Requirements with the Central Bank of Turkey Interest Received from Banks		89,081 52,305	68,040 20,00
The Central Bank of Turkey 2 Domestic Banks		2,932 6,016	18 5,12
3 Foreign Banks 6 Head Offices and Branches Abroad		43,357	14,860
Interest Received from Money Market Transactions		18,672	63,930 2,375,998
Interest Received from Marketable Securities Portfolio Trading Securities		2,474,330 431,023	728,03
2 Available-for-sale Securities 3 Held-to-maturity Securities		1,967,868 75,439	1,573,158 74,80
Other Interest Income Interest Expense	(ІІІ-Ь)	28,969 2,781,210	2,970 1,910,58
Interest on Deposits Bank Deposits	(III-b-3)	2,130,885 115,017	1,599,91 38,88
2 Saving Deposits		1,237,821	1,104,338
3 Public Sector Deposits 6 Commercial Deposits 5 Other Institutions Deposits		1,322 356,666	12 54,73
5 Foreign Currency Deposits		109,443 310,616	105,590 296,245
7 Gold Vault Interest on Money Market Transactions	(III-b-4)	404,303	187,651
Interest on Funds Borrowed The Central Bank of Turkey	(=,	242,284	120,151
2 Domestic Banks		19,730	10,36
Foreign Banks Headquarters and Branches in Abroad		221,236	97,663
5 Other Financial Institutions Interest on Securities Issued		1,318 2,116	12,12
Other Interest Expenses Net Interest Income (I-II)		1,622 2,668,465	2,86 2,555,59
Net Fees and Commissions Income Fees and Commissions Received		664,425 897,176	450,57 681,24
Cash Loans ? Non-cash Loans		84,377 35,702	99,61
3 Other		777,097	26,65 554,97
Fees and Commissions Paid Cash Loans		232,751 24,627	230,67 33,84
Non-cash Loans Other		1,241 206,883	47 196,36
Dividend Income Trading Securities		4,272 273	3,04
Available-for-sale Securities Net Trading Income/(Loss)		3,999 239,108	3,04 325,20
Trading Gains or (Losses) on Securities (Net)		191,231	299,83
Trading Gains on Securities .1. Trading Gains on Derivative Financial Instruments		285,475 65,689	356,69 28,59
I.2. Other 2. Trading Losses on Securities (-)		219,786 94,244	328,10 56,86
2.1. Trading Losses on Derivative Financial Instruments 2.2. Other		72,162 22,082	4,38 52,48
Foreign Exchange Gains or (Losses) (Net) I. Foreign Exchange Gains	(III-e-1)	47,877 5,085,169	25,36 3.511.17
2. Foreign Exchange Losses (-)	(III-c)	5,037,292	3,485,80 155,51
Other Operating Income Operating Income (III+IV+V+VI+VII)		292,646 3,868,916	3,489,93
Provision for Loan Losses and Other Receivables (-) Other Operating Expenses (-)	(III-d) (III-e-1)	348,703 1,405,195	192,53 1,174,30
Net Operating Income (VIII-IX-X) Income from Investments in Associates and Subsidiaries	(III-f)	2,115,018	2,123,08 17,16
Income/(Loss) on Net Monetary Position Income Before Income Taxes (XI+XII+XIII)		- 2,115,018	(652,040 1,488,20
Provision for Income Taxes (-)	(III-h)	653,848	480,803
Current Tax Provision Deferred Tax Provision		661,273 (7,425)	440,88 39,91
Net Income/(Loss) After Taxes (XIV-XV) . Extraordinary Income/(Loss) After Taxes		1,461,170	1,007,40
Extraordinary Income/(Loss) Before Taxation 1 Extraordinary Income		-	
.2 Extraordinary Expenses (-) Provision for Taxes on Extraordinary Income (-)		-	
 Income/(Loss) on non-consolidated Investments and Associates 		1 //1 170	4 007 /01
Group's Income/(Loss)	1	1,461,170 1,467,176	1,007,40 1,007,41
Minority Interest Income/(Loss) Earnings/(Loss) per share in YTL full	(III-g)	(6,006) 0.00812	(12) 0.00560

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

AKBANK T.A.Ş. III- CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2005 AND 2004

(Amounts are expressed in "YTL Thousand")

Notes (Section	n V) YTL	CURRENT PERIOD (31/12/2005) "Foreign Currency") TOTAL	YTL	PRIOR PERIOD (31/12/2004) "Foreign Currency"	TOTA
OFF-BALANCE SHEET COMMITMENTS (I+II+III) GUARANTEES AND WARRANTIES (IV-c), (IV-e), (IV Letters of Guarantee Guarantees Subject to State Tender Law	7,903,514 1,614,230 1,573,324 276,728	11,676,476 1,918,250 1,003,592 97,746	19,579,990 3,532,480 2,576,916 374,474	8,558,009 1,118,455 1,087,013 150,429	7,827,651 1,827,815 996,564 70,636	16,385,66 2,946,27 2,083,57 221,06
Guarantees Subject to State Fender Law Guarantees Given for Foreign Trade Operations Other Letters of Guarantee Bank Acceptances	1,296,596 15	445,309 460,537 49,388	445,309 1,757,133 49,403	936,584 15	475,276 450,652 46,878	475,27 1,387,23 46,89
Import Letter of Acceptance Other Bank Acceptances	15	49,388	49,403	15	46,878	46,89
Letters of Credit Documentary Letters of Credit Other Letters of Credit	102 102	856,809 835,666 21,143	856,911 835,768 21,143	-	783,185 746,343 36,842	783,18 746,34 36,84
Prefinancing Given as Guarantee Endorsements Endorsements to the Central Bank of Turkey	-	-	-	-	-	
Other Endorsements Securities Issue Purchase Guarantees	-	-	-	-	-	
Factoring Guarantees Other Guarantees Other Collaterals	- 23,197 17,592	- 7,577 884	- 30,774 18,476	- 16,210 15,217	- 1,188 -	17,3' 15,2
COMMITMENTS (IN Irrevocable Commitments Asset Purchase Commitments	/-c) 5,878,390 5,878,390	441,033 441,033 18,567	6,319,423 6,319,423 18,567	7,404,924 7,404,924 46,000	632,795 632,795 1,701	8,037,7 8,037,7 47,7
Deposit Purchase and Sales Commitments Share Capital Commitments to Associates and Subsidiaries Loan Granting Commitments	-	- - 33,010	- - 33,010		- - 5,607	5,6
Securities Issue Brokerage Commitments Commitments for Reserve Deposit Requirements Commitments for Cheques	- - 1,390,545	-	- 1,390,545	- 1,096,148	-	1,096,14
Tax and Fund Liabilities from Export Commitments Commitments for Credit Card Limits	4,443,352	355,631	4,798,983	6,241,276	591,792	6,833,0
Receivables from Short Sale Commitments of Marketable Securit Payables for Short Sale Commitments of Marketable Securities Other Irrevocable Commitments		- - 33,825	- - 78,318	- 21,500	- - 33,695	55,1
Revocable Commitments Revocable Loan Granting Commitments Other Revocable Commitments	-	-	-	-	-	
DERIVATIVE FINANCIAL INSTRUMENTS (IV	/-b) 410,894 28,272	9,317,193 2,660,243	9,728,087 2,688,515	34,630 34,630	5,367,041 138,067	5,401,6 172,6
Forward Foreign Currency Buy/Sell Transactions Forward Foreign Currency Transactions-Buy Forward Foreign Currency Transactions-Sell	410 27,862	1,326,689 1,333,554	1,327,099 1,361,416	17,252 17,378	69,152 68,915	86,41 86,21
Swap Transactions Related to Foreign Currency and Interest Rate Foreign Currency Swap-Buy Foreign Currency Swap-Sell	es - -	6,077,601 2,037,158 2,053,073	6,077,601 2,037,158 2,053,073	-	5,151,137 2,597,198 2,427,703	5,151,1 2,597,1 2,427,7
Interest Rate Swaps-Sell	-	993,546 993,824	993,546 993,824	-	63,118 63,118	63,1 63,1
Foreign Currency, Interest Rate and Securities Options Foreign Currency Options-Buy Foreign Currency Options-Sell	373,981 188,407 185,574	437,392 218,690 218,702	811,373 407,097 404,276	-	-	
Interest Rate Options-Buy Interest Rate Options-Sell Securities Options- Buy	-	-	-	-	-	
Securities Options-Sell Foreign Currency Futures	-	-	-	-	-	
Foreign Currency Futures-Buy Foreign Currency Futures-Sell Interest Rate Futures	-	-	-	-	-	
Interest Rate Futures-Buy Interest Rate Futures-Sell	-	-	-	-		
Other CUSTODY AND PLEDGES RECEIVED (IV+V+VI) ITEMS HELD IN CUSTODY	8,641 33,013,948 21,406,928	141,957 8,190,532 2,650,383	150,598 41,204,480 24,057,311	20,002,013 16,268,276	77,837 5,328,438 2,584,860	77,8 25,330,4 18,853,1
Customer Fund and Portfolio Balances Investment Securities Held in Custody Cheques Received for Collection	- 14,159,931 3,744,014	- 2,055,466 26,254	- 16,215,397 3,770,268	- 12,391,696 868,289	- 2,123,530 22,922	14,515,2 891,2
Commercial Notes Received for Collection Other Assets Received for Collection	563,742	315,026 234	878,768 234	331,615	277,288 233	608,9 2
Assets Received for Public Offering Other Items Under Custody Custodians	2,939,241	199,090 54,313	3,138,331 54,313	2,676,676	127,763 33,124	2,804,4 33,1
PLEDGES RECEIVED Marketable Securities Guarantee Notes	11,607,020 622,647 610,768	5,540,149 145,349 136,618	17,147,169 767,996 747,386	3,733,737 426,748 235,849	2,743,578 321,421 142,485	6,477,3 748,1 378,3
Commodity Warranty Immovables	481 - 5,003,726	12,210 - 918,141	12,691 - 5,921,867	26 - 1,712,676	301 - 363,589	3 2,076,2
Other Pledged Items Pledged Items-Depository ACCEPTED INDEPENDENT GUARANTEES AND WARRANTEES	5,369,398	4,327,831	9,697,229	1,358,438	1,915,782	3,274,2
OFF-BALANCE SHEET COMMITMENTS (A+B)	40,917,462	19,867,008	60,784,470	28,560,022	13,156,089	41,716,1

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



AKBANK T.A.Ş.

IV- CONSOLIDATED STATEMENTS OF CHANGES IN THE SHAREHOLDERS' EQUITY

(Amounts are expressed in "YTL Thousand")

PRIOR PERIOD [31/12/2004] I. Balances at the Beginning of Period II. Adjusted Balance (Jarling Policies III. Adjusted Balance (Jarling Policies) V. Profit Distribution 5.1 Dividends Paid 5.2 Dividends Paid 5.3 Differ 5.3 Differ 5.3 Differ 5.3 Differ 5.3 Differ 5.3 Differ 5.3 Differ 5.4 Marketable Securites Valuation Fund 6.5 Adjustment to Share Capital 6.5 Adjustment to Share Capital 6.5 Adjustment to Share Capital 6.5 Subustment Date Capital 6.5 Dividends Paid 6.5 Extrange Differences 6.6 Issuance of Share Capital 6.5 Adjustment to Share Capital 6.5 Dividends Paid 6.5 Extrange Differences 6.6 Issuance of Share Capital 6.5 Adjustment to Share Capital 7.1 Convertible Bonds 7.1 Convertible Bonds 7.1 Convertible Bonds 7.2 Profit From Sate of Property Net Fair 7.2 Value Gains/Loss 7.2 Profit From 7.2 Profit From 7.2 Profit From 7.2 Profit From 7.2 Dividends 7.3 Dividends 7.3 Dividends 7.3 Dividends 7.3 Dividends 7.4 Dividends 7.5	2,539,399 2,539,399 12,494 12,494 2,551,893			50,996 50,996 113,561 113,561		277.029		1 627 207					5 777 <i>1</i> 10
ese in Accounting Pólicies et d'Balance (HJ)fith Coss urrent Period Profit/Loss Distribution das Pala ers to Reserves ers to Reserves aution Fund aution Fund aution Fund aution Fund auton Differences auton Differences auton Differences auton Differences in Exchange Differences ment to Share Capital cos of Share Capital and Loss and Loss Gains/Loss Changes Within Consolidation of Changes Within Consolidation and Balances	2,5			50,996 113,561 113,561	•			407 47C 1	20.915	•		164,876	111110
rrent period Profit/Loss Trent Period Profit/Loss Distribution and Paid ters to Reserves at the Differences at the Differences at the Differences trable Securities Vet Hair ment to Share Certhicates ment to Share Certhicates the for State Securities Net Fair (V-b) From Sate of Property Net Fair Gains/Loss Gains/Loss of Changes Within Consolidation of Bainsces	7.2 7			30,996 113,561 113,561		- 000	•			•	•		
Distribution das Paid lario Reserves It Increase ation Fund ation Fund ation Differences ation Fund ation Differences ation Fund ation Differences ation Share Certificates in Exchange Unterences artible Bonds in Exchange Unterences attrible for Sate Securities Net Fair bla for Sate Securities Net Fair bla for Sate Securities Net Fair consolution de Sans/Loss of Changes Within Consolidation of Balances	12 75			113,561 113,561				1,007,403	GI 4'NZ			164,876	1,007,403
rens raid into reaction into reaction ation fund tion Differences tion Differences table Securities Valuation table Securities Valuation table Securities end table for Stare Securities inter charges ritible Bonds ritible Bonds ritible Bonds ritible Bonds ritible Sociale Securities Net Fair Com Sale of Property Net Fair Com Sale of Property Net Fair of Charges Within Consolidation of Charges Within Consolidation of Balances	2 73			113,561	•	945,179	•	[1,524,204]	16,364	•	•	•	(449,100)
Il Increase ation Fund toon Differences table Securities Valuation Fund ment to Share Capital ment to Share Capital tice of Share Centificates in Exchange Differences in Exchange Differences ritible Bonds ritible Bonds ritible Bonds ritible Sociale Securities Net Fair Gains/Loss From Sale of Property Net Fair Gains/Loss of Changes Within Consolidation of Balances	2,5			·		945,179		(1,075,104)	- 16,364				- - -
ation Fund aton Differences table Securities Valuation Fund ment to Share Capitat ment to Share Caritat ce of Share Certificates in Exchange Differences ritible Bonds ritible Bonds fible for Stale Securities Net Fair Gains/Loss From Stale of Property Net Fair Gains/Loss of Changes Within Consolidation of Balances	2,5			•		[312,494]		• •		• •			
ation Prudo atton Prudo table Securities Valuation Fund ment to Share Capital ment to Share Capital rice of Share Certificates in Exchange Differences ritible Bonds ritible Bonds ertible Bonds from Sale Securities Net Fair Gains/Loss From Sale of Property Net Fair Gains/Loss of Changes Within Consolidation of Balances	2,5				,				1				
iable Securities Valuation Fund ment to Share Capital ree of Share Capital ree of Share Centificates in Exchange Differences in the for Sale Securities Net Fair Uable for Sale Securities Net Fair Cains/Loss From Sale of Property Net Fair Gains/Loss Of Changes Within Consolidation of Changes Within Consolidation of Banees	2,5												
ment to Starte Capital ce of Share Certificates In Exchange Differences ritble Bonds ritble Bonds From Sale Securities Net Fair Gains/Loss From Sale of Property Net Fair Gains/Loss of Changes Within Consolidation of Changes	2,5												
ce of Share Certificates In Exchange Differences bible for Sale Securities Net Fair Gains/Loss From Sale of Property Net Fair Gains/Loss of Changes Within Consolidation of Changes Within Consolidation	2,5				•		1			I	I		1
rthild Bonds bible for Sale Securities Net Fair Gains/Loss Property Net Fair Gains/Loss Within Consolidation of Changes Within Consolidation of Bances	2,5551,893					[312,494]							
	- - - 2,5551,893												
- <u>c</u>	- - 2,551,893			•	•	'		•	'		•	•	
Profit From Sale of Property Net Fair - Effect of Changes Within Consolidation - Closion Balances	- - 2,551,893				•			•			•	(90,357)	(90,357)
vaue odnis/Loss Effect of Changes Within Consolidation Closing Balances	- - 2,551,893									110 3			110 3
Closing Balances	2,551,893					•••	• •	• •	[5,074]	4 I C 10			5,074)
(I+II+II+IV+V+VI+VII+VII+IX+X) 1.500.000			,	164.557		909.714		1.007.403	32,205	5.314		74,519	6.245.605
CURRENT PERIOD [31/12/2005] I. Balances at the Beginning of the Period 1,500,000	2,551,893			164,557		909,714		1,007,403	32,205	5,314		74,519	74,519 6,245,605
Inclusion of Ak Emekülik A.Ş. in consolidation Increases in the Pariod				509		8,083			(14,110)			365	(5,153)
nts			•	•	•		•	•	•	•	•	172,437	172,437
Net Fair Value Gains/Losses (V-b) - Cash Flow Hartne												172,437	172,437
Net Fair Value Gains/Losses	I	ı	I	ı	1	1	1		I	I	I	1	1
Gains from Sale of Fixed Assets Net Fair Value Gains/Loces		•	•	•	•	•		•	•	3,747 3,747	•		3,747 3,747
Other -	•				•	Ð	'	•	'				5
Transferred Amounts Available for Sale Investments													
Transferred to Net Income		1	I	ı	1	I	1	1	1	1	1	1	
Cash Flow Hedge	•	•	•	•	•	•	•	'	•	'	'	'	
I ransferred to Net Income Transfers to Assets													
Net Current Year Income	•			-	•		•	1,461,170		•	•		- 1,461,170
tion	•	•	•	979'76	•	(556,212)	•	[1,007,403]	[19,286]	•	•	-	1,488,255
Transfers to Reserves (V-d) -	1 1			94,646		467,231		(542,591) (542,591)	[19,286]				
Other (II-z) - Control (II-z) - 200.005	[150,000]					[1,023,443]				[E 217]			- (1,023,443)
				• •	•		•	• •	• •	(*) C'C)		•	•
Revaluation Fund	I	,			ı	I	I	ı	I	1	1	I	
Evaluation Differences Marketable Securities Valuation Fund	1 1												
		ī	ı		,		'		1		I		
Issuance of Share Certificates (V-e) 300,000	(150,000)					[144,686]				(5,314)			
Totelyn Exchange unierences						- (2)							
rtible Bonds	•			•	•	1		•	'		•		'
Closing Balances II+II+III+IV+V+VI+VIII+IX+X+XI+XII) 1 800 005	2 401 893			259 712		216 899		1 441 170	[1 1 9 1]	L7L E		168 276	247 321 6 389 556

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

AKBANK T.A.Ş. V- CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts are expressed in "YTL Thousand")

		Notes (Section V)	CURRENT PERIOD (31/12/2005)	PRIOR PERIOD (31/12/2004)
А.	CASH FLOWS FROM BANKING OPERATIONS			
1.1.	Operating profit before changes in operating assets and liabilities		2,258,795	2,280,757
1.1.1.	Interest received		5,088,603	5,559,275
1.1.2.	Interest paid		(2,527,763)	[1,914,232]
.1.3.	Dividend received		4,272	20,207
.1.4.	Fees and commissions received		897,176	681,249
.1.5.	Other income		191,231	299,835
.1.6.	Collections from previously written-off loans and other receivables		121,391	62,142
.1.7.	Payments to personnel and service suppliers		[462,489]	(360,248
.1.8.	Taxes paid		(632,004)	(604,125
.1.9.	Extaordinary items		-	
1.10	Other	(VI-a)	[421,622]	(811,306
.1.11.	Monetory Loss		-	(652,040
.2.	Changes in operating assets and liabilities		3,811,193	2,015,880
.2.1.	Net (increase) / decrease in trading securities		(2,580,895)	3,904,561
.2.2.			(2,022,331)	(153,088
.2.3.	Net (increase) / decrease in loans		(9,664,075)	(3,468,724
	Net (increase) / decrease in other assets		(495,759)	22,493
	Net increase / (decrease) in bank deposits		1,560,360	(529,717
	Net increase / (decrease) in other deposits		10,021,105	(955,646
	Net increase / (decrease) in funds borrowed		6,743,650	2,579,532
	Net increase / (decrease) in payables		0,740,000	2,077,005
	Net increase / (decrease) in other liabilities	(VI-a)	249,138	616,469
	Net cash provided from banking operations		6,069,988	4,296,637
3.	CASH FLOWS FROM INVESTING ACTIVITIES			
I.	Net cash provided from investing activities		(2,875,969)	(3,480,530)
2.1.	Cash paid for purchase of investments, associates and subsidiaries	(VI-b)	(177,580)	-
.2.	Cash obtained from sale of investments, associates and subsidiaries	(VI-c)	6	27,672
.2.	Fixed assets purchases	(VI-C)	(115,020)	(140,501
.4.	Fixed assets sales		15,489	47,15
2.5.	Cash paid for purchase of investments available-for-sale		(2,477,674)	(3,826,473
.5.	Cash obtained from sale of investments available-for-sale		[Z,4//,0/4]	(3,020,473
.0.	Cash paid for purchase of investment securities		(121,190)	
	Cash obtained from sale of investment securities		(121,170)	411,62
2.9.	Extraordinary items			411,020
2.10.	Other		-	
) .	CASH FLOWS FROM FINANCING ACTIVITIES			
II.	Net cash provided from financing activities		(1,493,751)	(455,681)
.1.	Cash obtained from funds borrowed and securities issued		-	-
.2.	Cash used for repayment of funds borrowed and securities issued		-	
.3.	Issued capital instruments		-	
.4.	Dividends paid		[464,812]	(449,100
.5.	Payments for finance leases		(5,496)	(6,581
.6. .7.	Extraordinary items Other		- (1,023,443)	
v.	Effect of change in foreign exchange rate on cash and cash equivalents	(VI-a)		
	Net increase in cash and cash equivalents		1,700,268	360,426
Ι.				
'. 'I.	Cash and cash equivalents at beginning of the year	(VI-d)	2,113,692	1,753,266

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



AKBANK T.A.Ş.

