

# “Annual Report 2010”

**AKBANK**



### **For a future we have borrowed from our children.**

The 1987 United Nations World Commission on Environment and Development report, headed by the former Norwegian Prime Minister Gro Harlem Brundtland, emphasized sustainable development for the first time and defined this concept as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

Global developments have since affirmed the accuracy of the report's vision and the emphasis on sustainable development. The adoption of sustainable development principles that mitigate future risks and enable a more habitable, better future for next generations is imperative. Governments, corporate world and NGOs all have concerted efforts to this common goal.

Creating long-lasting value that nurtures the welfare of future generations as well as respecting the sensitive balance between nature and society is an indispensable part of Akbank's corporate culture.

Focusing on creating sustainable value since its inception, Akbank has pioneered initiatives that enhance all stakeholders' and future generations' quality of life with its operations, business processes and the social responsibility projects it undertakes and supports. With this vision, Akbank participates actively in endeavors for sustainable development on both domestic and international platforms.

Initiatives that represent firsts in their respective areas such as the publishing of the GRI rated sustainability report, the launch of the Carbon Disclosure Project in Turkey and the signing of the Cancun Communique urging governments to cooperate and take actions against climate change are all reflections of Akbank's vision.

Adopting an ancient Greek saying, we continue to plant trees for future generations even if we know we will never sit in their shades.

**For you... For the future...**

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## RESOLUTIONS OF THE ORDINARY GENERAL MEETING

RESOLUTIONS OF THE ORDINARY GENERAL MEETING OF THE BANK HELD ON MARCH 21, 2011 ARE AS FOLLOWS:

### Resolutions of the Ordinary General Meeting

1- Approval of the reports of the Board of Directors, Statutory Auditors and Independent Auditors,

2- Ratification of the Balance Sheet and Profit & Loss Statement and the discharge of liability of the Board of Directors and Auditors from the operations and accounts of 2010,

3- Net profit for 2010 is to be distributed in compliance with the proposal of the Board of Directors, as follows;

In accordance with the 82<sup>nd</sup> article of the Articles of Association of Akbank, the dividend to be distributed from the 2010 net profit of TL 2,856,529,388.49 will be as follows;

- Gross TL 200,000,000, equal to 5% of TL 4,000,000,000 paid-in-capital of the Bank as of 31st December 2010 will be allocated as primary cash dividend and gross TL 370,000,000 will be allocated as secondary cash dividend, therefore a total gross dividend of TL 570,000,000, equal to 14.25% of the paid-in-capital, will be distributed to shareholders.
- In accordance with the articles of association, gross TL 620,438.36 as cash dividend is to be paid to the Chairman and the members of the Board.
- Cash dividend payments are to start from March 23, 2011.
- In accordance with the first paragraph clause (e) and (f) of article 5 of the Corporate Tax Law, TL 44,186,506.27 gains from the sale of fixed assets and subsidiaries which is exempt from corporate tax are to be allocated to Capital Reserves and after allocating TL 179,888,513.26 to Legal Reserves, the remaining profit is to be retained under Extraordinary Reserves.

4- Authorization of the Board of Directors for the issuance and issuance procedures of any types of Bonds, Bank Bonds, Commercial Paper, Asset Backed Securities or other borrowing instruments domestically and abroad up to the highest limit accepted by the Turkish Commercial Code, Banking Code, the Capital Markets Code and other related regulations,

5- Empowerment of the Board of Directors in connection with matters falling within the scope of articles 334 and 335 of the Turkish Commercial Code,

In accordance with the 6<sup>th</sup> item of the Agenda, Shareholders have been informed that TL 504,870.63 has been donated to foundations and other charity organizations in 2010.

## FINANCIAL HIGHLIGHTS (2010)

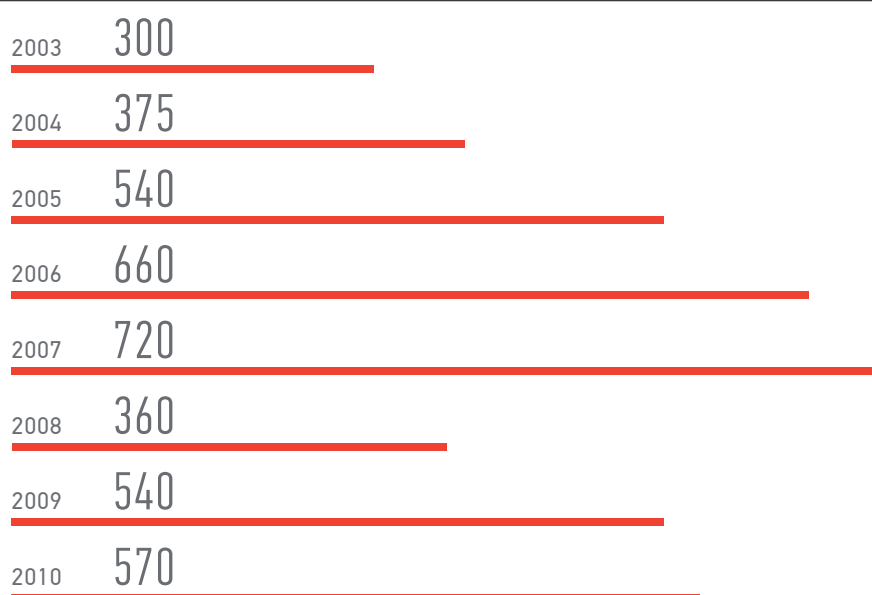
### KEY FINANCIAL FIGURES (TL MILLIONS)

	CONSOLIDATED	UNCONSOLIDATED
TOTAL ASSETS	120,070	113,183
LOANS	57,733	52,896
DEPOSITS	71,708	67,167
SHAREHOLDERS' EQUITY	17,948	17,565
NET PROFIT	3,010	2,857

### KEY FINANCIAL RATIOS (%)

LOANS/TOTAL ASSETS	48.1	46.7
DEPOSITS/TOTAL ASSETS	59.7	59.3
RETURN ON EQUITY (ROE)	18.9	18.3
RETURN ON ASSETS (ROA)	2.7	2.8
NON-PERFORMING LOANS RATIO	2.2	2.4
CAPITAL ADEQUACY RATIO	19.9	20.6
EARNINGS PER SHARE (TL)	0.75	0.71

### DIVIDEND DISTRIBUTION (TL MILLIONS)



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

## AKBANK IN BRIEF AND MILESTONES

THE AKBANK BANKING CENTER, WHICH COMMENCED SERVICE IN 2010, IS THE HIGHEST TRANSACTION CAPACITY OPERATIONS CENTER IN TURKEY. EQUIPPED WITH STATE-OF-THE-ART TECHNOLOGY, THIS COMPLEX WILL MAKE MAJOR CONTRIBUTIONS TO AKBANK'S EFFICIENCY AND PRODUCTIVITY.

Akbank was founded as a local bank in Adana in January 1948. Established originally with the core objective to provide funding to local cotton producers, the Bank opened its first branch in the Sirkeci district of Istanbul on July 14, 1950. In 1954, after relocating its Head Office to Istanbul, the Bank rapidly expanded its branch network and had automated all banking operations by 1963.

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

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

Akbank conducts overseas operations through its subsidiaries in the Netherlands (Akbank N.V.), Germany (Akbank AG) and Dubai (Akbank Dubai Limited) along with a branch in Malta.

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

With a strong and extensive domestic distribution network consisting of 912 branches and more than 15,300 employees, Akbank operates from its Head Office in Istanbul and 20 regional directorates throughout Turkey. In addition to the branches which are the Bank's traditional delivery channels, Akbank also offers banking services to customers through its Retail and Corporate Internet Branches, the Telephone Banking Center, 3,127 ATMs and more than 267,000 POS terminals as well as other high-tech channels.

Citigroup has held a 20% strategic equity stake in Akbank since January 2007. The strategic partnership with Citigroup has contributed to the enhancement of consumer banking activities with joint ATM usage and credit card applications such as Citi Axxess; as well to the creation of joint corporate banking and project finance business opportunities. These activities continue within a strong cooperative framework.

The Akbank Banking Center, which commenced service in 2010, is the highest transaction capacity operations center in Turkey. Equipped with state-of-the-art technology, this complex will make major contributions to Akbank's efficiency and productivity.

With its robust capital base, reliable deposit structure, ability to raise foreign financing on favorable terms and superior asset quality, Akbank maintains its leading position in the Turkish banking sector. As of the end of 2010, Akbank reported a consolidated net profit of TL 3,010 million (approximately US\$ 1,958 million) and total consolidated assets of TL 120,070 million (approximately US\$ 78,089 million). The consolidated capital adequacy ratio of Akbank, standing at 19.9%, is among the highest in the sector.

In 2010, Akbank continued to raise funds from foreign markets at favorable terms, with total resources reaching US\$ 8.0 billion at the end of the year.

Akbank has taken a pioneering position in the sector by launching a US\$ 1 billion Eurobond issuance with a 5 year maturity, in July 2010. Akbank's Eurobond issuance was ranked in the traditional "20/20 All Stars" list of FTSE Global Markets Magazine, which is one of the most reputable international publications. In December 2010, Akbank issued a domestic TL denominated bond of up to TL 1 billion with a maturity of six months which was the first of its kind, issued by a deposit bank in Turkey.

Harvard University Kennedy School of Government (Harvard KSG) has turned the story of Akbank's transformation and growth strategy in the aftermath of the 2001 crisis into a case study. The management, change and growth strategy implemented via Akbank's "New Horizons Restructuring Program" following the Turkish economic crisis of 2001, at a time when Turkish economy and banking industry were struggling to deal with the impact of the crisis, not only positioned Akbank as a bank that managed to grow during years of crisis but also made the Bank a lecture topic and a reference success story on how to manage and grow through a crisis.

28.84% of Akbank's shares are listed on the Istanbul Stock Exchange. The Bank's Level 1 ADRs are traded on the OTC in the United States. Akbank's market capitalization stood at US\$ 22.3 billion as of December 31, 2010, identifying it as the most valuable company on the ISE.

## AWARDS RECEIVED BY AND ACCOMPLISHMENTS OF AKBANK IN 2010

### EUROMONEY

OVERALL BEST PRIVATE BANK OF TURKEY

### GLOBAL FINANCE

BEST BANK IN TURKEY  
BEST TRADE FINANCE PROVIDER IN TURKEY  
BEST FOREIGN EXCHANGE PROVIDER IN TURKEY  
BEST ONLINE DEPOSITS ACQUISITION AWARD

### EMEA FINANCE

BEST BANK IN TURKEY  
EUROPE, MIDDLE EAST AND AFRICA (EMEA) REGION - BEST FINANCIAL INSTITUTION BORROWER  
AKBANK AUGUST 2010 SYNDICATION LOAN: EUROPE, MIDDLE EAST AND AFRICA  
(EMEA) REGION - BEST FINANCIAL INSTITUTION LOAN

### EUROWEEK

AKBANK JULY 2010 EUROBOND ISSUE: EMERGING MARKETS CATEGORY - BEST FINANCIAL INSTITUTION DEAL

### FTSE GLOBAL MARKETS

THE ONLY TURKISH INSTITUTION WITH ITS JULY 2010 EUROBOND ISSUE IN THE MAGAZINE'S "20/20 ALL STARS"  
LIST THAT NAMES THE TOP 20 TRANSACTIONS OF THE YEAR

### FINANCIAL WORLD INNOVATION AWARDS

INNOVATION IN THE DELIVERY OF FINANCIAL PRODUCTS AWARD

### STEVIE AWARDS: DISTINGUISHED HONOREE AWARD IN 5 CATEGORIES

"RUN TO THE RED" ATM CAMPAIGN - BEST BANKING ADS & CAMPAIGNS  
WINGS CARD AD - BEST BANKING ADS & CAMPAIGNS  
AXESS CARD NEW YEAR CAMPAIGN - BEST BANKING ADS & CAMPAIGNS  
29TH INTERNATIONAL ISTANBUL FILM FESTIVAL ANNOUNCEMENT AD - BEST BANKING ADS & CAMPAIGNS  
AKBANK 2009 ANNUAL REPORT - BEST ONLINE/ELECTRONIC ANNUAL REPORT

### IMI TRAINING MANAGEMENT AND ORGANIZATION - 2010 ISTANBUL CALL CENTER AWARDS

BEST CALL CENTER AND BEST CUSTOMER REPRESENTATIVE AWARDS

### TURKEY PUBLIC RELATIONS ASSOCIATION - GOLDEN COMPASS AWARDS

WINGS SANTANA CONCERT - BEST SPONSORSHIP COMMUNICATION AWARD

### TURKISH DIRECT MARKETING ASSOCIATION

IPHONE & IPAD INVESTOR APPLICATION - BEST MARKETING CAMPAIGN

### INTERACTIVE MEDIA AWARDS

AKBANK WEBSITE - BEST DESIGN AWARD

## AKBANK'S RATINGS BY INTERNATIONAL RATING AGENCIES

As a result of meticulously executed effective risk management policies and exceptional performance, Akbank was assigned the highest financial strength ratings and baseline credit assessments that can be assigned within the Turkish banking sector by Moody's as well as the highest national and individual ratings of the sector by Fitch Ratings.

	NATIONAL RATING	FINANCIAL STRENGTH AND INDIVIDUAL RATING	BASELINE CREDIT ASSESSMENT	LONG- TERM TL RATING	SHORT- TERM TL RATING	LONG- TERM FX RATING	SHORT-TERM FX RATING
Moody's	-	C-	Baa1	Baa1	Prime-2	Ba3	Not Prime
Fitch Ratings	AAA(TUR)	C	-	BBB-	F3	BBB-	F3

## **AKBANK'S VISION, MISSION, STRONG FOUNDATIONS AND STRATEGIC GOALS**

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### **VISION**

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

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### **MISSION**

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



## **STRONG FOUNDATIONS**

TURKEY'S MOST VALUABLE COMPANY\*

LONG-TERM STRATEGIC MANAGEMENT WITH SUCCESSFUL IMPLEMENTATIONS

912 BRANCHES ALL OVER TURKEY AND HIGH-TECH DISTRIBUTION CHANNELS

THE INNOVATIVE POWER OF TURKEY WITH COUNTLESS FIRSTS IN THE SECTOR

A STABLE AND EXTENSIVE FUNDING BASE

SUSTAINABLE PROFITABILITY AS WELL AS HIGH RETURN ON EQUITY AND ASSETS

A ROBUST CAPITAL STRUCTURE WITH A CAPITAL ADEQUACY RATIO OF 19.9%

SUPERIOR ASSET QUALITY WITH A LOW NON-PERFORMING LOANS RATIO OF 2.2%

HIGH LEVEL OF EFFICIENCY WITH AN OPERATIONAL COSTS/ ASSETS RATIO OF 2.2%

POTENTIAL OF HIGH LOAN GROWTH THANKS TO LOW LOANS/ DEPOSITS RATIO AND LEVERAGE

HIGHEST INDIVIDUAL AND FINANCIAL STRENGTH RATINGS THAT CAN BE ASSIGNED IN TURKEY

## **STRATEGIC GOALS**

ACHIEVE A LONG-TERM SUSTAINABLE ROE OF AT LEAST 18%,

BE THE LEADING BANK IN TURKEY IN TERMS OF CRITICAL MARKET SHARES

BE THE BEST BANK IN TURKEY IN TERMS OF CUSTOMER EXPERIENCE AND SATISFACTION

BE THE MOST VALUABLE BANK IN TURKEY

\* As of December 31, 2010

## AKBANK IN 2010

### JANUARY

#### Akbank and Sabancı University launch the Carbon Disclosure Project in Turkey

The first step of the Carbon Disclosure Project, acclaimed as the world's most extensive and prestigious environmental project, was launched in Turkey with the support of Akbank and under the management of Sabancı University. The project, supported by Akbank and led by Sabancı University, will issue the carbon tags of the companies listed on the ISE-50 index with stocks traded on the ISE (Istanbul Stock Exchange) and provide data to institutional investors on the relevant carbon tags, to leave a more habitable earth for future generations. Lord Stern, member of the Akbank International Advisory Board and one of the world's most prominent economists, gave a speech emphasizing the significance of the project for Turkey and the world.

### FEBRUARY

#### Eleven of Turkey's leading female artists were featured at the National Museum of Women in the Arts under the sponsorship of Akbank and DEİK

The National Museum of Women in the Arts, located in Washington, D.C., hosted the "A Dream...but not Yours: Contemporary Art from Turkey" exhibition sponsored by Akbank and the Foreign Economic Relations Board (DEİK). Curated by Esra Sargedik Öktem, the exhibit featured the works of 11 leading Turkish female artists: Nevin Aladağ, Selda Asal, Merve Brill, İpek Duben, İnci Eviner, Leyla Gediz, Gülsün Karamustafa, Ceren Oykut, Canan Şenol, Ayça Telgeren and Canan Tolon.

#### Akbank's success becomes a case study at Harvard

Harvard University Kennedy School of Government (Harvard KSG) has turned Akbank's transformation and growth strategy in the aftermath of the 2001 crisis into a case study. Akbank Case Study has been formally published in Harvard KSG's Case Program Catalogue which comprises of case studies that are presented at undergraduate and graduate programs of various universities across the world.

#### Akbank brings together Abu Dhabi-based investment company Invest AD and Turkish companies

Akbank - opened a representative office in Dubai in December 2009 - hosted a series of meetings at its headquarters (Sabancı Center) where a high-level team from Invest AD met executives from over a dozen Turkish companies representing leading Turkish companies from various sectors, including construction, real estate, retail, services, energy and tourism.

#### Euromoney voted Akbank Private Banking "Overall Best Private Bank of Turkey" for the third time

Akbank Private Banking was voted "Overall Best Private Bank of Turkey" for the third time, in Euromoney's annual private banking survey.

### MARCH

#### Former IMF Managing Director and Spain's former Vice President and Economy Minister Rodrigo de Rato y Figaredo joins Akbank's International Advisory Board

Rodrigo de Rato y Figaredo - former Managing Director of the IMF and Spain's former Economy Minister and Vice President who also serves as Chairman of Caja Madrid since January 2010 - joined Akbank's International Advisory Board.

#### Record syndication by Akbank: The highest amount, the highest participation rate, roll-over rate of over 200%

Akbank signed a syndication loan deal that marks the highest cash loan received by a private bank in the world in 2010 as of transaction date. The syndication loan, which included the participation of 55 banks from 21 countries and consists of 2 tranches of € 584.5 million and US\$ 437.5 million, was secured with the total cost of Euribor + 150 bps and Libor + 150 bps, respectively. Through this syndication loan, which attracted the highest number of participating banks in the EMEA region, Akbank achieved a roll-over rate of over 200%.

### APRIL

#### Istanbul Film Festival

Akbank sponsored the Istanbul Film Festival, organized by Istanbul Foundation for Culture and Arts (IKSV), for the sixth year in 2010.

### MAY

#### Akbank and the European Bank of Reconstruction and Development signed a "Sustainable Energy Financing Facility" agreement

Akbank signed a loan agreement worth US\$ 60 million with the European Bank of Reconstruction and Development (EBRD), within the context of "Sustainable Energy Financing Facility (TurSEFF)" - a joint program between the Clean Technology Fund (CTF) of the World Bank and the EBRD. The proceeds of the loan will be used to finance energy efficiency projects and small-scale renewable energy investments by Turkish businesses and households.

#### An extraordinary support from Akbank to extraordinary entrepreneurs

Akbank signed a cooperation agreement with Endeavor, a non-governmental organization with offices in 12 countries. Akbank provides support to the active entrepreneurs chosen by Endeavor with a loan pool of TL 20 million and convenient collateral terms.

#### Akbank Power of Thinking Project reached 4,250 teachers and 141,270 students

Akbank, launched the "Power of Thinking" project in 2008 in order to support educational system of our country and shared the results of the project's first stage at a meeting held in Sakıp Sabancı Museum on May 28, 2010. In the first period of the project initiating its activities with the motto of "Teacher Training Support Program for a Youth That Questions", 4,250 teachers in 8 provinces of Turkey have received training and access to 141,270 students has been maintained.

### JUNE

#### Akbank hosts Chatham House Istanbul Roundtable

The first meeting of the Turkey Project of Chatham House - one of the most prominent global think tanks - was held at Sakıp Sabancı Museum, hosted by Akbank. Held under the theme of "A New Era: Changes in the Global Political and Economic Structure", the Chatham House Istanbul Roundtable addressed current international developments as well as the rising importance of Turkey in the global arena for the stability of the region and international relations.

#### The Euromoney Turkey Finance and Investment Forum was held in Istanbul with Akbank as the main sponsor

The "Turkey Finance and Investment Forum", organised by Euromoney with Akbank's main sponsorship, brought together the most prominent finance leaders, investors and top corporate executives from Turkey and around the world.

#### Akbank launches the first "iPad Branch" in Turkey

Akbank achieved another first in Turkey by launching the Akbank iPad Branch before the official sale of iPads in Turkey. iPad users can perform many financial transactions, ranging from viewing account statements to foreign exchange transactions, at the click of a mouse, through the service centre exclusively designed by Akbank for the iPad.

### JULY

#### Akbank was voted as "Turkey's Best Bank" for the sixth time

Akbank was once again recognised by Global Finance, one of the most reputable finance magazines in the world, as "Turkey's Best Bank" in the "Best Emerging Market Banks - Central and Eastern Europe" survey of the magazine, which covers 22 countries.

#### Two more pioneering iPad applications from Akbank: Investor and Wings Traveler

After launching Turkey's first iPad branch, Akbank rolled out "iPad Investor" and "Wings Traveler" applications designed exclusively for iPad users. The Investor application enables

iPad users to perform banking transactions at the Akbank iPad Branch as well as allowing many investment transactions to be conducted conveniently independent of time or location limitations. With Wings Traveler, users can view the world cities on their screens and access special, detailed information about these cities.

#### **Akbank becomes the first Turkish bank to issue a direct Eurobond following the Turkish Treasury**

Akbank issued a five-year maturity, US\$ 1 billion Eurobond. The issue, marks the first direct issue registered by the Capital Markets Board of Turkey. The issuance also represents the largest issuance in international markets in terms of amount by a Turkish company to date. Rated above Turkey's sovereign credit rating, Ba1 and BBB- by Moody's and Fitch Ratings, respectively, the issuance was three times oversubscribed.

#### **The European Investment Bank (EIB) selects Akbank as the only private Turkish bank of choice for its SME Loan**

Akbank was named the only private Turkish bank of choice by the European Investment Bank (EIB), which provides a € 150 million SME Recovery Support Loan to Turkey.

### **AUGUST**

#### **A first in Europe by Akbank and Visa Europe**

For the first time in Turkey and in Europe, Akbank and Visa Europe launched contactless, device independent mobile payment available to subscribers of all operators. Thanks to this partnership and technology, all customers who own a cell phone with a memory card slot can perform mobile payment transactions at all Visa contactless shopping points around the world by installing an NFC-enabled memory card (microSD) in their cell phones.

#### **Akbank secures a new securitization loan of US\$ 860 million**

As part of its securitization program backed by foreign export receivables, check receivables and foreign exchange-denominated money transfers, Akbank completed a US\$ 860 million financing transaction, US\$ 300 million of which is fresh financing and the remaining part of the facility to be used for refinancing of an existing US\$ 560 million loan. With this deal, Akbank secured the first Diversified Payment Rights (DPR) securitisation funding in the EMEA region since 2009 to transaction date.

#### **Akbank secures € 1 billion syndication loan**

Akbank secured € 1 billion equivalent dual tenor dual currency term loan facility, comprising 2 tranches of € 810.5 million and US\$ 254.7 million. Approximately € 780

million has a one year tenor at Libor + 1.30% - Euribor + 1.30%, and € 220 million is a two year loan at Libor + 1.75% - Euribor + 1.75%.

### **SEPTEMBER**

#### **Akbank's 20<sup>th</sup> Jazz Festival opens with a performance of the Count Basie Orchestra**

The Akbank Jazz festival - one of the longest standing festivals in Turkey, celebrating its 20<sup>th</sup> anniversary this year - opened with a performance by the Count Basie Orchestra, considered as one of the most prestigious and innovative bands in the world of jazz.

#### **Akbank announces the launch of four new international funds in cooperation with Franklin Templeton**

Akbank, who launched the first co-branded mutual fund in 2009 with the opportunity to invest in BRIC countries, announced its plans to launch 4 new international funds in cooperation with Franklin Templeton.

### **OCTOBER**

#### **Suzan Sabancı Dincer joins IIF's (Institute of International Finance) Board of Directors**

Akbank Chairman and Executive Board Member, Suzan Sabancı Dincer joined the board of directors of Institute of International Finance (IIF) - US based institute consisted of leading global financial corporations as members.

#### **Akbank signs a strategic partnership agreement with China Development Bank**

Signed by representatives from Akbank and China Development Bank, the agreement aims to form the basis for long-term strategic cooperation between the two banks. The agreement entails reciprocal opening of Yuan and Turkish lira accounts, affirming support for the use of local currencies in trade between Turkey and China. The deal also serves to mutually support entrepreneurs and businessmen from both countries for financing of infrastructure projects, trade and investments while strengthening business ties between the two countries.

#### **Akbank becomes the first and only Turkish company included in the CDP 2010 Global 500 Report**

Akbank ranked as the first and only Turkish company included in CDP 2010 Global 500 report. The first Turkish company to make a commitment to report its green house gas emissions in compliance with the international standards, Akbank has also become the first and only Turkish company included in the CDP 2010 Global 500 Report. Although taking part in the report for the first time, Akbank received a score of 81 points - a significant grade close to the highest interval.

### **NOVEMBER**

#### **Akbank Call Center recognized as Turkey's best**

Akbank Call Center won awards in two different categories at the 2010 Istanbul Call Center Awards organized by IMI Conferences. In the competition where 22 call centers from different sectors were assessed in 11 categories, Akbank Call Center won awards for "the Best Call Center with over 200 Seats" and "the Best Customer Representative of the Year" categories.

#### **Akbank was named as Turkey's Best FX Bank for the seventh time**

Global Finance named Akbank as "Turkey's Best FX Bank" for the seventh time in its "Best Foreign Exchange Providers 2011" survey, conducted in 86 countries.

### **DECEMBER**

#### **Akbank issues first local currency bond issuance by a deposit bank**

Akbank completed first local currency bond issuance by a deposit bank with its TL 1 billion, 6 month maturity bond issuance. The book-building of the bond took place on December 9-10, 2010. Maturity and yield of the bond were determined as 178 days and 7.28%, respectively.

#### **Akbank signs the Cancun Communiqué as the first Turkish bank**

Corporate Leaders' Group of the Prince of Wales on Climate Change published the Cancun Communiqué ahead of the United Nations Climate Change Conference held in Cancun, Mexico. Akbank became the only Turkish bank to be a signatory to the communiqué that urges governments to global cooperation and to take actions against the Climate Change.

#### **Akbank's Eurobond issue ranks the among top 20 transactions in 2010**

The international prestigious publication FTSE Global Markets magazine has released its traditional "20/20 All Stars" list of institutions and executives with a visionary perspective and high-performance in their fields. Akbank ranked in the list as the only Turkish institution in 2010 with its July Eurobond issue.

#### **Akbank wins Financial World Innovation Award for its "Instant Limit Increase" application**

Akbank was honored with the award in the "Innovation in the Delivery of Financial Products- Banking Services" category at the Financial World Innovation Awards for its "Instant Limit Increase at the Point of Sales" application. Akbank, ranking among the finalists in five categories, was among the institutions with the highest number of nominations.

February 24, 2011  
Istanbul, Turkey

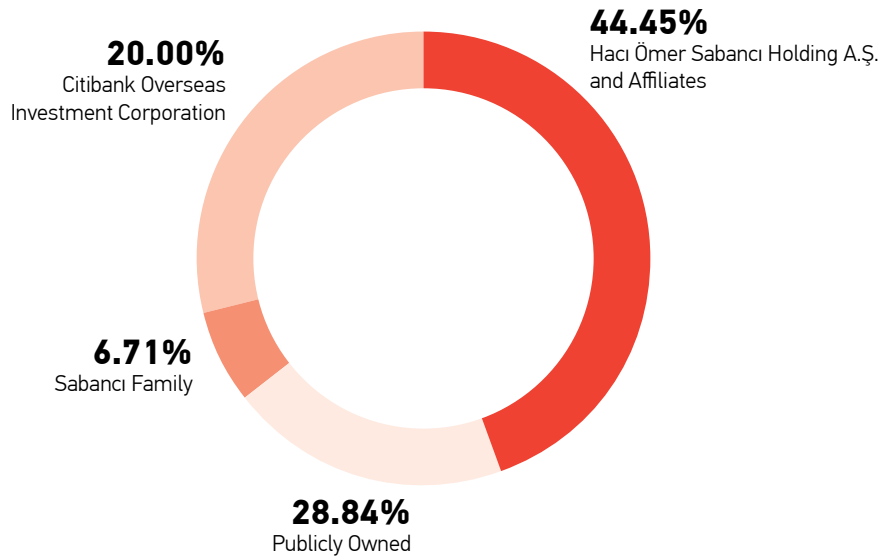
## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No amendments were made to the Articles of Association during the year.

## CAPITAL AND SHAREHOLDER STRUCTURE

Akbank's issued capital was raised from TL 3,000,000,000 to TL 4,000,000,000 on April 16, 2010.

As of December 31, 2010 Chairman of the Board of Directors, Suzan Sabancı Dinçer, holds 0.63% of Akbank's outstanding shares.



## **BANKING FOCUSED ON SUSTAINABLE PROFITABILITY THAT CREATES VALUE FOR THE TURKISH ECONOMY**

AKBANK CONTINUED TO BE AMONG THE LEADING BUSINESS PARTNERS FOR CORRESPONDENT BANKS IN TURKEY IN 2010, THANKS TO THE HIGH-QUALITY SERVICES IT PROVIDES TO CLIENTS AS WELL AS ITS INNOVATIVE AND DYNAMIC STRUCTURE IN THE INTERNATIONAL BANKING AREA.

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### **EFFECTIVE RISK MANAGEMENT**

MAINTAINING CONFIDENCE DURING UNCERTAIN AND CHALLENGING TIMES...

During the current environment where trust has gained the utmost importance, Akbank continues to move forward with confidence thanks to its effective risk management practices. As Moody's has clearly indicated in its reports for the financially volatile years of 2001 and 2006, Akbank has always been able to maintain confidence during uncertain and challenging times. The constant emphasis on corporate governance, transparency and accountability helps further reinforce this position of Akbank.

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### **ROBUST CAPITAL STRUCTURE**

CAPITAL ADEQUACY RATIO OF 19.9%

The global crisis has once again proved the importance of robust equity capital. At US\$ 11 billion, Akbank's free capital is the highest in the Turkish banking industry. While legal obligations in Turkey require a minimum capital adequacy ratio of 12%, Akbank has a capital adequacy ratio of 19.9%.

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### **WELL-DIVERSIFIED DEPOSIT BASE**

DEPOSITS FROM INDIVIDUALS MAKE UP 64% OF TOTAL DEPOSITS

Thanks to its extensive branch network, Akbank enjoys a robust deposit structure. With expansion of deposit base and growth of share of demand deposits in total deposits incorporated among the Bank's top priorities, deposits from individuals constitute 64% of total deposits at Akbank.

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### **LOANS/DEPOSITS RATIO**

LOANS/DEPOSITS RATIO STANDS AT 80.5%

Over-reliance on non-deposit sources of funding to finance lending activities is a potentially problematic practice in the banking industry. Diligent to ensure that its deposits exceed its loans, Akbank has achieved a loan/deposit ratio of 80.5%.

## INTERNATIONAL REPUTATION

### STRONG AND LONG-STANDING INTERNATIONAL RELATIONSHIPS

With the transactions completed in 2010, Akbank once again proved its strong collaborative relationships with correspondent banks and international financial institutions as well as its excellent reputation among international investors.

Thanks to high-quality services it provides for clients as well as its innovative and dynamic structure in the International Banking arena, Akbank continued to be among the leading business partners of correspondent banks in Turkey in 2010.

Breaking new ground in 2010 with its syndication, securitization and international bond market transactions, Akbank continued to be the flagship of the sector in the international borrowing arena. In 2010, Akbank effectively accomplished its goal of diversifying its investor base and increasing the number of investors to achieve more balanced and sustainable foreign borrowing structure.

Akbank was deemed worthy of the "Best Trade Finance Services Bank" award by Global Finance thanks to its success in correspondent banking. The syndication loan that was secured by Akbank on August 20, 2009, won the "Europe, Middle East and Africa (EMEA) Region-Best Financial Institution Loan" award from EMEA Finance magazine in 2010.

## ASSET QUALITY

### NON-PERFORMING LOAN RATIO OF 2.2%

The primary requisite for effective risk management is to preserve asset quality. From this perspective, Akbank has always pursued a healthy lending policy and favored growth with a high-quality portfolio over rapid growth. While the ratio of non-performing loans in the Turkish banking sector currently hovers around 3.6%, this ratio stands at 2.2% for Akbank. Furthermore Akbank continues to set aside 100% provisioning against non-performing loans.

## CREDIT RATINGS

### HIGH CREDIT RATINGS

As a result of meticulously-executed effective risk management policies and exceptional operational performance, Akbank was assigned the highest financial strength ratings and baseline credit assessments that can be assigned within the Turkish banking sector by Moody's as well as the highest national and individual ratings of the sector by Fitch Ratings. Equipped with the necessary capability and qualities, strong affiliations and a robust infrastructure, Akbank will continue to create more and more value for its shareholders in the period ahead.







FROM THE "WHO IS THE HAPPIEST" PLAY STAGED BY THE AKBANK CHILDREN'S THEATRE  
IN 45 PROVINCES AROUND TURKEY, TRAVELLING 21,000 KILOMETERS ON THE HUM

“People don’t give  
playing because t  
get older. They g  
because they give

**HAYRETTİN ARSLANOĞLU**  
DIRECTOR

THEATRE FOR NEARLY TWO YEARS  
AN RIGHTS TRAIN OF THE HÜRRİYET DAILY

ve up  
they  
et older  
e up playing.”

happiness  
for you

## MESSAGE FROM THE CHAIRMAN

AKBANK ANNOUNCED EXTREMELY SUCCESSFUL RESULTS ACCOMPANIED WITH STRONG PROFIT AND BALANCE SHEET GROWTH, FOCUSING ON SUSTAINABLE PROFITABILITY AND CREATING VALUE FOR THE TURKISH ECONOMY WITHOUT COMPROMISING ASSET QUALITY AND FINANCIAL PERFORMANCE.

In 2010, the world economy and the markets continued to rebound in the aftermath of the crisis that deepened during 2008. While the economic recovery was slow and gradual, tension in financial markets fell noticeably.

Increased indebtedness resulting from measures implemented during the crisis has been the leading problem faced especially in Europe. The sovereign debt crisis that began with Greece and continued with Ireland and threatened to spread to other European countries in 2010 was kept under control thanks to the rescue packages implemented as a joint initiative of the IMF and the EU.

This event demonstrated once again the importance of coordination between countries and organizations in exit initiatives from the crisis. Efforts regarding the overhaul of regulations and restructuring of the financial sector from where the 2008 crisis emanated continued into 2010 and prudential macro policies were unveiled in this area. In the United States, the FED launched a second round of quantitative easing by announcing a new US\$ 600 billion bond purchasing program to support economic recovery, improve the job market and achieve price stability.

The European Union has recently been working on a new Financial Stability Mechanism that will take effect in 2013. This new mechanism will be aimed at the participation of the private sector in resolving the sovereign debt crises. In the near future, we will see a European financial sector where risk is managed and priced more appropriately.

The emerging market block, which includes Turkey, continued to lead the way for global economic recovery in 2010. According to IMF forecasts, the global economy grew by 5.0% in 2010 while the growth rate of developing and developed countries were 7.1% and 3.0%, respectively.

The V-shaped recovery in the Turkish economy continues to unfold led by strong domestic demand and increasing investments. In its Medium Term Program, the government anticipated the growth rate of the Turkish economy in 2010 to be 6.8%. However, economic growth expectations for 2010 were raised to 8% during the year. The government made a major fiscal discipline commitment within this Program by targeting to maintain the budget deficit at 4.0% of GDP in 2010 and to cut it to 1.6% gradually until 2013. Given the state of the budgets of the troubled European countries as well as the United States, it demonstrates that Turkey has healthier fiscal balances.

These improvements accomplished by Turkey are also reflected in its credit ratings. Turkey's ratings were raised by the leading rating agencies in 2010 and go very close to investment grade.

Most recently, Fitch raised the outlook for Turkey's credit rating to positive; with the next single notch upgrade, Turkey will have an investment-grade sovereign credit rating. This will give the Turkish banking sector access to longer-term and lower-cost foreign funding. As a result, the Turkish economy will have better support via long-term loans.

Capital markets are also pricing in these positive developments in Turkey. Benchmark interest rates in Turkey sank to historical lows while Credit Default Swap (CDS) premiums, which show the cost of insuring Turkish sovereign debt against default, hover below those of many developed country premiums. In a similar vein, strong corporate profit and favorable future outlook carried the ISE-100 benchmark Turkish stock index above pre-crisis levels as the ISE-100 index gained 24% in 2010. Over the same period, developed and developing country stock markets rose by 10-15%.

Amid these developments, the Turkish banking sector maintained its robust capital structure, asset quality and profitability also in 2010. The vibrant domestic demand fueled by low interest rates also helped banking sector performance. We expect this positive trend to continue in 2011.

Focusing on sustainable profitability and creating value for the Turkish economy, Akbank continued its strong profit and balance sheet growth and performance in 2010. In 2011, the Bank will continue to diversify its product and service portfolio, expand its distribution channels, broaden its customer base and provide the best possible banking experience for its

customers while holding steadfast to its risk-oriented approach.

In addition to its banking activities, Akbank also made major strides in the corporate social responsibility area in 2010. In an attempt to present information to meet the expectations of our stakeholders with respect to our social, environmental and broad economic responsibilities; we published our Sustainability Report, which in itself is a first among deposit banks, in accordance with the globally-accepted Global Reporting Initiative (GRI) reporting standard that is used by many large corporations throughout the world. During the same period, Akbank ranked among world leaders and became the first and only Turkish company included in the Global 500 Report for 2010 of the Carbon Disclosure Project (CDP), the most prestigious climate change project in the world.

With strong banking relationships, stable and diversified deposit base, sound balance sheet, customer-oriented and innovative approach, prudent risk management practices and transparent corporate governance approach, Akbank will continue to keep its leading position in the Turkish banking industry and create value for its shareholders and customers as well as its entire stakeholder community. Our greatest asset in this journey is the dedicated contributions of our staff consisting of the best employees in the sector, continuous support of our partners and the strong synergy we have created with all of our social stakeholders. I would like to take this opportunity to thank our employees, partners and social stakeholders.



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

## BOARD OF DIRECTORS

### SUZAN SABANCI DİNÇER

#### Chairman and Executive Board Member

Suzan Sabancı Dinçer was elected Chairman of the Board of Directors on March 28, 2008. Mrs. Sabancı Dinçer was appointed Senior Vice President of the Akbank Treasury Department in 1989, promoted to Executive Vice President in charge of Treasury in 1994, appointed to the Board of Directors as Executive Board Member in charge of Treasury and International Relations in 1997 and as Executive Board Member in charge of all matters of the Board of Directors in 2000. Mrs. Sabancı Dinçer is the Honorary Consul of Luxembourg as well as a member of Citigroup's International Advisory Board, the National Bank of Kuwait's International Advisory Board, Blackstone's International Advisory Board, the Chatham House Panel of Senior Advisers, the Institute of International Finance Board of Directors and Emerging Markets Advisory Board, the Chairman of the Turkish-British Business Council of Foreign Economic Relations Board of Turkey (DEİK), the Global Relations Forum Board of Directors and the Forum Istanbul Honorary Advisory Board.

### EROL SABANCI

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

Having served as a member of the Akbank Board of Directors since 1967, for a decade beginning from March 1998 Erol Sabancı served as the Chairman of the Board of Directors. Elected Honorary Chairman and Consultant to the Board on March 28, 2008, Erol Sabancı also serves as Vice Chairman of the Board of Directors of Sabancı Holding.

### HAYRİ ÇULHACI

#### Vice Chairman and Executive Board Member

Hayri Çulhacı was elected as Vice Chairman on July 19, 2010. Hayri Çulhacı was also appointed Chairman of the Audit Committee and Executive Risk Committee on January 17, 2011. Hayri Çulhacı joined Akbank in 1990 as an Executive Vice President. Throughout his tenure at Akbank, he was consecutively appointed as Executive Vice President in charge of Corporate Communications, Investor Relations and Strategy; as Advisor to the Chairman; and as Executive Board Member. Prior to joining Akbank, Hayri Çulhacı worked as a civil servant in the Ministry of Finance. He obtained his

MBA degree from Northeastern University in the USA and BA degree in Economics from Faculty of Political Sciences, Ankara University. Hayri Çulhacı is also a member of the Board of Trustees of Sabancı Foundation and the Board of Trustees of Sabancı University, Chairman of Ak Securities A.Ş. and Ak Portfolio Management A.Ş., a Board Member of Aksigorta A.Ş., and AvivaSA A.Ş., an Executive Board Member of Turkish-American Business Council (TALK) and a member of TUSIAD (Turkish Industrialists' and Business Association).

### BÜLENT ADANIR

#### Executive Board Member

Serving on the Akbank Board of Directors as an Executive Board member since November 2007, Bülent Adanır is also the Chairman of the Board of Directors of Akbank's overseas subsidiaries. Prior to joining Akbank, Bülent Adanır spent 26 years at Citigroup holding numerous international responsibilities, with the last ten years spent in Citigroup's London office as Portfolio Manager in charge of the Europe, Middle East and Africa region. Bülent Adanır completed both his undergraduate and masters degrees in the United States and received a graduate degree in applied economics from Rutgers State University.

### HİKMET BAYAR

#### Board Member

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

### YAMAN TÖRÜNER

#### Board Member

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

### WILLIAM J. MILLS

#### Board Member

Citi Europe, Middle East and Africa (EMEA) region CEO William J. Mills previously served as CEO and member of the Board of Directors of Salomon Smith Barney Asia Pacific. With over 20 years experience in investment banking, Mr. Mills served as Co-head of the Global Investment Banking Division of Citigroup based in New York between 1994 and 1999. On March 28, 2008 Mills was elected as a member of the Akbank Board of Directors to fill the seat vacated by the resignation of Sir Winfried Bischoff. William J. Mills received his undergraduate degree in 1977 from Denison University.

### EMRE DERMAN

#### Board Member

Emre Derman was elected to the Board of Directors in March 2010. A corporate lawyer by training, between 1989 and 2008 Derman worked in the Istanbul, New York and London offices of White & Case LLP, and for a year in 1994 at the European Bank of Reconstruction and Development in London. In 2008 he resigned as the Executive Partner of the Istanbul Office of White & Case LLP and is now a freelance consultant. Emre Derman holds an LLB from the Istanbul University Law School and an LLM from Harvard Law School.

### ZİYA AKKURT

#### Board Member and CEO

Ziya Akkurt joined Akbank in 1996 as Vice President of the Corporate Banking Department and was promoted as Executive Vice President in 1997. In 2008, Akkurt was appointed General Manager of AKInvestment, elected Deputy CEO in charge of the Corporate and Commercial Banking Business Units at Akbank in April 2009 and appointed Chief Executive Officer in June 2009. Before joining Akbank, Ziya Akkurt held managerial positions at various commercial banks including Osmanlı Bank and Banqué Paribas/Paris. Ziya Akkurt is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences. Ziya Akkurt is a member of Institut International d'Etudes Bancaires.

## INTERNAL AND STATUTORY AUDITORS

### BOARD OF INTERNAL AUDITORS

#### EYÜP ENGİN

##### Head of Internal Audit

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

### STATUTORY AUDITORS

#### NEDİM BOZFAKIOĞLU

##### Auditor

Nedim Bozfakioğlu serves as the General Secretary of Sabancı Holding A.Ş. as well as the CEO of Tursa, AEO and Exsa. Previously, he served as Vice President of Budget, Accounting and Consolidation at Sabancı Holding and in various positions at several Sabancı Group companies. Nedim Bozfakioğlu is a graduate of Istanbul University, Faculty of Economics.

#### MEVLÜT AYDEMİR

##### Auditor

Serving in various positions at H.Ö. Sabancı Holding since 1981, Mevlüt Aydemir served as Vice President of Financial Affairs and Financing of the Holding as well as a member of the Board of Directors at various group companies. Mevlüt Aydemir has been on the Board of Sabancı Holding since May 2010. Mevlüt Aydemir worked at the Ministry of Finance as a Tax Inspector prior to 1981; he is a graduate of Istanbul University, Faculty of Economics.

## INTERNATIONAL ADVISORY BOARD

### KEMAL DERVİŞ

#### Chairperson

Serving as a member of the International Board of Overseers of Sabancı University and Advisor to the Istanbul Policy Center of Sabancı University, Kemal Derviş also conducts research as Vice President in the fields of global economics and development at the Brookings Institution. Kemal Derviş was a Vice President at the World Bank, where he served for 22 years, from 1996 to 2001 and the Executive Head of the United Nations Development Programme (UNDP) from August 2005 until March 2009. Derviş served as the Minister of Economics between 2001 and 2002 and prepared the restructuring program after the financial crisis that hit Turkey in February 2001. Kemal Derviş earned his bachelors and masters degrees in economics from the London School of Economics in the UK and completed his Ph.D. in Economics at Princeton University in the US.