VII- PROFIT APPROPRIATION STATEMENTS

(Amounts are expressed in "YTL Thousand")

		CURRENT PERIOD (31/12/2005)	PRIOR PERIOD (31/12/2004)
Ι.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.2.2.	CURRENT YEAR INCOME TAXES AND DUTIES PAYABLE [-] Corporate Tax (Income tax) Income witholding tax Other taxes and duties	2,078,422 640,128 640,128	1,496,552 476,024 476,024 -
Α.	NET INCOME FOR THE YEAR (1.1-1.2)	1,438,294	1,020,528
1.3. 1.4. 1.5.	PRIOR YEARS LOSSES [-] FIRST LEGAL RESERVES [-] OTHER STATUTORY RESERVES [-]	- -	- 51,026 -
В.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	1,438,294	969,502
1.6.4. 1.6.5. 1.7. 1.8. 1.9. 1.9.1. 1.9.2. 1.9.3. 1.9.4. 1.9.5. 1.10. 1.11. 1.12. 1.13. 1.14.	To owners of privileged shares To owners of preferred shares To profit sharing bonds To holders of profit and loss sharing certificates DIVIDENDS TO PERSONNEL [-] DIVIDENDS TO PERSONNEL [-] SECOND DIVIDEND TO SHAREHOLDERS [-] To owners of ordinary shares To owners of preferred shares To owners of preferred shares To profit sharing bonds To holders of profit and loss sharing certificates SECOND LEGAL RESERVES [-] EXTRAORDINARY RESERVES [-] EXTRAORDINARY RESERVES SPECIAL FUNDS		75,000 75,000 - - - - - - - - - - - - - - - - - -
2.3.2. 2.3.3. 2.3.4.	DISTRIBUTION OF RESERVES APPROPRIATED RESERVES SECOND LEGAL RESERVES DIVIDENDS TO SHAREHOLDERS (-) To owners of ordinary shares To owners of privileged shares To owners of preferred shares To profit sharing bonds To holders of profit and loss sharing certificates DIVIDENDS TO PERSONNEL (-) DIVIDENDS TO BOARD OF DIRECTORS (-)	- - - - - - - - - - - -	
ш.	EARNINGS PER SHARE (*)		
3.1. 3.2. 3.3. 3.4.	TO OWNERS OF ORDINARY SHARES TO OWNERS OF ORDINARY SHARES (%) TO OWNERS OF PRIVILEGED SHARES TO OWNERS OF PRIVILEGED SHARES (%)	0.008 0.8 -	0.006 0.6 -
IV.	DIVIDEND PER SHARE		
4.1. 4.2. 4.3. 4.4.	TO OWNERS OF ORDINARY SHARES TO OWNERS OF ORDINARY SHARES [%] TO OWNERS OF PRIVILEGED SHARES TO OWNERS OF PRIVILEGED SHARES [%]	- - -	0.003 0.3 -

(*) Given in YTL full.

NOTE (1): The competent authority for the distribution of current year income is the General Assembly of the Shareholders. As of the preparation date of these financial statements, the annual Ordinary General Assembly Meeting of the Shareholders has not yet convened. (2): The profit distribution is made according to the unconsolidated financial statements of the Parent Bank.

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

SECTION THREE EXPLANATIONS ON SIGNIFICANT ACCOUNTING POLICIES

I. EXPLANATION ON THE PRESENTATION OF FINANCIAL STATEMENTS

a. The preparation of the consolidated financial statements and related notes and explanations in accordance with the Accounting Application Regulation ("AAR") and the other relevant accounting standards that have been promulgated:

The Bank maintains its books of account and prepares its statutory financial statements in New Turkish lira in accordance with the Banking Act, Turkish Commercial Code and Turkish tax legislation. These consolidated financial statements have been prepared in accordance with Accounting Application Regulation ("AAR") published in the Official Gazette No. 24793 dated 22 June 2002 brought into effect on 1 July 2002 by the Banking Regulation and Supervision Agency ("BRSA") and the communiqués on accounting standards.

b. Preparation of consolidated financial statements based on the current purchasing power of Turkish lira:

The Financial Reporting in Hyperinflationary Economies Standard stated in Communiqué 14 of the Accounting Application Regulation ("AAR 14") became effective as of 1 July 2002.

In accordance with AAR 14, the Bank should prepare its consolidated financial statements in the purchasing power of the Turkish lira as at the balance sheet date. The corresponding figures for previous periods are to be restated in the same terms. According to the related communiqué, certain criteria are used to classify an economy as hyperinflationary and one of these criteria is a cumulative three-year inflation rate announced by the Turkish Statistical Institute approaching or exceeding 100% and the other is current year inflation rate approaching or exceeding 10%.

In accordance with AAR 14, the obligation of the preparation of financial statements according to inflationary accounting will be terminated when key indicators in the economy have disappeared. The announcement of the period in which the inflationary accounting will be discontinued will be made by the BRSA. Accordingly, as of 28 April 2005, the BRSA announced that inflation accounting application in the banking sector had been terminated based on the decree numbered 1623 related and dated 21 April 2005. It was stated that the indicators in the economy, including the inflation rate which obligated the preparation of financial statements according to inflation accounting, had disappeared and that the application of the inflation accounting effective from 1 January 2005 was to be terminated. According to AAR 14, in the case of the discontinuation of inflation accounting, the opening balances of the current period's financial statements will be the year-end figures adjusted at the end of the inflationary period. In the preparation of the Bank's consolidated financial statements, inflation accounting has been applied until the end of 31 December 2004 and starting from 1 January 2005 it has been discontinued. In these consolidated financial statements, corresponding figures expressed for previous periods are restated in terms of the purchasing power of TL at 31 December 2004.

Until 31 December 2004, inflation adjustments have been performed in accordance with the standards indicated in AAR 14 and by using the wholesale price indices published in the appendix to the AAR 14 and announced by the Turkish Statistical Institute. Detailed information related to the application of inflation accounting is presented in "Explanation related to inflation accounting" Section Five, Note IX.

AKBANK

c. Accounting and evaluation policies adopted in the presentation of consolidated financial statements:

The principle accounting policies and evaluation methods adopted in the presentation of financial statements are in accordance with "AAR". These policies and methods are explained in the Notes II to XXII.

d. Accounts for which different accounting policies applied during the consolidation: None.

II. EXPLANATIONS REGARDING THE CONSOLIDATION PRINCIPLES

a. Consolidation principles applied:

For the preparation of consolidated financial statements, the methods, principles and procedures determined in the "Preparation of Consolidated Financial Statements, Accounting for Subsidiaries, Associates and Joint Ventures Standard" (AAR 15) are applied.

1. Consolidation principles of subsidiaries:

Subsidiaries are enterprises controlled directly or indirectly by the Bank, whose main activities are money and capital markets, financial leasing and insurance; and operating with licenses provided in accordance with special regulations.

Subsidiaries are consolidated using the full consolidation method, considering materiality of their operations (Section Five Note I-j). Financial statements of related subsidiaries are consolidated from the date on which control is transferred to the Group.

Control means, directly or indirectly holding the majority of the capital of an enterprise or, although not having this majority by holding of the privileged shares or based on agreements made with other shareholders, holding of the majority of the voting power or somehow having the power of dismissal or appointment of the majority of the members of the board of directors.

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items. The carrying amount of the Group's investment in each subsidiary and the Group's portion of capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and the resulting unrealised profits and losses are reciprocally eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group. Minority interests are presented in the consolidated balance sheet separately from liabilities and the Parent shareholders' equity. Minority interests are presented separately in the Group's income.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. Consolidation principles of investments in associates:

Associates are the enterprises, whose main activities being in money and capital markets, financial leasing and insurance; and operating with licenses provided in accordance with special regulations, in which the Parent Bank has invested equity, and even without the power to govern the financial and operating policies, it has a significant influence. Associates are consolidated with the equity method of accounting based on the materiality principle.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

Significant influence represents the power to participate in the financial and operating policies of the investee. Unless the opposite is demonstrated, if the Parent Bank holds more than 10% or more of the voting power of the investee, it is presumed that the Parent Bank has a significant influence on this investee.

The equity method is a method of accounting whereby the investment is recorded at cost and adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The income statement reflects the investor's share of the results of operations of the investee.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. Consolidation principles for the jointly controlled enterprises:

None.

4. Principles for transfer, merger and acquisition of shares:

As at 9 March 2005, the Bank has acquired 60% of shares in Ak Uluslararası Bankası A.Ş. which was previously an associate with a 39.99% share, for an amount of YTL98.488, and it has been decided to merge with Ak Uluslararası Bankası A.Ş. via a takeover. As at 19 September 2005, following the receipt of the required permissions, the commercial registration of Ak Uluslararası Bankası A.Ş. ceased and all of its assets and commitments were taken over by the Bank. The acquisition process is accounted in accordance with the "Regulation on Mergers and Acquisition of Banks Accounting Standard" in Accounting Application Regulation ("AAR 6").

b. Presentation of unconsolidated subsidiaries, investments in associates and share certificates included in the availablefor-sale portfolio in consolidated financial statements:

Turkish lira denominated subsidiaries, investments in associates and share certificates in the available-for-sale portfolio are recognized at the cash and cash equivalent contribution amount after deducting the additions to the share capital of these companies from various funds including "revaluation fund" and financial expenses including foreign exchange expenses.

Foreign currency ("FC") denominated subsidiaries, investments in associates and share certificates in the available-for-sale portfolio are accounted by the translation of the historical foreign currency amounts by using exchange rates prevailing at the balance sheet date.

When the costs of subsidiaries, investments in associates and share certificates are higher than their net realisable values, the carrying amount is reduced to the net realisable or fair value taking into consideration whether the value decrease is temporary or permanent and the ratio of the value decrease.

III. FOREIGN CURRENCY TRANSACTIONS

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such transactions are recognised in the income statement under the account of net foreign exchange gains/losses. Foreign currency investments included in non-monetary assets which are carried at historical cost are translated with the exchange rates prevailing at the balance sheet date.



a. Foreign exchange rates applied in the conversion of foreign currency transactions in the consolidated financial statements:

As of 31 December 2005, rates applied for the conversion of foreign currency balances into New Turkish lira are YTL1.3750 for USD, YTL1.6268 for Euro and YTL1.1703 for Yen.

b. Total foreign exchange gains/losses recognised in the current period net income:

The Group's foreign exchange gain recognised in these financial statements amounts to YTL47,.877.

c. Total amount of foreign currency revaluation fund resulting from foreign exchange gains/losses and changes that occurred within the period:

No foreign currency gains/losses have been reflected in the revaluation fund.

d. Significant changes in the foreign exchange rates subsequent to the balance sheet date and their impacts on the financial statements:

The Group does not have a significant net foreign currency position as disclosed in Section Four-Note V. Accordingly, the changes in the foreign exchange rates will not have a significant impact on the financial statements.

e. Capitalised foreign currency exchange differences:

There are no foreign currency exchange differences capitalised for the period.

f. Fundamental principles of foreign exchange risk management policy:

The fundamental principles of foreign exchange risk management policy are explained in detail in Section 4, Note V.

g. Accounts used for foreign currency translation differences of net investments in foreign subsidiaries and associates, loans and other hedging instruments:

The Group's net foreign currency investments in foreign associates and subsidiaries are converted into New Turkish lira with the exchange rates prevailing at the balance sheet date. Foreign currency conversion differences arising from such transactions are recognised as "foreign exchange gains/losses" in the income statement.

h. The method applied for the translation of goodwill arising from the acquisition of a foreign subsidiary and amounts resulting from the fair value adjustments of the assets and liabilities of such subsidiaries:

The Group has no goodwill related with acquisition of a foreign subsidiary or differences resulting from fair value adjustments of assets and liabilities of foreign subsidiaries.

i. Accounts used to record the results arising from the sale of a foreign subsidiary:

During the current and prior period, the Group has not sold any foreign subsidiaries.

j. Status and recognition of foreign exchange differences arising from the translation of debt securities issued and monetary financial assets into Turkish lira:

The Group's foreign exchange differences arising from the translation of monetary financial assets and debt securities issued are included in the "foreign exchange gains/losses" in the income statement.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

IV. EXPLANATION ON DERIVATIVE INSTRUMENTS

The major derivative instruments utilized by the Group are currency and interest rate swaps, money options and currency forwards. There are no embedded derivatives originated by the Group.

The Group classifies its derivative instruments as "held for hedging" or "held for trading" in accordance with Communiqué 1 of the Accounting Application Regulation "Accounting of Financial Instruments" ("AAR 1"). All derivative financial instruments are classified as held for trading. Certain derivative transactions, while providing effective economic hedges under the Group's risk management position, do not qualify for hedge accounting under the specific rules in AAR 1, and are therefore treated as derivatives held for trading.

Derivative instruments are measured at cost on initial recognition and the related transaction costs are included in the initial measurement. Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

After initial recognition, derivative instruments are measured at their fair values and the fair values are included in the balance sheet under either "Accrued Interest and Income Receivable" or "Accrued Interest and Expense Payable" depending on whether they are positive or negative. Differences due to the measurement of the fair value of trading derivative instruments are included in the income statement.

As of 31 December 2005, the fair values of derivatives of the Group amount to YTL(-)62.674 (YTL202.474 as of 31 December 2004).

V. OFFSETTING FINANCIAL INSTRUMENTS

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

VI. INTEREST INCOME AND EXPENSE

Interest income and expense are recognised in the income statement on an accrual basis. When the Group management estimates and judges that the collection becomes doubtful, then the interest income is not recognised until the collection is made and any accruals and income recognised in relation to these receivables are reversed.

VII. FEE AND COMMISSION INCOME AND EXPENSES

All fees and commission income/expense are recognised on accrual basis, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Loan fees and commission expenses paid to other financial institutions are recognised as operational costs and recorded on an effective yield method. Contract-based commission fees regarding the purchase and sale of assets are recognised as income at the time of collection.



AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

VIII. TRADING SECURITIES

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit making exists.

All regular way purchases and sales of trading securities are recognised at the settlement date, which is the date that the asset is delivered to/from the Group. Trading securities are initially recognised at cost and subsequently re-measured at their fair value based on quoted bid prices or amounts derived from cash flow models. However, if fair values cannot be measured reliably, the securities are carried at amortised cost using the effective yield method. All gains and losses arising from these evaluations are reflected in the income statement. Interest earned while holding securities is reported as interest income and dividends received are included separately in dividend income.

IX. SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

Securities sold under agreements to repurchase ("repurchase") are classified as "trading securities", "available-for-sale securities" and "held-to-maturity securities" in the balance sheet according to the investment purposes and measured according to the portfolio of the Group to which they belong. Funds deposited under repurchase agreements are accounted under "Funds Provided under Repurchase Agreements" and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the internal rate of return method.

Funds given against securities purchased under agreements to resell ("reverse repurchase") are accounted under "Receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the internal rate of return method.

The Group has no securities lending transactions.

X. EXPLANATION ON INVESTMENT SECURITIES HELD-TO-MATURITY AND INVESTMENT SECURITIES AVAILABLE-FOR-SALE

The Group classifies and accounts its financial assets as "trading securities", "available-for-sale securities", "originated loans and receivables" and "held-to-maturity securities". Sale and purchase transactions of the financial assets mentioned above are recognised at the "settlement dates". The appropriate classification of financial assets of the Group is determined at the time of purchase by the Group management, taking into consideration the purpose of the investment.

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the effective yield, is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and is charged against the income for the year.

a. Investment securities held-to-maturity:

Held-to-maturity investments are securities with a fixed maturity and fixed or determinable payments where management has both the intent and ability to hold the investments till maturity. Held-to-maturity securities are initially recognised at cost, and subsequently carried at amortised cost using the effective yield method; interest earned whilst holding held-to-maturity securities is reported as interest income.

The Group has no financial assets that were initially classified as held-to-maturity which will not be classified as held-tomaturity investments for the following two years due to subsequent changes in classification. There is no diminution in value for the held-to-maturity securities and no provision for impairment has been made.

b. Investment securities available-for-sale:

Available-for-sale securities are defined as securities other than the ones classified as "held-to-maturity securities", "trading securities" and "originated loans".

Available-for-sale investment securities are subsequently remeasured at fair value. When fair value calculations, based on market prices, cannot be performed reliably, the securities are carried at amortised cost using the effective yield method. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in shareholders' equity as "Marketable securities value increase fund", unless there is a permanent decline in the fair values of such assets or they are disposed of. When these securities are disposed of or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

XI. BANK ORIGINATED LOANS AND RECEIVABLES AND SPECIFIC AND GENERAL PROVISIONS

Loans and advances originated by the Group by providing money, service or goods directly to customers are categorised as originated loans. Loans and receivables originated by the Group are carried initially at cost and subsequently recognised at the amortised cost value calculated using the effective yield. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognised in the expense accounts.

If the collectibility of any receivable is identified as limited or doubtful by the management through assessments and estimates, the Group provides general and specific provisions for these loans and receivables in accordance with the "Decree Related to Principles and Procedures on Determining the Qualifications of Bank Loans with Required Reserves and Other Claims and on Reserves to be Held" published in the Official Gazette dated 30 June 2001, No 24448. In addition, considering the statistical analysis on possible risks that can arise from consumer loans, the Group has set aside a general reserve for possible loan losses and accounted it in the "other provisions" in the liabilities. Provision expenses are deducted from the net income of the period. If a receivable for which a provision is provided is subsequently collected, it is deducted from the specific provisions and recorded as income in "Other Operating Income". Uncollectible receivables are written-off after all the legal procedures have been finalised.



XII. GOODWILL AND OTHER INTANGIBLE ASSETS

As of 31 December 2005 and 31 December 2004, the Group has no goodwill.

Intangible assets are measured at the cost of the asset on initial recognition and the related other costs are included in the initial measurement. Intangible assets are carried at cost less accumulated depreciation and accumulated value diminution.

Intangibles are amortised over five years (their estimated useful lives) using the straight-line method. The useful life of the asset is determined by assessing the expected useful time of the asset, technical, technological and other kinds of wear and tear and all required maintenance expenses made to utilise the economic benefit from the asset.

The Group does not expect material changes in the estimation of useful lives, depreciation methods or residual values that may have a significant impact on the current period or future periods.

Costs associated with development of computer software programmes and expenditures that enhance and extend the benefits of computer software programmes beyond their original specifications and lives are added to the original cost of the software and capitalised. Capitalised computer software development costs are amortised using the straight-line method over their remaining useful lives.

XIII. PROPERTY AND EQUIPMENT

Property and equipment is measured at cost when initially recognised and any directly attributable costs of setting up the asset are included in the initial measurement. Property and equipment carried at cost less accumulated depreciation.

Depreciation is calculated using the straight-line method over estimated useful life. The estimated useful lives are stated below:

Buildings	50 years
Machinery, furniture, fixtures and vehicles	5 years

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated net realisable value, it is written down immediately to its recoverable amount and the provision for the diminution in value is charged to the income statement.

Property and equipment is not carried at a revalued amount in the financial statements.

Gains and losses on disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

Expenditure for the repair and renewal of property and equipment is charged against income. The capital expenditures made in order to increase the capacity of the tangible asset to increase the future benefit of the asset are added to the cost of the tangible asset. Investment costs are costs that prolong useful life, enlarge the service capacity, extend the quality or diminish the cost of the goods produced or services rendered. There are no pledges, mortgages and other commitments given to acquire property and equipment and there are no other limitations on property and equipment which restrict the right to use them.

The Group does not expect any changes in the accounting estimates related with property and equipment that will have a significant impact in the current period or that may have a significant impact on future periods.