### SIR WINFRIED BISCHOFF

#### Member

After serving as the Chairman of the Board of Directors of Citigroup from December 2007 until February 2009, Sir Winfried Bischoff currently serves as the Chairman of the Board of Directors of Lloyds Banking Group since September 2009. Following his tenure at the Schroders Group as an executive, he was appointed Chairman of the Board of Directors of Schroders in May 1995 and with the acquisition of Schroders' Investment Banking division by Citigroup, Sir Bischoff became the Chairman of the Board of Directors of Citigroup Europe in April 2000. Sir Winfried Bischoff served as a member of the Akbank Board of Directors from January 2007 until February 2008. Sir Winfried is currently a member of the Board of Directors of Eli Lilly and McGraw-Hill in the United States and Prudential in the United Kingdom as well as the Chairman of the Board of Directors of the UK Career Academy Foundation. Sir Winfried Bischoff continues to serve as the Chairman of the European Advisory Board of Citigroup Inc. Sir Winfried entered the Honor List and was knighted in 2000 for his contributions to the banking industry.

### BÜLENT ECZACIBAŞI

#### Member

Bülent Eczacıbaşı is the Chairman of the Board of Directors of Eczacıbaşı Holding A.Ş., a prominent Turkish industrial conglomerate with investments in various fields such as pharmaceuticals, building products and consumer products. After beginning his professional career in 1974 at Eczacıbaşı Holding, Bülent Eczacıbaşı held a variety of senior management positions at companies within the Eczacıbaşı Group. Having served as Chairman of the Board of Directors, Chairman of the High Advisory Council and the Chairman of the Founding Board of Directors of TÜSİAD (the Turkish

Industrialists' and Businessmen's Association), as well as the Chairman of the Board of Directors of the Turkish Pharmaceuticals Manufacturers' Association Eczacıbaşı continues to serve as the Honorary Chairman of TÜSİAD, Honorary President of the Turkish Pharmaceuticals Manufacturers' Association, Chairman of the Board of Trustees of the Istanbul Modern Art Foundation and a member of the European Round Table of Industrialists. Eczacıbaşı is also a member of the High Advisory Board of the Turkish Economic and Social Studies Foundation (TESEV) and serves on the International Advisory Board of the Harvard Kennedy School. Bülent Eczacıbaşı earned his undergraduate degree from the University of London and obtained his masters degree in chemical engineering from the Massachusetts Institute of Technology in the US.

### JEAN PISANI-PERRY

#### Member

Jean Pisani-Ferry has been the Director of BRUEGEL (Brussels European and Global Economic Laboratory) since January 2005. He is also a professor of economics with Université Paris-Dauphine. Pisani-Ferry has made his career in research and policy. After having held positions in research and government in France, he joined the European Commission in 1989 as Economic Adviser to the Director-General of DG ECFIN. From 1992 to 1997 he was the director of CEPIL, the main French research centre in international economics. In 1997, he became Senior Economic Adviser to the French minister of Finance and was later appointed Executive President of the French prime minister's Council of Economic Analysis (2001-2002). From 2002 to 2004, he was senior adviser to the director of the French Treasury. Pisani-Ferry has held teaching positions with various universities including Ecole polytechnique in Paris and Université libre de Bruxelles. In 2006-2007, he was president of the French economic association. He is a member of the Council of Economic Analysis, an independent advisory body reporting to the French PM. Born in 1951, Pisani-Ferry was initially trained as an engineer and also holds a masters degree in mathematics. He holds an advanced degree in economics from the Centre d'études des programmes économiques (CEPE, Paris).

### LUBNA OLAYAN

#### Member

Lubna Olayan is the Deputy Chairman and Chief Executive Officer of the Olayan Financing Company, a subsidiary of the Olayan Group, which operates in Saudi Arabia and the Middle East. Olayan is also a member of the Board of Directors of Saudi Hollandi Bank, a publicly listed company in Saudi Arabia and has been a member of the Board of Directors of WPP since March 2005. Lubna Olayan is a member of the International Advisory Board of the Council on Foreign Relations, a member of the Board of Directors of INSEAD and serves on the Board of

Trustees of Cornell University and KAUST (King Abdullah University of Science and Technology). In October 2006 and April 2007, Olayan joined the International Advisory Board's of Rolls Royce and Citigroup, respectively.

### RODRIGO DE RATO

#### Member

Chairman of Caja Madrid since January 2010, Rodrigo Rato served as the Managing Director of the International Monetary Fund between 2004-2007. Previously, he had been Vice-President for Economic Affairs and Finance Minister for the Spanish government, from 1996. As the Finance Minister, he was also appointed Governor for Spain in the Governors' Meetings of the IMF, the World Bank, the Inter-American Development Bank, the European Investment Bank and the European Reconstruction and Development Bank. He holds a law degree from the Universidad Complutense in Madrid, an MBA from the University of California, and a doctorate in economics from the Universidad Complutense.

### LORD NICHOLAS STERN

#### Member

Former Chief Economist of the World Bank and a former government economic advisor in the United Kingdom, Lord Nicholas Stern taught at Oxford University between 1970 and 1977, at the University of Warwick between 1978 and 1987 and at the London School of Economics between 1986 and 1993. From 1994 until 1999, Lord Stern served as the Chief Economist and Special Counselor to the President of the European Bank for Reconstruction and Development and between 2000 and 2003 as the Chief Economist of the World Bank. In 2003, Lord Stern became the Head of the Government Economic Service in the United Kingdom and in 2006, with the publication of "The Economics of Climate Change: The Stern Review", gained wide acclaim as one of the world's leading experts on climate change. In June 2004, Lord Stern was knighted for his contributions to the field of economics and introduced to the House of Lords in December 2007. Since June 2007, in addition to serving as IG Patel Professor of Economics and Government at the London School of Economics, Lord Stern is also Chairman of LSE's new Grantham Research Institute on Climate Change and the Environment since April 2008.

### SUZAN SABANCI DİNÇER - Member

#### EROL SABANCI - Member

#### HAYRİ ÇULHACI - Member

#### BÜLENT ADANIR - Member

#### ZİYA AKKURT - Member

## MESSAGE FROM THE CEO

WE ARE WORKING CONTINUOUSLY TO GENERATE SOLUTIONS THAT WILL MEET THE NEEDS OF OUR CUSTOMERS AT ALL TIMES AND THAT WILL ENHANCE THEIR LIFE STANDARDS. WE WILL CONTINUE TO MAKE LIFE EASIER FOR OUR CLIENTS IN ACCORDANCE WITH OUR PHILOSOPHY, "FOR YOU".

As the impact of the global financial crisis continued to fade in 2010, consumer confidence began to replenish around the world while economic management teams again started to focus on growth strategies. Akbank continued increasing support for the Turkish economy and the real sector in 2010 aided by its sound financial structure, customer-oriented approach and innovative products and services.

Achieving growth targets without compromising from sustainable profitability, the Bank announced an unconsolidated gross profit of TL 3,574 million as of year-end 2010, corresponding a net profit of TL 2,857 million after provisioning TL 717 million for taxes. Akbank's year-end 2010 consolidated net profit was TL 3,010 with a 10.6% increase over 2009 figures.

The Bank's unconsolidated and consolidated total assets at year-end stood at TL 113.2 billion and TL 120.1 billion, respectively. The average return on equity (ROE) and return on assets (ROA) for 2010 were 18.9% and 2.7%.

Working diligently to fulfill its responsibility to create value for the Turkish economy, Akbank's consolidated loan book grew by 29.4% over the previous year to reach TL 57.7 billion in 2010. The Bank's market share in loans reached 10% over the same period; the Bank's loan book is made up of 36% corporate loans, 29% SME loans and 35% consumer loans.

Thanks to our risk-oriented approach, Akbank's non-performing loan ratio, already significantly below sector average, declined even further from 3.8% in 2009 to 2.2% in 2010. We continued to set aside 100% provisioning for our non-performing loans.

Akbank's total consolidated deposits reached TL 71.7 billion at year-end, representing an 18% increase on the previous year. The Bank was able to maintain its broad and robust deposit structure in 2010 as well thanks to its extensive branch network and broad customer base.

We made a TL 350 million investment in our infrastructure and technology in 2010 for the purpose of further raising the quality of our product and service offerings for our customers and initiated one of our largest technology and CRM investments with our "A380" project. We continue to offer new products and services in line with technological developments and evolving consumer trends. We launched the Akbank iPad Branch before the iPads were officially released for sale in Turkey, allowing iPad users to perform many banking transactions easily and conveniently. We freed banking transactions from time and space limitations with our iPad banking branch - a first in Turkey, the iPhone banking applications and unique and innovative projects in other alternative distribution channels.

Thanks to a high reputation in international financial markets as well as deep-rooted relationships established on the basis of trust over many years, foreign loans secured by Akbank reached US\$ 8.0 billion as of year-end 2010. Akbank broke new ground in the sector by directly issuing a US\$ 1 billion Eurobond in July 2010 with a maturity of five years. This Eurobond issuance made it to the "top 20 transactions of the year" list traditionally announced by the FTSE Global Markets magazine, one of the most prestigious international publications. Akbank was the only Turkish

institution represented on this list in 2010. In addition, the Euroweek magazine deemed Akbank worthy of the "Best Bond Issuance by a Financial Institution" award. As another trailblazing development, the TL 1 billion bond issuance with a maturity of six months completed by Akbank in December 2010, became the first domestic corporate bond issuance by a deposit bank in Turkey.

In an effort to better serve SMEs, a major driving force of development and support their growth prospects, Akbank realigned its business units and consolidated Small Business and Commercial segments under the SME segment. The Bank continued to support SMEs with its low-cost funding facilities, especially with long-term and low-cost loan facilities secured from the European Investment Bank (EIB), International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD). Akbank's support for companies that play a critical role in job creation and sustainable economic growth through SME and Corporate loans surged by 28.3% in 2010 to TL 38 billion.

Akbank is among the leading financial institutions in Turkey as well as in Europe with its solid capital base, effective risk management practices, stable funding base and high-quality asset composition. Two prestigious international publications, Global Finance and EMEA Finance, named Akbank as "Turkey's Best Bank" while Euromoney honored Akbank with the Overall Best Private Bank of Turkey designation. The international awards the Bank received confirmed its respected standing and its successful and sustainable strategy.



Akbank's high capital adequacy ratio of 19.9%, low leverage of 6.7X, high level of liquidity, low loans/deposits ratio of 80.5% and effective risk management policy constitute its pillars of strength and support the Bank's profitable growth.

The Akbank Banking Center, which commenced service in 2010, is the highest transaction capacity operations center in Turkey. Akbank Banking Center will make major contributions to Akbank's efficiency and productivity.

Utilizing the "For You" philosophy in 2010, Akbank adopted a customer satisfaction-oriented banking approach with the help of its entire staff. We are working continuously to generate solutions that will meet the needs of our customers at all times and that will enhance their life standards. We will continue to undertake efforts to make life easier for our clients in accordance with our philosophy, "For You".

Akbank continues to create sustainable value for its stakeholders with its expanding customer base achieved without deviating from asset quality or risk-oriented policies, the growing number of technology-based banking solutions in its product portfolio and the corporate social responsibility projects covering a wide range of areas from culture and arts to entrepreneurialism carried out and supported by the Bank.

I firmly believe that, in the days ahead, Akbank will grow its presence in all customer segments, increase transaction volume of its prioritized products, deepen



its relationship with customers in all channels and as a result further enhance its sustainable performance. I would like to take this opportunity to thank our employees for making a difference with their excellent performance and dedicated work, our valued customers who make their confidence in the Bank felt at every opportunity, our shareholders and all other stakeholders.

**ZİYA AKKURT**  
CEO

## EXECUTIVE MANAGEMENT



**ZİYA AKKURT (1)**

Board Member and CEO

**HAKAN BİNBAŞGİL (2)**

Deputy CEO - Consumer Banking

**ZEKİ TUNÇAY (3)**

Executive Vice President - Credit Follow-Up and Support Services

**M. FİKRET ÖNDER (4)**

Executive Vice President - Private Banking

**SEVİLAY ÖZSÖZ (5)**

Executive Vice President - Operations

**ALPASLAN ÖZLÜ (6)**

Executive Vice President - Information Technologies

**AHMET FUAT AYLA (7)**

Executive Vice President - Credits

**HÜLYA KEFELİ (8)**

Executive Vice President - International Banking

**K. ATIL ÖZUS (9)**

Executive Vice President - CFO

**GALİP TÖZGE (10)**

Executive Vice President - Consumer Banking

**TUNÇ AKYURT (11)**

Executive Vice President -Strategy

**BADE SİPAHİOĞLU IŞIK (12)**

Executive Vice President - Human Resources



**MEHMET SİNDEL (13)**  
Executive Vice President - Payment Systems

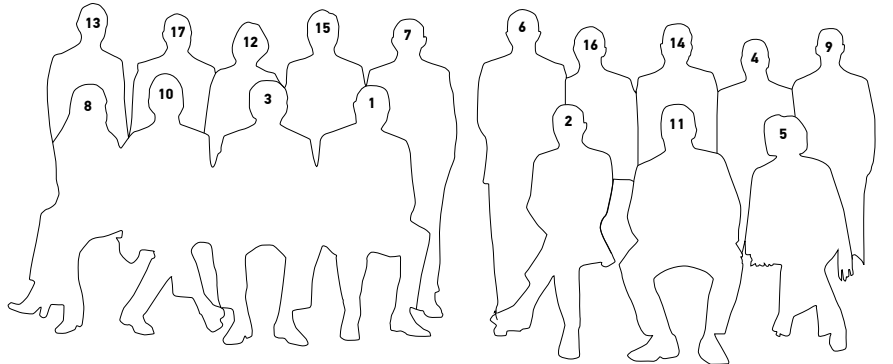
**KERİM ROTA (14)**  
Executive Vice President - Treasury

**KAAN GÜR (15)**  
Executive Vice President - SME Banking

#### **SUBSIDIARIES**

**S. TUNCER MUTLUCAN (16)**  
AKLease General Manager

**ATTİLA PENBEÇİ (17)**  
AKInvestment General Manager



## EXECUTIVE MANAGEMENT

### ZİYA AKKURT

#### Board Member and CEO

Ziya Akkurt joined Akbank in 1996 as Vice President of the Corporate Banking Department and was promoted as Executive Vice President in 1997. In 2008, Akkurt was appointed General Manager of AKInvestment, elected Deputy CEO in charge of the Corporate and Commercial Banking Business Units at Akbank in April 2009 and appointed Chief Executive Officer in June 2009. Before joining Akbank, Ziya Akkurt held managerial positions at various commercial banks including Osmanlı Bank and Banqué Paribas/Paris. Ziya Akkurt is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences. Ziya Akkurt is a member of Institut International d'Etudes Bancaires.

### HAKAN BİNBAŞGİL

#### Deputy CEO - Consumer Banking

Hakan Binbaşgil joined Akbank as Executive Vice President in charge of Change Management in October 2002, was appointed as Executive Vice President in charge of Retail Banking in October 2003, as Deputy CEO in charge of Retail Banking in May 2008 and as Deputy CEO in charge of Consumer Banking and Corporate Communications in January 2010. A graduate of Boğaziçi University, Faculty of Mechanical Engineering, Binbaşgil also has an MBA degree in management and finance from LSU-Baton Rouge. In addition to having worked as a Management Consultant in the London and Istanbul offices of Accenture and as Executive Vice President in charge of Retail Banking at Pamukbank, Binbaşgil also served on the boards of directors of numerous companies.

### ZEKİ TUNCAY

#### Executive Vice President - Credit Follow-Up and Support Services

Zeki Tunçay joined Akbank in 1980 as an Assistant Internal Auditor and after serving as the Head of Personnel was appointed as Executive Vice President in charge of Human Resources in 1994. Zeki Tunçay continues to serve as Executive Vice President in charge of Credit Follow-Up and Support Services. Zeki Tunçay is a graduate of the Academy of Economics and Commercial Sciences in Ankara.

### M. FİKRET ÖNDER

#### Executive Vice President - Private Banking

Fikret Önder joined Akbank in July 2000 as Executive Vice President in charge of Private Banking, having previously held managerial

positions at various banks abroad. Before joining Akbank, Fikret Önder served as Senior Portfolio Manager and Executive Vice President in charge of Private Banking at Bank Julius Baer & Co. in London. He is a graduate of the University of Bonn, Department of Economics.

### SEVİLAY ÖZSÖZ

#### Executive Vice President - Operations

Sevilay Özşöz joined Akbank as an Advisor to the CEO in December 2001 and was subsequently appointed as Executive Vice President in April 2002. Before joining Akbank, Sevilay Özşöz held various managerial positions at Garanti Bank and Osmanlı Bank. She is a graduate of Istanbul University, Faculty of Economics.

### ALPASLAN ÖZLÜ

#### Executive Vice President - Information Technology

Alpaslan Özlü joined Akbank in March 2006 as Executive Vice President in charge of Information Technology. A graduate of Middle East Technical University, Faculty of Arts and Sciences, Alpaslan Özlü also holds an MSc in computer engineering from the same university. Before joining Akbank, Alpaslan Özlü served as an Executive Vice President at Yapı Kredi Bank.

### AHMET FUAT AYLA

#### Executive Vice President - Credits

Ahmet Fuat Ayla joined Akbank as Corporate Branch Manager in 2002, became the Senior Vice President in charge of Corporate and Commercial Credits Approval Unit in 2005 and was appointed as Executive Vice President in charge of Corporate and Commercial Credits Approval in 2007. Ahmet Fuat Ayla is responsible for the approval of consumer, corporate, commercial and retail loans. Beginning his career in the management trainee program at Interbank, Ahmet Fuat Ayla later served as the Head of the Marketing Department at Finansbank and as Marketing Department Manager at Osmanlı Bank. Ahmet Fuat Ayla is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration.

### HÜLYA KEFELİ

#### Executive Vice President - International Banking

Hülya Kefeli has been with Akbank since 1983 and has held various positions in the Foreign Relations and International Banking Divisions of the Bank. In 2007, she was

appointed as Executive Vice President in charge of International Banking. Hülya Kefeli is a graduate of Istanbul Technical University, Faculty of Business Administration and Engineering.

### K. ATIL ÖZUS

#### Executive Vice President - CFO

Atıl Özus joined Akbank in November 2000 as Vice President of Financial Control and Risk Management, after which he was promoted as Senior Vice President. In December 2007, he was appointed as Executive Vice President (CFO) in charge of Financial Coordination. Before joining Akbank, Atıl Özus served as an Audit Manager at Ernst&Young. Atıl Özus is a graduate of Boğaziçi University, Department of Business Administration.

### A. GALİP TÖZGE

#### Executive Vice President - Consumer Banking

A. Galip Tözge joined Akbank in September 2002 as Senior Vice President in charge of Retail Banking Distribution Channels and was appointed as Executive Vice President in December 2007. Before joining Akbank A. Galip Tözge served as Executive Vice President at Citibank, Turkey. A graduate of Marmara University, Department of Business Administration, A. Galip Tözge holds an MBA degree from the University of Missouri in the US.

### TUNÇ AKYURT

#### Executive Vice President - Strategy

Tunç Akyurt joined Akbank in February 2010 as Executive Vice President in charge of Strategy, CRM and Product & Channel Development. He is a graduate of the Industrial Engineering Department at Boğaziçi University and holds a masters degree in Management Systems Engineering at Virginia Tech. Before joining Akbank, Mr. Akyurt worked at Capital One Bank / USA; McKinsey & Company / Istanbul and Finansbank, holding various managerial positions.

### BADE SİPAHIOĞLU IŞIK

#### Executive Vice President - Human Resources

Bade Sipahioğlu Işık joined Akbank in 2001 as Human Resources Planning Vice President. After serving as Human Resources and Organization Senior Vice President, she was appointed as Executive Vice President in charge of Human Resources in September 2010. Bade Sipahioğlu Işık is a graduate of Marmara University, Department of Public Relations and has a masters degree in

business management from Institut Des Etudes Politiques in France. Prior to Akbank, she held various positions in the field of human resources at Intertech, Garanti Bank, Humanitas A.Ş. and Osmanlı Bank.

#### **MEHMET SİNDEL**

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

Mehmet Sindel joined Akbank on November 1, 2010 as Executive Vice President in charge of Payment Systems. Sindel previously worked at Citibank, Garanti Bank's Credit Card Marketing & Sales Divisions and finally as Personel Financial Services, Marketing Group Head at HSBC. Mehmet Sindel is a graduate of Boğaziçi University, Faculty of Business Administration.

#### **KERİM ROTA**

##### **Executive Vice President-Treasury**

Kerim Rota joined Akbank in November 2010 as Executive Vice President in charge of Treasury. Before joining Akbank, Kerim Rota served as Executive Vice President at Finansbank and Alternatifbank. He is a graduate of Gazi University, Faculty of Engineering.

#### **KAAN GÜR**

##### **Executive Vice President - SME Banking**

Kaan Gür joined Akbank as Executive Vice President of SME Banking by January 14, 2011. Previously, he worked at various positions in Garanti Bank, latest as SME Marketing Coordinator. He is a graduate of Gazi University, Department of Banking and Insurance and also a member of Foreign Economic Relations Board (DEİK) and Turkish Industrialists and Businessmen Association (TUSİAD).

Ferda Besli, who was serving in this position in 2010, resigned from Akbank on January 7, 2011.

##### **Executive Vice President - SME Banking**

Cem Mengi, who was serving in this position in 2010, resigned from Akbank on January 31, 2011.

## **SUBSIDIARIES**

#### **K. BANU ÖZCAN**

##### **Akbank N.V. Senior General Manager**

K. Banu Özcan was appointed General Manager of Akbank N.V. in September 2001. Before joining Akbank, Özcan served in various positions at BNP-AK-Dresdner Bank A.Ş. and as the Chief Representative of Turkey and General Manager of Germany operations of DHB Bank Nederland N.V. A graduate of Ludwig-Maximilians University, Department of Business Administration, K. Banu Özcan also serves as a member of the Board of Directors of Akbank AG and as the Chairman of the Akbank AG Audit Committee.

#### **KARL-FRIEDRICH RIEGER**

##### **Akbank AG Senior General Manager**

Karl-Friedrich Rieger began his career at Akbank Germany in 2002 and has been the General Manager of Akbank AG since August 2006. Before joining Akbank, Rieger served as Branch General Manager in Frankfurt for 12 years at various US-owned banks including National Bank of Detroit, The First National Bank of Chicago and Bank One. He is a graduate of Würzburg Business College, Department of Business Administration.

#### **BÜLENT MENEMENCI**

##### **Akbank AG General Manager**

Beginning his career at Akbank Germany in 2001 as Manager in charge of the Loans Department, Bülent Menemenci subsequently served as the Manager in charge of the Corporate Banking Department. In 2006, Bülent Menemenci assumed the post of General Manager within the framework of reorganizing Akbank Germany and transforming it into Akbank AG. A graduate of Berlin University, Department of Business Administration, Bülent Menemenci served in various positions at Deutsche Bank for 17 years prior to joining Akbank.

#### **S. TUNCER MUTLUCAN**

##### **AKLease General Manager**

S. Tuncer Mutlucan was appointed General Manager of AKLease in August 2010. Prior to joining AKLease, Mutlucan served as General Manager and a member of the Executive Committee of Netherlands-based Akbank N.V. A graduate of Boğaziçi University, Department of Civil Engineering, he served as Manager of the Luxembourg branch of Garanti Bank, where he began his finance career before joining Akbank.

#### **ATTİLA PENBECİ**

##### **AKInvestment General Manager**

Attila Penbeci joined AKInvestment in 2003 as Department Manager to establish the International Institutional Sales and Trading Department. He was promoted to Executive Vice President in 2008 and General Manager in 2009. Before joining AKInvestment, he served in International Capital Markets (ICM) departments at various banks and brokerage houses including Finansbank and ABN AMRO Bank. Attila Penbeci graduated with honors from Queen's University in Ontario, Canada and holds an MBA degree from McGill University in Quebec.

#### **ALP KELER**

##### **AKAssetManagement General Manager**

Dr. Alp Keler joined AKAssetManagement as General Manager in 2011. Previously, Alp Keler served as the General Manager at Fortis Portfolio Management and Executive Vice President in charge of Asset Management at Koç Portfolio Management. A graduate of Middle East Technical University, Department of Civil Engineering, he holds an MBA from Bilkent University, an MA in Economics Law from Galatasaray University and PhD in banking from Marmara University.

#### **YAŞAR AKKOYUNLU**

##### **Ak Type-B Investment Trust General Manager**

Yaşar Akkoyunlu began his career as an Assistant Internal Auditor at Akbank in 1985. He was appointed Manager at Ak Investment Trust in 1998 and was promoted to General Manager in 2008. Yaşar Akkoyunlu is a graduate of Ankara University, Faculty of Political Sciences.





FROM THE PRESENTATION MEETING OF THE CARBON DISCLOSURE PROJECT (CDP) -  
IN TURKEY BY SABANCI UNIVERSITY WITH THE SUPPORT OF AKBANK, THAT AIMS T

“We pioneered the 1st  
Carbon Disclosure Project  
Turkey, acclaimed as  
extensive and prestigious  
project geared towards  
steps against global  
We continue to work  
strength and sense of  
a better and cleaner  
sustainable environment

**HAKAN BİNBAŞGİL**  
AKBANK DEPUTY CEO

- 2010 RESULTS, LAUNCHED  
TO REDUCE GLOBAL CARBON EMISSIONS

launch of the  
Project (CDP) in  
is the world's most  
religious environmental  
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of responsibility for  
planet, and a more  
ment in the future.”



the future  
for you

## REVIEW OF OPERATIONS IN 2010

WITH ITS STRONG BANKING RELATIONSHIPS, STABLE AND DIVERSIFIED DEPOSIT BASE, SOUND BALANCE SHEET, CUSTOMER-ORIENTED AND INNOVATIVE APPROACH, PRUDENT RISK MANAGEMENT PRACTICES AND TRANSPARENT CORPORATE GOVERNANCE APPROACH, AKBANK WILL CONTINUE TO KEEP ITS LEADING POSITION IN THE TURKISH BANKING INDUSTRY AND CREATE VALUE FOR ITS SHAREHOLDERS AND CUSTOMERS AS WELL AS ITS ENTIRE STAKEHOLDER COMMUNITY.

## Economic Developments

The recovery that began to take root in the economy and markets in the aftermath of the 2008 financial crisis, continued into 2010. A generally positive climate prevailed in the markets throughout 2010 thanks to the continuation of rate cuts by central banks as well as supplemental liquidity measures.

Even though 2010 was an affirmative year for the markets, increasing levels of public debt caused in part by fiscal rescue packages led to fluctuations in the markets. The European sovereign debt crisis that started in Greece in the middle of 2010 was overcome with a € 110 billion rescue package from the IMF and the EU. Concerns over Ireland began to mount in November and were resolved by an € 85 billion EU-IMF aid package. Amid concerns that the sovereign debt crisis might spread to other countries such as Portugal and Spain, establishment of a new rescue mechanism for 2013 and beyond has been debated for potential bailouts after 2013. The crisis resolution mechanism that will be unveiled after 2013 will prescribe a larger role and responsibility for the private sector in resolving potential sovereign debt crises that may arise.

Growth in the Turkish economy that began in the second half of 2009 continued throughout 2010 as Turkey maintained its place among countries that have grown rapidly in the aftermath of the crisis. While rising domestic demand and investments constituted the building blocks of Turkish economic growth during this period, uncertainties continued in industrialized countries, especially in Europe. This stood out as a negative development for Turkey in terms of the contribution of exports to growth. While anticipated economic growth was raised to 8% for 2010, the Turkish economy is expected to grow by 4.5% according to the Medium Term Program.

The trade deficit widened as a result of strong domestic demand, the driving force behind economic growth thanks to low interest rates and strength in imports due to the appreciation of the Turkish lira. Exports were up by 13% in 2010 while imports surged by 32% leading to a jump

in the current deficit, as Turkey's current account deficit reached 6.5% of GDP in 2010. Portfolio investments made up 40% of the current account deficit while foreign direct investments contributed a mere 15% of the current deficit. The current policy strategy of the Central Bank of Turkey aims to reduce the share of short-term funds in financing the current account deficit. Short-term capital inflows constitute a risk factor for current deficit and financial stability due to their potential to reverse course suddenly and rapidly.

Domestic markets had a very good year due to strong macroeconomic performance and financial stability in 2010, as ISE-100 benchmark Turkish stock index outperformed its developed (MSCI World +10%) as well as its developing (MSCI Emerging +15%) counterparts with a 24% gain in 2010.

## Summary Results for 2010

Akbank, Turkey's most valuable company as of the end of 2010, maintained its leading position in the Turkish banking industry due to its robust balance sheet, transparent corporate governance approach and strong long-standing international relationships.

In 2010, Akbank's consolidated total assets grew by 16.8% over the previous year to TL 120.1 billion. Over the same period, total consolidated cash loans surged by 29.4% to TL 57.7 billion while total deposits increased by 17.6% to TL 71.7 billion. As of year-end 2010, Akbank's market share of loans and deposits stand at 9.9% and 10.4%, respectively.

Akbank's overall loan book as of year-end 2010 consists of 36% corporate loans, 29% SME loans and 35% consumer loans. Over the same period consumer loans, excluding credit card loans, surged by 42% to reach TL 13.1 billion with a market share of 10.2%, while general purpose loans increased by 50.3% to TL 6.2 billion, mortgage loans by 34.3% to TL 6.2 billion and car loans by 44.9% to TL 0.8 billion. Akbank's credit card lending rose by 15% on the previous year to reach TL 6.6 billion.

Thanks to its uncompromising risk-oriented management approach, Akbank's

non-performing loan ratio declined from 3.8% at year-end 2009 to 2.2% in 2010 on a consolidated basis. Akbank's non-performing loan ratio continues to hover significantly below the sector average and the Bank continues to provision 100% for its non-performing loans.

As of the end of 2010, Akbank reported a consolidated net profit of TL 3.010 million (approximately US\$ 1,958 million) and unconsolidated net profit of TL 2,857 million (approximately US\$ 1,858 million).

The consolidated capital adequacy ratio of Akbank, standing at 19.9%, is far above the 12% minimum threshold set by Turkish banking regulations.

## Strategy Practices

In an effort to assist the Bank's Executive Management in devising strategies and decision making processes, the Strategy Department positioned within the Strategy Business Unit coordinated the process of setting the Bank's strategic priorities and related projects with an analytical and systematic approach, closely monitored the developments in the domestic and global banking industry and proactively identified the areas of opportunity. The Department also examined the contemporary best practices in the banking and finance industry and reported on the areas of opportunity for the Bank. Strategic initiatives that will strengthen the Bank's competitive position were administered accordingly throughout the year. Action plans determined as a result of Akbank's strategic priorities were designed into projects by related teams and they were monitored closely to ensure their thorough, timely and effective implementation.

The Department registered major gains for Akbank in accordance with the Bank's strategic priorities in 2010 in many significant areas including customer satisfaction, management and optimization of service channels, deepening of the relationships with existing customers and regional market share gains.

The Economic Research Department positioned within the Strategy Business Unit, in terms of its investment

recommendation practices in 2010, undertook efforts to increase customer awareness about the Bank's markets and investment products with a special emphasis on enhancing its relationship with the One-to-One Segment. The Department continued and intensified its informational and coaching support for the Consumer Banking segment to support the sales of the Bank's investment products.

### CRM Applications

The CRM Department positioned within the Strategy Business Unit is responsible for conducting studies and undertaking initiatives to support the enhancement of customer-oriented perspectives and achievement of effective customer relationship management within Akbank. The efforts conducted within this scope are administered under three main themes: developing the customer relationship management infrastructures, creating an advanced in-house customer analytics and improving the Bank's effectiveness at all points of contact with the customer via integrated channels.

A new CRM infrastructure that enables integrated simultaneous sales and marketing at all branches and alternative channels was launched in 2010.

The key to being able to develop sales and marketing strategies that are consistent with today's competition environment is to manage all customer contact optimally. With the guidance of analytical studies conducted in light of this philosophy, the Bank registered major profitability gains in sales and marketing by focusing on the most appropriate target groups in cross selling and customer retention activities. This advanced analytical approach developed by Akbank can be shared simultaneously with the branches, the call center, ATMs and internet banking and facilitates real-time and proactive management of customer contacts made at these channels. These capabilities are the most important characteristics that distinguish Akbank's customer relationship management infrastructure from those of its competitors.

### Product and Channel Development Applications

The Product Development Department was established within the Strategy Business Unit at the beginning of 2010 to identify and launch innovation opportunities in an attempt to ensure that the Bank remains a trend-setter and a pioneer by developing more innovative products. The Product Development Department is responsible for researching banking products, trends and technology best practices in the world, developing products that will meet customer expectations and needs in accordance with the Bank's customer-oriented approach and creating value for Akbank. During the course of its product development initiatives, the Department identified the critical areas that offer explosive growth and value added potential, established synergies and cooperation with the marketing units and devised innovative marketing concepts.

While setting the branch network expansion and ATM strategy for 2010, the Channel Development Department aimed to reach customers with the right channel and service model and achieve optimization of channel management in line with the economic and technological developments in the world and in Turkey. In an effort to be close to the customers wherever they may be and to serve them with different branch models based on their needs as a Bank that boasts one of the most extensive branch and ATM networks, Akbank opened 79 new branches in 2010 and expanded its ATM network radically to become the second largest ATM network in Turkey.

### Quality Applications

In line with its customer-oriented service approach, Akbank continues to make constant enhancements and improvements to its Quality and Process Management Department. The level of customer satisfaction is measured regularly with monthly and annual surveys while customer opinions and suggestions are evaluated and action plans are devised and implemented rapidly in areas that offer improvement.

The service quality levels at branches, alternative distribution channels and other

points of contact with the customers, are monitored closely and certified twice a year. Action is taken regarding the areas of improvements identified as a result of the evaluations. The service quality levels at Head Office units that support the points of contact with customers are also important to the enhancement of customer satisfaction. In this regard, service quality at Head Office departments are also monitored and guaranteed via interdepartmental service contracts; targets in the overachieving service contracts have been raised over time.

Providing user-friendly screens to customers and employees at every point of contact and simplifying the execution of transactions is yet another factor affecting customer satisfaction. The Customer Experience Team that was established for this purpose involves the users at every stage of the process for redesign of the screens used by Akbank, this contributes to the design of user-friendly interfaces consistent with client needs and expectations.

### Participatory Innovation

Ingraining a culture of innovation within Akbank, raising awareness regarding this issue among employees and pioneering the implementation of innovative ideas are among the primary responsibilities of the Quality and Process Management Department. During the course of 2010, a total of 11,000 suggestions were received from employees and customers via the 1,001 Ideas & Suggestions Evaluation System. "The Suggestion of the Month" is selected and the winner is announced within the Bank. The Bank also conducted "Quality Circle" initiatives that are used for continuous improvement and frequently employee development within the production sector.

A total of 127 "innovation envoys" unleashed the innovative potential of the Bank with employees in different units of the Bank getting together to form idea teams and conduct brainstorming sessions on the Bank's pressing matters. In an effort to support innovative, creative thinking, a monthly "1001 News" innovation bulletin is prepared and shared with employees. In addition, all employees have been supported via e-learning programs on innovation.

## CORPORATE BANKING

Many of the privatization and acquisition deals or investments that made headlines in Turkey have been financed by Akbank Corporate Banking.

Akbank Corporate Banking strives toward sector leadership to become the "bank of first choice" through its customer-oriented, innovative and value adding approach. Carrying out customer relations in line with its vision to build solution partnerships while maintaining and enhancing its position as the customers' main bank, the Corporate Banking Department seeks to meet all banking, strategic and financial needs of its customers by utilizing a proactive approach and achieving in-depth penetration into all aspects of client operations.

Providing structured products and financial solutions tailored to the specific needs of each customer and sector through Akbank's growing corporate branch network, the Corporate Banking team plays a significant role in the financing of long-term investment projects and acts as a major financier of headline-grabbing projects in Turkey. Akbank Corporate Banking provides financing and risk management services to more than 1,500 clients in the corporate segment with various products such as export and import loans for trade financing, working capital loans, investment loans, letters of guarantee, letters of credit, financing for domestic receivables, supplier financing, forward and swap transactions.

The Corporate Banking Department generates synergies within the Bank as well as with other Group companies. Always approaching its clients as a business partner, the Department plays a pioneering role in developing solutions to the clients' needs by referring their cash management matters or process improvement demands to related departments. This approach serves to enhance customer satisfaction while providing sales opportunities for respective products of the other departments of

the Bank. Furthermore, the Department offers asset management services to its customers via AKAssetManagement. In collaboration with the Treasury Marketing Group, the Corporate Banking team offers various products such as repos, mutual funds, bills, bonds and Eurobonds to help companies utilize their idle funds more effectively.

### Corporate Loans and Project Finance Loans

Thanks to its prudent lending policies, Akbank has the lowest non-performing loan (NPL) ratio in the sector. Building long-lasting business relationships in its area with its customer-oriented service and sustainable growth approach, the Corporate Banking team maintains an effective loan-risk balance thanks to constant risk monitoring and appropriate collateralization practices. Total default risk exposure of Akbank Corporate Banking reached TL 26 billion in 2010.

Increasing green-field investments, privatizations and acquisition deals in recent years fueled growth in the project finance loans market. Increasing its market share and active customers for project finance loans with each passing year, Akbank Corporate Banking continued its market-maker role in this segment in 2010 while remaining steadfast to its effective risk management and prudent lending policies. As of year-end 2010, the Bank's project finance risk exposure stood at US\$ 5.3 billion.

Many of the privatization and acquisition deals or investments that made headlines in Turkey were financed by Akbank Corporate Banking. Rather than concentrating its project finance loans in a particular industry, Akbank diversifies its lending evenly between different industries such as energy, real estate,

telecommunications, infrastructure, transport and petrochemicals. In addition, Akbank has also become a leading bank in its sector thanks to the full integration it has achieved with the financial advisory and investment banking services it offers. In this vein, Akbank assumed the financial advisor role in the Gebze-Izmir highway construction project in 2010, among the largest infrastructure projects undertaken in Turkey.

The Bank was a very active participant in syndicated loans, increasingly prevalent since 2006 and extended loan facilities to many financial companies in Turkey. In addition to providing commercial investment loans, Akbank Corporate Banking also provides financial intermediation services for the provision of investment loans under the guarantee/insurance schemes of international export credit agencies or insurance companies.

Akbank Corporate Banking monitors privatization programs closely and provides financing for large scale projects such as direct asset sales, transfer of companies' rights of superficies, share transfers, airport operation rights and hydroelectric power generation projects. The Department also plays a major role in financing energy production and distribution projects that have been booming in Turkey in recent years as well as highway privatizations.

As part of its joint initiative with AKInvestment in 2010, the Corporate Banking Department identified the investment banking needs of Akbank customers and took major steps to meet their requirements. As a result of these efforts, AKInvestment became a major player in its market in terms of issuance of bonds and bills as well as public offerings in 2010.

## TRANSACTION BANKING

The Transaction Banking Department offers solutions and products to meet the needs of its customers as well as all the stakeholders in the value chain of its clients.

Akbank's Transaction Banking Department provides cash management products for the collection, payment and financing needs of clients from all segments as well as related information management products and applications. The Transaction Banking Department offers solutions and products to meet the needs of its customers as well as all stakeholders in the value chain of its clients such as suppliers, customers and employees.

Aspiring to provide the highest quality of service to its customers, the Department monitors the developments in the electronic banking and cash management area closely and focuses on developing its information management processes in an integrated fashion with the resource planning infrastructure of the customers. The Department developed new systems with a supply chain oriented approach in 2010 thanks to its expertise in information technology and flexible transaction platform.

In 2010, the Transaction Banking Department developed many products and applications that feature numerous customized solutions. In this regard products such as the Supplier Finance System, Inventory Finance System, Direct Debit System, Special Money Transfer and Collective Payment Systems as well as their web-based mobile banking applications were revised and made more compatible with contemporary commercial trends and needs.

To maximize customer satisfaction, the Department approaches the projects it administers with a 360-degree perspective and accelerates them via centralized lending practices. In addition, the Collective Foreign Currency Payment System that also accommodates trade payments has become an internationally-acclaimed product.

Cash management products had an excellent performance record in 2010 and Akbank achieved a

- 100% increase in Direct Debit System limits,
- 100% increase in collections performed via Special Money Transfer System,
- 100% increase in Collective Payment System volume
- 50% increase in tax collections.
- Akbank singlehandedly realized 11.5% of all tax collections in Turkey.

The Transaction Banking Department supported the Bank's efforts to increase its total demand deposits.

Aiming to increase the number of core banking transactions as well as demand deposit and commission income, the Transaction Banking Department will continue to develop the most suitable financial supply chain management solutions for its customers' needs utilizing a relationship banking approach and will maintain its leadership in the sector in 2011.

## SME BANKING

# Akbank undertook a restructuring initiative at the beginning of 2010 and consolidated the Commercial Banking, Small Business Banking and the Transaction Banking Departments under SME Banking.

### Commercial Banking

The primary objective of Akbank Commercial Banking is to offer customized products to the financial and non-financial needs of medium-size companies with a high-quality service approach, to develop partnerships and to contribute more to the development and growth of the firms in its client portfolio. To this end, Akbank undertook a restructuring initiative at the beginning of 2010 and consolidated the Commercial Banking, Small Business Banking and the Transaction Banking Departments under SME Banking. Under the new organization, Akbank continues to serve via 22 commercial branches while commercial banking services were expanded to cover the entire country by appointing Commercial Customer Relationship Managers to 143 retail branches.

Assessing loan applications with customer-specific and multi-dimensional analyses, Akbank Commercial Banking has achieved a healthy and high-quality asset portfolio. The Department considers macroeconomic and industry studies as well as each company's business volume, financial performance and existing relations with Akbank in its lending decisions.

As in the previous years, Akbank Commercial Banking provided project financing for many company investments including projects in commercial real estate, residential housing, hotels and energy sectors. Project finance applications at Akbank are assessed by engineers who evaluate the projects in

terms of their financial as well as technical merits. As a result, the Bank is able to devise the best financing model for companies planning to undertake their investments.

In an effort to support the success of firms that conduct business in international markets, Akbank Commercial Banking develops customized financial products and helps clients enhance their competitive edges. These solutions include Country-Specific Loans, GSM Loans, Cash for Goods Export Credit, Installment Export Credit, Eximbank Loans, Export Credit Against Letter of Credit, Discounted Export Letters of Credit and Export Factoring, advance payments against L/C. Hedging products such as options, forwards, asymmetric forwards and zero-cost collars are offered to customers who want to protect against foreign exchange, interest rate and commodity price fluctuation risk. Akbank Commercial Banking also structures unique derivative products in accordance with customer requirements.

Companies can easily access information on their import, export, invisible item, transit trade and other transactions via the Akbank Corporate Internet Branch. In addition, Akbank launched the [www.akbankmevzuat.com](http://www.akbankmevzuat.com) website for its customers to have easy and convenient access to information on foreign trade transactions, alternative financing techniques and foreign trade regulations as well as answers to other frequently-asked questions about foreign trade transactions.

In 2010, Akbank Commercial Banking once again assumed the main sponsorship for the "Stars of Export - Export Incentive Awards", organized for the first time in 2002, serving to incentivize successful export firms. Companies that won awards in this competition, organized to increase Turkey's exports and expand the share of exports in the Turkish economy, performed their export transactions at Akbank under advantageous terms for one year.

Akbank Commercial Banking considers investments to increase efficiency in the energy industry as part of its social responsibility approach. In this regard, the Akbank Energy Friendly Loan was unveiled to contribute to the development of the energy industry and to finance investments of customers undertaken with an environmental protection perspective. In addition, the Turkey Sustainable Energy Financing Facility (TurSEFF) provided by the European Bank of Reconstruction and Development (EBRD) to reduce energy costs, consumption intensity of fossil fuels and greenhouse gas emissions was offered to Akbank customers. In this scope, Akbank extended loans for up to seven years for the financing of industrial energy efficiency projects, thermal rehabilitation of buildings and renewable energy investments including geothermal, solar, biomass and biogas energy projects. Other renewable energy project finance initiatives include the project financing of natural gas distribution centers, hydroelectric power plants, wind power plants and geothermal energy facilities.



**SME BANKING**

**As in previous years, Akbank Commercial Banking provided project financing for many investments including projects in commercial real estate, luxury residential housing, hotels and energy sectors.**

The Securitization Loan that was secured from the European Investment Bank was made available for the financing of investment and working capital requirements. This facility is being extended for financing new investments, restructuring of existing loans, plant modernization and meeting long-term working capital needs.

Akbank Commercial Banking created the Copper Commodity Fund to protect customers who are engaged in trading or processing copper or carry copper inventories as part of their business from potential declines in copper prices. This fund is an investment vehicle that helps customers protect their income from market fluctuations without being impacted by unexpected movements in commodity prices.