XIV. LEASING TRANSACTIONS

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the lease instalments that are going to be paid for the leased asset. Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a provision is provided for the impairment. Liabilities arising from the leasing transactions are included in "Finance Lease Payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

The Group provides financial leasing transactions as lessor through Ak Finansal Kiralama A.Ş. which is a consolidated subsidiary. Assets subject to the financial leasing are recognised on the balance sheet as receivables equal to the net leasing amount. Interest income is recognised over the term of the lease using the net investment method which reflects a constant periodic rate of return and unearned portion is followed under unearned interest income account.

Transactions regarding operational agreements are accounted on an accrual basis in accordance with the related contracts.

XV. PROVISIONS AND COMMITMENTS

Provisions and contingent liabilities are provided for in accordance with Communiqué 8 on the Accounting Application Regulation "Standard for Provisions, Contingent Liabilities and Accounting of Assets" except for the specific and general provisions provided for loans and other receivables.

Provisions are recognised when: The Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognised in the period of occurrence. When a reliable estimate of the amount of obligation cannot be made a contingent liability exists. A provision is recognised when it is probable that the contingent event will occur and a reliable estimate can be made.

XVI. OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

Obligations related to employee rights are accounted in accordance with Communiqué 10 on the Accounting Application Regulation "Accounting of Obligations Related to Employee Rights" ("AAR 10"). A provision for notice pay and employment termination benefits liability is calculated by taking the simple arithmetical average of the ratio of the actual payment to the total liability for the last five years before the balance sheet date and applying this ratio to the total liability of the current period in accordance with AAR 10. A five-year simple arithmetical average of actual payment rates is the basis for the provision for employee termination benefits and notice pay is 11.44% (31 December 2004: 11.23%).

As at 31 December 2005, the Parent Bank does not have any employees whose employment period will terminate in more than 12 months subject to an agreement.



On 1 November 2005, Banking Law No.5411 ("New Law") which requires the transfer of the pension funds of the banks to the Social Security Institution within three years following the publication date, was published in the Official Gazette. In accordance with the New Law, the actuarial calculation of the liability should be performed by a commission including representatives from various institutions. The specified liability will be paid in annual equal instalments for a period not exceeding 15 years. Accordingly, a task force established by the Ministry of Labour and Social Security has commenced to work on the general procedures related to the transfer and other parameters to be used in the actuarial liability calculation. However on 2 November 2005, the President of Turkish Republic has applied to the Constitutional Court of Turkey for abrogation of the relevant article in the New Law.

The Bank's personnel are members of the "Akbank T.A.Ş. Personnel Pension Fund Foundation" ("Pension Fund"), established in accordance with the Social Security Law numbered 506, Article No 20. The financial statements of the Pension Fund have been audited by an independent actuary in accordance with the 38th Article of the Insurance Supervisory Law and the "Actuarian Regulation" based on the same article.

As of 31 December 2005 no technical deficit has been reported in the actuarial technical balance sheet results of the Fund calculated by an independent actuary in accordance with Insurance Audit Law, by using the technical interest rate of 10.24% which was one of the parameters specified by the Ministry of Labour and Social Security. In addition, the Bank's management envisions that the liability amount to be calculated at the transfer date within the framework stated above will be commensurate with the assets of the Fund and will not bring any burden for the Bank.

XVII. TAXES

Corporation tax is payable at a rate of 30% (2004: 33%) on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and investment and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax. Corporations are required to pay advance corporate tax quarterly at a rate of 30% (2004: 33%) on their corporate income. Advance tax is declared by the 10th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to be offset against other liabilities to the government.

Capital gains derived from the sale of equity investments and immovables are tax exempt, if such gains are added to paid-in capital by the end of the second year following their sale.

Capital expenditures, with some exceptions, over YTL10 thousand (2004: YTL6 thousand) are eligible for an investment incentive allowance of 40%, which is deductible from taxable income prior to calculation of the corporate income tax, without the requirement of an investment incentive certificate, and the amount of allowance is not subject to withholding tax. Investment incentive rights are transferable to the following years in cases where the corporate income is insufficient. It is not obligatory to get an "Investment Incentive Document" to benefit from an investment incentive exemption. Investment allowances utilised within the scope of investment incentive certificates granted prior to 24 April 2003 are subject to withholding tax at the rate of 19,8%, irrespective of profit distribution.

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Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until the 15th day of the following 4th month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year following the date of filing during which time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these consolidated financial statements in accordance with Communiqué 18 on the Accounting Application Regulation and the related disclosures of the BRSA regarding the income taxes. According to Communiqué 18, deferred tax assets and liabilities arising from different subsidiaries subject to consolidation are not netted and presented separately in the consolidated financial statements.

XVIII. EXPLANATIONS ON BORROWINGS

Trading financial liabilities and derivative instruments are valued with the fair value and the rest of financial liabilities are carried at amortised cost using the effective yield method.

The Group utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued for the period.

XIX. PAID-IN CAPITAL AND TREASURY STOCK

Transaction costs regarding the issuance of share certificates are accounted as an expense in the income statement.

Distribution of profit for the period 1 January-31 December 2004, resolved at the General Assembly Meeting, is explained in Section V, Note II-aa. Distribution of profit for the period 1 January-31 December 2005 will be resolved at the ordinary "General Assembly Meeting". As of the date of these financial statements, the General Assembly Meeting of the Bank has not yet been convened.

XX. AVALISED DRAFTS AND ACCEPTANCES

Avalised drafts and acceptances shown as liabilities against assets are included in the off-balance sheet commitments.

XXI. GOVERNMENT GRANTS

As of 31 December 2005 there are no government grants or support for the Group.

XXII. RECLASSIFICATIONS

Where necessary comparative figures of 31 December 2004 have been reclassified to conform to changes in presentation in the current period.



XXIII. NEW TURKISH LIRA

Through the enactment of the Law numbered 5083 concerning the "Currency of the Republic of Turkey" in the Official Gazette dated 31 January 2004, the New Turkish lira ("YTL") and the New Kuruş ("YKr") have been introduced as the new currency of the Republic of Turkey, effective from 1 January 2005. The hundredth part of the YTL is the YKr (1YTL = 100YKr). When the prior currency, Turkish lira ("TL"), values are converted into YTL, one million TL (TL1,000,000) shall be equivalent to one YTL (YTL1). Accordingly, the currency of the Republic of Turkey is simplified by removing 6 zeroes from the TL.

Effective from 1 January 2005, the YTL replaced the TL as a unit of account for the keeping and presentation of the records, accounts and financial statements. According to the decree of the BRSA numbered BDDK.DZM.2/13/1-a-1, publicly available financial statements and disclosures will be presented in "thousands of YTL" effective from 1 January 2005.

SECTION FOUR INFORMATION REGARDING THE GROUP'S FINANCIAL POSITION

I. STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS ON FOREIGN CURRENCY TRANSACTIONS

The Group's main operating activity is banking including retail banking, corporate banking, private banking, foreign exchange, money markets and securities transactions (treasury transactions) and international banking services. The Group undertakes financial leasing transactions through Ak Finansal Kiralama A.S.. By nature, the Group's activities are principally related to the use of financial instruments. As the main funding source, the Group accepts deposits from customers for various periods and invests these funds in high quality assets with high interest margins. Other than deposits, the Group's most important funding sources are equity and mostly intermediate and long-term borrowings from foreign financial institutions. The Group follows an assets-liabilities management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments on various financial assets. Accordingly the rule of long-term placements carrying higher interest rates is especially applied. The Group has sufficient liquidity. In liquidity management, it is imperative to take into account the term structure of assets and liabilities. The main objective of asset and liability management is to limit the Group's exposure to liquidity risk, interest rate risk, currency risk and credit risk while increasing profitability and strengthening the Group's equity. The Asset and Liabilities Committee ("ALCO") manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Risk Committee ("ERC").

Investments in loans and securities, within the frame of their term structure and market conditions, are the areas that generate a higher income than the average calculated for the Group's overall areas of activity. In terms of liquidity management, deposit placements in banks have shorter terms and usually lower interest.

To take the advantage of short-term capital market fluctuations in currency, interest and price, the Group takes exposure within the set limits and market conditions. The ERC constantly monitors these exposures and updates the trading limits that are applied according to daily conditions.

The Group controls and manages the currency risk exposure that arises from foreign currency transactions and foreign currency denominated securities in available-for-sale and other portfolios by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities and with various derivative financial instruments. Currency risk of investments in foreign affiliates and subsidiaries is also managed with similar hedging methods.

Interest rate risk is managed on a portfolio basis by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Detailed explanations regarding the Group's risk management are presented in the Notes III, IV, V, VI and VII of this section.

II. CONSOLIDATED CAPITAL ADEQUACY RATIO

a. The Group's and Parent Bank's capital adequacy ratios are as follows respectively: 21.89% (31 December 2004: 36.25%) and 21.41% (31 December 2004: 36.24%). These rates are considerably above the minimum rate of 8% specified by the related regulation.



b. For the calculation of the capital adequacy ratio, the Group classifies the risk weighted assets and non-cash loans according to the risk weights defined by the regulations and calculates "Total risk weighted assets" which is the sum of "market risk on securities" and the "Group's currency risk". The following tables present the details of the classifications of "risk weighted assets" and the calculation of "shareholders' equity" for the capital adequacy ratio calculation for the Group and the Parent Bank.

c. Information related to consolidated capital adequacy ratio

			Consolidate ormation rela bital adequacy	ited to		Informa	ent Bank tion related dequacy rat	
	0%	20%	50%	100%	0%	20%	50%	100%
Risk Weighted Assets and Non-Cas	h Loans							
Balance Sheet Items (Net)	27,414,949	2,637,245	531,246	22,247,109	26,562,122	1,558,300	274,116	21,263,864
Cash	403,044	658	-	-	395,533	658	-	-
Due from banks	455,857	2,636,587	-	146,417	455,857	1,557,642	-	70,740
Interbank money market								
placements	400,000	-	-	-	400,000	-	-	-
Receivables from reverse								
repurchase transactions	91,771	-	-	-	-	-	-	-
Reserve requirements with the								
Central Bank of Turkey	3,897,391	-	-	-	3,897,391	-	-	-
Special finance houses	-	-	-	-	-	-	-	-
Loans	1,415,841	-	274,116	20,928,097	1,415,841	-	274,116	20,416,192
Loans under follow-up (net)	-	-	-	-	-	-	-	-
Subsidiaries, associates and								
investments available-for-sale	13,897,247	-	-	44,395	13,322,617	-	-	44,395
Miscellaneous receivables	-	-	-	234,422	-	-	-	19,957
Marketable securities held								
to maturity (net)	497,665	-	-	123,447	322,382	-	-	-
Advances for assets acquired								
by financial leasing	-	-	-	-	-	-	-	-
Financial lease receivables	-	-	257,130	-	-	-	-	-
Leased assets (net)	-	-	-	-	-	-	-	-
Fixed assets (net)	-	-	-	705,703	-	-	-	684,590
Other assets	6,356,133	-	-	64,628	6,352,501	-	-	27,990
Off-balance Sheet Items	2,000,528	1,594,343	5,432,853	354,671	1,923,799	1,550,136	5,387,283	353,626
Guarantees and pledges	34	1,469,443	217,362	109,475	34	1,479,718	217,362	107,063
Commitments	-	-	5,211,567	-	-	-	5,167,389	-
Other off-balance sheet items	-	-	-	-	-	-	-	-
Transactions related with								
derivative financial instruments	-	108,941	-	6,235	-	66,750	-	6,235
Interest and income accruals	2,000,494	15,959	3,924	238,961	1,923,765	3,668	2,532	240,328
Non-risk weighted accounts	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	29,415,477	4,231,588	5,964,099	22,601,780	28,485,921	3,108,436	5,661,399	21,617,490

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

d. Summary information on the consolidated capital adequacy ratio:

	Con	solidated	Par	ent Bank
	Current Period	Prior Period	Current Period	Prior Period
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Total risk weighted assets ("TRWA")	26,430,147	15,216,103	25,069,877	14,839,489
Amount subject to market risk ("ASMR")	3,074,763	1,534,109	2,811,425	1,510,637
Shareholders' equity	6,458,764	6,071,752	5,969,606	5,925,813
Shareholders' equity / (TRWA+ASMR)*100	21.89	36.25	21.41	36.24

e. Information about consolidated shareholders' equity items:

	Current Period 31 December 2005	Prior Period 31 December 2004
CORE CAPITAL	ST December 2003	51 December 2004
Paid-in capital	1,800,005	1,500,000
Nominal capital	1,800,005	1,500,000
Capital commitments (-)	-	-
Adjustment to share capital	2,401,893	2,551,893
Share premium	-	-
Legal reserves	259,712	164,557
First legal reserve (Turkish Commercial Code 466/1)	165,508	113,709
Second legal reserve (Turkish Commercial Code 466/2)	94,204	50,848
Other legal reserve per special legislation	-	-
Statutory reserves	-	-
Extraordinary reserves	216,899	909,714
Reserves allocated by the General Assembly	216,899	909,714
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Profit	1,461,170	1,039,608
Current period profit	1,461,170	1,007,403
Prior period profit	-	32,205
Loss (-)	(1,191)	-
Current period loss	-	-
Prior period loss	(1,191)	-
Total Core Capital	6,138,488	6,165,772

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

SUPPLEMENTARY CAPITAL	-	-
Revaluation fund	3,747	5,314
Securities	-	-
Buildings	-	-
Profit on sale of associates, subsidiaries and buildings		
to be transferred to share capital	3,747	5,314
Revaluation fund of leasehold improvement	-	-
Increase in the value of revaluation fund	-	-
Foreign exchange differences	-	-
General Reserves	130,735	76,592
Provisions for possible losses	47,415	47,415
Subordinated loans	-	956
Marketable securities value increase fund	247,321	74,519
Associates and subsidiaries	55,450	2,982
Investments available-for-sale	191,871	71,537
Investments held for structural transactions	-	-
Total Supplementary Capital	429,218	204,796
TIER III CAPITAL	-	-
CAPITAL	6,567,706	6,370,568
DEDUCTIONS FROM THE CAPITAL	108,942	298,816
Investments in consolidated financial companies whose main activities		
are money and capital markets, insurance and that operate with licenses		
provided in accordance with special laws	87,192	282,176
Leasehold improvements	2,651	1,984
Installation costs	-	-
Prepaid expenses	19,099	14,656
The negative difference between the market values and the carrying amounts		
for unconsolidated investments, subsidiaries, other investments and fixed assets	-	-
Subordinated loans given to other banks which operate in Turkey	-	-
Consolidation goodwill (net)	-	-
Capitalised expenses	_	-

III. CREDIT RISK

a. Credit risk is the risk that the counterparties may be unable to meet the terms of their agreements. This risk is monitored by reference to credit risk ratings and managed by limiting the aggregate risk to any individual counterparty, group of companies and industry. While determining credit risk, criteria such as the customers' financial strength, commercial capacity, sector, geographic area and capital structure are evaluated. Analyses of the financial position of the customers are based on the statements of account and other information in accordance with the related legislation. Previously determined credit limits are constantly revised according to changing conditions. The type and amount of collateral and guarantees to be obtained are specified on a customer basis during the determination of credit limits.

During loan extension, limits determined on a customer and product basis are essentially followed up; information on risk and limits are closely monitored.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

b. There are risk control limits set for the market risks and credit risks arise from forward and option agreements and other similar agreements.

c. When necessary, derivative instruments are exercised to control and to offset credit risks that can especially originate from foreign exchange and interest rate fluctuations.

d. Non-cash loans turned to cash loans are included in the same risk group as cash loans which are not collected on maturity. Credit risk management is applied for all positions involving counterparty risk.

Rescheduled or restructured loans are followed in their relevant groups until all receivables from the loans is collected. Monitoring also continues until the receivables from the loans are completely collected.

The Group considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collaterals are treated in a wider extent than short-term risks.

e. The Group's banking activities in foreign countries and crediting transactions do not constitute an important risk in terms of the related countries' economic conditions and activities of customers and companies.

When considered within the financial activities of other financial institutions, the Group as an active participant in the national and international banking market, is not exposed to a significant credit risk. As seen in the Group's balance sheet, the ratio of loans under follow-up to total loans is 1.6% (31 December 2004: 1.5%) and 100% provision has been provided.

f. 1. The proportion of the Parent Bank's top 100 cash loan balances in total cash loans is 32% (31 December 2004: 40%).

2. The proportion of the Parent Bank's top 100 non-cash loan balances in total non-cash loans is 63% (31 December 2004: 73%).

3. The proportion of the Parent Bank's cash and non-cash loan balances with the first 100 customers comprise 16% of total cash loans and non-cash loans (31 December 2004: 18%).

g. The Group provided a general provision amounting to YTL130.735 (31 December 2004: YTL76.592).

h. Information according to geographical concentration:

	Assets	Liabilities(***)	Non-cash Loans	Capital Expenditures	Net Profit
Current Period – 31 December 2005					
Domestic	51,634,927	36,223,942	3,523,487	22,860	1,342,830
European Union Countries	2,974,274	10,277,700	4,168	29	22,911
OECD Countries (*)	59,936	1,720,531	-	-	-
Off-shore Banking Regions	31,546	38,070	-	-	95,429
USA, Canada	210,205	283,729	-	-	-
Other Countries	265,052	153,083	4,825	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	55,175,940	48,697,055	3,532,480	22,889	1,461,170
Prior Period - 31 December 2004					
Domestic	33,355,273	21,906,241	2,922,380	123,608	894,143
European Union Countries	1,698,129	5,808,618	20,428	141,071	16,827
OECD Countries (*)	51,219	833,757	-	-	-
Off-shore Banking Regions	2,030	-	-	-	96,433
USA, Canada	216,253	776,341	3,462	-	-
Other Countries	89,377	106,225	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	35,412,281	29,431,182	2,946,270	264,679	1,007,403

(*) OECD Countries other than EU countries, USA and Canada

(**) Unallocated assets / liabilities which could not be distributed according to a consistent principal.

(***) Shareholders' equity and minority interests are not included.

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i. Sectoral concentrations for cash loans:

	Current Period 31 December 2005					Prior Period 31 December 2004		
	YTL	(%)	FC	(%)	YTL	(%)	FC	(%)
Agricultural	195,909	1.33	13,989	0.18	47,704	0.61	1,559	0.03
Farming and raising livestock	159,494	1.09	9,224	0.12	38,728	0.50	1,402	0.03
Forestry	35,710	0.24	4,765	0.06	7,042	0.09	157	-
Fishing	705	0.00	-	-	1,934	0.02	-	-
Manufacturing	2,442,631	16.62	3,241,922	40,93	987,041	12.67	1,613,590	29.70
Mining	45,830	0.31	12,228	0.15	7,904	0.10	5.023	0.09
Production	2,380,701	16.20	3,197,210	40.37	976,693	12.54	1,600,695	29.47
Electric, gas and water	16,100	0.11	32,484	0.41	2,444	0.03	7,872	0.14
Construction	285,472	1.94	88,310	1.12	38,839	0.50	41,404	0.76
Services	4,245,444	28.89	2,341,922	29.56	1,120,926	14.39	1.856,363	34.17
Wholesale and retail trade	2,858,228	19.45	683,285	8.63	811,042	10.41	490,725	9.03
Hotel, food and beverage services	156,956	1.07	47,499	0.60	17,971	0.23	8,144	0.15
Transportation and telecommunication	347,552	2.36	238,316	3.01	25,956	0.33	270,485	4.98
Financial institutions	614,424	4.18	1,255,575	15.84	220,867	2.84	1,068,338	19.67
Real estate and renting services	11,154	0.08	88,088	1.11	1,059	0.01	9,289	0.17
Self-employment services	49,800	0.34	1,375	0.02	10,251	0.13	1,081	0.02
Education services	27,336	0.19	-	-	3,655	0.05	-	-
Health and social services	179,994	1.22	27,784	0.35	30,125	0.39	8,301	0.15
Other	7,528,570	51.22	2,233,885	28.21	5,596,167	71.83	1,919,323	35.34
Total	14,698,026	100.00	7,920,028	100.00	7,790,677	100.00	5,432,239	100.00

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IV. MARKET RISK

The Group considers currency risk and interest rate risk as the most important components of market risk. The ERC sets critical risk limits for market risk and through close monitoring of the markets and overall economy, such limits are updated as necessary. These limits and implementation of strategies are assigned to various levels of management in order to enhance control effectiveness. The Group's market risk position is calculated and reported to the ERC members daily and weekly. The table below presents the market risk calculation as of 31 December 2005 in accordance with the "Regulation Related to the Measurement and Evaluation of the Bank's Capital Adequacy", published in the Official Gazette dated 31 January 2002, No.24567 and the Article No.18 of this regulation, "Market Risk Calculation by the Standard Method".