Acting out of the understanding that its responsibilities are not limited to providing classic banking services, Akbank takes part in various organizations and partnerships to inform and educate its customers. In this scope, the Bank organized the "Macroeconomic Outlook and Expectations" program as well as the "Carry Your Power to the New Generation" program where Deloitte Turkey shared its research and recommendations with regard to ensuring the continuation of businesses. In an effort to inform its customers operating in the tourism industry about sector developments, Akbank Commercial Banking established a partnership with the Turkish Hotels Federation (Türofed) to produce the Tourism Report published on a quarterly basis. The Report presents the latest data

as well as special studies about the sector, providing guidance to commercial firms in terms of future planning and outlook by reflecting current developments within the sector.

As a result of the cooperation between Akbank Commercial Banking and the Turkish Enterprise and Business Confederation (Türkonfed), a large non-governmental organization in Turkey's business community that develops Turkish economic policies, customers were informed about various subjects including economic developments, sources of financing and development policies. Akbank Commercial Banking was one of the sponsors of the 9th Industry Congress and Innovation Exhibition organized by the Istanbul Chamber of Industry to enhance and sustain the competitiveness of Turkish industry.

Akbank Commercial Banking continued to promote and sell products provided by its subsidiaries and/or sister companies such as AKLease, Ak Insurance, AKSecurities, AKAssetManagement and AvivaSA Pensions and Life Insurance.

**Small Business Banking**

Akbank Small Business Banking continued to stand by SMEs in 2010 with an extensive portfolio of solutions with innovative products and information services by organizing campaigns and establishing partnerships.

Products offered to Akbank customers include: cash and non-cash loans, check books, check collection, commercial bonus cash, POS, salary payments, tax and social security (SSK) payments, bill payments, automatic payment/collection systems, company credit cards, treasury bills and mutual funds. In addition to special packages designed for various segments and sectors, Akbank Small Business Banking also launched new and innovative products, services and partnerships to meet the constantly evolving needs of SMEs.

In an effort to meet the financing needs of SMEs, Akbank entered into partnerships with various organizations to secure credit lines from low-cost resources and developed new low-cost, long-term resources. Akbank is the only privately owned Turkish Bank to which the European Investment Bank (EIB) extended a € 150 million SME Development Credit and that the European Union chose as a partner. This facility was made available to SMEs for a wide variety of activities including raw material purchases, machinery and equipment purchases, energy/production efficiency improvements and modernization or expansion of existing facilities. European Commission funding was extended to Akbank customers with a 0% interest rate while the EIB facility was made available at advantageous interest rates and with a maturity of at least four years.



## Akbank Small Business Banking continued to stand by SMEs in 2010 with its extensive portfolio of solutions from innovative products and information services to campaigns and partnerships.

In an effort to support the investments of SMEs, increase their exports and help them grow, Akbank worked in cooperation with the Small and Medium Industry Development Organization (KOSGEB) to offer the KOSGEB Scale Indexed Growth Support Credit Program and the KOSGEB Export Support Credit Program to its customers. Further, as part of its partnership with the Undersecretariat of the Treasury, Akbank offered advantageous financing facilities to SMEs to reduce their funding costs in their investments within the priority development in provinces III and IV as well as their R&D and environmental investments.

The IFC SME Credit that was obtained from the International Finance Corporation (IFC) was extended for financing of new investments, extending the maturity of existing loans, modernization and expansion of facilities and meeting long-term working capital needs of SMEs.

In an attempt to help SMEs penetrate into international markets or increase their exports, Akbank Small Business Banking provided the Export Document Delivery convenience in 2010. As part of the application, companies performed their Export Document deliveries whose payments were transferred to Akbank at advantageous terms. As a result, Akbank created cost savings for companies conducting business in international markets and helped increase their competitive powers.

In 2010, Akbank launched Axxess Business, which combines the features of a company credit card, a supply card and a debit card in a single card. As a result, many features were provided to SMEs including installment purchases, earning chip-money from purchases, cash advance, installment cash advance, automatic bill payment, account access at ATMs, supply card feature and fraud insurance. SMEs are able to use Axxess Business for all of their needs including fuel purchases, business trips, accommodations, office supplies and wholesale product purchases.

In addition, the Welcome Package that was rolled out for new clients and offers many advantages, discounts and financial solutions such as loans and cash management as well as non-financial solutions were made available to the new customers.

In an effort to raise awareness of entrepreneurialism within society, remove the barriers in front of entrepreneurs and contribute to job creation by providing opportunities for new entrepreneurs out of its sense of social responsibility, Akbank undertook joint initiatives with Endeavor Turkey and Sabancı University. Akbank and Endeavor Turkey launched an unprecedented project where Akbank initially provides entrepreneurs selected by Endeavor with a TL 20 million credit pool, with access to more favorable collateral requirements, longer terms and lower interest rates than the market offers. The "Business-Creating, Business-Growing Ideas" program was undertaken jointly with Sabancı University and provided

consulting, project development and training support to entrepreneurs with new ideas or who just want to set up a business or increase an existing one based on that idea. Open to all innovative ideas and projects as manifested by its "If you have an idea, make it true" slogan, Akbank's Business-Creating, Business-Growing Ideas program was also supported by Endeavor, Inovent and KAGİDER.

In addition to serving the banking service requirements of SMEs, Akbank Small Business Banking also helps them draw their own roadmaps by keeping them informed so that they can expand their vision and find new markets and create demand for their products and services. The meetings organized jointly with the TÜSIAD - Sabancı University Competition Forum under the theme of "Marketing Strategies that Grow Companies and their Profitability" were held in Istanbul, Ankara, Izmir, Bursa, Adana, Gaziantep, Kayseri, Eskişehir, Konya, Balıkesir, Çorlu, Antalya, Denizli, Adapazarı, Izmit and Samsun. SMEs were briefed on marketing strategies at these marketing meetings. In addition, the "SME Export School - First step in Exports" project was launched jointly with the Foreign Economic Relations Board (DEİK) for SMEs that want to expand into overseas markets. Meetings organized under the theme of "Export Opportunities: New Sectors, Markets, Business Models and Incentives" were held in Bursa, Izmir, Eskişehir, Kahramanmaraş, Gaziantep and Trabzon as part of this project.

## CONSUMER BANKING

**Akbank, Turkey's innovative power that develops its products based on the needs of its customers, strives to be the leading bank for Consumer Banking via its innovative products offered in accordance with its vision, "For You".**

In 2010, Akbank continued to provide its customers with the highest quality of service available in Turkey in the Consumer Banking segment. Setting a goal to provide excellent customer service, Akbank reached a customer base of more than eight million with this approach. Primary factors in Akbank's accomplishment of putting together such an extensive customer portfolio are the service approach consistent with customer profiles, products developed based on the needs of the segment, constant stream of technological innovations, a comprehensive branch network consisting of 912 branches, nearly 8,000 specialized branch employees and vast human capital comprised of the best employees in the industry. As a result of its capability to roll out all domestic as well as international innovations for the benefit of its customers in short order thanks to these superior competencies, Akbank will continue to be the leader and the pioneer of the Turkish banking industry.

### Getting to Know the Customers with the "For You" Vision

With more than 60 years of banking experience, Akbank is able to adapt to changing and developing circumstances and can quickly generate appropriate solutions necessitated by economic conditions. Leveraging this deep-rooted experience to produce the most suitable banking solutions for the needs of its clients, Akbank has classified its customers into sub-segments based on their banking needs, demographic characteristics and volume of business with the Bank. This structure allows Akbank to get to know its customers

more closely, creates proactive marketing opportunities and forms the basis for a productive, long-lasting and healthy relationship for the customer as well as for the Bank.

Akbank, Turkey's innovative power that, develops its products based on the needs of its customers, strives to be the leading bank for Consumer Banking via its innovative products offered in accordance with its vision, "For You". Akbank is aware that the only way to provide the highest service quality consistently is to establish long-term relationships with customers based on loyalty and trust. Therefore, Akbank's customer relationship management is solely carried out by nearly 2,000 Consumer Banking Customer Relationship Managers (CRMs). Designed uniquely for each customer profile, this service model provides answers with solution proposals from branch personnel to meet all the needs of consumer banking clients who conduct up to a certain amount of financial business with the Bank.

### Exi26 for the youth

Youth banking transactions, conducted under the "exi26" brand since 2005, constitute one of the basic pillars for building long-term banking relationships for Akbank. Providing dedicated services to young people between the ages of 16 and 26, Akbank offers solutions to the financial and non-financial needs of Turkey's younger population. Under the exi26 brand, Akbank offers services and products custom-made for young people such as youth portals, Axess exi26, Neo exi26, general-purpose loans and car loans, as well as insurance products and services geared uniquely toward youth. Striving

to be a part of young people's daily lives, exi26 actively participates in campus life with specially designed campus branches and by organizing and supporting cultural activities on campus. Extending its support for Turkey's youth beyond university activities, exi26 has stood by young people in all major cultural events on a national scale. As the most recent example of this approach, exi26 sponsored the Sonisphere Festival in 2010 that featured the world's most renowned rock bands.

### One-to-One Banking

For high net-worth customers who expect specialized service for investment products, One-to-One Banking CRMs provide a platform that they can easily reach while offering them the most suitable products and providing financial information.

Under the One-to-One Banking service, One-to-One Banking CRMs at nearly 200 branches provided priority service to 160,000 customers during 2010. This one-to-one privileged service model is supplemented by a diversified product portfolio, special pricing, daily notifications of financial position and social activities. Approximately 25,000 new customers joined the One-to-One Banking family in 2010. They found quick solutions to their financial needs while having access to the most accurate information on their investments through a dedicated Customer Relationship Manager as well as special informatory e-mail notifications. Akbank One-to-One Banking continued to organize investor seminars in various cities where customers got together with prominent market commentators, world-renowned fund managers and economists.

This customer relations initiative enhanced customer satisfaction and accelerated new customer acquisitions while providing the Bank with opportunities to deepen its cross sell activities.

In 2011, Akbank aims to make the One-to-One segment customers feel the exclusivity of the One-to-One brand, not just with respect to banking needs, but also in their social and cultural lives. Akbank plans to raise the quality of its service to existing clients while organizing activities that will also help build new customer acquisitions.

#### **Continued Support for Small Businesses**

Akbank Consumer Banking offers creative and effective solutions to all financial needs of small businesses. Providing one-to-one service to 55,000 small business clients via Consumer Banking CRMs, Akbank serves its customers with a very extensive portfolio of solutions including commercial loans, investment products, cash management products and insurance services.

In accordance with its mission of pioneering innovative practices in the banking industry, Akbank paved the way towards the provision of more proactive solutions to its small business clients by allowing them to use credit lines set by the Head Office, eliminating the need for applying for a loan at a branch. This application marked the beginning of a new trend in the Turkish banking sector.

With its innovative applications and products, Akbank will continue its support for small businesses at an increasing pace in 2011.

#### **Akbank: A Large Scale Bank for Small Savings**

Turkey's innovative power Akbank continued to expand its customer base and deposit volume in 2010 as the Bank's consolidated total deposits reached TL 72 billion. This healthy deposit composition, a large share of which is comprised of individual customer deposits, diversifies risk and provides the Bank with flexibility in funding its lending activities as well as room for maneuvering in efficient utilization of its resources.

Akbank accelerated campaigns geared toward small depositors in 2010. Taking advantage of its extensive branch network, Akbank conducted deposit marketing activities throughout Turkey by taking into consideration the opportunities created by local circumstances. As part of its initiatives to attract small deposits, Akbank reinforced its pioneering role in the sector in 2010 with a proactive pricing policy built on the Bank's successful forecast of declining interest rates. Aware of the responsibility that comes with this role, Akbank is completely overhauling its deposit system to achieve utmost flexibility to create a stronger infrastructure for deposits, a very important banking product. The project that continued throughout 2010 is expected to be completed in 2011.

In an effort to promote self-service banking transactions, Akbank offered deposits to customers through its internet/telephone banking channels with interest rates that exceed those offered by the branches. These successful deposit marketing initiatives earned Akbank the "Best Online Deposit Acquisition" award in 2010 from the Global Finance magazine for the second consecutive year.

#### **New Horizons in Mutual Funds: The Pioneer and Leader in Protected Funds**

As of year-end 2010, Akbank offers investors a rich product portfolio consisting of eight Type B and three Type A mutual funds. The Bank pursued a policy of growth via high-quality funds and ended the year with a 12.3% market share.

Launching 18 new capital protected funds in 2010, Akbank maintained its market leadership as well as the first place in the rankings in the capital protected fund market with a 19.3% market share and a TL 480 million sales volume.

In 2010, Akbank focused on offering mutual funds that invest in alternative investment vehicles to investors seeking alternatives in the low interest rate environment. In this respect, Akbank ventured into emerging markets jointly with Templeton Asset Management Ltd., a leading global asset management company and launched the Franklin Templeton BRIC Countries Foreign Securities Mutual Fund. Reaching TL 100 million in assets under management in very short order, this BRIC fund offered investors the opportunity to take advantage of the returns in the emerging markets.





AT THE OPENING OF THE AKBANK JAZZ FESTIVAL – ONE OF THE LONGEST STANDING  
ANNIVERSARY IN 2010 – PRIOR TO THE CONCERT OF THE COUNT BASIE ORCHESTRA  
ONE OF THE MOST PRESTIGIOUS AND INNOVATIVE JAZZ GROUPS IN THE WORLD

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However, Akbank a  
always been open to  
differences. We have  
lives of our people w  
energy of jazz throu  
rhythms for 20 year  
and young country.

**HAYRİ ÇULHACI**  
AKBANK VICE CHAIRMAN

ING MUSIC FESTIVALS IN TURKEY, CELEBRATING ITS 20TH  
A, WINNER OF 17 GRAMMY AWARDS AND CONSIDERED TO BE

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passion  
for you

## CONSUMER BANKING

Akbank's mutual fund campaigns that have become a tradition by now drew heavy interest from investors in 2010 as well.

### Continuing to Focus on Alternative Channels in Equities

All domestic investors trading with AKInvestment began receiving equity service from Akbank's extensive branch network and alternative channels at the onset of 2010. This consolidated all assets of investors including equities within Akbank. The service model transformation project that continued throughout the year at a frantic pace was completed successfully; there were favorable developments in the utilization of and a major increase was registered in the Bank's market share in alternative distribution channels thanks to the constant stream of campaigns during the year.

Specialized investor services were expanded by putting together professional teams under the Akbank Investor Center formation that provide fast, high-quality customized services to investors with high equity trading volumes. Akbank began providing the convenience of carrying out trade executions on data screens, which allowed qualified investors to receive trading lounge quality service in their homes or offices. Fully-equipped VIP Trading Lounges were set up and offered to high-volume investors. Akbank will modify its trading commission model to increase the share of commission

schedules that decline with trading volume. This will allow the Bank to build longer-lasting relationships with clients, increase the utilization of alternative distribution channels and create synergy with other transaction channels. In 2011, Akbank aims to rise in its trading volume market share that accelerated at the beginning of the year.

### Akbank in the TurkDEX Market...

In 2010, Akbank again promoted the advantages, risks, opportunities and excitement of the TurkDEX market that offers a brand-new perspective beyond classical investment vehicles to Turkish investors. Utilizing its TurkDEX School concept with training modules prepared for all investors ranging from beginner to advanced, TurkDEX School participants acquired basic skills and knowledge before beginning to trade on the TurkDEX and got acquainted with the risks inherent in this rapidly-growing market. In addition to TurkDEX School, Akbank also organized an online trading competition to support the improvement of investors' practical skills. The competition offered an opportunity for investors to test their trading skills without incurring any financial risk. Chip-money campaigns were organized for investors with no or inactive TurkDEX accounts. These campaigns led to an increase in new TurkDEX account openings as well as an increase in personal Internet branch traffic. As a result of these campaigns, number of active customers surged by 56% at the beginning of 2010.

### Low-Interest Mortgage Opportunities Sweetened by New Products and Rewards

Pioneering the sector as the first bank to lower mortgage rates in the falling interest rate environment of 2009, Akbank continued to make a difference in the sector in 2010 by offering reward campaigns, in addition to attractive rates, for customers to completely furnish their new homes. Aiming for customer satisfaction and new customer acquisitions with new products and services such as the "Mortgage for Young Professionals" Akbank provided a wide range of products and campaigns for consumers to effortlessly get the most suitable mortgage products.

Akbank was the first bank to establish cooperation with real estate offices in this area. Continuing to collaborate with brand-name real estate chains and real estate chambers, the Bank also supports professional training programs for real estate agents.

Akbank, the first bank to establish partnerships with real estate offices, also cooperates with construction companies for residential projects to support its mortgage loan activities. While the Corporate Banking Department serves construction companies' project finance needs, Akbank Consumer Banking provides the funding needed by individuals to purchase new homes. Thanks to its strong partnership with the chambers of



## Akbank continued to roll out groundbreaking services in the Turkish banking sector in 2010 with its “aRife taRife” campaign, a banking service that is nothing short of being revolutionary.

real estate, real estate office chains and residential projects, Akbank's mortgage loans surged by 34% to reach TL 6.2 billion in 2010. Akbank will adhere to its growth strategy in mortgage loans, which leads to long-standing and high cross-selling customer acquisitions.

### **Growth in General-Purpose Loans, Increasing Number of Partners in Car Loans**

Akbank, one of the leading banks in the consumer loans market, focused on the objectives of new customer acquisitions, profitable and healthy growth by broadening its customer base, further diversifying its client portfolio and increasing customer loyalty in 2010 and shaped its policies in accordance with these goals.

Akbank conducted product marketing efforts for general purpose and car loans throughout the year, targeting cross-sell and increased profitability. This strategy brought about an increase in interest and commission income as well as a healthy growth in its loan portfolio. With a profit-oriented business approach, the Bank focused on effective campaign management and CRM initiatives particularly directed at general-purpose loans throughout the year. General-purpose loan sales were made to potential customers with predefined limit campaigns.

The Bank entered into agreements with major business partners in car loans, which accelerated the growth rate of its car loan book in the second half of the year.

As a result of the Bank's lending policies, cognizant of market conditions, general-purpose loans outstanding reached TL 6.2 billion with a 50% increase while car loans soared by 50% to TL 804 million at year-end 2010.

### **Overwhelmingly Positive Reaction to Customer-Oriented Innovations in Banking Commissions**

Taking into consideration the needs of the sector while showcasing its low-cost service approach, in 2009 Akbank launched the “TL 1 Campaign” for money transfers and check collections, the most frequently performed cash flow transactions. Akbank continued to roll out groundbreaking services in the Turkish sector in 2010 with its “aRife taRife” campaign, a banking service that is nothing short of revolutionary.

Offering transparent and unrivaled service that allows customers to perform banking transactions at a fraction of the regular cost, “aRife taRife” quickly became one of the most widely adopted services by Akbank customers. Bundling the most frequently performed customer transactions such as money transfers, check collections, account statement and pass book printouts under various packages, aRife taRife was enriched with new unique package choices in accordance with customer needs. Under this program, Akbank customers can make as many transactions as they need for a fixed, much lower monthly fee by subscribing to a bundle instead of paying separately for each transaction within the bundle.

### **New Products and Channels in Bancassurance**

In line with the growth of the bancassurance sector in 2010, Akbank continued to grow its insurance business in 2010. The major accomplishments of 2010 are the high level of assets under management reached by AvivaSA Pension and Life with support from Akbank's high potential in the private pension system, the rate of growth achieved by Ak Insurance in sales through the bank channel which is the highest in the sector and the expansion of the customer base for insurance products through Akbank distribution channels.

Convincing large masses that being insured is a necessity rather than a luxury constitutes Akbank's major objective in bancassurance. In this vein, the Bank began selling Life Continues Insurance, which makes payments to policyholders in case of critical illnesses and Emergency Health Coverage and covers treatment expenses in health emergencies, to the customers at Akbank branches.

In addition, Akbank also began covering credit-related risks of the customers by launching the Credit Card Unemployment Insurance, which provides payment guarantee for credit card debt and the Credit Life Maximum Protection product that covers mortgage and general purpose loan repayments. POS Insurance that was launched for the small business and micro segment customers, protects merchant POS devices against all kinds of breakdown or malfunction while the

## CONSUMER BANKING

liability insurance packages offered to protect business owners against risk that can arise from their responsibilities to employees or the environment provide coverage against customer risks.

In an effort to market insurance products to customers through every distribution channel, Akbank launched insurance policy sales at its ATMs and products customized for customer needs were developed in accordance with the characteristics of the distribution channels. In 2010 the Bank continued to provide 24/7 customer service via the Akbank Call Center for the Emergency Health Coverage, Life Continues Insurance, Plan B Life and Unemployment Insurance, Body Card Protection Insurance, Credit Card Unemployment Insurance and Personal Accident Insurance products.

In 2011, Akbank will continue to improve and expand its bancassurance product and service offerings. Infrastructure improvements will be ongoing to allow customers to obtain information quickly about their insurance policies at every point of contact with Akbank. The Bank also aims to increase penetration of its customer segment-specific insurance products bundled with banking products and to increase the number of Akbank customers with insurance policies in 2011.

### Alternative Solutions in Banking: Alternative Distribution Channels

Akbank aims to meet the financial needs of the customers quickly and provide an excellent customer experience through Alternative Distribution Channels (ADC). Accordingly, Akbank leverages technological advances to actively

pursue its policy of being wherever its customers are located. The products and services rendered through the ADCs make significant contributions to the Bank's operational efficiency and profitability as well as the positioning of its products in accordance with the "For You" concept. Thanks to Akbank's broad range of channels and functional diversity, more than seven million customers receive their banking services through ADC annually. Nearly two million customers each month perform their banking transactions through ADC without visiting a branch.

Akbank has one of the most extensive ATM networks in Turkey with 3,127 ATMs and BTMs, which have instantaneous cash deposit capability. Akbank moved up from fourth to second place in terms of ATM market share thanks to its fast-paced ATM installations undertaken as a result of its ATM network expansion policy that it focused on, in 2010. A total of 89% of all cash withdrawals and 61% of all cash deposit transactions at Akbank are performed using ATMs and BTMs. Akbank ATMs and BTMs are part of Turkey's ATM sharing platform, so they are at the service of all credit or debit card holders in Turkey in addition to Akbank customers.

Akbank Internet Banking serves 11% of active internet banking users in Turkey. Handling 11% of the money transfers in the sector, Akbank Internet Banking also has a 1% market share for stock trading on the Istanbul Stock Exchange. Akbank's campaigns for internet banking customer acquisitions won the Bank a second-place award in the "E-mail Marketing Campaign" category at the Direct Marketing Awards competition.

Internet Banking is being positioned as an online service and sales platform where frequent contact with customers is converted to product and service sales. The online term deposit application, offered as part of this approach which is another advantageous product provided exclusively by this channel, won the "Best Online Deposit Acquisition" award from Global Finance for a second straight year in 2010.

Served by Akbank via its SMS Branch, Mobile Phone Branch and the wap.akbank.com.tr platform, mobile banking is a rapidly growing alternative distribution channel. Serving more than one million customers, the SMS Branch provides a fast, easy way for customers to see their account and credit card information and balances and to perform other banking transactions while reducing the operational load these transactions impose on conventional channels. In addition, an increase in the utilization of the SMS Branch makes a major contribution to fee income obtained from the Alternative Distribution Channels. Launched at the end of 2008, the Mobile Phone Branch aims to replicate the service diversity of the Internet platform on the mobile platform. Akbank makes continuous investments to enrich the functionality of the Mobile Phone Branch, which provides most frequently performed services by customers such as money transfers, information and balance inquiry, foreign exchange transactions, payment transactions and investment transactions.

## Akbank Call Center won the first-place award in the “Best Call Center over 200 Seats” category at the 2010 Istanbul Call Center Awards.

Mobile banking channels such as the SMS Branch, Mobile Phone Branch and wap.akbank.com.tr register the fastest and most cutting-edge technological developments. In line with technological advances in these channels, Akbank added new platforms and applications to its mobile banking service in 2010 and launched the first groundbreaking applications in the sector for iPad and iPhone users, whether or not they are Akbank customers, via such applications as iPad Branch, Wings Traveler, iPad Investor, No Panic, Credit, iPhone Investor and Akbank Art Center. As a result of its leadership with regard to adopting technological advances, Akbank was deemed worthy of the second-place award in the “Best Mobile Ad Application” category at the Grand Interactive Awards with its Wings Traveler iPad application and the first-place award in Mobile Marketing Campaign category at the Direct Marketing Awards with its iPhone-iPad investor applications.

Akbank Telephone Banking, one of the largest call centers in the sector, won first-place in the “Best Call Center over 200 Seats” category at the 2010 Istanbul Call Center Awards. It receives more than three million calls every month and serves nearly five million customers annually. Combining frequent contact with customers via its ever-increasing “ratio of calls that lead to a sale” Akbank Telephone Banking makes 32% of the Bank’s overall insurance policy sales and 29% of its credit card sales. It is one of Akbank’s most important sales channels with nearly two million product sales annually.

Akbank offers a wide range of advantages to ADC users in terms of pricing as well as ease and variety of purchasing and use. Akbank was the runner-up in the “Best Use of Mobile Marketing – Direct Response” category at the Mobile Marketing Awards, a worldwide award organization, with its Big Red Line Win Big application, a good example of product sales and marketing initiatives conducted via ADCs. Thanks to the advantages they offer, many customers today use the ADCs and two out of every three transactions at the Bank, are performed through Alternative Distribution Channels. Akbank successfully completed its ADC positioning initiative in accordance with its ADC strategies that was one of the areas the Bank focused on particularly on in 2010 with “Run to Red” integrated digital marketing communication. The “Run to Red” integrated digital marketing campaigns that were carried out throughout the year won three awards in the “Midas Awards Midas Certificate-Design, Electronic Banking and Integrated” categories and two awards in the “Silver Midas-Electronic Banking and Website” categories. In addition, the “Run to Red” campaign was deemed worthy of the Gold Award in the “Innovative/Experimental” category at the W3 Awards as well as the third-place award in the “Mobile Marketing” category at the Direct Marketing Awards.

## CREDIT CARDS

**Aiming to make consumers' lives easier, Akbank has enhanced the long list of conveniences it provides to credit card holders by facilitating direct access to their Akbank savings accounts through Akbank ATMs.**

With 4.9 million credit cards and Turkey's largest member merchant network, Akbank continued to offer innovative products and services to its customers in line with their needs and expectations in 2010.

Akbank's credit card lending was up by 15% over the previous year for a total of TL 6.6 billion in 2010.

### **Axess, Wings and Fish**

Akbank's 4.9 million-strong credit card portfolio consists of the Axess, Wings and Fish brands. Featuring Turkey's largest member merchant network, Akbank continues to offer innovative products and services to its customers in line with their needs and expectations.

In the credit cards segment in 2010, Akbank focused on deepening business relations with existing customers in addition to new customer acquisitions. To this end, Akbank conducted more effective direct marketing campaigns by implementing a credit card customer profitability-based segmentation management approach. Serving all financial needs of its credit card customers via products such as Skip a Statement (Ekstre Mola), Fast Cash (Hızlı Para), Installment Request (Taksit İste) and Balance Transfer, Akbank attempts to be a part of the daily lives of its clients via campaigns such as Win-Win (Boş Yok) and Commitment (Taahhüt).

Akbank made new point of service additions to the Wings Style concept launched in 2009; Wings clients continued to enjoy privileged service at 49 Wings Gourmet, 51 Wings Travel and 23 Wings Wellness service locations.

Fish, launched as part of Akbank's retail partnerships, was linked to the loyalty programs of Boyner and Beymen brands to become the exclusive card of their customers. Akbank began organizing special discount days exclusively for Fish cardholders who are also these brands' customers.

Carrefour Axess, another strategic partnership project of Akbank, began offering various benefits for purchases made at CarrefourSA to become the only credit card its customers use daily. These benefits include discounts in selected product categories, gift certificates for certain products and special checkout services at CarrefourSA Hypermarkets.

Electronic commerce plays a major role in the credit card market. In addition to online shopping, many insurance and tourism companies conduct transactions using only the card number without the physical card. Akbank added virtual cards to its product lineup to increase the Bank's presence in these sectors and enhance the security of such transactions. The launch of Virtual Cards for all Axess, Wings, Fish and Carrefour Axess products was announced to cardholders with a 10% discount campaign.

Aiming to make consumers' lives easier, in 2010, Akbank has enhanced the long list of conveniences it provides to credit card holders by facilitating direct access to their Akbank savings accounts through Akbank ATMs. Thanks to this new application, cardholders can withdraw cash from their checking accounts with their credit cards and also perform credit card transactions using a single card.

### **Akbank continues to be the first bank to introduce the latest technological innovations in Turkey.**

Akbank made a giant leap in 2010 with regard to mobile payments that began as a synergy between payment systems and the GSM sector; which is generally considered to be the future of payment systems. As a result of the partnership between Akbank and Visa, Akbank credit card holders will be able to conduct contactless credit card transactions using only their mobile phones without the need for the actual plastic card.

This innovation was announced at a press conference as a groundbreaking service in Europe. Akbank credit card holders will be able to use this service with specific cell phone models chosen by the Bank without having to switch their GSM operators. Over time, this solution will be extended to mobile phone brands with a memory card slot for photo and music file uploads.

### Neo

Due to changing trends and developing technology, the share and importance of debit cards in payment systems is growing noticeably. Following this trend, in an attempt to channel Neo cardholders to shop with their debit cards, Akbank conducted informational and promotion initiatives through alternative distribution channels and below the line communication channels as well as shopping campaigns geared toward target groups. Customers were channeled toward shopping via personalized messages at Akbank ATMs, the channel where debit cards are used with the highest frequency. Akbank registered a net increase of 745,000 in the number of Neo cards in circulation to 5.2 million in 2010; card utilization grew by an impressive 46%.

Analyzing the market propensity carefully in the prepaid bank card area, a new sector in Turkey, Akbank launched the first prepaid card product in the Turkish banking industry. Unveiled under the Neo Rewards brand in June 2010, this prepaid card is geared toward large companies. The corporate segment clients can give bonuses and gifts to their employees, business partners, dealers and customers in various formats using Neo Rewards cards. While reducing their operating costs thanks to the Neo Rewards card platform and its flexible infrastructure, companies also create satisfaction by presenting a card that is accepted worldwide and as a payment option for purchases.

Shortly after unveiling Neo Rewards, Akbank established a major partnership with Diasa to sell Neo Rewards Diasa cards at Diasa outlets in lieu of Ramadan packages throughout the month Ramadan. Diasa and Akbank held a joint press conference prior to the start of Ramadan to announce this partnership to the consumers.

### Commercial Cards

Striving to meet all needs of its customers in consumer banking as well as in the corporate segment, Akbank undertook major initiatives in 2010 in commercial credit cards, which serve as payment system products. With its 47,000 commercial credit cards, Akbank offers innovative products that save time and reduce costs that companies and corporate clients can use in general company expenditures and other commercial purchases.

### Axess Business and Wings Business

Active in the commercial cards market with its Axess Business and Wings Business brands, Akbank launched its Axess Business product in August 2010.

Axess Business is an important product that combines many desirable features including company credit card functions, supply features, loyalty program and installment opportunities at hundreds of thousands of locations. Following its launch, Akbank achieved a major revenue increase through campaigns that

convinced companies to switch to Axess Business for their bill payments, gasoline purchases and especially their bulk food purchases. Thanks to the dedicated efforts of the branches and sales teams, card sales grew by 60% over the short period after the launch. Akbank also achieved customer loyalty and revenue growth in the Wings Business product by making the May Advance Miles Program available to the companies. In addition and in an effort to meet customer expectations and demands, in 2010, Akbank enhanced its commercial cards with major product features including Installment Cash Advance, Skip a Statement (Ekstre Mola) and the ability for customers to enter automatic bill payment instructions for the bills of all companies directly in the card.

### Member Merchant Activities

Continuing to solidify its standing as one of the sector's leading banks for member merchant activities in 2010, Akbank was the only one among the four largest banks to increase its member merchant market share compared to the previous year further reinforcing its market position.

Akbank's member merchant sales turnover in 2010 registered a growth rate of 18.1%, above that of the overall market. Acquiring 78,000 new member merchants in 2010, Akbank reached a total of 218,000 member merchants and 267,000 POS terminals by year-end 2010 and continued its successful performance in this segment. Akbank continued its shared

## CREDIT CARDS

POS terminal initiatives in 2010 to reach more than 105,000 shared POS terminals, 34,000 of which are owned by Akbank.

Akbank has further strengthened its market position by broadening its member merchant network via agreements with the leading companies in the sector and running consumer-oriented campaigns. As of year-end 2010, 162,000 member merchants offer installment and reward benefits to Axess cardholders. Axess sales turnover at member merchants increased by 18% in 2010 compared to the previous year thanks to the sector and brand-specific campaigns.

Akbank's POS performance was improved via POS infrastructure projects, providing cardholders and member merchants with better and faster service. Beginning to update its POS network by launching

three state-of-the-art POS models, Akbank enhanced its POS portfolio with the addition of two new customer "self-service" terminals as well as a contactless reader and pin pad model. In addition, Akbank POS terminals now accept Visa Paywave transactions as well as Mastercard PayPASS transactions.

Organizing exclusive campaigns for Akbank cardholders in 15 provinces throughout 2010, Akbank undertook initiatives to acquire new member merchants and activate existing member merchants. These campaigns resulted in 46,000 new credit card sales, 3,900 new member merchant acquisitions and 51% increase in sales turnover.

The member merchant-oriented magazine "Sapsarı" was delivered to 10,000 Axess member merchant employees in 2010.

## PRIVATE BANKING

**In addition to their investment needs, Akbank Private Banking also serves its customers' pension, insurance and leasing demands with a one-stop shop approach through dedicated Customer Relationship Managers.**

Operating since 2001 with an experienced and specialized team, Akbank Private Banking offers banking and advisory services at nine dedicated branches; in Etiler, Nişantaşı, Suadiye, Western Istanbul and Kozyatağı districts of Istanbul as well as in Ankara, Izmir, Bursa and Adana.

Akbank Private Banking was established to provide exclusive services for individuals with assets exceeding TL 500,000 to help with their investment decisions and to generate tailor-made solutions to their needs. In addition to their investment needs, Akbank Private Banking also serves its customers' pension, insurance and leasing demands with a one-stop shop approach through dedicated Customer Relationship Managers in cooperation with the Group companies. Providing its services in specially-designed, luxury branches, Akbank Private Banking Customer Relationship Managers, supported by experts and specialists from AKSecurities and AKAssetManagement, constantly monitor their customers' investment

strategies and provide them with exclusive solutions. Guided by principles of mutual trust and confidentiality in their dealings, Customer Relationship Managers also provide periodic reports to their customers on domestic and international markets as well as industry and product surveys. Customers can also execute their Istanbul Stock Exchange and TurkDEX transactions through resident dealers in the branches.

Akbank Private Banking has an investment and strategy unit that exclusively serves Private Banking clients. Consisting of experienced employees who are specialists for each product, this unit provides investment advice to clients customized for their risk profiles and expectations so that they can get the highest performance out of their investment portfolios.

As of year-end 2010, total assets under management of the Private Banking Business Unit reached TL 19,727 million. From the perspective of cross-selling performance, each customer on average owned 3.9 products.

### Wealth Advisory

Akbank Private Banking implemented an internal segmentation process in 2005 and established the Wealth Advisory Group within the Head Office to provide multi-faceted services for individuals and families with assets over TL 5 million. The Wealth Advisory Group works to preserve family wealth, grow it through correct investment decisions and transfer it to the generation in the most convenient manner. In this respect, clients are offered exclusive services such as one-to-one meetings with Akbank tax advisors regarding tax, inheritance and economic issues as well as access to private meeting rooms and art advisory.

To maximize service quality and customer satisfaction, each Customer Relationship Manager in this group serves a maximum of 30 active clients.

## INTERNATIONAL BANKING

**Thanks to its solid balance sheet and strong correspondent relationships, Akbank led the way for the costs of syndication loans for the Turkish banking sector to drop from Libor + 2.00% at year-end 2009 all the way down to Libor + 1.30%.**

Akbank had a very successful year in 2010 in international banking area as well. The Bank's International Banking Department has long-standing relationships based on mutual trust with its correspondent banks in 116 countries. The Bank provided meticulous and quick support to customers with their foreign trade and payment transactions as well as investment projects with various financial vehicles while providing low-cost, long-term financing through the export credit agencies of various countries.

Akbank paved the way for the Turkish banking industry in the syndication, bond and securitization markets in 2010 and became the institution that set the terms for foreign borrowing. Akbank also maintained its sector leadership in securing low-cost funding facilities from international financial institutions, to be used in financing the SME segment in particular.

On March 25, 2010, Akbank secured a one-year syndication loan comprised of two tranches of US\$ 437.5 million and € 584.5 million together with 55 banks from 21 countries. This loan had the highest number of participating banks among all loans obtained by a financial institution in the Europe, Middle East and Africa (EMEA) region in 2010. Secured at a total cost of Libor + 1.50% and Euribor + 1.50%, respectively, this loan represents a great accomplishment for Akbank, which has achieved a roll-over rate of over 200%.

On August 17, 2010, Akbank signed an agreement for a new € 1 billion syndication loan, which also has the distinction of being the largest syndication loan secured by a Turkish bank in 2010. This loan consists of two tranches of € 810.6 million and US\$ 254.8 million; € 780 million has a term of one year while the remaining € 220 million carries a two-year term. Participated by 52 leading global banks from 19 countries, the syndication loan comes with a cost of Libor/Euribor + 1.30% for the one-year portion and Libor/Euribor + 1.75% with the two-year tranche.

Reducing the cost of its syndication loans thanks to its solid balance sheet and strong correspondent relationships, Akbank led the way for the costs of syndication loans for the Turkish banking sector to drop from Libor + 2.00% at year-end 2009 all the way down to Libor + 1.30%. Akbank also solidified its sector leadership by winning the first two-year syndication loan secured by a Turkish bank since the financial crisis, the largest syndication loan secured by a Turkish bank in 2010, as well as the syndication loan with the highest number of participating banks in the EMEA region.

On July 22, 2010, Akbank broke other new ground in the Turkish banking industry and issued a US\$ 1 billion, five-year, US dollar-denominated corporate bond in the international bond market. This was the first direct issue realized by a Turkish company registered by the Capital Markets Board. It is also the lowest coupon rate corporate bond issued by a Turkish company in the international market. This issuance also holds the distinction of being largest bond issue by a Turkish company in the international markets.

This US\$ 1 billion bond issue was oversubscribed by three times thanks to robust demand from nearly 170 institutional investors from 30 countries, mostly in the USA and Europe. In this respect, this issuance diversified Akbank's sources of financing while broadening its investor base.

This bond was assessed with an investment-grade rating of BBB- by Fitch while Moody's rated it Ba1, one notch above Turkey's sovereign bond rating. IFR and Euroweek magazines covered this issuance with headlines such as "Akbank wrote history" and "Akbank rewrote the rules of borrowing."



Furthermore, on August 16, 2010, as part of its securitization program backed by foreign export receivables, check receivables and foreign exchange-denominated money transfers; Akbank completed a US\$ 860 million financing transaction, US\$ 300 million of which in fresh financing and the remaining part of the facility to be used for refinancing of an existing US\$ 560 million loan. This transaction represents the first securitization loan backed by future cash flows in the region consisting of Europe, Middle East and Africa from 2009 to date. The US\$ 300 million facility that carries an average maturity of 5.8 years was secured from Standard Chartered, WestLB, Wells Fargo, European Investment Bank (EIB) and International Finance Corporation (IFC).

This transaction also holds the distinction of being the second Akbank securitization loan participated by the European Investment Bank as well as the first ever securitization loan backed by future cash flows in the Middle East and Africa region that the IFC participated in. Akbank's total issuance as part of its securitization program backed by foreign export receivables, check receivables and foreign exchange-denominated money transfers was realized in 28 parts since 1999 and reached US\$ 4.7 billion.

In 2010, Akbank further developed and deepened its existing relationships with international financial institutions. In addition to the US\$ 79 million securitization loan deal, Akbank signed two more loan agreements with the

European Investment Bank. On July 29, 2010, Akbank secured a five-year, € 75 million facility from the European Investment Bank's SME Improvement Loan program as the only private sector Turkish bank this institution chose to partner with. On October 21, 2010, Akbank was among the five banks chosen out of ten banks applying to participate in the Loan Facilities for Growing Anatolia Program and secured a five-year, € 50 million facility. Including these latest loan agreements, total financing Akbank secured from the EIB since 2007 topped US\$ 1 billion.

In addition to the US\$ 75 million securitization loan secured from the IFC to be used in the financing of renewable energy projects on March 31, 2010, Akbank also obtained a five-year, US\$ 75 million credit facility to be used to fund SMEs. On May 15, 2010, Akbank secured a US\$ 60 million facility from the European Bank of Reconstruction and Development (EBRD) to increase energy efficiency and reduce energy costs of SMEs. This loan will be used to finance small-scale renewable energy investments and energy efficiency projects of Turkish businesses and households.

Akbank creates low-cost funding facilities for SMEs with these loans secured from international financial institutions. These loans, whose contract requirements include economic growth, social welfare, environmental protection as well as other similar worthy dimensions, also overlap with Akbank's corporate social responsibility policies in that respect.

As part of its international partnerships, Akbank signed a cooperation agreement with China Development Bank on October 9, 2010, to form the basis of long-term strategic cooperation between the two banks. The deal serves as a mutual facilitating measure for entrepreneurs and businessmen of both countries in financing projects of infrastructure, trade and investments while strengthening business ties between Akbank and China Development Bank.

In addition, Akbank International Banking accelerated its efforts to offer advantageous products and services that will make a difference for Akbank's corporate and commercial segment clients in their foreign trade transactions. In this vein, Akbank opened two yuan accounts in China as of January 2011, allowing its customers who enter into export or import deals with China to conduct yuan-denominated transactions.

Akbank formed the International Business Development Department in 2010 to increase its presence and reinforce its position in the international arena. The Department's primary objective is to monitor the needs of its customers more closely and in-depth in all of their international activities, generate customized solution offerings and create new areas of investment for the Bank. The Bank's expectation from the establishment of the Department is to increase its market share in trade, investment, merger and acquisition deals with the countries it deems important for its business and to gain a competitive edge by capturing the potential in these regions ahead of its competitors.





FROM THE OPENING CEREMONY OF THE 29TH ISTANBUL INTERNATIONAL FILM FESTIVAL  
FOUNDATION FOR CULTURE AND ARTS (IKSV), HELD AT THE LÜTFİ KIRDAR COVENT

“The cinema as an  
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unite the humanity  
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to support the Fest  
ahead as well.”

**ZİYA AKKURT**  
AKBANK CEO

TIVAL, ORGANISED BY ISTANBUL  
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## TREASURY MANAGEMENT

**As of year-end 2010, Akbank ranked first in the secondary market bond and bill trading volume. The Bank further increased its presence in the fixed-income securities market in 2010 and maintained its leadership in this area.**

Assuming extremely critical functions under all economic conditions, Akbank Treasury Management is responsible for managing liquidity, exchange rate and interest rate risks in addition to its markets activities with its deep-rooted experience of many years, dynamic structure and successful balance sheet management practices. Akbank Treasury Management is highly commended in the sector due to the dynamism it has brought about as well as the synergy it has created with the Trading and Derivatives Department, Treasury Management Department, Fund Transfer Pricing (FTP) and Balance Sheet Management Department, Treasury Marketing Department and Capital Markets Department.

### Trading and Derivatives Department

The Trading and Derivatives Department performs the pricing of spot and forward foreign exchange as well as all kinds of fixed-income securities, commodities and derivative products. The Department's product portfolio consists of spot and forward foreign exchange transactions against the Turkish lira, spot and forward foreign exchange transactions in other G-20 currencies, domestic and international bonds and bills, interest rate swaps, cross-currency swaps, commodities and derivative products.

Named as one of a dozen market-makers by the Turkish Treasury Undersecretariat, Akbank is one of the most active participants in the primary and secondary markets. As of year-end 2010, Akbank

ranked first in the secondary market bond and bill trading volume. The Bank further increased its presence in the fixed-income securities market in 2010 and maintained its leadership in this area. In 2010, Akbank played an active role in determining the direction of the markets through competitive pricing at the Istanbul Stock Exchange, over-the-counter (OTC) markets and international TL-denominated securities markets and maintained its price-setting position in the sector.

The Derivatives Trading Group, which operates as part of the Trading Department, is active in the over-the-counter and organized derivatives markets and precious metals markets. The group also manages the Bank's options position stemming from client transactions and enters into speculative foreign exchange options positions as part of its portfolio-building function. When managing the options portfolio and risk parameters, the Group adjusts its position according to client transactions and market direction. The Group works together with related departments with a customer-oriented approach to develop various products to meet the needs of corporate, commercial, consumer and private banking customers.

The Derivatives Trading Group also takes positions in foreign exchange contracts on the Turkish Derivatives Exchange (TurkDEX) on behalf of the Bank's own portfolio. Akbank is a market-maker member of the TurkDEX.

The Department executes transactions on the Istanbul Gold Exchange (IGE) as well as in international OTC markets to provide physical gold loans to its customers. Additionally, the Derivatives Trading Group also undertakes brokerage tasks for the Gold Fund on the IGE.

Thanks to its flexible pricing and high transaction capacity, Akbank's Trading Department is the first choice for international investors who want to trade in the Turkish market.

### Treasury Management Department

The Treasury Management Department is in charge of managing the short and long-term foreign currency and Turkish lira liquidity of the Bank. The Department engages in foreign currency and Turkish lira borrowings and placements through money market transactions and ensures effective management of the Bank's short-term funds utilizing various instruments such as FX swaps, repos and reverse repos.