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		Balance
Capital to be employed for interest rate risk – standard method		162,428
Capital to be employed for general market risk		161,971
Capital to be employed for specific risk		457
Capital to be employed for options subject to interest rate risk		-
Capital to be employed for common stock position risk - standard method		2,284
Capital to be employed for general market risk		1,519
Capital to be employed for specific risk		765
Capital to be employed for options subject to common stock position risk		-
Capital to be employed for currency risk - standard method		81,269
Capital liability		50,997
Capital to be employed for options subject to currency risk		30,272
Total value-at-risk (VAR)-Internal Model		-
Total capital to be employed for market risk	(*)	245,981
Amount subject to market risk	(*)	3,074,763

(*) Of the "Amount subject to market risk", only YTL245,981 (8% of YTL3,074,763) is used in the calculation of the market risk related to the capital adequacy ratio which is given in Section Four Note II. YTL245,981 is the minimum amount of capital that can hedge the mentioned risk.

V. CURRENCY RISK

The difference between the Group's foreign currency denominated and foreign currency indexed assets and liabilities is defined as the "Net Foreign Currency Position" and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. This risk is managed by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities and the remaining short foreign exchange exposures are hedged on a portfolio basis with derivative financial instruments that include primarily forward foreign exchange contracts and currency swaps. The Board, taking into account the recommendations by the ERC, sets a limit for the size of foreign exchange exposure, which is closely monitored by ALCO.

The Group's foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are presented below:

	USD	Euro	Yen
Balance Sheet Evaluation Rate	YTL1.3750	YTL1.6268	YTL1.1703
1. Day bid rate	YTL1.3200	YTL1.5646	YTL1.1204
2. Day bid rate	YTL1.3200	YTL1.5664	YTL1.1265
3. Day bid rate	YTL1.3200	YTL1.5616	YTL1.1259
4. Day bid rate	YTL1.3200	YTL1.5631	YTL1.1327
5. Day bid rate	YTL1.3200	YTL1.5664	YTL1.1320

The simple arithmetic average of the Group's foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are presented below:

USD	:	YTL1.3272
Euro	:	YTL1.5706
Yen	:	YTL1.1183

As of 31 December 2004:

	USD	Euro	Yen
Balance Sheet Evaluation Rate	YTL1.3697	YTL1.8690	YTL1.3364



Information related to the Group's Foreign Currency Risk: (Thousand YTL)

The table below summarises the Group's exposure to foreign currency exchange rate risk, categorised by currency. Foreign currency indexed assets, classified as Turkish lira assets according to Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position. Therefore, the difference between the sum of the foreign currency assets in the following table and in the balance sheet is equal to the sum of foreign currency indexed assets. The Group's real position, both in financial and economic terms, is presented in the table below:

Current Period – 31 December 2005	EURO	USD	Yen	Other FC (*)	Total
Assets					
Cash (cash in vault, effectives, cash in transit,					
cheques purchased) and balances with the					
Central Bank of Turkey	518,172	90,050	156	5,535	613,913
Due from banks and other financial institutions	730,398	1,579,994	13,729	185,479	2,509,600
Trading securities	774,007	5,537,090	-	-	6,311,097
Interbank money market placements	-	-	-	-	-
Available-for-sale securities	490,082	3,294,100	-	-	3,784,182
Loans	3,246,689	4,984,697	146	59,598	8,291,130
Subsidiaries, investments and associates	29	-	-	-	29
Held-to-maturity securities	24,248	478,664	21,052	78,602	602,566
Property and equipment	3,206	2,103	-	1,202	6,511
Goodwill	-	-	-	-	-
Other assets	1,397,092	653,509	1,496	11,700	2,063,797
Total assets	7,183,923	16,620,207	36,579	342,116	24,182,825
Liabilities					
Bank deposits	333,922	1,248,615	1	33,713	1,616,251
Foreign currency deposits	5,475,279	6,798,317	10,565	747,758	13,031,919
Funds from interbank money market	126,610	121,364	-	-	247,974
Funds borrowed	1,232,987	7,531,763	-	128,727	8,893,477
Marketable securities issued	-	-	-	-	-
Miscellaneous payables	14,878	12,526	655	8,937	36,996
Other liabilities	106,985	181,123	1,344	21,724	311,176
Total liabilities	7,290,661	15,893,708	12,565	940,859	24,137,793
Net on-balance sheet position	(106,738)	726,499	24,014	(598,743)	45,032
Net off-balance sheet position (*)	125,852	(744,413)	(31,796)	657,137	6,780
Financial derivative assets	1,927,262	1,608,200	58,468	1,048,426	4,642,356
Financial derivative liabilities	1,801,410	2,352,613	90,264	391,289	4,635,576
Non-cash loans	703,485	1,136,761	56,792	21,212	1,918,250
Non-cash toans	703,403	1,130,701	50,772	21,212	1,710,200
Prior Period – 31 December 2004					
Total assets	4,088,419	14,647,121	2,025	359,543	19,097,108
Total liabilities	6,272,657	12,152,364	2,265	603,455	19,030,741
Net on-balance sheet position	(2,184,238)	2,494,757	(240)	(243,912)	66,367
Net off-balance sheet position	2,343,618	(2,360,337)	1,336	185,142	169,759
Non-cash loans	784,106	989,282	38,129	16,298	1,827,815

(*) Of the "other FC" total assets amounting YTL342,116 (31 December 2004: YTL359,543), YTL329,820 is in English pounds (31 December 2004: TL299,250), and YTL6.055 is in Swiss francs (31 December 2004: YTL50,507). Of the total liabilities amounting to YTL940,859 (31 December 2004: YTL603,455) YTL788,981 is in English pounds (31 December 2004: YTL442,556) and YTL59,497 is in Swiss francs (31 December 2004: YTL70,827).

(**) Presents the net balance of receivables and payables from derivatives.

VI. INTEREST RATE RISK

"Interest Rate Risk" can be defined as the impact of interest rate changes on interest-sensitive assets and liabilities of the Group. The ERC sets limits for the interest rate sensitivity of assets and liabilities and the sensitivity is closely monitored and reported weekly. In case of high market fluctuations, daily reporting and analyses on transaction bases are made.

The Group manages the interest rate risk on a portfolio basis and tries to minimise the risk effect on the profitability, financial exposure and cash flows by applying different strategies. Basic methods such as: using fixed or floating interest rates for different portfolios and maturities, setting the fixed margin in floating rates, varying the rates for the short or long-term positions are applied actively.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

						Non-	
Current Period –	Up to 1	1 – 3	3 – 6	6 – 12	1 Year		
31 December 2005	Month	Months	Months	Months	and Over	Bearing	Total
Assets							
Cash (cash in vault, effectives,							
cash in transit, cheques							
purchased) and balances							
with the Central Bank of Turkey	-	-	-	-	-	859,559	859,559
Due from banks and other							
financial institutions	2,246,624	102,125	37,703	82,717	93,670	220,165	2,783,004
Trading securities	1,918	1,989,389	3,125,958	26,326	1,202,271	18,997	6,364,859
Interbank money market placements	491,771	-	-	-	-	-	491,771
Available-for-sale securities	122,480	2,763,463	3,417,512	3,290,718	4,347,470	64,302	14,005,945
Loans	9,370,069	3,712,728	3,430,509	2,668,115	3,436,633	-	22,618,054
Held-to-maturity securities	29,573	89,979	359,173	6,877	135,510	-	621,112
Other assets	4,132,436	271,002	994,651	445,946	595,406	1,015,084	7,454,525
Total assets	16,394,871	8,928,686	11,365,506	6,520,699	9,810,960	2,178,107	55,198,829
Liabilities							
Bank deposits	1,764,421	756,243	18,707	2,000	-	99,761	2,641,132
Other deposits	18,244,875	3,910,967	749,419	986,020	146,506	5,277,745	29,315,532
Funds from interbank money market	5,260,567	217,021	-	-	-	-	5,477,588
Miscellaneous payables	7,041	-	-	197	-	873,788	881,026
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed	2,131,699	4,980,313	996,103	824,901	43,714	-	8,976,730
Other liabilities and							
shareholders' equity	235,237	89,216	65,849	46,677	51,099	7,418,743	7,906,821
Total liabilities and							
shareholders' equity	27,643,840	9,953,760	1,830,078	1,859,795	241,319	13,670,037	55,198,829
Balance sheet interest sensitivity gap	(11,248,969)	(1,025,074)	9,535,428	4,660,904	9,569,641	(11,491,930)	-
Off-balance sheet							
interest sensitivity gap (*)	(2,471)	(8,278)	(30,371)	(4,754)	(1,815)	-	(47,689)
Total interest sensitivity gap	(11,251,440)	(1,033,352)	9,505,057	4,656,150	9,567,826	(11,491,930)	(47,689)

(*) These amounts represent the distribution of net amount of receivables and payables from derivative financial instruments which are presented under off-balance sheet commitments according to remaining period until maturity.



						Non-	
	Up to 1	1 – 3	3 – 6	6 – 12	1 Year	Interest	
2- Prior Period - 31 December 2004	Month	Months	Months	Months	and Over	Bearing	Total
Assets							
Cash (cash in vault, effectives, cash in							
transit, cheques purchased) and balances							
with the Central Bank of Turkey	-	-	-	-	-	280,294	280,294
Due from banks and other							
financial institutions	1,193,617	53,511	46,724	2,000	-	105,463	1,401,315
Trading securities	7,250	844,053	615,168	1,864,884	438,247	14,362	3,783,964
Interbank money market placements	484,201	25,538	-	-	-	-	509,739
Available-for-sale securities	510,592	2,390,631	2,809,773	2,542,620	3,191,881	17,497	11,462,994
Loans	5,425,739	2,428,883	2,548,798	1,689,599	1,129,897	-	13,222,916
Held-to-maturity securities	-	-	322,382	-	-	-	322,382
Other assets	2,208,585	273,220	459,616	305,797	434,628	1,011,510	4,693,356
Total assets	9,829,984	6,015,836	6,802,461	6,404,900	5,194,653	1,429,126	35,676,960
Liabilities							
Bank deposits	569,914	277,107	68,515	19,000	-	59,031	993,567
Other deposits	10,726,643	2,597,207	1,137,737	980,215	157,259	3,651,656	19,250,717
Funds from interbank money market	2,170,904	171,663	6	-	-	-	2,342,573
Miscellaneous payables	-	-	-	-	-	685,852	685,852
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed	888,190	2,663,052	1,284,258	300,450	43,906	-	5,179,856
Other liabilities and shareholders' equity	86,899	52,502	19,548	41,069	76,014	6,948,363	7,224,395
Total liabilities and shareholders' equity	14,442,550	5,761,531	2,510,064	1,340,734	277,179	11,344,902	35,676,960
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Balance sheet interest sensitivity gap	(4,612,566)	254,305	4,292,397	5,064,166	4,917,474	(9,915,776)	-
Off-balance sheet interest sensitivity gap (*)	18,605	77,330	26,292	47,136	243	-	169,606
Total interest sensitivity gap	(4,593,961)	331,635	4,318,689	5,111,302	4,917,717	(9,915,776)	169,606

(*) These amounts represent the distribution of net amount of receivables and payables from derivative financial instruments which are presented under off-balance sheet commitments according to remaining period until maturity.

b. Effective average interest rates for monetary financial instruments:

	EURO	USD	Yen	YTL
Current Period – 31 December 2005	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit,				
cheques purchased) and balances with				
the Central Bank of Turkey	1.14	2.03	-	10.25
Due from banks and other financial institutions	2.37	4.31	-	15.07
Trading securities	5.05	6.26	-	14.47
Interbank money market placements	-	-	-	13.76
Available-for-sale securities	5.76	7.37	-	18.43
Loans	3.10	6.15	4.12	20.90
Held-to-maturity securities	4.39	13.11	7.18	17.33
Liabilities				
Bank deposits	3.06	4.57	-	15.15
Other deposits (including demand deposits)	2.01	3.31	0.01	13.72
Funds from interbank money market	2.39	4.14	-	14.99
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed	2.73	5.15	-	12.72

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(Amounts expressed in thousands of New Turkish lira ("YTL"))

	EURO	USD	Yen	YTL
2- Prior Period - 31 December 2004	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit,				
cheques purchased) and balances with				
the Central Bank of Turkey	0.99	1.04	-	12.50
Due from banks and other financial institutions	2.14	2.26	-	20.96
Trading securities	9.44	5.39	-	22.50
Interbank money market placements	1.13	1.12	-	23.94
Available-for-sale securities	5.51	5.61	-	26.73
Loans	4.15	6.15	3.40	27.10
Held-to-maturity securities	-	12.01	-	-
Liabilities				
Bank deposits	2.99	2.77	-	22.99
Other deposits (including demand deposits)	2.32	2.10	0.50	16.64
Funds from interbank money market	-	2.87	-	19.68
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed	2.96	3.75	1.86	17.36

Average interest rates in the above tables are the weighted average rates of the related balance sheet items.

VII. LIQUIDITY RISK

Liquidity risk arises from mismatching of maturities of assets and liabilities. The Group balances the maturities of the related assets and liabilities according to specific criterion and keeps the mismatching of maturities under control. A major objective of the Group's asset and liability management is to ensure that sufficient liquidity is available to meet the Group's commitments to customers and to satisfy the Group's own liquidity needs. For this objective, the Group holds a sufficient amount of short-term funds. The ERC sets limits on the maturity mismatch of assets and liabilities and these limits are updated as necessary. Liquidity risk is measured and reported on a weekly basis. The Group also analyses its liquidity risk on a daily and transaction basis, if there are significant market fluctuations. In case of high market fluctuations, daily reporting and analyses on transaction bases are made.

The most important funding resources of the Group are the shareholders' equity, the diversified and steady deposit base and the long-term funds borrowed from international institutions which are mainly placed in interest earning assets. In spite of a substantial portion of deposits from individuals being short-term, deposits are diversified by number and type, and maturities of a large portion of deposits are renewed, which indicates that these deposits will provide a long-term and stable source of funding for the Group.



Breakdown of assets and liabilities according to their outstanding maturities:

Current Period –		Up to 1	1 – 3	3 – 6	6 – 12	1 Year Unallocated			
31 December 2005	Demand	Month	Months	Months	Months	and Over	(*)	Total	
Assets									
Cash (cash in vault, effectives,									
cash in transit, cheques									
purchased) and balances with									
the Central Bank of Turkey	859,559	-	-	-	-	-	-	859,559	
Due from banks and other									
financial institutions	220,165	2,246,624	102,125	37,703	82,717	93,670	-	2,783,004	
Trading securities	18,997	1,782	4,348	33,711	26,369	6,279,652	-	6,364,859	
Interbank money									
market placements	-	491,771	-	-	-	-	-	491,771	
Available-for-sale securities	64,302	94,537	196,263	2,254,452	3,357,711	8,038,680	-	14,005,945	
Loans	-	5,019,406	2,430,346	2,710,152	5,831,990	6,626,160	-	22,618,054	
Held-to-maturity securities	-	-	30,572	335,702	4,169	250,669	-	621,112	
Other assets	4,106,659	245,699	128,493	994,863	447,489	738,414	792,908	7,454,525	
Total assets	5,269,682	8,099,819	2,892,147	6,366,583	9,750,445	22,027,245	792,908	55,198,829	
Liabilities									
Bank deposits	99,761	1,764,421	756,243	18,707	2,000	-	-	2,641,132	
Other deposits	5,277,745	18,244,875	3,910,967	749,419	986,020	146,506	-	29,315,532	
Funds from interbank									
money market	148	1,378,340	1,132,146	855,972	2,734,282	2,875,842	-	8,976,730	
Funds borrowed	-	5,260,567	217,021	-	-	-	-	5,477,588	
Marketable securities issued	-	-	-	-	-	-	-	-	
Miscellaneous payables	209,265	575,164	96,400	-	197	-	-	881,026	
Other liabilities (**)	-	526,106	141,458	316,238	59,494	361,750	6,501,775	7,906,821	
Total liabilities and									
shareholders' equity	5,586,919	27,749,473	6,254,235	1,940,336	3,781,993	3,384,098	6,501,775	55,198,829	
Net Liquidity Gap	(317,237)	(19,649,654)	(3,362,088)	4,426,247	5,968,452	18,643,147	(5,708,867)	-	
Prior Period – 31 December 2004									
Total assets	2,343,173	5,818,114	3,268,415	3,753,584	7,568,367	11,931,056	994,251	35,676,960	
Total liabilities	3,713,420	14,930,988	3,649,197	1,884,905	2,978,304	2,274,368	6,245,778	35,676,960	
Net Liquidity Gap	(1,370,247)	(9,112,874)	(380,782)	1,868,679	4,590,063	9,656,688	(5,251,527)		

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments, subsidiaries, stationary, pre-paid expenses and loans under follow-up, are classified in this column.

(**) Shareholders' Equity is presented under the "Other Liabilities" item in the "Unallocated" column.

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(Amounts expressed in thousands of New Turkish lira ("YTL"))

VIII. PRESENTATION OF ASSETS AND LIABILITIES WITH THEIR FAIR VALUES

The fair value of held-to-maturity assets is based on market prices or when this information is not available, broker/dealer price quotations for securities with similar yield, maturity and other terms.

The expected fair value of the demand deposits represents the amount to be paid in case of demanded. The fair value of the floating rate placements and the overnight deposits represents the book value. The expected fair value of the fixed rate deposits is calculated through the internal rate of return method using the interbank money market interest rates of similar liabilities.

The fair value of marketable securities issued is calculated according to broker price quotations and if these are not available, amounts derived from cash flow models.

The following table summarises the carrying amounts and fair values of certain financial assets and liabilities defined in Communiqué 17 of the Accounting Application Regulation. The book value of the assets and liabilities represents the sum of the acquisition cost and related income accruals.

	Во	ok Value	Fair Value			
	Current Period	Prior Period	Current Period	Prior Period		
31	December 2005	31 December 2004	31 December 2005	31 December 2004		
Financial Assets	19,212,975	14,291,194	19,212,975	14,291,194		
Due from banks and other financial institution	ns 2,788,288	1,423,936	2,788,288	1,423,936		
Investment securities available-for-sale	15,631,317	12,379,839	15,631,317	12,379,839		
Investment securities held-to-maturity	793,370	487,419	793,370	487,419		
Financial Liabilities	42,158,122	26,270,219	42,158,122	26,270,219		
Bank deposits	2,660,490	997,399	2,660,490	997,399		
Other deposits	29,586,570	19,375,480	29,586,570	19,375,480		
Funds borrowed	9,030,036	5,211,488	9,030,036	5,211,488		
Marketable securities issued	-	-	-	-		
Miscellaneous payables	881,026	685,852	881,026	685,852		

Balance sheet items valued with the "Internal Rate of Return Method" are almost equal to their fair values.

IX. ACTIVITIES CARRIED OUT ON BEHALF AND ON ACCOUNT OF OTHER PERSONS

The Group carries out trading, custody, management and consulting services on behalf of others and on their account. The Group has no trust transactions.



X. OPERATIONAL SEGMENTS

The Group provides retail banking, corporate banking, fund management, private banking and international banking services.

Small business and individual banking activities were brought together under retail banking services. The Group offers a variety of retail services such as deposit accounts, customer loans, credit cards, insurance products and wealth management services under a customer-focused approach and utilises technology-intensive means to reach the customers. Employing one of the most extensive branch networks among the banks in Turkey, the Group's line of retail banking products and services also includes bank cards, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking and telephone and internet banking.

Corporate banking delivers financial solutions and banking services to large-scale corporate customers. Among the products and services offered to corporate and commercial customers are New Turkish lira and foreign currency denominated working capital loans, medium-term financing for investments, foreign trade financing, export factoring, letters of credit and guarantee, foreign currency trading, corporate finance services and cash and deposit management services. In addition, and at customers' requests, the Bank delivers timely and effective solutions to enable its corporate customers to handle their working capital more effectively through cash management services that include specially designed collection and payment services and liquidity and information management. Under investment banking, project finance loans are also provided.

The fund management services are provided by the Treasury Division that consists of Fund Management, Fixed Income Securities and Marketing Units. Spot and term based TL and FC buying selling activities are realised by the Fund Management Unit. Treasury bills, government bonds, other domestic and foreign marketable securities buying-selling activities, the selling of treasury bills and bonds to customers using the Bank's branch network is performed by Fixed Income Securities Unit. The Treasury Marketing Unit, utilising the advantage of the Bank's extensive branch network enters into derivative transactions such as swaps, futures and options for hedging purposes.

Private banking serves the members of the upper-income groups who have expectations for utmost service quality both in banking and investment transactions. The target is to satisfy the financial needs of these customers whether in Turkey or abroad, and to offer the most suitable investment alternatives.

International banking services are provided by International Banking Division. The Bank works with more than 1.100 correspondent banks located in 120 countries and provides a service for foreign trade financing, foreign currency and New Turkish lira clearances. The international banking units therefore seek out long-term funding opportunities at prices below those that fully reflect country risks, try to diversify the sources of funding and create a base of international investors, for that purpose.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

SECTION FIVE INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS

a. Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period		
	31 Dec	31 December 2005		31 December 2004	
	YTL	FC	YTL	FC	
Demand unrestricted amount	9,610	446,247	5,738	33	
Time unrestricted amount	-	-	-	-	
Total	9,610	446,247	5,738	33	

b. Additional information on trading securities, in net amounts:

1. Information related to trading securities given as collateral or blocked:

Trading securities given as collateral are composed of YTL and foreign currency government bonds.

	Current Period		Prior Period		
	31 Dec	31 December 2005		31 December 2004	
	YTL	FC	YTL	FC	
Share certificates	-	-	-	-	
Bond, treasury bills and similar investment securities	2,752	560,372	3,443	764,015	
Other	-	-	-	-	
Total	2,752	560,372	3,443	764,015	

2. Trading securities subject to repurchase agreements:

	Current Period 31 December 2005		Prior Period 31 December 2004	
	YTL	FC	YTL	FC
Government bonds	-	199,157	-	183,068
Treasury bills	-	-	-	-
Other public debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	199,157	-	183,068

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c. Information on foreign banks account:

	Unres	tricted Amount	Restricted Amount (**)		
	Current Period	Prior Period	Current Period	Prior Period	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004	
European Union Countries	2,112,811	1,119,814	66,944	53,511	
USA, Canada	130,450	154,908	2,590	17,242	
OECD Countries (*)	52,828	51,219	-	-	
Off-shore Banking Regions	8,139	-	-	-	
Other	30,295	1,582	-	-	
Total	2,334,523	1,327,523	69,534	70,753	

(*) OECD Countries other than EU countries, USA and Canada

(**) The restricted amounts are the time deposits held in accordance with the contracts of securitisation loans.

d. Information on receivables from reverse repurchase agreements:

	Current Period		Prior	Period
	31 Decer	nber 2005	31 December 2004	
	YTL	FC	YTL	FC
From domestic transactions	91,771	-	80,074	-
The Central Bank of Turkey	-	-	-	-
Banks	-	-	-	-
Intermediary institutions	-	-	-	-
Other financial institutions	91,771	-	80,074	-
Other institutions	-	-	-	-
Real persons	-	-	-	-
From foreign transactions	-	-	-	-
Central Bank	-	-	-	-
Banks	-	-	-	-
Intermediary institutions	-	-	-	-
Other financial institutions	-	-	-	-
Other institutions	-	-	-	-
Real persons	-	-	-	-
Total	91,771	-	80,074	-

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

e. Information on investment securities available-for-sale:

1. Types of investment securities available-for-sale:

Investment securities available-for-sale are composed of YTL and FC government bonds, YTL treasury bills and share certificates of institutions in which the Group has less than a 10% share.

2. Information on investment securities available-for-sale:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Debt securities	13,941,642	11,445,497
Quoted on a stock exchange	13,575,958	8,980,813
Not quoted (*)	365,684	2,464,684
Share certificates	66,591	62,070
Quoted in a stock exchange	60,416	56,709
Not quoted	6,175	5,361
Impairment provision (-)	(2,288)	(44,573)
Total	14,005,945	11,462,994

(*) Not traded on the balance sheet date, although quoted on the stock exchange.

3. Characteristics of investment securities available-for-sale given as collateral and their carrying value:

Investment securities available-for-sale given as collateral are composed of YTL and foreign currency government bonds and YTL treasury bills. The sum of the acquisition cost amounting YTL1,302,407 and the interest accruals amounting YTL269,008 is the carrying value of these securities amounting YTL1,571,415 (31 December 2004: YTL1,229,376).

4. Investment securities available-for-sale given as collateral or blocked are stated with their acquisition costs:

	Current Period 31 December 2005		Prior Period 31 December 2004	
	YTL	FC	YTL	FC
Share certificates	-	-	-	-
Bond, treasury bills and similar investment securities	623,027	679,380	664,285	370,954
Other	-	-	-	-
Total	623,027	679,380	664,285	370,954

5. Investment securities available-for-sale subject to repurchase agreements are stated with their acquisition costs:

	Current Period 31 December 2005		Prior Period 31 December 2004	
	YTL	FC	YTL	FC
Government bonds	4,386,917	-	1,719,455	-
Treasury bills	-	-	-	-
Other public debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	4,386,917	-	1,719,455	-



f. Information related to loans:

1. Information on all types of loans and advances given to shareholders and employees of the Group:

	Current Period 31 December 2005			rior Period ecember 2004
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	-	31,179	1,598	38,985
Corporate shareholders	-	31,179	1,598	38,985
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	776,703	343,450	384,907	365,576
Loans granted to employees	18,818	-	8,184	-
Total	795,521	374,629	394,689	404,561

2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring		
Cash Loans	Loans and other receivables	Restructured or Rescheduled	Loans and other receivables	Restructured or Rescheduled	
Non-specialised loans	22,149,467	-	461,241	7,346	
Discount notes	405,619	-	-	-	
Export loans	2,198,194	-	3,838	-	
Import loans	-	-	-	-	
Loans given to financial sector	985,151	-	-	-	
Foreign loans	661,149	-	-	-	
Consumer loans	4,227,023	-	180,234	-	
Credit cards	2,203,734	-	142,736	-	
Precious metals loans	-	-	-	-	
Other	11,468,597	-	134,433	7,346	
Specialised loans	-	-	-	-	
Other receivables	-	-	-	-	
Total	22,149,467	-	461,241	7,346	

3. Loans according to their maturity structure:

	Standard Loans and Other Receivables		Loans and Other Receivable Under Close Monitoring	
	Loans and other receivables	Restructured or Rescheduled	Loans and other receivables	Restructured or Rescheduled
Short-term loans	10,299,041	-	461,241	7,346
Non-specialised loans	10,299,041	-	461,241	7,346
Specialised loans	-	-	-	-
Other receivables	-	-	-	-
Medium and long-term loans(*)	11,850,426	-	-	-
Non-specialised loans	11,850,426	-	-	-
Specialised loans	-	-	-	-
Other receivables	-	-	-	-

(*) Loans extended with a maturity over one year at the origination date are classified as medium and long-term loans. As the time goes on, the maturity gets shorter and as of 31 December 2005, the average maturity of total loans is 359 days, slightly shorter than a year.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

4. Information on consumer loans, consumer credit cards, personnel loans and personnel credit cards:

		Medium- and		Interest and
	Short-term	long-term	Total	income accruals
Consumer loans - YTL	362,590	3,932,857	4,295,447	40,003
Real estate loans	5,749	1,838,294	1,844,043	14,423
Automotive loans	86,900	1,263,378	1,350,278	15,161
Consumer loans	179,613	831,185	1,010,798	10,419
Other	90,328	-	90,328	-
Consumer loans - Indexed to FC	1,224	100,020	101,244	402
Real estate loans	503	88,887	89,390	355
Automotive loans	468	9,143	9,611	35
Consumer loans	253	1,990	2,243	12
Other	-	-	-	-
Consumer loans - FC	-	-	-	-
Real estate loans	-	-	-	-
Automotive loans	-	-	-	-
Consumer loans	-	-	-	-
Other	-	-	-	-
Consumer Credit Cards - YTL	2,299,788	36,645	2,336,433	43,126
With instalment	684,412	36,645	721,057	13,309
Without instalment	1,615,376	-	1,615,376	29,817
Consumer Credit Cards - FC	1,785	-	1,785	-
With instalment	-	-	-	-
Without instalment	1,785	-	1,785	-
Personnel loans - YTL	2,240	7,719	9,959	103
Real estate loans	-	718	718	6
Automotive loans	63	973	1,036	10
Consumer loans	2,177	6,028	8,205	87
Other	-	-	-	-
Personnel loans - Indexed to FC	-	607	607	2
Real estate loans	-	539	539	2
Automotive loans	-	68	68	-
Consumer loans	-	-	-	-
Other	-	-	-	-
Personnel loans - FC	-	-	-	-
Real estate loans	-	-	-	-
Automotive loans	-	-	-	-
Consumer loans	-	-	-	-
Other	-	_	-	-
Personnel Credit Cards - YTL	8,152	100	8,252	153
With instalment	3,071	100	3,171	59
Without instalment	5,081	-	5,081	94
Personnel Credit Cards - FC		-	-	-
With instalment	_	_	_	-
Without instalment	-	_	_	-
minourinstationt	2,675,779	4,077,948	6,753,727	83,789

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5. Information on commercial instalment loans and corporate credit cards:

		Medium- and		Interest and
	Short-term	long-term	Total	income accruals
Commercial Instalment Loans - YTL	690,357	2,143,080	2,833,437	19,827
Business Loans	731	316,570	317,301	2,138
Automotive loans	58,128	1,122,141	1,180,269	7,039
Consumer loans	404,657	668,057	1,072,714	10,158
Other	226,841	36,312	263,153	492
FC indexed commercial instalment loans	24,001	110,518	134,519	2,874
Business Loans	393	17,963	18,356	217
Automotive loans	836	69,487	70,323	2,490
Consumer loans	9,945	4,368	14,313	63
Other	12,827	18,700	31,527	104
Commercial Instalment Loans - FC	1,434	13,837	15,271	-
Business Loans	-	-	-	-
Automotive loans	-	-	-	-
Consumer loans	-	-	-	-
Other	1,434	13,837	15,271	-
Corporate Credit Cards - YTL	47,933	-	47,933	885
With instalment	-	-	-	-
Without instalment	47,933	-	47,933	885
Corporate Credit Cards - FC	-	-	-	-
With instalment	-	-	-	-
Without instalment	-	-	-	-
Total	763,725	2,267,435	3,031,160	23,586

6. Loans according to types of borrowers:

	Current Period	Prior Period		
	31 December 2005	31 December 2004		
Public	1,495,820	2,001,845		
Private	21,122,234	11,221,071		
Total	22,618,054	13,222,916		

7. Distribution of domestic and foreign loans: Loans are classified according to the locations of the customers.

	Current Period 31 December 2005	Prior Period 31 December 2004
Domestic loans	21,956,905	12,774,969
Foreign loans	661,149	447,947
Total	22,618,054	13,222,916

8. Loans granted to subsidiaries and investments:

	Current Period 31 December 2005	Prior Period 31 December 2004
Direct loans granted to subsidiaries and investments	-	5,415
Indirect loans granted to subsidiaries and investments	-	-
Total	-	5,415

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9. Specific provisions provided against loans:

	Current Period	Prior Period
Specific provisions	31 December 2005	31 December 2004
Loans and receivables with limited collectibility	70,574	73,090
Loans and receivables with doubtful collectibility	53,757	2,775
Uncollectible loans and receivables	234,782	128,254
Total	359,113	204,119

10. Information on loans and other receivables included in loans under follow-up account (Net):

10(i). Information on loans and other receivables restructured or rescheduled and classified under follow-up accounts:

	III. Group	IV. Group	V. Group
	Loans and	Loans and	Uncollectible
	receivables with	receivables with	loans and
	limited collectibility	doubtful collectibility	receivables
Current Period 31 December 2005			
(Gross Amounts Before Specific Provisions)	-	-	7,346
Restructured Loans and Others			
Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	7,346
Prior Period 31 December 2004			
(Gross Amounts Before Specific Provisions)	-	-	-
Restructured Loans and Others			
Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	-	-

10(ii). The movement of loans and other receivables under follow-up:

	III. Group IV. Group		V. Group
	Loans and	Loans and	Uncollectible
	receivables with	receivables with	loans and
lim	nited collectibility	doubtful collectibility	receivables
Prior period end balance: 31 December 2004	73,090	2,775	128,254
Additions (+)	292,648	5,235	7,476
Transfers from other categories of loans under follow-	-up (+) -	248,290	174,498
Transfers to other categories of loans under follow-up	(-) 248,290	174,498	9,339
Collections (-)	46,619	27,355	47,417
Write-offs (-)	255	690	18,690
Current Period End Balance	70,574	53,757	234,782
Specific provisions (-)	70,574	53,757	234,782
Net balance on balance sheet	-	-	-



10(iii). Information on foreign currency loans and other receivables under follow-up:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period 31 December 2005			
Period End Balance	4,553	168	18,200
Specific provisions (-)	4,553	168	18,200
Net balance on balance sheet		-	-
Prior Period 31 December 2004			
Period End Balance	1,069	112	31,711
Specific provisions (-)	1,069	112	31,711
Net balance on balance sheet	-	-	-

11. The policy followed-up for the collection of uncollectible loans and other receivables:

The aim is to liquidate uncollectible loans and other receivables through the collection of collaterals and legal procedures.

g. Information on factoring receivables: None.

h. Information on investment securities held-to-maturity (Net):

1. Information on investment securities held-to-maturity:

As at 31 December 2005 all investment securities held-to-maturity are composed of YTL and foreign currency government bonds, treasury bills and eurobonds.

	Current Period 31 December 2005	Prior Period 31 December 2004
Debt securities	621,112	322,382
Quoted on a stock exchange	298,554	-
Not quoted (*)	322,558	322,382
Impairment provision (-)	-	-
Total	621,112	322,382

(*) Not traded at the balance sheet date, although quoted on the stock exchange.

2. The movement of investment securities held-to-maturity:

	Current Period 31 December 2005	Prior Period 31 December 2004
Beginning balance	322,382	734,002
Monetary loss	-	(89,238)
Purchases during year (**)	298,730	-
Disposals through sales and redemptions (*)	-	(322,382)
Impairment provision (-)	-	-
Period End Balance	621,112	322,382

(*) Amounts presented in the "Disposals through sales and redemptions" line consist only of redempted securities; there are no security disposals through sales.

(**) As at 31 December 2005, amount presented as "Purchases during year" are the securities added to the consolidated portfolio due to addition of Sabanci Bank plc. and Ak Finansal Kiralama A.S. to the scope of consolidation.

2(i). Information on accounts in which investment securities held-to-maturity are recorded:

		Curre	ent Period			Pr	ior Period	
		31 Dec	ember 2005			31 De	cember 200	4
	Histo	rical Cost	Va	luation	Histori	ical Cost	Valua	ation
Held-to-maturity securities	YTL	FC	YTL	FC	YTL	FC	YTL	FC
Given as collateral or blocked	322,382	-	486,493	-	322,382	-	487,419	-
Subject to repurchase transactions	-	-	-	-	-	-	-	-
Held for structural position	-	-	-	-	-	-	-	-
Receivables from securities lending	-	-	-	-	-	-	-	-
Collaterals on securities lending	-	-	-	-	-	-	-	-
Other	18,722	280,008	20,438	286,439	-	-	-	-
Total	341,104	280,008	506,931	286,439	322,382	-	487,419	-

2(ii). Main features of investment securities held-to-maturity given as collateral or blocked:

All the investment securities held-to-maturity given as collateral are composed of foreign currency indexed government bonds.

Investment securities held-to-maturity given as collateral or blocked:

	Current Period 31 December 2005		Prior Period		
			31 December 2004		
	YTL	FC	YTL	FC	
Treasury bills	-	-	-	-	
Bonds and similar investment securities	322,382	-	322,382	-	
Other	-	-	-	-	
Total	322,382	-	322,382	-	

2(iii). Investment securities held-to-maturity subject to repurchase transactions: None.

2(iv). Investment securities held-to-maturity held for structural position: None.

i. Information on investments in associates (Net):

1. Non-consolidated investments in associates:

1(i). General information about non-consolidated investments in associates:

		Bank's share	
	Address	percentage-If different	Bank's risk group
Title	(City / Country)	voting percentage (%)	share percentage (%)
Ak Yatırım Ortaklığı A.Ş.	lstanbul/Turkey	45.71	45.71



1(ii). Main financial figures of non-consolidated investments in associates, in the order of the above table:

The financial figures are obtained from the financial statements of the related companies, dated 31 December 2005.

				Income from			
		Total		Marketable			
	Shareholders'	Fixed	Interest	Securities	Current Period	Prior Period	Fair
Total Assets	equity	Assets	Income	Portflio	Profit / Loss	Profit / Loss	Value
50,781	48,862	5	2,089	1,716	15,305	698	19,268

1(iii). Other members/shareholders outside the Group, which have the power to control, along with the Parent company and the other members of the Group: None.

1(iv). Reasons for not consolidating certain investments in associates: Based on the materiality principle due to their operating results, amount of asset and shareholders' equity, they are not included in the scope of consolidation.

1(v). Method used for accounting of investments in associates in Parent Bank's non-consolidated financial statements:

Disclosed in Note II of the Section Three.

2. Consolidated investments in associates:

2(i). Movement schedule for consolidated investments in associates:

	Current Period 31 December 2005	Prior Period 31 December 2004
Balance at the beginning of the period	223,322	233,929
Movements during the period		
Purchases	-	-
Free shares obtained	-	-
Dividends from current year income	-	2,301
Sales / Liquidations (*)	(216,941)	-
Revaluation increase	-	-
Impairment provision	-	-
Currency translation differences arising from foreign investments in associa	ates (6,381)	(12,908)
Balance at the end of the period	-	223,322
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

(*) The amount stated as "Sales" as of 31 December 2005 results from the purchase of the shares of Ak Uluslararası Bankası A.Ş. and Sabancı Bank plc; the share of the Bank in these investments increased, and accordingly these companies have been transferred from the investments in associates portfolio to the subsidiary portfolio.

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2(ii). Valuation of consolidated associates:

	Current Period 31 December 2005	Prior Period 31 December 2004
Valuation with cost	-	-
Valuation with fair value	-	-
Valuation with equity method	-	223,322

2(iii). Information on sectors and the related amounts of the consolidated financial associates:

Associates	Current Period 31 December 2005	Prior Period 31 December 2004
Banks	-	223,322
Insurance Companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial investments in associates	-	-

2(iv). Consolidated associates quoted on a stock exchange: None.

2(v). Information on consolidated associates: None.

2(vi). Main financial figures of consolidated associates, in the order of the above table: None.

2(vii). Information on associates sold in the current period:

Title	Sale Price	Market Value at Sale Date	Cash / Instalment Info
Ak Yatırım Ortaklığı A.Ş. (*)	6	6	Cash

(*) The Bank sold %0.01 share of Ak Yatırım Ortaklığı A.Ş. amounting YTL6.

2(viii). Associates purchased in the current period:

Title	Purchase Price	Market Value at Purchase Date	Cash / Instalment Info
Ak Uluslararası Bankası A.Ş. (*)	98,488	98,488	Cash
Sabancı Bank plc.	79,092	79,092	Cash

(*) As of 19 September 2005 Ak Uluslararası Bankası A.Ş. has merged with the Bank via take-over.

j. Information on subsidiaries (Net):

1. Non-consolidated subsidiaries:

1(i). Other members/shareholders outside the Group which have the power to control, along with the Parent Bank and the other members of the Group: None.

1(ii). Reasons for not consolidating certain subsidiaries: Based on the materiality principle due to their operating results, amount of assets and shareholders' equity, they are not included in the scope of consolidation.

1(iii). There is no subsidiary, in which the Group owns more than 50% of its capital directly or indirectly but does not exercise control.



1(iv). Method used for accounting of subsidiaries in Parent Bank's non-consolidated financial statements: Disclosed in Note II of the Section Three.

1(v). Non-consolidated subsidiaries:

		Bank's share	Bank's risk
	Address	percentage-If different	group share
Title	(City / Country)	voting percentage(%)	percentage (%)
Ak Portföy Yönetimi A.Ş.	Istanbul/Turkey	99.99	99.99
Ak Global Funding B.V.	Rotterdam/The Netherlands	100.00	100.00

1(vi). Main financial figures of non-consolidated subsidiaries, in the order of the above table:

The financial figures have been obtained from the financial statements of the related companies, dated 31 December 2005.

		Total		Income from Marketable			
Total Assets	Shareholders' equity	Fixed Assets	Interest Income	Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value (*)
13,509	13,268	408	710	353	4,332	2,739	3,592
-	-	-	-	-	-	-	29

Operations of Ak Global Funding B.V. has not commenced yet and the Group's investment in this company is immaterial.

(*) No subsidiary is quoted on the stock exchange. Their fair values are the acquisition costs after the impairment provision, if any, and they are equal to the amounts carried in the financial statements.

2. Consolidated subsidiaries:

2(i). Movement schedule for consolidated subsidiaries:

	Current Period 31 December 2005	Prior Period 31 December 2004
Balance at the beginning of the period	174,808	81,360
Movements during the period		
Purchases (*)	347,723	-
Free shares obtained	-	-
Dividends from current year income	-	-
Sales / Liquidations (**)	(175,563)	-
Revaluation increase	-	-
Impairment provision	-	-
Currency translation differences arising from foreign investments	(19,411)	-
Inclusion of Akbank N.V. in consolidation	-	93,448
Inclusion of Ak Emeklilik A.Ş. in consolidation	26,820	-
Inclusion of Ak Finansal Kiralama A.Ş. in consolidation	97,991	-
Balance at the end of the period	452,368	174,808
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

(*) The amount stated as "Purchases" as of 31 December 2005 results from the purchase of the shares of Ak Uluslararası Bankası A.Ş. and Sabancı Bank plc.; the share of the Bank in these investments increased, and accordingly these companies have been transferred from the investments in associates portfolio to the subsidiary portfolio.