Also providing brokerage services for Akbank mutual funds in the money and bond/bill markets, the Department has an active and large presence in the ISE Repo-Reverse Repo Market and OTC money markets.

### Fund Transfer Pricing (FTP) and Balance Sheet Management Department

The Department manages the interest rate risk of the Bank's balance sheet and its off-balance sheet liabilities in accordance with the medium-term opinions of the Asset-Liability Committee and the Executive Risk Committee.

In addition, the FTP and Balance Sheet Management Department performs the Fund Transfer Pricing function for the bank's other business units. Furthermore, in an effort to increase the Bank's profit, the Department aims to manage its balance sheet and income statement effectively in accordance with risk management principles.

#### **Treasury Marketing Department**

In an attempt to support Akbank's objective of becoming the leading bank in terms of market share in all banking products, the Treasury Marketing Department positioned itself to meet the needs of corporate, commercial, consumer and private banking customers. The Department pursued a competitive pricing policy while offering an extensive product lineup in accordance with the needs of the clients.

In addition to informing customers about market movements on a daily basis, the Department provided faster executions and more competitive pricing for customer transactions and improved its service quality by strengthening its technological infrastructure.

The Department boosted the Bank's trading volume, market share and profit by offering competitive pricing in all banking products for its customers.

Actively and centrally managing all foreign exchange transactions executed through all distributions channels, the Department created an opportunity for competitive pricing.

The Treasury Marketing Department continued to serve the Turkish lira and FX Treasury bond and Eurobond trading transactions of its internal and external clients.

Closely monitoring the deposit volume of the Bank, the Treasury Marketing Department plays a leading role in coordination with the branches and Head Office departments in increasing the Bank's market share by analyzing market conditions in this area.

The Department also conducts marketing activities in the derivative products market in line with the needs of all customers. The Bank registered increase in product diversity, cross-selling, number of customers, number of transactions and trading volume in 2010 as well.

#### **Capital Markets Department**

The Capital Markets Department was established in 2009 and is responsible for two primary functions, product management and sales channel (Akbank Investor Center); it serves equity, warrant and derivatives traders. The Department's objective is to establish and develop the appropriate service model to increase the Bank's market share in these products and to incorporate the new products in this market into Akbank's product offerings. For this purpose, the Capital Markets Department sets the strategies and goals for existing products while also engaging in product development efforts. The Department serves the Akbank Investor Center sales channel as well as qualified investors nationwide that generate high trading volume.

## CAPITAL MARKETS AND OTHER FINANCIAL SERVICES

**Akbank conducts its non-banking financial activities through its subsidiaries, namely AKSecurities, AKAssetManagement, AKInvestment Trust and AKLease.**

Akbank conducts its non-banking financial activities through its subsidiaries, namely AKSecurities, AKAssetManagement, AKInvestment Trust and AKLease. Product and service offerings of these subsidiaries are also marketed through Akbank branches.

### AKSECURITIES

Founded in 1996 to provide brokerage services in capital markets, AKSecurities is a 99.8%-owned subsidiary of Akbank. As of January 1, 2010, AKSecurities had turned over more than 200,000 domestic customer accounts to Akbank.

Currently, domestic retail customers perform their transactions through Akbank Private Banking branches, Akbank Capital Markets Department and at more than 900 Akbank branches. In addition, customers have remote access to capital markets transactions via the Akbank Internet Branch 24 hours a day. Achieving fast and steady growth since its inception, AKSecurities focuses on institutional clients with the highest-quality service approach.

Through its Foreign Institutional Sales Division, AKSecurities offers brokerage services in Turkish capital markets products to foreign institutional customers.

Company reports and bulletins produced in English, prepared and delivered to foreign investors by the Research Department, play a major role in the customers' decision-making processes. The Research Department also provides content support for research reports that Akbank delivers to domestic investors.

With its staff of specialists, the Corporate Finance Department of AKSecurities provides advisory services to domestic and foreign companies in public offerings, mergers and acquisitions and financial partnerships as well as active advisory services on the buy-side or the sell-side in privatization deals.

### AKASSETMANAGEMENT

Established in 2000 to provide asset management services in capital markets to institutional and individual investors, AKAssetManagement is a 99.9%-owned subsidiary of Akbank.

AKAssetManagement manages 12 mutual funds and 17 capital protected investment funds for Akbank, 18 pension investment funds for AvivaSA Pension and Life Insurance Company, one Akbank SICAV fund and the portfolio of AKInvestment Trust. The Company also provides discretionary asset management services for large individual investors as well as large institutional investors, tailored to their financial expectations and risk profiles.

Total assets under management rose from TL 6.3 billion at year-end 2009 to TL 8.0 billion as of year-end 2010, corresponding to 28% growth for the year.

AKAssetManagement is among Turkey's largest mutual fund management company in terms of assets under management (AUM). Total AUM of mutual fund portfolios managed by the Company stands at TL 4.0 billion as of year-end 2010, corresponding to a market share of 12.3%.

AKAssetManagement is the market leader in the Turkish pension investment fund management sector in terms of assets under management with a market share of 21.3%. Total AUM of the pension investment fund portfolios managed by the Company continued to grow steadily and reached TL 2.6 billion as of year-end 2010.

The Company's individual and institutional discretionary portfolio management business line, which was established in 2006, registered rapid growth and reached TL 1.3 billion AUM and 29% market share as of year-end 2010. AKAssetManagement became the fastest growing company in this segment in 2009 and 2010.

In its asset management processes, AKAssetManagement pursues an investment strategy that prioritizes risk management which it is based on well-defined rules and focuses on liquidity and asset diversification.

AKAssetManagement pioneered the asset management market in many areas with its performance and innovative product design. In this respect, the Company established itself as the sector leader with the gold and precious metal investment fund and BRIC countries mutual fund as well as capital protected investment funds that are issued by Akbank and managed by AKAssetManagement.



### AK TYPE-B INVESTMENT TRUST

Founded in 1998 to manage a portfolio by trading capital markets instruments in the domestic and international markets within the framework of the Capital Markets Law and Capital Markets Communiqués, AK Type-B Investment Trust is a 70.04%-owned subsidiary of Akbank. AK Type-B Investment Trust ranks sixth and third, in terms of issued capital and assets under management, respectively, among 26 investment trusts in Turkey as of year-end 2010. AK Type-B Investment Trust has a 6.99% market share and has achieved a return of 10.60% during 2010. AK Type-B Investment Trust aims to provide steady and balanced returns for its shareholders by making the best choices among available investment opportunities.

### AKLEASE

Founded in 1988, AKLease has rendered leasing services to SMEs, commercial and corporate segment clients for 22 years. A 99.99%-owned subsidiary of Akbank, AKLease reaches investors via its countrywide representation offices as well as extensive branch network of Akbank and provides creative and quick leasing solutions.

In line with the continued rebound in economic activity in Turkey in 2010, the leasing sector also registered a bump up in activity. Thanks to its proper marketing strategies and effective risk management, AKLease posted successful results in 2010 as well. AKLease is among Turkey's largest leasing firms with a market share of 10%, leasing receivables of more than TL 1 billion and total assets of TL 1.2 billion. It is also the market leader in terms of asset quality.

AKLease was rated BBB-, an investment-grade rating, in terms of its long-term TL and long-term FX ratings as well as AAA, the highest rating possible, in terms of its long-term national rating by Fitch Ratings in 2010. AKLease made a giant leap in transparency with these credit ratings.

AKLease takes part in all domestic and overseas investments of its clients that are in need of leasing services. It already is the market leader in the aviation industry where specialization and expertise are a must. The Company also became the market leader in the energy sector with the wind power plant project it financed as a first in Turkey.

AKLease is focused on generating creative and quick solutions that are out of the ordinary and developing new products based on customer needs. The Company has an extensive range of products, from the standard package of leasing services to customized leasing solutions tailored to the specific needs and expectations of each customer.

In the period ahead, AKLease will continue to be a part of projects that have environmental awareness and a social dimension while paving the way for the sector and standing by investors with its innovations.

## SUPPORT SERVICES

As part of its Technology Transformation Program that continued at full pace in 2010, the Bank launched numerous technological innovations and rolled out the new sales activity-enhancing customer relationship management (CRM) infrastructure at all branches and channels.

### Information Technology

In accordance with its strategies and objectives, Akbank launched many new projects in 2010 with the aim of providing the conveniences of state-of-the-art technology to its customers and employees. Boasting one of the most extensive branch, ATM/BTM and POS networks in Turkey, in 2010 Akbank continued to solidify the longstanding, solution partnership-based relationships established with system integrators and solution providers during the course of the production of its new projects.

Directing its efforts according to the needs of its customers and the demands of its business units in accordance with its "Turkey's Innovative Powerhouse" approach, Akbank increased its channel presence in 2010 by launching the following projects:

- Developing innovative products jointly with AvivaSa and Ak Insurance
- Expanding the scope of foreign exchange transactions performed at the ATMs
- Enriching the lineup of Mobile Banking transactions
- Renovation of the Branch Freedom Banking wall

Akbank successfully continued projects that increase the effectiveness of the management information system and risk management infrastructures, reinforce system security and thoroughly fulfill legal compliance obligations.

As part of its Technology Transformation Program that continued at full pace in 2010, the Bank launched numerous technological innovations and rolled out the new sales activity-enhancing customer relationship management (CRM) infrastructure at all branches and channels. Also launching the sales-oriented desktop, integrated customer perspective (360-degrees), treasury product factory and new investment system solutions, Akbank unveiled the target-oriented management project for an effective HR management.

Akbank develops and enhances all of its information technology products and services in conformity with internationally recognized standards and guidelines including PMI (Project Management), CMMI (Software Development), ISO 9001 (Quality Management), ISO 27001 (Information Security), ITIL (Operations) and COBIT (IT Management). The Bank successfully launched the IT Dashboard infrastructure that continuously monitors IT processes.

Akbank's Information Technology Department managers attended notable industry conferences and organizations such as CEBIT and ISACA as speakers in 2010, continuing to create value for the Bank's social stakeholders.

### Operations

Akbank has established a comprehensive operations infrastructure to set up and manage the required business flows with the aim of achieving high efficiency and excellent customer satisfaction. Akbank Operations Center is one of the Bank's major advantages that support its leading position in the sector.

**Akbank Operations Center has a staff of nearly 2,500 and is responsible for the following operations:**

- Branches
- Quality and Process Management
- Treasury and Capital Markets
- Call Center and Distribution Channels
- Credit Cards and Member Merchant Services

Serving round the clock to ensure that millions of customers have 24/7 access to Akbank at over 4,000 service points across the country, the Operations Center boasts a centralization ratio of 99%, which makes Akbank the sector leader among companies of comparable size. Centralization benefits the Bank by ensuring standardization in service quality and an increase in operational efficiency.

Akbank Operations Center has an efficient and low-cost organization thanks to its competent and well-equipped workforce as well as its advanced and innovative technology. As a result, the Operations Center provides excellent service quality and stands out as a center of excellence where operational risks and costs are managed effectively.

**The Operations Center performs the following functions for Akbank:**

- Almost all transactions that are conventionally carried out at back offices in the industry
- Turkish lira and FX payments
- Operations of cash management products
- Tax and social security payments
- Check and bill transactions
- All foreign trade and credit operations
- Telephone Branch services
- Operation of distribution channels
- Card operations and printing and distribution of checks
- Member merchant and POS operations
- Treasury, investment, derivative products, mutual fund and pension fund operation services
- Individual portfolio custody services
- Equity operations
- Official correspondences
- Tax payments of branches
- Physical and electronic archiving
- Legal proceedings
- Factoring transactions, which are performed internally in contrast with the industry practice
- Cash support services consisting of all cash collection/disbursement services including ATMs
- Monitoring legislative activity and informing and training the rest of the Bank

All operational services are provided directly to over 5,000 corporate and commercial clients by the Operations Center without the use of branches.

**The Akbank Operations Center**

**• Is innovative and modern.**

The Card Operations Unit employs state-of-the-art technology and has launched many groundbreaking applications in the sector. The Unit turned Akbank POS terminals into one of the fastest and least problem-riddled bank POS networks in Turkey. Potential technical problems that might be experienced in the field are monitored online, helping to minimize solution times. Technological improvements in credit cards and POS terminals were made continuously and rapidly throughout 2010.

Always aspiring to provide innovative and difference-making applications to its customers, Akbank Call Center began offering service via a dedicated phone number with its mortgage specialists in 2010.

Receiving the top prizes in the Best Call Center and Best Customer Representative categories at IMI Istanbul Call Center Awards in 2010, Akbank Call Center was deemed worthy of Four Stars, the highest possible grade, among 200 applicants worldwide at the Genesys Customer Innovation Awards 2010. These achievements are due in great part to the Call Center's customer-oriented approach and innovative applications that lead the way in the sector.

**• Provides fast, efficient and high-quality service at international standards.**

The Akbank Banking Center, the construction of which began in April 2009 in the Şekerpınar district of Kocaeli, commenced service in May 2010. Drafted by Skidmore, Owings & Merrill and constructed by Koray Construction, the complex hosts the Operations Center as well as the Information Technology and Consumer Loans departments and various support teams. Possessing an indoor area of 54,300 square-meters on a 78,000 square-meter lot, the Akbank Banking Center features modern and comfortable office spaces with a seating capacity of 4,800 enhanced with various social areas.

Aiming to conduct its activities effectively in all areas, the Bank has adopted the Business Process Management (BPM) approach to administer its business processes. This approach takes a holistic view of all relevant elements of banking operations led by information technology, data, organization and products; customer needs are met in a more effective and quick manner while effectiveness of channels that come into contact with the retail customer as well as the efficiency of related operational processes have been increased. New projects geared toward enhancing the customer experience and increasing the effectiveness of operational business processes will be implemented during 2011 as well.

## SUPPORT SERVICES

Thanks to the efforts to centralize and rationalize operational tasks at the branches in 2010, the percentage of branch employees in direct contact with customers has reached 86% while the average waiting time at branch services for nearly six million active customers was under eight minutes, as benchmarked.

Operating as a communication center that provides maximum benefits for clients with initiatives centered around sustained product utilization, customer acquisition, customer satisfaction, sales and collections, Akbank Call Center, one of the largest call centers in the banking industry, handled 39.3 million incoming and 15.3 million outgoing calls as well as 116.8 million transactions. Also in 2010, with a staff of more than 1,000, incoming calls from 4.8 million unique customers were answered with an average response time of 13 seconds, while the ratio of calls the Call Center could not respond to was less than 2%.

Akbank achieved an average straight-through processing accuracy ratio of 99% for international transfers in 2009. As a result of this success, the Bank was deemed worthy of awards by BNY Mellon,

Citibank N.A. New York and JPMorgan New York; all are Akbank's major correspondent banks.

With the new Application Evaluation system, Akbank started online credit card applications received in person as well as through alternative distribution channels. It also facilitated the monitoring of the process from application for card printing by automating transactions formerly performed manually.

The Bank has increased efficiency by automating campaigns over a single module that had been conducted manually outside of the campaign module.

- **Operates securely, with minimum risk and in compliance with laws.**

In addition to service quality and operational efficiency, Akbank Operations Center focuses on effective management of operational risk. As part of this effort, Akbank upgraded to a more advanced technology in the card authorization stage of credit card transactions and implemented measures to prevent the use of counterfeit cards. Loan collateral documents are sent to the Head Office via the document management system before

the loan is extended and they are entered into the system after they are centrally verified.

- **Is customer-oriented.**

Akbank Call Center made more than 400,000 card sales in 2010. The range of insurance products offered to customers was expanded, which resulted in a 1.4-fold increase in premium production compared to the previous year. A total of more than two million products sales were made in 2010, with 12% of incoming calls resulting in a sale.

Customer Complaint Management applications and processes have been in compliance with the Complaint Management-ISO 10002 Quality Standards since September 2007, when Akbank obtained the certificate from the British Standards Institution (BSI). Complaints received from all channels are resolved in approximately one day.

Akbank made major technical improvements in the functioning of member merchant operation activities; client requests are now resolved within the same day.

### OPERATIONS CENTER TRANSACTIONS\*

	2006	2007	2008	2009	2010
NUMBER OF ANNUAL TRANSACTIONS	150 MILLION	199 MILLION	232 MILLION	251 MILLION	262 MILLION
CENTRALIZATION RATIO (%)	90	94	97	99	99
AVERAGE MONTHLY TRANSACTION	13 MILLION	17 MILLION	19 MILLION	21 MILLION	22 MILLION

\* Excluding Call Center

## The ARGUS project aims to centralize management reporting processes and to build a flexible, effective and fast information management and decision support system in conformity with the prevailing standards.

### Business Intelligence Applications -ARGUS

Administered to ensure data integrity, quality and security at Akbank, the ARGUS project aims to centralize management reporting processes and to build a flexible, effective and fast information management and decision support system in conformity with the prevailing standards.

As a result, an effective, flexible and visual decision support system will be established where all users can meet their information needs within strict access limits. They will be able to access reliable, accurate data in the quickest and easiest manner; the report generation and information management processes will also be handled more effectively.

In this respect, the Dashboard screens developed for the Board of Directors in 2009 were put into service. In addition, Akbank created a Report Library, formed an archive by uploading all reports generated as part of the Bank's management reporting and allowed users view these reports within their access limits view. Further, the "alert mechanism" that transmits instantaneous information to users based on client-set criteria was put in service in 2009.

The screens on which performance and trends of all departments and products can be monitored are being deployed at the regional directorates and branches in addition to the Head Office.

### Corporate Performance System

The second phase of the Balanced Scorecard project, launched to reflect the strategy in operational practices and to increase its interaction with the budgeting process, was completed in 2010. As part of the second phase, to ensure that business units are managed in accordance with the Bank's strategy, goals were assigned to and KPIs were determined for all business units to ensure that the Bank will attain its objectives, where the definition and formulation of KPIs were put together with the participation of the business units as well.

As part of this initiative, Akbank Strategy Map is being generated based on the Bank's strategy and the map's implementation performance is being measured. In addition, in order to ensure that these strategic objectives are achieved, KPI lists are generated for each department and person and their performance is monitored.

### Profitability System

The use of the new Profitability System, developed to enable multidimensional analysis of Akbank's profitability, became more effective and widespread over the course of 2010. In line with the organizational changes made by Akbank during 2010, a new dimension was added to the analysis of the Bank's profitability. As part of the Profitability System, profitability of the Bank is periodically evaluated in terms of the following dimensions:

- Customer profitability
- Customer Relationship Manager (CRM) profitability
- Branch profitability
- Customer Relationship Manager segment and business line profitability
- Product profitability

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

The outcomes of the Profitability System have been integrated into operational systems and customer profitability data began to be utilized at various points to perfect the services provided to customers at Akbank branches.

## SUPPORT SERVICES

### Expense and Investment Management

As part of the strategic expense and investment initiatives, analyses and modeling efforts were performed to further reinforce Akbank's leadership in the sector in terms of efficiency and Bank-wide increases in efficiency were attained as a result.

### Budget

Akbank's budget is drawn comprehensively on a bank, business unit and branch basis. As part of this effort, the Bank also formulates profitability targets for each business unit and branch as well as on the basis of its official financial statements. The triennial strategic planning survey is also reviewed each year alongside the budget and the Bank's medium and long-term objectives and action plans are determined. Performance of the Bank is then monitored via monthly estimates generated throughout the year as well as by way of comparative analyses

of periodic financial and operational realizations with the budget. In accordance with changes in the economic outlook, the budget is revised if and when it becomes necessary.

### Information Security

In an effort to manage information security risks in accordance with the principles set forth by the Banking Regulation and Supervision Agency of Turkey, Akbank Information Security Directive was drawn and put in effect with the resolution of the Board of Directors. In addition to this main policy, detailed policies are also devised and implemented.

An Information Security Committee that meets periodically with the business units to raise information security awareness among the Bank staff was established. In addition, the Bank's new employee training package includes information security training.

## AKBANK ART CENTER

**Akbank organizes culture and art activities to be among the major supporters of modern art in Turkey and to present visionary artwork in every form.**

Conducting activities with the awareness that preserving the local and global cultural heritage, sharing it with the new generations and standing by the arts and artists is a social responsibility, Akbank Art Center has been reaching out to art enthusiasts since 1993 by organizing an extensive variety of activities including exhibitions, workshops, dance, theater, concerts and movie screenings. Akbank organizes culture and art activities in various areas in accordance with its objective of being among the major supporters of modern art in Turkey and presenting visionary artwork in every form.

Akbank 20<sup>th</sup> Jazz Festival, held during a 20-day period from September 23 through October 12, featured concerts, workshops, panel discussions, movie screenings and more than 50 events. In celebration of the 20<sup>th</sup> anniversary of the Festival, the Festival's opening concert was performed by the Count Basie Orchestra, considered to be one of the most prestigious and innovative bands in the world of jazz. Events were organized at many venues including Lutfi Kırdar Convention and Exhibition Center, Aya İrini Museum, Cemal Reşit Rey Concert Hall and Akbank Art Center as part of Festival. The Jazz on Campus series initiated last year at the 19<sup>th</sup> Jazz Festival was performed at 11 universities (in Istanbul, Ankara, Izmir, Eskişehir, Gaziantep) this year in celebration of the 20<sup>th</sup> year of the Festival. Presenting the world's most renowned jazz artists to the music enthusiasts, the Festival also brought jazz to university youth with its Jazz on Campus series.

In addition to the rich concert program, a book entitled, "Akbank Jazz Festival on its 20<sup>th</sup> Anniversary", published specifically for the Festival's 20<sup>th</sup> year provides important information on the Festival and the history of Turkish Jazz. In addition, Akbank

produced "the Akbank Jazz Retrospective: a 20<sup>th</sup> Anniversary Documentary", consisting of reflections and concert recordings of many renowned jazz enthusiasts who have participated in the Festival during its 20-year history. "Akbank Jazz Festival's 20 Years (1991-2011)", an album consisting of 13 selections, was also produced as a single collection from among the legendary figures who have taken part in the Festival throughout its 20-year history.

The Sixth Akbank Short Film Festival was presented for ten days at the Akbank Art Center with wide domestic and international participation, unique segments, workshops and seminars. Award-winning fiction and documentary films were screened at 30 universities after the Festival, reaching even broader audiences.

Six exhibitions were organized at the Akbank Art Gallery during 2010. Works of both Turkish and foreign artists were on display for the art enthusiasts. In addition to leading Turkish artists, distinguished foreign artists from the international art scene were seen by Turkish audiences for the first time. Group exhibitions organized at the Akbank Art Center brought Turkish and foreign artists together on a common platform.

Supporting theoretical and practical aspects of contemporary art and creating an intellectual platform to debate modern art, the Contemporary Art Studio has hosted workshops on cinema, photography, philosophy, art history, literature and contemporary art. In addition, design, music and painting workshops were organized for children.