(**) As of 31 December 2005, the amount stated in the "Sales / Liquidations" line presents the amount liquidated due to the merger with Ak Uluslararası Bankası A.Ş..

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Investment amount in subsidiaries included in consolidation has been netted off in the financial statements.

2(ii). Valuation of consolidated subsidiaries:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Valuation with cost (*)	452.368	174.808
Valuation with fair value	-	-
Valuation with equity method	-	-

(*) It is the acquisition cost after the impairment provision, if any, and is equal to the value given in the financial statements.

2(iii). Information on sectors and the related amounts of the consolidated financial subsidiaries:

Subsidiaries	Current Period 31 December 2005	Prior Period 31 December 2004
Banks	246.197	93.448
Insurance companies	26.820	-
Factoring companies	-	-
Leasing companies	97.991	-
Finance companies	-	-
Other financial subsidiaries	81.360	81.360

2(iv). Subsidiaries quoted on a stock exchange: None.

2(v). Information about consolidated subsidiaries:

Title	Address (city / country)	Bank's share percentage-If different voting percentage(%)	Other shareholder share percentage (%)	Consolidation method
Ak Finansal Kiralama A.Ş.	Istanbul/Turkey	99.99	0.01	Full Consolidation
Ak Yatırım Menkul Değerler A.	Ş. İstanbul/Turkey	99.80	0.20	Full Consolidation
Ak Emeklilik A.Ş.	Istanbul/Turkey	73.41	26.59	Full Consolidation
Akbank N.V.	Rotterdam/The Netherlands	100.00	-	Full Consolidation
Sabancı Bank plc.	London/England	65.00	35.00	Full Consolidation

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2(vi). Main financial figures of consolidated subsidiaries, in the order of the above table:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value (*)
289,260	115,562	234	33,081	7,957	20,437	12,118	97,991
187,337	87,649	24,691	21,270	2,303	14,647	6,200	81,360
348,088	47,491	5,486	6,372	6,269	5,242	(1,900)	26,820
1,006,458	81,960	2,212	34,847	23,685	3,725	1,311	81,340
1,650,460	284,208	1,202	57,433	23,797	13,719	14,257	164,857

(*) Represent costs of subsidiaries.

Although not subsidiaries of the Bank, Ak Receivables Corporation and A.R.T.S Ltd. which were established in July 1998 and November 1999 respectively in connection with raising long-term financing, are included in the consolidation as "Special Purpose Entities" due to 100% control of the Group of these entities .

2(vii) Information on subsidiaries sold in the current period: None.

2(viii) Subsidiaries purchased in the current period: None.



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k. Information on other investments:

As of 31 December 2005, the Group has no joint ventures and other investments.

I. Information on finance lease receivables (Net):

	Current Period 31 December 2005		Prior Period 31 December 200	
	Gross	Net	Gross	Net
Less Than 1 Year	142,812	121,171	-	-
Between 1-4 Years	157,051	133,513	-	-
More Than 4 Years	2,877	2,446	-	-
Total	302,740	257,130	-	-

m. Information on receivables arising from term sales of assets included in miscellaneous receivables: None.

n. Information on accrued interest and income receivables on loans:

1. Information on accrued interest and income receivables on loans:

Accrued interest and income receivables on loans		nt Period mber 2005	Prior Period 31 December 2004	
	YTL	FC	YTL	FC
Interest receivables	53,113	1,375	50,266	684
Interest accruals	128,663	80,831	99,259	52,652
Loan commissions and other income receivables	-	-	-	-
Loan commissions and other income accruals	634	277	351	65
Total	182,410	82,483	149,876	53,401

2. Information on other accrued interest and income receivables:

Other accrued	Cur	rent Period		Prior Period	
interest and income	31 De	cember 2005		31 December 2004	
	YTL	FC	YTL	FC	
Trading securities	1,860	142,106	12,175	184,195	
Available-for-sale securities	1,516,278	120,281	819,103	107,728	
Held-to-maturity securities	165,827	6,431	165,037	-	
Interest accruals of reverse repo transactions	78	-	40	-	
Interest accruals of reserve deposits	26,850	3,210	13,254	2,893	
Income accruals of financial derivative instruments	265	2,993	1,742	202,519	
Interest and income accruals	186	2,993	-	4,868	
Income accrual of foreign exchange gains	79	-	1,742	197,651	
Income accruals of factoring receivables	-	-	-	-	
Other	1,726	6,540	171	22,707	
Total	1,712,884	281,561	1,011,522	520,042	

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

o. Information on property and equipment (Net):

	Land and	Leased		Other tangible	
	buildings	fixed assets	Vehicles	fixed assets	Total
Prior Period 31 December 2004					
Cost	576,680	38,249	13,226	497,172	1,125,327
Accumulated depreciation (-)	138,041	6,116	5,929	296,158	446,244
Net book value	438,639	32,133	7,297	201,014	679,083
Current Period End: 31 December 2005					
Net book value at the beginning of the period	438,639	32,133	7,297	201,014	679,083
Effect of changes in consolidation scope	2,457	-	144	6,074	8,675
Additions	6,935	68	1,160	91,467	99,630
Disposals (-), net	8,159	-	861	2,722	11,742
Impairment	-	-	-	-	-
Depreciation (-)	11,827	2,754	2,398	72,184	89,163
Currency translation differences	(146)	-	-	(330)	(476)
Cost at Period End	576,317	38,317	12,124	576,547	1,203,305
Accumulated Depreciation at Period End (-)	148,418	8,870	6,782	353,229	517,299
Closing net book value	427,899	29,447	5,342	223,318	686,006

As of 31 December 2005, total impairment amounting to YTL11.799 for buildings is accounted in the financial statements (31 December 2004: YTL11.799).

p. Information on intangible assets:

The Group's intangible assets are the software programmes.

1. Estimated useful lives and depreciation rates: 5 years.

2. Amortisation methods used: Straight-line method.

3. Cost and accumulated amortisation at the beginning and end of the period:

	Nominal book values	Accumulated amortisation	Net Value
Beginning of the period	51,590	26,448	25,142
Balance at the end of the period	58,653	36,305	22,348

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4. Reconciliation of movements on intangible assets for the current period:

	Current Period
Beginning of the period	25,142
Inclusion of Ak Emeklilik A.S. in consolidation	845
Amounts formed internally	-
Additions due to mergers, transfers and acquisitions	5,870
Unused and disposed items (-)	-
Increases or decreases in the revaluation fund	-
Impairment charges	-
Reversal of impairment charges	-
Depreciation expenses (-)	9,509
Currency translation differences arising from foreign investments	-
Other differences in book values	-
Balance at the end of the period	22,348

5. The amount of the intangible assets are not significant in the consolidated financial statements.

- 6. There are no intangible assets which were acquired with government incentives.
- 7. There are no intangible assets that are restricted or pledged.
- 8. There are no commitments given for the acquisition of intangible assets.
- 9. There are no intangible assets that are revalued.
- **10.** There are no research and development expenses.
- **11.** There is no positive or negative goodwill due to consolidation.

r. Information on deferred tax asset

Group's deferred tax asset amounts to YTL1,851 as at 31 December 2005 (31 December 2004: YTL-).

Deferred tax assets and liabilities which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation in the Bank and in consolidated subsidiaries are netted-off on an individual entity level. As noted in Note XVII in Section 3, deferred tax assets and liabilities arising from different subsidiaries subject to consolidation are not netted and presented separately in the consolidated financial statements.

There are no carry forward tax losses that can be used as deductions for the tax calculation for the Group. There is no provision for the impairment in value of deferred taxes. There are no deductible temporary differences for which deferred tax asset has not been recognized in the prior periods.

s. Information related with other assets:

1. Prepaid expenses of the Group amounts to YTL19,099 as at 31 December 2005 (31 December 2004: YTL14,656).

2. Other assets amount to YTL73,150 (31 December 2004: YTL42,607) and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

II. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of the deposits:

1(i). Current Period - 31 December 2005

		With 7 days	Up to 1	1 – 3	3 – 6	6 months-	1 Year
	Demand	notification	month	Months	Months	1 year	and Over
Saving deposits	1,053,096	-	1,132,885	5,315,626	2,867,657	182,688	200,070
Foreign currency deposits	2,357,601	-	1,133,726	6,035,096	2,281,708	628,548	595,240
Residents in Turkey	2,143,360	-	937,846	5,572,662	1,809,290	459,151	220,709
Residents abroad	214,241	-	195,880	462,434	472,418	169,397	374,531
Public sector deposits	22,037	-	358	743	127	114	104
Commercial deposits	1,264,874	-	341,270	1,705,887	577,330	10,063	11,543
Other institutions deposits	580,137	-	123,059	383,765	176,616	130,592	202,972
Gold vault	-	-	-	-	-	-	-
Bank deposits	99,761	-	818,734	960,574	752,563	8,500	1,000
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic banks	534	-	814,734	-	-	8,500	1,000
Foreign banks	21,483	-	4,000	960,574	752,563	-	-
Special finance houses	77,744	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	5,377,506	-	3,550,032	14,401,691	6,656,001	960,505	1,010,929

1(ii). Prior Period - 31 December 2004

		With 7 days	Up to 1	1 – 3	3 – 6	6 months-	1 Year
	Demand	notification	month	Months	Months	1 year	and Over
Saving deposits	604,835	-	1,947,419	1,791,821	255,185	663,328	73,731
Foreign currency deposits	2,368,115	-	1,860,326	5,065,911	1,764,096	863,716	635,414
Residents in Turkey	2,129,114	-	1,771,159	4,775,857	1,547,074	484,658	239,558
Residents abroad	239,001	-	89,167	290,054	217,022	379,058	395,856
Public sector deposits	8,668	-	49	-	85	-	-
Commercial deposits	538,383	-	169,220	164,710	37,864	108,317	165,212
Other institutions deposits	131,655	-	7,208	6,328	1,918	16,722	481
Gold vault	-	-	-	-	-	-	-
Bank deposits	59,031	-	569,914	277,107	68,515	19,000	-
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic banks	825	-	-	5,000	2,000	19,000	-
Foreign banks	5,705	-	569,914	272,107	66,515	-	-
Special finance houses	52,501	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	3,710,687	-	4,554,136	7,305,877	2,127,663	1,671,083	874,838



2. Information on the guarantee of the saving deposits insurance fund:

2(i). Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of deposit insurance fund:

		ne Guarantee of sit Insurance	Exceeding the Limit of Deposit Insurance		
	Current Period	Prior Period	Current Period	Prior Period	
Saving deposits	31 December 2005	31 December 2004	31 December 2005	31 December 2004	
Saving deposits	4,928,833	3,270,014	5,804,872	2,066,305	
Foreign currency saving deposits	4,551,845	4,898,027	5,282,155	4,991,183	
Other deposits in the form of saving dep	osits -	-	-	8,895	
Foreign branches' deposits under foreig	n				
authorities' insurance	7,381	14,980	-	-	
Off-shore banking regions' deposits und	er				
foreign authorities' insurance	-	-	-	-	

2(ii). Saving deposits which are not under the guarantee of the saving deposit insurance fund:

	Current Period 31 December 2005	Prior Period 31 December 2004
Foreign branches' saving deposits	-	-
Off-shore banking regions' saving deposits	22,442	-

Saving deposits in the foreign branches are not under the guarantee of the saving deposits insurance fund; they are guaranteed according to their local legal requirements.

b. Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	31 Dec	ember 2005	31 December 2004	
	YTL	FC	YTL	FC
From domestic transactions	5,229,552	-	2,150,721	-
Financial institutions and organisations	4,371,428	-	1,620,948	-
Other institutions and organisations	655,959	-	344,355	-
Real persons	202,165	-	185,418	-
From foreign transactions	62	247,974	109	170,956
Financial institutions and organisations	4	247,974	31	170,956
Other institutions and organisations	-	-	33	-
Real persons	58	-	45	-
Total	5,229,614	247,974	2,150,830	170,956

c. Information on borrowings:

	Current Period		Prior Period		
	31 De	31 December 2005		cember 2004	
	YTL	FC	YTL	FC	
Short-term	79,753	6,024,046	61,991	3,046,315	
Medium- and long-term	3,500	2,869,431	-	2,071,550	
Total	83,253	8,893,477	61,991	5,117,865	

The liabilities providing the funding sources of the Group are deposits and borrowings. Deposits are the most important funding source of the Group and diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitised borrowings, money market and post-finance borrowings, which are obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Group.

d. Information on marketable securities issued: None.

e. Information on funds: None.

f. Information on miscellaneous payables:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Total amount of cash collateral obtained	1,505	1,415
The cash collaterals obtained are related with loans given.		

g. Other liabilities:

Other liabilities amount to YTL193.831 (31 December 2004: YTL237.668) and do not exceed 10% of the total assets of the Group.

h. Information about taxes and other duties payable:

1. Information on taxes payable:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Corporate Taxes Payable (*)	206,958	133,104
Taxation of Securities	36,487	36,787
Property Tax	374	264
Banking and Insurance Transaction Tax (BITT)	22,211	19,543
Foreign Exchange Legislation Tax	1,061	1,406
Value Added Tax Payable	1,961	1,121
Other	11,770	7,452
Total	280,822	199,677

(*) Group's "Corporate Taxes Payable" is presented under "Provisions" in the balance sheet as at 31 December 2005. Other items in the table above are presented under "Taxes and Other Duties Payable" account.

2. Information on premiums payable:

	Current Period 31 December 2005	Prior Period 31 December 2004
Social Security Premiums - Employee	159	140
Social Security Premiums - Employer	631	2
Group's Social Aid Pension Fund Premiums - Employee	10	12
Group's Social Aid Pension Fund Premiums - Employer	173	15
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance - Employee	283	212
Unemployment Insurance - Employer	565	400
Other	1,003	-
Total	2,824	781



i. Information on factoring payables: None.

j. Information on financial leasing:

1. The contingent rent instalments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which cause significant commitments onto the Group.

2. There are no changes related to financial leasing contracts during the period.

3. Liabilities incurred due to financial leasing agreements:

	Curre	nt Period	Prior	Period	
	31 Dece	31 December 2005		31 December 2005	
	Gross	Net	Gross	Net	
Less Than 1 Year	-	-	5,076	4,636	
Between 1-4 Years	-	-	895	860	
More Than 4 Years	-	-	-	-	
Total	-	-	5,971	5,496	

4. The Group's operating lease transactions are insignificant.

5. There are no sell and lease-back transactions.

k. Information on accrued interest and expenses payable:

	Current Period 31 December 2005		Prior Period 31 December 2004	
	YTL	FC	YTL	FC
Accrued interest on deposits	241,326	49,070	90,830	37,765
Accrued interest on borrowings	3,743	49,563	2,581	29,051
Accrued interest on bonds	-	-	-	-
Accrued interest on repurchase agreement transactions	4,942	3,139	1,119	1,674
Accrued interest on financial derivative instruments	599	65,333	1,624	163
Accrued interest and expense	-	38,268	-	163
Foreign exchange losses accrued	599	27,065	1,624	-
Accrued interest on factoring payables	-	-	-	-
Other interest and expense accruals	92,825	21,672	88,816	25,142
Total	343,435	188,777	184,970	93,795

l. Information on general provisions and subordinated loans:

1. Information on general provisions:

	Current Period 31 December 2005	Prior Period 31 December 2004
General Provisions	130,735	76,592
Provisions for first group loans and receivables	107,036	55,190
Provisions for second group loans and receivables	2,343	950
Provisions for non-cash loans	9,736	11,193
Other	11,620	9,259

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

2. Liabilities due to retirement benefits:

The Bank's employee termination benefits and notification indemnity liabilities are presented in the following table. The provision for the employee termination benefits and notification indemnity for the Parent Bank and the Group are YTL15,735 and YTL16,947 respectively.

	5th Prior Period	4th Prior Period	3rd Prior Period	2nd Prior Period	Prior Period	Current Period
Actual Payments of Employee Termination						
Benefits and Notification Indemnity	5,433	6,674	8,819	13,975	13,762	18,284
Reserve for Employee Termination Benefits						
and Notification Indemnity	46,692	59,356	82,658	109,125	126,626	144,935
Actual Payment Ratio	11.64%	11.24%	10.67%	12.81%	10.87%	12.62%
Ratio of Reserve for Employee Termination						
Benefits and Notification Indemnity	-	-	-	-	-	11,44%
Possible Reserve for Employee Termination						
Benefits and Notification Indemnity	-	-	-	-	-	15,735

3. Information on retirement benefits:

3(i). Liabilities for foundations established in accordance with Social Security Institution:

As explained in Note XVI-Section 3, relating to the Pension Fund of which the Bank's employees are members, there is no "actual" or "technical" deficit for which the Bank has to establish a provision.

3(ii). All types of liabilities for the establishment of foundations that provide benefits for retired employees:

The Bank has no foundations other than the Pension Fund. The explanations regarding the Pension Fund are presented above and in the other related notes.

4. Nature of the provisions, timing and amount of expected payments:

The Group has provided a provision for contingent liabilities with a high probability of realisation, in the amount of TL7,867 (31 December 2004: TL6,296).

5. Information on provisions on foreign currency indexed loans FC exchange rate differences: None.

6. Information on other provisions:

6(i). Information on provisions for possible risks:

The Group calculates provision for possible risks in consumer loans on the basis of statistical analyses; and this provision amounting to YTL47,415 (31 December 2004: YTL47.415) is accounted under "Other Provisions".



The Bank purchased foreign currency indexed government bonds with maturities of 3 to 5 years through the auction procedures in 2001 and valued them at 31 December 2001 with the market prices of the Eurobonds issued by the Turkish Undersecretariat of Treasury, in accordance with the Special Audit Communiqué and the Banking Act, article 4. At 1 January 2002, the Bank started to value the mentioned securities with their amortised costs using the "Internal rate of return method". As of 31 December 2003, based on the prudence principle of AAR, these securities were valued, effective from their acquisition dates in accordance with the related regulations, with the "Internal rate of return method", and the resulting difference between the two methods was accounted under "Other Provisions" in the liabilities as at 31 December 2005, the related difference amounts to YTL12.374 [31 December 2004: YTL39.302].

6(ii). The "Other Provisions" account amounts to YTL126.184 (31 December 2004: YTL113.067) and YTL59.789 (31 December 2004: YTL86.717) of this amount is the above mentioned provisions provided for the possible risks and the valuation difference of foreign currency indexed government bonds with maturities of 5 years valued with their amortised cost and YTL21.227 consists of banking services promotion provisions.

7. Detailed explanations regarding the subordinated loans (number, maturity, interest rate, funding organisation and if it exists, the option to convert it into stock options):

A subordinated loan in the amount of EUR2,6 million was used through the Frankfurt branch. Its maturity date is 13 March 2006 and the interest rate is 7%. This loan was obtained from Kirchliche Pensionskasse Versicherungsverein A.G. and it has no conversion option.

8. Information on subordinated loans:

	Current Period		Prior Period	
	31 Dece	mber 2005	31 Decei	mber 2004
	YTL	FC	YTL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	-	-	-
From other foreign institutions	-	4,159	-	4,778
Total	-	4,159	-	4,778

m. Information on sharholders' equity:

1. Presentation of paid-in capital (nominal values, inflation-unadjusted balances):

	Current Period	Prior Period
	31 December 2005	31 December 2004
Common Stock	1,800,005	1,500,000
Preferred Stock	-	-

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

2. Amount of paid-in-capital, explanation about whether the registered share capital system is used, if so, the amount of registered share capital (nominal values, inflation-unadjusted balances):

Capital System	Paid-in capital	Ceiling
Registered share capital	1,800,005	2,500,000

3. Information on share capital increases and their sources; other information on increased capital shares in current period (nominal values, inflation unadjusted balances):

Increase Date	Increase Amount	Cash	Reserves	Value Increase from
Revaluation Funds				
27 June 2005	300,000	-	300,000	-
27 September 2005	5	-	5	-

4. Information on share capital increases from revaluation funds during the current period:

Fixed asset sales profit amounting YTL5,314 has been added to the share capital.

5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period:

The Bank has no capital commitments in the mentioned periods.

6. The effects of anticipations based on the financial figures of prior periods regarding the Group's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity:

The Group has been continuing its operations with high profitability and has been retaining most of its net profit in the equity, either by increasing its capital or transferring it into reserves. On the other hand, only a small part of the equity is allocated to associates and subsidiaries and fixed assets, thus giving a chance for a considerably high free capital which provides funds for the liquid and high interest bearing assets. Considering all these factors, the Group's shareholders' equity is getting steadily stronger.

7. Information on privileges given to shares representing the capital: None.

n. Common stock issue premiums, shares and equity instruments:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Number of shares (thousand)	180,000,454	1,500,000,000
Preferred stock	-	-
Common stock issue premium	-	-
Common stock cancelling profit	-	-
Other equity instruments	-	-
Total common stock issue	180,000,454	1,500,000,000



In the extraordinary general meeting of the Parent Bank at 30 May 2005, to incorporate the Bank's Articles of Association with the changes into "New Turkish lira" the following amendments have been made: The nominal value of each share of the Bank amounting TL1.000 changed to 1YKr, equivalent to 10 shares of the Bank.

o. Information on marketable securities value increase fund:

1(i). Information on marketable securities value increase fund:

	Currer	t Period	Prior	Period
	31 December 2005		31 December 2004	
	YTL	FC	YTL	FC
From associates and subsidiaries	55,450	-	2,982	-
From investment securities available-for-sale	190,119	1,752	71,338	199
From investment securities subject to structural position	-	-	-	-
Total	245,569	1,752	74,320	199

1(ii). Information on foreign currency marketable securities value increase fund: The part of value increase fund related to foreign currency marketable securities is the difference between the fair and amortised values of the Eurobonds classified within the investment securities available-for-sale.

2. Information on the financial statement presentation of foreign exchange gains arising from foreign currency associates, subisidiaries and investment securities avalailable-for-sale:

The foreign currency denominated associates, subsidiaries and investment securities available-for-sale are translated by exchange rates prevailing at the balance sheet date.

3. Explanation on the amount of cumulative foreign exchange difference relating to prior years and included in shareholders' equity as a separate line item when the accounting standard on the effect of changes in Foreign Exchange Rates was initially applied: None.

p. Information on revaluation fund:

In accordance with the Uniform Chart of Accounts, capital gains derived from the sale of immovables are accounted to the Revaluation Fund. As of 31 December 2005, the Revaluation Fund amounting to YTL3,747 consists entirely of capital gains from the sale of the immovables.

r. Information on revaluation value increase: None.

s. Information on legal reserves:

	Current Period	Prior Period	
	31 December 2005	31 December 2004	
First legal reserves	165,508	113,709	
Second legal reserves	94,204	50,848	
Other legal reserve allocated per special legislation	-	-	
Total	259,712	164,557	

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

t. Information on extraordinary reserves and other equity items:

	Current Period 31 December 2005	Prior Period 31 December 2004
Extraordinary reserves	216.899	909.714
Retained earnings	· _	-
Prior years' profits/(losses)	(1,191)	32,205
Foreign currency share capital exchange difference	-	-
Adjustment to share capital (*)	2,401,893	2,551,893
Total	2,617,601	3,493,812

(*) Amount shown in "Adjustment to share capital" line for current period is presented under "Other Capital Reserves" in the financial statements.

u. Information on minority interests:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Balance at the beginning of the period	173	160
Net income of minority	6,006	(12)
Prior period dividend	-	25
Effect of changes in consolidation scope	106,039	-
Balance at the end of the period	112,218	173

v. Information on shareholders having more than 10% share percentage:

Name/Commercial Title	Share Amounts (Nominal)	Share Percentage	Paid-in Capital	Unpaid Portion
Hacı Ömer Sabancı Holding A.Ş.	616,180	%34.23	616,180	-

y. Information related to inflation adjustment differences on shareholders' equity:

As explained in Section Three Note I-b with the decrees published by the BRSA as at 28 April 2005 and 21 April 2005 and decision number 1623, inflationary accounting applicable for the banking sector has been terminated as at 1 January 2005.

According to this decree, "The adjustment to share capital" amounting YTL2,401,893 accumulated until 31 December 2004 is transferred to "Other Capital Reserves" account. Inflationary correction differences related to other equity items are shown in the respective accounts.



z. Information on purchases of founders' and usufruct shares:

Due to the fact that the existence of 2.538 founders' shares and usufruct shares distributed in accordance with the Bank's Article's of Association, which reserves the right to receive 10% of the distributable profit of the Bank without any right to vote, conflicts with contemporary corporate governance, and generates pressure on the shares of the Bank; it was resolved in the Shareholders' Extraordinary Meeting, and Founders' and Usufruct Shareholders' Committee which convened on 23 June 2005, to sell the shares to the Bank at a price of YTL403.248 per share (in full YTL amount). The total payment in the amount of YTL1.023.443 to the founder's and usufruct shares were allotted from the extraordinary reserves. As of the preparation date of the financial statements dated 31 December 2005, the founders' and usufruct shareholders sold a substantial part of the related shares in the amount of YTL1.018.201; the remaining YTL5.242 has been booked under other liabilities to be paid on demand of the founders' and usufruct share holders.

aa. Dividend distribution

In the Ordinary General Assembly Meeting held on 25 March 2005, it was resolved to distribute YTL1.020.528 net profit for 2004 as; YTL464.812 to the Bank shareholders, founders' and usufruct shares as cash dividend, and the remaining YTL555.716 to be set apart as Legal and Extraordinary reserves.

Distribution of profit for the period 1 January-31 December 2005 will be resolved at the Ordinary General Assembly Meeting of the Bank. The Bank's Board of Directors' decision about the distribution of profit for the year ended 2005 has been explained in Note XI, Section 5.

III. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

1. Information on interest income received from associates and subsidiaries:

	Current Period 31 December 2005	Prior Period 31 December 2004
Interest received from associates and subsidiaries	-	30
2. Information on financial leasing income:		
	Current Period	Prior Period
	31 December 2005	31 December 2004
Financial leasing income	23,799	-

3. Interest received from reverse repurchase agreement transactions:

	Current	Period	Prior Per	iod
	31 December 2005		31 December 2004	
	YTL	FC	YTL	FC
Interests received from reverse repurchase				
agreement transaction	13,735	-	23,002	-

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005

(Amounts expressed in thousands of New Turkish lira ("YTL"))

b. Information on interest expense:

1. Information on interest expense given to associates and subsidiaries:

	Current Period	Prior Period	
	31 December 2005	31 December 2004	
Interest paid to associates and subsidiaries	118	936	

2. Information on financial leasing expense:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Financial leasing expenses	-	611

3. Maturity structure of the interest expense on deposits:

			Time	Deposit			
	Demand	Up to 1	Up to 3	Up to 6	Up to	More than	
Account Name	Deposits	Month	Months	Months	1 Year	1 Year	Total
YTL							
Bank deposits	2,045	27,246	15,117	23,518	404	48	68,378
Saving deposits	1,575	142,391	678,788	366,190	23,329	25,548	1,237,821
Public sector deposits	1,289	9	21	3	-	-	1,322
Commercial deposit	835	45,414	230,445	77,087	1,344	1,541	356,666
Other deposits	111	13,229	41,257	18,987	14,039	21,820	109,443
Deposits with 7 days notific	ation -	-	-	-	-	-	-
Gold vault	-	-	-	-	-	-	-
Total	5,855	228,289	965,628	485,785	39,116	48,957	1,773,630
FC							
Foreign currency deposits	1,272	40,563	158,875	54,116	26,752	29,038	310,616
Bank deposits	3,092	18,453	17,908	7,186	-	-	46,639
Deposits with 7 days notific	ation -	-	-	-	-	-	-
Gold vault	-	-	-	-	-	-	-
Total	4,364	59,016	176,783	61,302	26,752	29,038	357,255
Total	10,219	287,305	1,142,411	547,087	65,868	77,995	2,130,885

4. Interest given to repurchase agreement transactions:

	Current Period 31 December 2005		Prior	Prior Period		
			31 December 2004			
	YTL	FC	YTL	FC		
Interests given to repurchase agreement transactions	389,636	9,005	182,050	3,502		

5. Information on interest given for the factoring transactions: None.

c. Information related with other operating income:

There are no extraordinary items included in the other operating income.

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d. Provision expense related to loans and other receivables of the Group:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Specific provisions for loans and other receivables	299,879	167,142
Group III. loans and receivables	290,688	161,592
Group IV. loans and receivables	5,235	4,145
Group V. loans and receivables	3,956	1,405
General provision expenses	47,868	25,396
Possible risks provision expenses	-	-
Foreign exchange losses from foreign currency indexed loans	-	-
Marketable securities impairment expense	-	-
Trading securities	-	-
Available-for-sale securities	-	-
Impairment provision expense	-	-
Investments	-	-
Associates	-	-
Joint ventures	-	-
Held-to-maturity securities	-	-
Other	956	-
Total	348,703	192,538

e. Information related to other operating expenses:

1. Information related with other operating expenses:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Personnel expenses	462,489	360,608
Reserve for employee termination benefits	2,623	2,559
Provision for Group's pension fund asset deficits	-	-
Fixed asset depreciation expenses	89,163	78,361
Intangible assets depreciation expenses	9,509	7,489
Other operating expenses	628,114	516,963
Repair and maintenance expenses	86,316	59,433
Advertisement expenses	110,081	94,834
Other expenses	431,717	362,696
Loss on sales of assets	-	-
Operational leasing expenses	28,621	26,565
Other	184,676	181,763
Total	1,405,195	1,174,308

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

Of the YTL184,676 (31 December 2004: YTL181,763) "Other operating expenses" seen in the above table, approximately YTL19,300 (31 December 2004: YTL17,000) is the foreign currency exchange loss of "Foreign currency indexed securities" booked under "Other operating expenses", in accordance with the Uniform Chart of Accounts. That is, the foreign exchange gains from the foreign currency indexed securities are recorded to the "Other operating income" account instead of the "Foreign exchange gains" account. However, in a case where the year-end foreign exchange rates are below the rates at the beginning of the year, foreign exchange losses from securities are deducted from the foreign exchange gains accounted to the "Other operating income" during the year, and then the remainder is accounted as "Other operating expense." Thus, approximately YTL19,300, (31 December 2004: YTL17,000), essentially a foreign exchange loss, has been booked as "Other operating expense". Had this loss been booked in "Foreign exchange gains/losses" account, the Group's "Total operating expenses" would be YTL1,385,895 (31 December 2004: YTL1,157,308), and "Net foreign exchange gains" would be YTL28,577 (31 December 2004: YTL8,366).

2. Information on the nature and amount of extraordinary expenses: None.

3. Information on goodwill:

3(i). Information on depreciation of goodwill: The Bank has neither goodwill nor depreciation of goodwill in the financial statements.

3(ii). Information on negative goodwill:

The negative goodwill of YTL14,194 arisen during the acquisition and merger via take-over of Ak Uluslararası Bankası A.Ş. as at 19 September 2005 is presented under "Other operating income".

f. The profit and loss from consolidated associates and subsidiaries:

1. The profit and loss from consolidated associates and subsidiaries:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Income and loss from consolidated subsidiaries (+/-)	-	968
Income and loss from consolidated associates (+/-)	-	16,194

2. The Group's share in profit or loss from subsidiaries and associates that are accounted for using the equity method of accounting:

Presented under "Income from associates and subsidiaries" account in the consolidated income statement.

3. The information on income and expense related with transactions made with real or legal persons within the same risk group of the Group:

Related information is disclosed in Note VIII. "Information and disclosures related to the Group's risk group".

4. Information on profit/loss from subsidiaries and associates out of consolidation: None.



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g. Profit/loss of minority interest:

	Current Period 31 December 2005	Prior Period 31 December 2004
Profit/loss of minority interest:	(6,006)	(12)

h. Information on tax provision

1. Effective from 1 January 2004, the use of inflation accounting principles in the calculation of the corporate tax base is stipulated by Law 5024 published on 30 December 2003 in the Official Gazette No.25332. In accordance with the law, if the cumulative price increase in the Wholesale Price Index (WPI) is higher than 100% for the last 36 months and higher than 10% for the last 12 months, inflation accounting principles must be taken into consideration in the calculation of tax base. At 31 December 2004, since the conditions for the application of inflation accounting were realized, the Group has calculated and accounted its tax provision in accordance with the inflation accounting principles.

Since the criteria of the "Tax Law" decree number 18 published as of 19 April 2005 and law number 5024 have disappeared, the inflationary correction application has been terminated as of 1 January 2005.

2. Information on calculated current tax income or expense and deferred tax income or expense:

As at 31 December 2005, the Group has current tax expense of YTL661,273 and deferred tax income of YTL7,425.

3. Information on deferred tax income or expense arising from the temporary differences occurred or closed:

The amount of deferred tax income and expense arising from the temporary differences occurred amount to YTL4,698 and YTL2,771 respectively. The amount of deferred tax income and expense arising from the temporary differences closed amount to YTL9,347 and YTL3,849, respectively.

4. Information on reflection of temporary difference, financial loss, diminution of tax and exceptions on income statement: None.

i. Information on any change in the accounting estimates concerning the current period or consequent periods: None.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005

(Amounts expressed in thousands of New Turkish lira ("YTL"))

IV. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

a. Information on contingent liabilities:

1. Contingent liabilities related to joint ventures:

None.

2. The accounting of contingent liabilities and assets is as follows:

For the contingent assets: the asset is recorded in the financial statements if the probability of occurrence for the condition is near certain; the asset is explained in the notes if the probability of occurrence is high. For the contingent liabilities: if the probability of occurrence for the contingent liability is high and can be reliably measured, a provision is calculated and reflected in the financial statements. If the probability cannot be reliably measured, the commitment is explained in the notes. If the management does not expect any material loss as a result of these transactions or if the expected loss is very small, it is also explained in the notes. Accordingly, the Group has identified certain legal proceedings outstanding against the Group as contingent liabilities and as at 31 December 2005 has booked a provision in the amount of YTL7,867 (31 December 2004: YTL6,296).

b. Information on derivatives:

	Current Period 31 December 2005	Prior Period 31 December 2004	
Transactions for trading purposes			
Foreign Currency Related Derivatives (I)	7,590,119	5,197,598	
FC Forward Transactions	2,688,515	172,697	
FC Swap Transactions	4,090,231	5,024,901	
FC Futures Transactions	-	-	
FC Option Transactions	811,373	-	
Interest Related Derivatives (II)	1,987,370	126,236	
Forward Interest Rate Agreements	-	-	
Interest Rate Swaps	1,987,370	126,236	
Interest Rate Options	-	-	
Interest Rate Futures	-	-	
Other Trading Derivative Transactions (III)	150,598	77,837	
A.Total Trading Derivative Transactions (I+II+III)	9,728,087	5,401,671	
Types of Hedging Transactions			
Fair Value Hedges	-	-	
Cash Flow Hedges	-	-	
Foreign Currency Investment Hedges	-	-	
B. Total Hedging Related Derivatives	-	-	
Total Derivative Transactions (A+B)	9,728,087	5,401,671	

As it is disclosed in Note IV-Section Three, certain derivative transactions while providing effective economic hedges under the Group's risk management position, do not qualify for hedge accounting under the specific rules in AAR and are therefore treated as derivatives held for trading.



The Group's most heavily used derivative financial instruments are foreign currency swap transactions. To hedge the foreign currency exposures and to monitor the foreign currency cash flows, the management uses currency swaps.

Information related to forward rate agreements and option transactions: To hedge its risks the Group enters into futures and option agreements. Related information to these transactions has been given in the table above.

c. Information related to off-balance sheet commitments:

1. Type and amount of irrevocable commitments: YTL18,567 asset purchase commitments (31 December 2004: YTL47,701), YTL4,798,983 commitments for credit card limits (31 December 2004: YTL6,833,068) and YTL1,390,545 commitments for cheques (31 December 2004: 1,096,148).

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

The Group has no probable losses arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in "Consolidated off-balance sheet commitments".

2(i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments:

	Current Period	Prior Period	
	31 December 2005	31 December 2004	
Bank acceptances	49,403	46,893	
Letters of credit	856,911	783,185	
Other commitments and contingencies	49,250	32,615	
Total	955,564	862,693	

2(ii). Revocable, irrevocable guarantees and other similar commitments and contingencies:

	Current Period	Prior Period	
	31 December 2005	31 December 2004	
Revocable letters of guarantee	127,070	60,800	
Irrevocable letters of guarantee	1,981,023	1,650,219	
Letters of guarantee given in advance	230,978	125,262	
Guarantees given to customs	181,996	172,062	
Other letters of guarantee	55,849	75,234	
Total	2,576,916	2,083,577	

d. Concentration of off-balance sheet commitments:

Sectoral risk concentration is shown under Note h-(1) in this section. As can be seen from the table, in terms of sector risk concentration, manufacturing and services sub-categories have higher shares than others. This distribution is similar to the share of manufacturing and commercial activities in the national economy. Companies that carry the mentioned risks are the leaders of their sectors in terms of market share, financial structure and business volume. Other than these, there is not a significant risk concentration in the non-cash loans.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

e. Total amount of non-cash loans:

1. Total amount of non-cash loans:

	Current Period	Prior Period	
	31 December 2005	31 December 2004	
Guarantees given against cash loans	81,546	85,244	
With maturity of 1 year or less than 1 year	67,301	62,007	
With maturity of more than 1 year	14,245	23,237	
Other non-cash loans	3,450,934	2,861,026	
Total	3,532,480	2,946,270	

2. Pledges, mortgages and other restrictions, if any, on property and equipment; expenditure on property and equipment during construction, commitments for the purchase of property and equipment:

There are no pledges, mortgages and other restrictions on property and equipment and there are no commitments for the purchase of property and equipment.

f. Information related to services delivered in the name and on account of others:

Custodian service of the Group is not a main operational area.

g. Brief information on ratings carried out by international rating firms:

At 8 December 2005, Fitch Ratings upgraded Akbank's Long-term National Rating from AA- to AA. At the same date, Fitch Ratings announced the general view for Long-term Foreign Currency and Long-term Turkish Lira ratings as positive and stated that Akbank received a rating that is two points higher than the National Rating.

At 20 December 2005, Moody's upgraded Akbank's Long-term Foreign Currency Deposit Rating from B2 to B1, and Turkish Lira Long-term Deposit Rating from Baa2 to A3.

Recent ratings are as follows:

FITCHRATINGS

	Rating	Outlook
Foreign Currency Ratings		
Long-term	BB-	Positive
Short-term	В	
Turkish Lira Ratings		
Long-term	BB+	Positive
Short-term	В	
National Rating		
Long-term	AA (type)	Stable
Individual Rating	С	
Support Rating	4	



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MOODY'S

	Rating	Outlook
Financial Strength Rating	D+	Positive
Long-term Foreign Currency Deposit Rating	B1	Stable
Long-term Domestic Currency Deposit Rating	A3	Stable
Short-term Domestic Currency Deposit Rating	Prime-2	Stable

h. Sectoral risk concentrations of non-cash loans:

1. Sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2005			Prior Period 31 December 2004				
	YTL	(%)	FC	(%)	YTL	(%)	FC	(%)
Agricultural	10,917	0.68	2,577	0.14	266	0.02	963	0.05
Farming and raising livestock	2,998	0.19	367	0.02	-	-	-	-
Forestry	7,906	0.49	2,210	0.12	260	0.02	963	0.05
Fishing	13	0.00	-	-	6	-	-	-
Manufacturing	472,274	29.26	1,120,283	58.40	383,165	34.26	1,288,444	70.49
Mining	12,537	0.78	3.189	0.17	588	0.05	1,265	0.07
Production	450,065	27.88	1,016,787	53.00	357,916	32.00	717,221	39.24
Electric, gas and water	9,672	0.60	100,307	5.23	24,661	2.21	569,958	31.18
Construction	35,562	2.20	17,252	0.90	837	0.07	4,080	0.22
Services	730,077	45.22	624,617	32.56	297,335	26.58	453,279	24.78
Wholesale and retail trade	638,289	39.53	192,250	10.02	224,242	20.05	101,468	5.55
Hotel, food and beverage services	10,740	0.67	1,297	0.07	468	0.04	48	-
Transportation and telecommunica	ation 29,764	1.84	31,970	1.67	7,689	0.69	196,386	10.74
Financial Institutions	38,349	2.38	396,135	20.64	62,318	5.57	151,773	8.30
Real estate and renting services	205	0.01	27	0.00	250	0.02	771	0.04
Self-employment services	-	-	-	-	381	0.03	1,468	0.08
Education services	5,324	0.33	336	0.02	307	0.03	55	-
Health and social services	7,406	0.46	2,602	0.14	1,680	0.15	1,310	0.07
Other	365,400	22.64	153,521	8.00	436,852	39.07	81,049	4.46
Total	1,614,230	100.00	1,918,250	100.00	1,118,455	100.00	1,827,815	100.00

2. Information on the 1st and 2nd group non-cash loans:

Non-cash loans	1st Group		2nd Group	
	YTL	FC	YTL	FC
Total	1,573,433	1,917,965	40,797	285
Letters of Guarantee	1,561,891	1,003,307	11,433	285
Bank Acceptances	15	49,388	-	-
Letters of Credit	102	856,809	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	11,425	8,461	29,364	-

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

V. INFORMATION AND DISCLOSURES RELATED TO THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

a. Information on adjustments to the prior period arising from the application of the "Accounting for Financial Instruments Standard" in the current period:

1. Information on the increase arising from the fair valuation of securities available-for-sale: None.

2. Information on increases in the cash flow hedges: None.

3. For foreign currency differences, reconciliation between beginning and ending amount: None.

4. Others: None.

b. Information on adjustments arising from the application of the "Accounting for Financial Instruments Standard" in the current period:

1. Information on investment securities available-for-sale:

Net income arising from the fair valuation of investment securities available-for-sale and included in the "Marketable securities value increase fund" under the equity is YTL247.321 (31 December 2004: YTL74.519).

2. Information on cash flow hedges: None.

c. Information about dividends:

1. Amount of dividends declared after the balance sheet date but before the issue of the financial statements: None.

2. Net dividend per share declared after the balance sheet date: The distribution of profit is decided by the Bank's General Assembly of Shareholders which has not been held yet as of the issue date of these financial statements. In 2003, the Bank has established and announced a dividend policy. In accordance with this policy the Bank will distribute a minimum of 30% and a maximum of 50% of the distributable profit to its shareholders identified in the Articles of Association provided that there is no deterioration in national and global economic environment and that the capital adequacy ratio of the Bank meets or exceeds the targeted level.

d. Amounts transferred to legal reserves:

As it has been resolved in the Ordinary General Assembly Meeting held on 25 March 2005, YTL94.338 has been allocated to the legal reserves.

e. Information about share issues:

In 2005, YTL300.005 has been transferred to the nominal paid-in capital from the equity reserves.

f. Information on privileges to shareholders in terms of profit distribution and liquidation: None.

g. Information about other capital-increasing items: None.



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VI. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOWS

a. Explanations about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to YTL421.622 (31 December 2004: YTL811.306) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expense, foreign exchange gains/losses, depreciation, provisions and usufruct shares.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to YTL249.138 (31 December 2004: YTL616.469) consists mainly of changes in miscellaneous payables, other liabilities and taxes and other duties payable.

The effect of changes in the foreign currency rates on the cash and cash equivalents is reflected on net foreign exchange gains/losses. The foreign exchange gains/losses amount mentioned above is included in the "Other" line under "Operating profit before changes in operating assets and liabilities".

b. Information about cash flows due to investments in associates, subsidiaries and other investments:

Cash outflow due to purchase of associates, subsidiaries and other investments in the current period is (-) YTL177.580 (31 December 2004: -).

c. Information about disposal of associates, subsidiaries, and other investments:

Cash inflow due to the disposal of associates in the current period is YTL6 [31 December 2004: YTL27.672].

d. Information about cash and cash equivalents:

1. Items included in cash and cash equivalents and the accounting policy used to determine these items:

Cash, cash-in transit, cheques from other banks and foreign currency and demand deposits in the banks including the Central Bank of Turkey are described as "Cash". Interbank money market placements and time deposits in the banks with original maturity of less than three months are described as "Cash equivalents".

2. The effect of any change in the accounting policy: None.

3. Reconciliation between the totals of cash and cash equivalents in the balance sheet and in the cash flow table given below:

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(Amounts expressed in thousands of New Turkish lira ("YTL"))

3(i). Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Cash	385,757	458,838
Cash, foreign currency and other	274,523	240,509
Demand deposits in banks	111,234	218,329
Cash equivalents	1,727,935	1,294,428
Interbank money market placements	509,739	451,769
Time deposits in banks	1,218,196	842,659
Total cash and cash equivalents	2,113,692	1,753,266

The total value reached as a result of transactions in the prior period is the total value of cash and cash equivalents for the beginning of the current period.

3(ii). Cash and cash equivalents at the end of period:

	Current Period	Prior Period
	31 December 2005	31 December 2004
Cash	1,079,724	385,757
Cash, foreign currency and other	403,702	274,523
Demand deposits in banks	676,022	111,234
Cash equivalents	2,734,236	1,727,935
Interbank money market placements	491,771	509,739
Time deposits in banks	2,242,465	1,218,196
Total cash and cash equivalents	3,813,960	2,113,692

e. Information on cash and cash equivalent assets of the Group or Group's consolidated investments that are not available for free use due to legal restrictions or other reasons:

Related with the securitisation loans obtained from abroad, demand and time deposits up to three months amounting to YTL15,586 are not available for free use (31 December 2004: YTL41,821).



VII. INFORMATION AND DISCLOSURES RELATED TO ACCOUNTING FOR BANK MERGER, TRANSFERS AND ACQUISITIONS

As at 9 March 2005, the Bank has acquired 60% of shares of its subsidiary Ak Uluslararası Bankası A.Ş. (formerly named BNP-AK-DRESDNER BANK A.Ş.) which previously belonged to foreign shareholders and it has been decided to merge with Ak Uluslararası Bankası A.Ş. via a takeover. As at 19 September 2005, following the receipt of the required permissions, the commercial registration of Ak Uluslararası Bank A.Ş. ceased and all of its assets and commitments were taken over by the Bank. The acquisition process was accounted in accordance with the "Regulation on Mergers and Acquisition of Banks Accounting Standard" in Accounting Application Regulation ("AAR 6").

During the merger via takeover of Ak Uluslararası Bankası A.Ş. with the Bank, 100 share certificates held by shareholders outside the Bank with a face value of TL1.000 each, were replaced by 11,25 Akbank shares with a face value of YKr1 each. For this transaction, the Bank's paid-in capital has been increased by YTL5, all provided by the profit reserves. At 19 September 2005, the merger date of Ak Uluslararası Bankası A.Ş. with the Bank, Ak Uluslararası Bankası A.Ş.'s total assets amount to YTL227,375, shareholder's equity amounts to YTL127,670 and its net profit amounts to YTL10,342.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

VIII. INFORMATION AND DISCLOSURES RELATED TO GROUP'S RISK GROUP

a. Information on the volume of transaction relating to the Group's risk group, incomplete loan and deposit transactions and income and loss of the period:

1. Current Period - 31 December 2005

	Associates and subsidiaries		Direct and indirect shareholders of the Bank		Other items that have been included in the risk group	
Group's Risk Group (*)	Cash loans	Non-cash	Cash loans	Non-cash	Cash loans	Non-cash
Loans and other receivables						
Balance at the beginning of the period	5,415	285	386,505	404,561	54,540	2,666
Balance at the end of the period	-	-	776,703	374,629	39,354	7,274
Interest and commission income received	-	-	42,899	1,157	1,498	11

(*) Defined in the 20th article of the "Regulation on the Establishment and Operations of Banks".

The counterparty basis breakdown of cash loans granted to related parties is presented in the table below. As can be observed from the table, a significant portion of the related party loans are granted to joint ventures with foreign partners. Companies with foreign partners and shares in foreign partnerships are also disclosed in the table.

			Major foreign	% of foreign
	Loan amount	Loan amount	partner,	ownership,
Related Party Name	31 December 2005 3	31 December 2004	if any	if any
Carrefour Sabancı Tic. Merkezi A.Ş.	2,880	6,028	Carrefour	60
Gross	139,476	159,252		
Less: Blocked deposit collateralised	(136,596)	(153,224)		
Advansa BV	158,628	111,046	-	-
Çimsa Çimento San. A.Ş.	110,000	245	Heidelberg Cement	4
Gıdasa Sabancı Gıda San. ve Tic. A.Ş.	98,991	53,372	-	-
Gima Türk A.Ş.	73,500	-	Carrefour	39
Advansa Sasa Polyester San. A.Ş.	65,017	1,313	-	-
Temsa Termo Mekanik San. ve Tic. A.Ş.	61,628	29,650	-	-
Kordsa International	40,569	21,689	-	-
Yünsa Yünlü San. ve Tic. A.Ş.	39,274	30,347	-	-
Universal Trading Ltd.	32,663	9,345	-	-
Sabancı Industrial Nylon Yarn and Tire Cord Fabric	B.V. 26,125	-	-	-
Bossa Tic. ve San. İşletmeleri T.A.Ş.	16,575	1,095	-	-
Kordsa USA	13,750	6,849	-	-
Exsa UK	13,905	-	-	-
Sabancı Telekomünikasyon Hizmetleri A.Ş.	9,491	4,176	-	-
Interkordsa Gmbh	7,378	6,835	-	-
Philip Morris Sabancı Paz. ve Satış A.Ş.	6,220	44,135	Philip Morris	75
Toyotasa Toyota Sabancı Paz. ve Satış A.Ş.	5,911	29,857	Toyota Motor, Mitsui Co.	35
Akçansa Çimento San. ve Tic. A.Ş.	4,111	489	Heidelberg Cement	40
Olmuksa International Paper - Sabancı Ambalaj Sar	n. ve Tic. A.Ş. 3,274	4,464	International Paper	44
Endi Tüketim Malları Tic. San. A.Ş.	1,500	-	Carrefour	46
Teknosa İç ve Dış Tic. A.Ş.	-	31,865	-	-
Other	24,667	53,660	-	
Total	816,057	446,460		



2. Prior Period -31 December 2004:

	Associates and subsidiaries		Direct and indirect shareholders of the Bank		Other items that have been included in the risk group	
Group's Risk Group (*)	Cash loans	Non-cash	Cash loans	Non-cash	Cash loans	Non-cash
Loans and other receivables						
Balance at the beginning of the period	1,409	26,816	275,307	382,900	25,893	13,243
Current period end balance	5,415	285	386,505	404,561	54,540	2,666
Interest and commission income received	30	32	30,642	903	1,571	19

(*) Defined in the 20th article of the "Regulation on the Establishment and Operations of Banks".

3. Information on deposits belonging to the Group's risk group:

					Other item	s that have	
	Associates and		Direct an	d indirect	been included in the		
	subsid	liaries	shareholder	s of the Bank	risk groupDeposit		
(Current period	Prior period	Current period	Prior period	Current period	Prior period	
	31 December	31 December	31 December	31 December	31 December	31 December	
Group's Risk Group (*)	2005	2004	2005	2004	2005	2004	
Beginning of the period	7,979	89,034	321,558	465,934	80,560	81,502	
Balance at the end of the pe	eriod 7,825	7,979	1,033,951	321,558	100,250	80,560	
Interest on deposits	118	936	63,632	29,212	12,693	10,556	

(*) Defined in the 20th article of the "Regulation on the Establishment and Operations of Banks".

4. Information on forward and option agreements and other similar agreements made with the Group's risk group:

	Associates and subsidiaries		Direct and indirect shareholders of the Bank		Other items that have been included in the risk group	
	Current period 31 December	Prior period 31 December	Current period 31 December		Current period 31 December	Prior period 31 December
Group's Risk Group (*)	2005	2004	2005	2004	2005	2004
Transactions for trading purposes (*	**)					
Beginning of the period	319,657	976,530	42,987	3,408	-	-
Balance at the end of the period	-	319,657	113,093	42,987	-	-
Total income/loss	-	1,490	(142)	227	-	-
Transactions for hedging purposes	[**]					
Beginning of the period	-	-	-	-	-	-
Balance at the end of the period	-	-	-	-	-	-
Total income/loss	-	-	-	-	-	-

(*) Defined in the 20th article of the "Regulation on the Establishment and Operations of Banks".

(**) The Bank classifies its derivative instruments as "hedging" or "trading" in accordance with Communiqué 1 on the Accounting Application Regulation "Accounting of Financial Instruments" ("AAR"). All derivative financial instruments are classified as held-for-trading. Even though certain derivative transactions, while providing effective economic hedges under the Bank's risk management position, do not qualify for hedge accounting under the specific rules in AAR 1, and are therefore treated as derivatives held-for-trading.

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Figures presented in the table above show the sum of "sale" and "purchase" amounts of the related transactions. Each forward and swap contract and spot transaction represents a simultaneous receivable and payable to be received and paid, at a future date, in respective currencies. Accordingly, the difference between the "sale" and "purchase" transactions represents the net exposure of the Bank with respect to commitments arising from these transactions. As of 31 December 2005, net amounts of transactions with associates and subsidiaries are YTL- (31 December 2004: YTL16,755), and for direct and indirect associates are YTL774 (31 December 2004: YTL356).

b. With respect to the Group's risk group:

1. The relations with entities that are included in the Group's risk group and controlled by the Group irrespective of the relationship between the parties:

The relationship of the Group with the entities that are included in the Group's risk group covers all banking activities that are consistent with the Banking Act, within the terms of bank-customer relationship and the market conditions.

2. The type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues:

Loans and deposits amounts are the most important items among these transactions. Pricing and other conditions are performed according to the market ratios and conditions. The ratio of related party loans to total loans is 4% (31 December 2004: 3%); the ratio of related party deposits to total deposits is 4% (31 December 2004: 2%). Transactions with related parties are not significant within the income statement items. The ratio of non-cash loans granted to related parties to total derivative transactions with related parties to total derivative transactions is 11% (31 December 2004: 14%). The ratio of derivative transactions with related parties to total derivative transactions is 1% (31 December 2004: 7%).

3. Transactions accounted in accordance with the equity method: None.

4. Information on purchase/sale of property plant and equipment and other assets, purchase/sale of services, contracts with agents, financial lease agreements, transfer of data obtained through research and development activities, license agreements, financial loans (cash in kind and capital in kind aid included), commitments and contingencies and management agreements:

Insurance products by Aksigorta A.Ş. and Ak Emeklilik A.Ş. are offered at the branch offices of the Parent Bank which act as agencies for these firms.

The cash and non-cash loans to the related party's are granted in accordance with the limits designated by the Banking Act and the current market interest rates and conditions.



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IX. INFORMATION RELATED TO INFLATION ACCOUNTING

As explained in Section Three Footnote I-b on 28 April 2005, the BRSA announced that the inflation accounting application in the banking sector has been terminated based on the decree numbered 1623 and dated 21 April 2005. It has been stated that the indicators in the economy, including the inflation rate which obligated the preparation of financial statements according to inflation accounting, had disappeared and that the application of the inflation accounting effective from 1 January 2005 was to be terminated. According to AAR 14, in case of the discontinuation of inflation accounting, the opening balances of the current period's financial statements will be the year-end figures adjusted at the end of the inflationary period. In the preparation of the Group's financial statements, inflation accounting has been applied until the end of 31 December 2004 and starting from 1 January 2005 it has been discontinued. In these financial statements, corresponding figures expressed for previous periods are restated in terms of the purchasing power of YTL at 31 December 2004.

The principles included in AAR 14 explanations about the inflation accounting applied until 31 December 2004 are stated below:

a. Financial statements have been restated to eliminate the effect on the financial statements of the changes in the purchasing power parity of the New Turkish lira at the balance sheet date.

b. These inflation-adjusted financial statements have been prepared based on statutory financial statements.

c. The below conversion factors and wholesale price indices announced monthly on the same basis by the State Institute of Statistics have been used to restate the financial statements as at 31 December 2004:

Date	Price Index	Conversion Factor
31 December 2004	8,403.800	1.0000
31 December 2003	7,382.100	1.1384
31 December 2002	6,478.800	1.2971

d. Monetary assets and liabilities, which are carried at amounts current at the balance sheet date, are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date. Non-monetary assets and liabilities which are valued at current value i.e. foreign currency denominated asset and liability accounts and whose yields or capital are indexed to inflation or foreign currency are not restated in accordance with the related regulation and accounted like monetary items, when calculating monetary gain and loss.

Non-monetary assets and liabilities which are not carried at amounts current at the balance sheet date and components of shareholders' equity are restated by applying the relevant conversion factors. In the restatement, these items are restated on the basis of their initial recognition date in the balance sheet.

- During the restatement of assets which are subject to depreciation, the effects of revaluation on these assets and respective accumulated depreciation, which have been recorded in accordance with the related regulation, are eliminated. In the restatement of assets subject to depreciation, revaluation values calculated in accordance with the related regulation are eliminated.
- In the restatement of shareholders' equity, transfers from the revaluation fund and other similar funds to share capital are eliminated since they are not recognised as capital injections from shareholders. Transfers of amounts which do not occur as a result of revaluation such as reserves, unappropriated profit, share premiums, income from the sale of investments and real estate are deemed to be cash contributions and are restated. As a result of the restatement, any increase in the paid-in-capital with respect to the historical amount of paid-in capital is disclosed as "capital reserves due to the inflation adjustment of paid-in capital" under equity in the financial statements.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

- All items in the statement of income are restated by applying the monthly conversion factors. Since the wholesale price indices reflect monthly price changes, the same monthly conversion factors are used for all the transactions realised within a month.
- The effects of inflation on the Group's net monetary position are included in the statement of income as "gain or loss on net monetary position".
- All Turkish lira denominated investments, associates, subsidiaries and share certificates included in the available-forsale portfolio are adjusted after the deduction of the increases in the value of these investments due to the increases in their capital from the revaluation fund and other funds as well as capitalised financial expenses, if any.

Foreign currency denominated investments, associates, subsidiaries and share certificates included in the available-for-sale portfolio are valued at foreign currency acquisition costs restated in terms of the evaluation rates at the balance sheet date.

If the inflation-adjusted value is higher than the net realisable value and if impairment is permanent the values of related investments, associates, subsidiaries and share certificates included in the available-for-sale portfolio, are reduced to the net realisable or fair value.

e. In the restatement of assets subject to depreciation, revaluation values calculated in accordance with the related regulation are eliminated. Depreciation is calculated over the restated amounts of property and equipment using the straight-line method to write-off the restated cost of each asset to its residual value over its estimated useful life. Information on the useful lives of the assets are disclosed in the related notes. According to the importance principle, for the necessary assets, expertise values have been declared by independent valuation firms.

f. Registered values of reserves and paid-in capital (inflation-unadjusted balances) under the Turkish Commercial Code and the Articles of Association of the Parent Bank are as follows:

	31 December 2005	31 December 2004
Paid-in capital	1,800,005	1,500,000
Legal reserves	255,315	160,977
General reserves	207,009	913,760

g. The consolidated financial statements of the Bank as of 31 December 2004 have been audited by Başaran Nas Serbest Muhasebeci ve Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers). In the auditor's report, it is stated that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank and the result of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by the regulations in conformity with article 13 of the Banking Act.

h. Income and expenses accrued for the period; a statement to confirm the existence of objective measures that income and expenses are not seasonal and evenly distributed.

Income and expenses accrued during the period and income and expenses made during the period are not seasonal and evenly distributed. Although this situation permits the usage of "average indices" for the restatement of income statement items, "monthly" income and expense balances were obtained and these balances excluding "tax provision" were restated separately with the relevant month's indices, in order to perform more precise calculations and to ensure the fair presentation of the financial statements.



X. INFORMATION AND DISCLOSURES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK

	Number	Number of Employees			
Domestic branch	658	11,137			
			Country of Incorp	oration	
Foreign representatives	-	-	1-		
			2-		
			3-		
					Statutory
				Total Assets	Share Capital
Foreign branch	1	41	1- Germany	1,567,332	325,360
			2-		
			3-		
Off-shore banking region branche	s 1	8	1- Malta	7,740,522	-
			2-		
			3-		

In the Board of Directors meeting held on 16 November 2005, in accordance with the restructuring plan of the Bank's organisation abroad, it was decided to transfer the Frankfurt Branch after it's conversion to an AG status entity, to Akbank N.V., a 100% subsidiary of the Bank.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005 (Amounts expressed in thousands of New Turkish lira ("YTL"))

XI. INFORMATION AND DISCLOSURES RELATED TO SUBSEQUENT EVENTS

a. Subsequent events and non-finalised transactions and their effect on the consolidated financial statements:

In the Board of Directors meeting of the Bank held on 10 February 2006, it was resolved to propose to the "Ordinary General Assembly" the distribution of YTL540,001 to the Bank's shareholders, and YTL450 to the Chief Executive Officer and Board Members as gross cash dividends, appropriation of YTL121,965 to the legal reserves and the remaining balance as extraordinary reserves from the distributable unconsolidated net profit amounting to YTL1,438,294 for the year ended 31 December 2005.

b. Information about significant changes in the foreign exchange rates after the balance sheet date and their effects on foreign currency transactions, financial statements and foreign operations of the Group:

As disclosed in Section Four Note V, the foreign currency exposure of the Group is very low, thus the effect of any change in the foreign exchange rates will not be significant.

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SECTION SIX OTHER EXPLANATIONS AND FOOTNOTES

I. EXPLANATIONS ADDED FOR CONVENIENCE TRANSLATION INTO ENGLISH

The effects of differences between accounting principles and standards set out by regulations in conformity with article 37 and temporary article 1 of the Banking Act No. 5411, accounting principles generally accepted in countries in which these consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in the financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

II. OTHER EXPLANATIONS RELATED TO GROUP'S OPERATIONS

None.

SECTION SEVEN EXPLANATIONS ON INDEPENDENT AUDIT REPORT

I. EXPLANATIONS ON INDEPENDENT AUDIT REPORT

The consolidated financial statements as at and for the period ended 31 December 2005 have been audited by Başaran Nas Serbest Muhasebeci ve Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers). In the auditor's report dated 10 February 2006, it has been stated that the consolidated financial statements present fairly, in all material respects, the financial position of the Bank at 31 December 2005 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by the regulations in conformity with article 37 and temporary article 1 of the Banking Act No. 5411.

II. EXPLANATIONS AND FOOTNOTES PREPARED BY INDEPENDENT AUDITORS

None.



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