Activities held in the multi-purpose hall have brought together many Turkish and international artists during events

entitled "Piano Days", "Guitar Days" and "Baroque Music Days". Due to Istanbul's designation as European Capital of Culture in 2010, special projects were carried out and leading authors, poets and critics from literary and art circles participated in panels and seminars.

With the support of Akbank Art Center, the Zeynep Tanbay Dance Project (ZTDP) entered a new phase as a group since the 2005-2006 season. It performed its ARAZ project at the Sofia Dance Week in Sofia, Bulgaria and on the European Stage during the Shanghai EXPO and at the Cemal Reşit Rey Concert Hall in 2010.

In addition to many international achievements and organizing workshops with internationally-acclaimed choreographers, Akbank Art Center's Dance Atelier continued conducting dance lessons for children and adults in 2010.

The New Generation Theater staged the play titled "I Am the Boss", at Akbank Art Center, directed by Mehmet Ergen and written by Barış Topaz.

The Akbank Children's Theater also staged the play entitled "Who Is the Happiest" both at Akbank Art Center and during intra-city tours, reaching thousands of children.

The Akbank Chamber Orchestra, conducted by Cem Mansur, gave concerts featuring world-renowned soloists such as Elina Vahala, Sharon Bezaly and Colin Currie. The Orchestra also performed "Respect for Part and Schumann" at the Istanbul International Music Festival.

Works of world renowned artist, Sylvie Fleury were displayed at the Akbank Art Center exhibit at Contemporary Istanbul 2010, organized with the sponsorship of Akbank Private Banking.



SNEAKER  
LOVER

SEEN ON

TV

FACULTY OF IMAGE  
AND SOUND





FROM THE CERTIFICATE AND AWARD CEREMONY OF THE AKBANK THINKING CLUB  
CONFERENCE HALL WHERE THE LIST OF STUDENTS AKBANK WILL SEND TO HARVA

“We encourage c  
that aim to create  
future. Thinking  
youth, we provid  
for them to creat  
will shed light on  
To build a sustain  
give voice to our  
the future.”

**BADE SİPAHİOĞLU IŞIK**

AKBANK EXECUTIVE VICE PRESIDENT - HUMAN RESOURCES

HELD AT THE SAKIP SABANCI MUSEUM  
ARD SUMMER SCHOOL WAS ANNOUNCED

creative ideas  
e value for Turkey's  
along with the  
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e projects that  
n Turkey's future.  
nable future, we  
youth in shaping

success  
for you

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

THE BOARD OF DIRECTORS IS RESPONSIBLE FOR DETERMINING THE BASIC APPROACH TO RISK, RISK POLICIES PRINCIPLES, STRATEGIES AND EXPOSURE LEVELS AS WELL AS REVIEWING THESE VARIABLES PERIODICALLY TO MAKE THE NECESSARY ADJUSTMENTS.

### BOARD OF DIRECTORS

Akbank's Board of Directors has clearly and comprehensively formulated the vision, mission and short and long-term strategic goals of the Bank as stipulated in the Annual Report. The Articles of Association state that the duties and responsibilities of the Board of Directors are determined by the principles stipulated in the provisions of the Turkish Commercial Code and the Banking Law as well as the provisions of the Articles of Association. The Articles of Association obligate the Board of Directors to meet at least once a month; the agendas of these meetings are established clearly. The Board of Internal Auditors, the Internal Control Center and the Risk Management Department as well as the Compliance Unit, which is in charge of the Bank's anti-laundering efforts, report directly to the Board of Directors.

The Board of Directors is responsible for determining the basic approach to risk, risk policies principles, strategies and exposure levels as well as reviewing these variables periodically to make the necessary adjustments. The Executive Risk Committee, established as a Board committee, sets the policies and procedures regarding the identification, measurement, monitoring, reporting and

control of risks. The CEO is responsible for ensuring that the Bank's units operate in compliance with these policies and strategies. At the Asset-Liability Committee meetings, latest developments in the economy and the markets are evaluated and actions that need to be taken are identified. Internal control practices and periodic internal audits provide the necessary supervision for compliance with policies and strategies.

Elected to the Board of Directors in March 2010, terms of the current Directors expire in 2013. Unless excused, all Board members attend Board of Directors meetings.

#### Members of the Board of Directors and their Background Information

Please see page 18 of the Annual Report for detailed information.

#### Executive Management and their Background Information

Please see pages 24-25 of the Annual Report for detailed information.

#### Statutory Auditors and their Background Information

Please see page 18 of the Annual Report for detailed information.

### EXECUTIVE MANAGEMENT COMMITTEE

The Committee assesses and evaluates matters such as financial data, profitability of the business lines, the Bank's market position and new business developments. The schedule and agenda of the Committee's meetings are determined on an annual basis.

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

**Hayri Çulhacı**, Member (Vice Chairman and Executive Board Member)

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

**Ziya Akkurt**, Member (Board Member and CEO)

## AUDIT COMMITTEE

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

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

- Ensure the effectiveness and adequacy of internal control, risk management and internal audit systems,
- Oversee the operation of the internal control, risk management, internal audit, accounting and reporting systems in compliance with relevant legislation as well as the integrity of the resulting information,
- Conduct the initial assessment to assist the Board of Directors in appointing independent auditors and regularly monitor the activities of the independent auditors selected by the Board of Directors,
- Ensure that the internal audit activities of companies that are subject to consolidated audit under the Banking Law are conducted on a consolidated basis and facilitate their coordination,
- Notify the Board of Directors about issues that may undermine the sustainability and credibility of the Bank's business and/or may lead to breach of legislation and internal regulations of the Bank.

The Audit Committee receives regular reports from all units operating under internal control, internal audit and risk management systems as well as from independent auditors regarding the execution of their respective duties. It is incumbent on the Committee to notify the Board of Directors about issues that may undermine the sustainability and credibility of the Bank's business and/or lead to breach of legislation and internal regulations of the Bank. The Bank's subsidiaries have also formed audit committees. Akbank's Audit Committee monitors the operations and activities of

the subsidiaries' audit committees. Unless excused, all Committee members attend the meetings.

**Hayri Çulhacı**, Chairman (Vice Chairman and Executive Board Member)

**Hikmet Bayar**, Member (Board Member)

### Background Information of Audit Committee Members

Please see page 18 of the Annual Report for detailed information.

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

### Background Information of Executives in charge of Internal Systems Units

**Hayri Çulhacı**, Board member in charge of Internal Systems responsible for Internal Audit System, Internal Control System and Risk Management System Please see page 18 of the Annual Report for his background information.

### Eyüp Engin, Head of Internal Audit

Please see page 18 of the Annual Report for his background information.

### Yaşar Bozyürük, Head of the Internal Control Center

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

### Şebnem Muratoğlu, Senior Vice President of Risk Management

Şebnem Muratoğlu joined Akbank in 1995 as an Assistant Specialist in the Treasury Department. Appointed Manager of Risk Management in 2003, she was promoted to Senior Vice President of Risk Management in 2006. A graduate of University of Kent, Department of Economics in the UK, Şebnem Muratoğlu has an MA in Finance from Macquarie University in Australia.

## CREDIT COMMITTEE

Pursuant to the banking legislation, Akbank has a Credit Committee comprised of the CEO and two members of the Board of Directors in charge of the Bank's lending processes.

The Credit Committee is the ultimate executive body to ratify lending decisions, assessing loan proposals that cleared the Head Office processes in terms of their compliance with legislation, banking principles and objectives and lending policies of the Bank.

An Appraisal Subcommittee was instituted at the Head Office level to support the Credit Committee and to conduct an initial assessment of loan applications submitted by branches.

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

Unless excused, all Committee members attend the meetings.

### Credit Committee

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

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

**Ziya Akkurt**, Member (Board Member and CEO)

### Appraisal Subcommittee

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

**Kaan Gür**, Member (Executive Vice President - SME Banking)

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

### EXECUTIVE RISK COMMITTEE (ERC)

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

Unless excused, all Committee members attend the meetings.

**Hayri Çulhacı**, Chairman (Vice Chairman and Executive Board Member)

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

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

**Ziya Akkurt**, Member (Board Member and CEO)

### CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Governance and Social Responsibility Committee was established in 2009 to monitor the Bank's compliance with corporate governance principles and to oversee the administration of corporate social responsibility activities. The Committee meets at least twice a year.

Unless excused, all Committee members attend the meetings.

**Hayri Çulhacı**, Chairman (Vice Chairman and Executive Board Member)

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

**Ziya Akkurt**, Member (Board Member and CEO)

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

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

**Bade Sipahioğlu Işık**, Member (Executive Vice President - Human Resources)

**Cenk Göksan**, Member (Senior Vice President - Investor Relations)

**Derya Bigalı**, Member (Director - Akbank Art Center)

### ASSET-LIABILITY COMMITTEE (ALCO)

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

Unless excused, all Committee members attend the meetings.

**Ziya Akkurt**, Chairman (CEO)

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

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

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

**Kerim Rota**, Member (Executive Vice President - Treasury)

**Kaan Gür**, Member (Executive Vice President - SME Banking)

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

## REPORT OF THE AUDIT COMMITTEE

### Assessment of the Audit Committee Regarding Operations of Internal Control, Internal Audit and Risk Management Systems and their Performance in 2010

Internal audit, internal control and risk management operations, duties and responsibilities were separated at Akbank and are carried out by the Board of Internal Auditors, the Internal Control Center and the Risk Management Department, respectively. They are organizationally independent from each other but work in a coordinated fashion.

Evaluation of the operations and ensuring the sustainability, adequacy and effectiveness of the Bank's internal systems, comprised of all branches and departments as well as the subsidiaries of the Bank that are subject to consolidated audit, is an utmost priority for Akbank's Board of Directors. The duties and responsibilities of the Board of Directors vis-à-vis the internal systems are executed by the Board of Directors, the Audit Committee, Director of Internal Systems for Internal Audit, Internal Control and Risk Management.

The Board of Internal Auditors makes significant contributions to the management of risks that may arise from the Bank's operations, compliance of transactions and practices with internal and external regulations, efficiency enhancements, service quality improvements and protection of the Bank's reputation and brand value.

Planning and executing its activities from a risk-oriented perspective, the Board of Internal Auditors assesses all risk inherent in the branches, subsidiaries, Head Office units and all bank processes and oversees compatibility, efficiency and effectiveness of the Bank's internal control, risk management and corporate governance systems. The Board of Internal Auditors not only identifies the findings from audits, but also generates proposals for improving processes, increasing efficiency and reinforcing internal systems as well as actively monitoring the actions taken with regard to these findings and proposals.

The Board of Internal Auditors makes intensive use of technology in all areas to constantly develop and improve its operations. It creates certification and training opportunities for the professional development of its auditors and strives to make contributions to the Bank with its experienced, well-trained, qualified and competent human resources.

Based on the findings and assessments of the audits carried out in 2010, no significant failures or weaknesses have been identified that could impair the Bank's operations or its ability to meet its obligations. We determined that the internal control and risk management systems of the Bank function properly, operations are generally low-risk, financial and legal reports are accurate and that the Bank complies with existing laws and regulations.

In conclusion, Akbank's internal audit system is effective and successful in preventing, identifying and eliminating risks thanks to its risk-oriented approach, qualified human resources, intensive use of technology and experienced and prudent management.

The Internal Control Center, which reports directly to the Board of Directors, continued to conduct its branch and Head Office activities as well as its continuous inspections of the Bank's processes and information systems in 2010.

Inspections were carried out to ensure that the Bank's operations are conducted effectively, efficiently and reliably in compliance with both legal and internal regulations. As part of its core objectives, the Internal Control Center is also charged with overseeing the proper functioning of the accounting and financial reporting systems to minimize loss from credit and operational risk.

The control activities of the Internal Control Center were conducted by the internal control staff who are experienced bankers with the required expertise and specialization in this area. The employees who performed internal control tasks were assigned to and positioned at approximately 40 different points within the Bank; as a result, both the branch and Head Office department controls were conducted on location.

In addition to routine control activities, the Internal Control Center also played an active role in redesigning the business processes that are reviewed regularly in accordance with the Bank's goal of ensuring customer-oriented and effective operations and in determining the control points to be added to the business processes in 2010.

As a result, we observe the positive impact of the Bank's constantly improving internal control system and the activities of the Internal Control Center on Akbank's financial and non-financial results.

The Risk Management Department continued its activities to ensure the most accurate calculation and reporting of the Bank's potential exposure to credit, market, operational and asset-liability risk using effective risk management measurements and methods. Closely monitoring the financial and economic developments in global markets, Basel III principles and other international regulations and developments in the risk management field; the Department made improvements in existing practices.

With its highly-qualified and competent staff, the Risk Management Department constantly improves itself by closely monitoring the changes and innovations in the internationally-accepted risk management principles, regulations and models and increases its contribution to the Bank. Analyses, calculations, simulations, scenario analyses, stress tests and other efforts performed as part of the Bank's risk management activities provide input into the strategic decisions of the Bank's Board of Directors and Executive Management and support the overall decision-making mechanism.

In consideration of the overall activities and operations of the internal control, internal audit and risk management systems of Akbank in 2010, efforts undertaken are deemed highly effective and satisfactory.

**Hayri Çulhacı**, Chairman of the Audit Committee

**Hikmet Bayar**, Member of the Audit Committee

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

### SUMMARY REPORT OF THE BOARD OF DIRECTORS

Pursuing a clear and consistent strategy while remaining steadfast to its corporate governance approach and financial performance, Akbank attained extremely successful results coupled with strong profit and balance sheet growth in 2010. Akbank's consolidated pre-tax profit reached TL 3,765 million while consolidated net profit increased 10.6% to TL 3,010 million.

In 2010, Akbank's total consolidated assets reached TL 120.1 billion with a 16.8% annual increase, while lending surged by 29.4% to TL 57.7 billion and deposits leaped 17.6% during the year to reach TL 71.7 billion.

Thanks to its effective risk management policies, Akbank's non-performing loan ratio declined from 3.8% to 2.2% in 2010, significantly below the sector average of 3.6%. Akbank set aside 100% provisioning for all of its non-performing loans.

Akbank successfully completed its US\$ 1 billion, five-year corporate bond issuance for international investors in July 2010. As another significant development, the TL 1 billion bond issuance with a maturity of six months completed by Akbank in December 2010 became the first domestic corporate bond issuance by a deposit bank in Turkey.

Akbank has a capital adequacy ratio of 19.9% that far exceeds the legal minimum of 12% for the Turkish banking industry, while the Bank also boasts the highest level of free capital in the sector with TL 17.0 billion.

With its strong banking affiliations, reliable and broad deposit base, robust balance sheet, customer-oriented and innovative approach, prudent risk management practices and transparent corporate governance approach, Akbank is focused on maintaining its leading position in the Turkish banking industry and creating value for its shareholders and customers as well as for all its stakeholders.

We would like to take this opportunity to thank our employees and our shareholders and social stakeholders for their contributions and support. It is our hope that this synergy will help generate new achievements for the solid, healthy and reliable powerhouse of Turkey, Akbank.

Respectfully yours,

**Akbank Board of Directors**



## HUMAN RESOURCES

In today's evolving and competitive business environment, Akbank's greatest asset to ensure its sustainable growth is its highly-qualified human resources. Akbank, one of the leading institutions in the Turkish banking industry, sees its employees as strategic partners and provides them with all kinds of support and equipment in their professional lives via various activities, an effective communication structure and a wide variety of training choices. Relying on its competent staff, Akbank aims to distinguish itself with continuous results, provide the best banking experience in Turkey and create value for its stakeholders.

Akbank's human resources policy consists of formulating human resources strategies compatible with the Bank's mission and goals. Akbank constantly improves its employees with innovations brought about by globalization paralleling the needs of the sector as well as the evolving market, technology and customer expectations while providing guidance for the organizational structure, operation and human resources.

### "Creating Value" With Human Resources Practices

The goal of the human resources practices, in line with the Bank's vision, is to be the leader among companies where qualified and confident people who can create value prefer to work as well as a company of which employees are proud to be a part.

In this respect, Akbank focuses on the following key aspects:

- Recruiting qualified candidates with high potential for the Bank and maintaining their loyalty and engagement

- Constantly improving the corporate culture and business conduct
- Making effective and appropriate investments in human resources in line with the goals and strategies
- Participatory career planning
- Goal and competence based, transparent and fair performance management
- A rewarding mechanism that incentivizes and encourages superior performance
- Decentralized management approach bolstered by effective communication

### Increasing Employee Loyalty and Motivation

In today's increasingly competitive environment, Akbank believes that difference and success are created by employee satisfaction, which in turn is accomplished by paying more attention to increasing employee loyalty and value creation. Human resources practices aim to create and disseminate a sharing and collaborative corporate culture that prioritizes ethical values, teamwork and creativity.

In this respect, Akbank conducts an Employee Satisfaction Survey every year to elicit employee feedback and gauge their attitudes in the following subjects:

- Overall satisfaction
- Re-application
- Recommendation
- Motivation
- Market performance
- Engagement

The Employee Satisfaction Survey is conducted by an independent research company on the basis of confidentiality and analyzed by the Human Resources Department; improvements and developments are made in accordance with the results.

### Working with the Best Professionals

Akbank, Turkey's most valuable brand thanks to its value-creating and difference-making employees, is constantly growing by recruiting the best available talent. Each year the best people in their fields or candidates (management trainees, assistant auditors or assistants) who want to be the best in their fields, come together under the Akbank brand.

### Encouraging and Motivating Employees Toward Superior Performance

Akbank employs a Performance Management System where corporate strategies and goals are translated into personal goals and employee performance relative to the Bank's performance is monitored and measured according to goals and competencies. Each employee is compensated based on the value his/her function creates for the Bank and is rewarded based on performance.

### Being a Learning and Developing Organization

Akbank's advanced human resources practices create an environment where employees can develop in the direction of their potential and preferences, plan the various duties and responsibilities they can assume within the organization and ensure the provision of the necessary conditions in accordance with this plan. Akbank has clearly-defined career paths and provides generous horizontal and vertical career opportunities for its employees.

Supporting the development of all employees through training and increasing their motivation and job satisfaction constitute the basis of Akbank's human resources policy.

Akbank's training programs consist of entry-level, career, certification, executive development and corporate performance

NUMBER OF EMPLOYEES IN DOMESTIC BRANCHES		2004	2005	2006	2007	2008	2009	2010
TOTAL		6,092	6,972	7,606	8,103	9,088	8,653	8,817

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

training schemes. Apart from class-based training courses, Akbank employees receive complementary training through distance learning methods (e-learning and video conference) to support their personal and professional development and improve their competence levels. Employees can reach the Akbank Development Center, an online channel where all e-learning training applications are made available to the employees, without any time or location limitations and pursue their professional and personal development from their homes or offices 24 hours a day, seven days a week.

In addition, Akbank put together Internal Trainer Teams by enhancing existing employees who are experienced, specialized and experts in their respective business areas with trainer formations. Thanks to the internal trainers, Akbank meets training needs in related fields in-house while attaining experience sharing and efficiency in development.

As of December 31, 2010, Akbank invested TL 5.2 million for training programs; the average number of professional training days per employee was 9.46.

### Ethical Values

In line with its ethical values, Akbank strives to maintain the existing sense of respect in the banking industry as well as in society in general and enhance this respect to protect stability and trust in the sector.

In light of the Ethical Principles, which consist of the indispensable values of corporate culture and the management, the Bank ensures that employees comply with the Bank's ethical values. In addition, an Ethics Line was established to enable employees to raise their concerns about issues that they believe cannot be resolved within their departments, or for certain reasons prefer not to share with their colleagues/department managers. The Ethics Line is available on a 24/7 basis and operates under the confidentiality principle.

### Representatives of the Akbank Brand; Akbank Employees

As of December 31, 2010, Akbank has 15,330 employees, most of who are based in regional directorates and branches.

The average age of the staff is 32.0 and excluding the security personnel, 92% are university graduates.

Akbank administers its relations with the employees via Banking and Insurance Employees Union (Banksis). Monetary rights and other administrative relationships for Akbank employees who are Banksis members are determined by collective agreements made every other year between the Bank and the unionized employees.

### Performance Bonus Payments and Incentive Compensation

For 2010, Akbank provisioned TL 51 million for performance bonus payments to employees. Akbank also employs a performance-based incentive compensation structure to increase employee motivation and incentivize superior job performance.

### Akbank Staff Pension Fund Trust

Akbank Staff Pension Fund Trust has focused its activities concerning the current (employed) and retired members on the provision of healthcare services in 2010.

The highlights of the operations in 2010 are as follows:

- Total assets of the Trust have reached TL 908.8 million.
- The number of retired members with allocated pensions rose to 11,422.
- TL 149.3 million was paid out to pensioners, the disabled, widows and orphans in 2010.
- Healthcare assistance increased from TL 71.9 million in 2009 to TL 80.7 million in 2010.

## RELATED PARTY TRANSACTIONS

Pursuant to the Banking Law, related-party transactions of the Bank cover all arms-length banking transactions in the scope of ordinary bank-customer relationship under the prevailing market conditions. Detailed disclosures in this subject can be found in Note VII of Section 5 in the publicly-announced Unconsolidated Financial Statements, Notes to these Financial Statements and Independent Auditor's Report, prepared as of December 31, 2010.

## OUTSOURCED SERVICES

Information concerning real and legal persons the Bank procures services from and the nature of services procured pursuant to the Regulation on Bank's Procurement of Support Services and Authorization of Such Service Providers:

The Bank receives support services from:

- Siemens Turkey (Siemens Sanayi ve Ticaret A.Ş.) and CMC Communications (CMC İletişim Bilgisayar Reklam ve Danışmanlık Hizmetleri Sanal Tic. A.Ş.) for its Call Center operations; from EST Electronics (EST Elektronik San. Tic. A.Ş.) for the maintenance of POS terminals; and from Boyner Bireysel Ürünler Satış ve Pazarlama A.Ş. for Fish Axxess Card.

## DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Akbank established the Corporate Governance and Social Responsibility Committee in 2009 to monitor the Bank's compliance with corporate governance principles and to oversee the administration of corporate social responsibility activities.

Corporate governance, transparency and commitment to ethical values have always been a priority for Akbank.

Akbank's pioneering firsts in corporate governance are as follows:

- First bank to declare its dividend policy (2003)
- First bank to announce its Corporate Governance Principles in its Annual Report (2003)
- First bank to publish its Corporate Governance Principles on its website (2004)
- First bank to buy back its founders' shares (2005)
- First Turkish bank to be a signatory to the United Nations Global Compact (2007)
- First bank to publish its Global Compact Report (2010)
- It played a pioneering role by supporting the launch of the Carbon Disclosure Project (CDP) in Turkey.
- The first deposit bank to publish a sustainability report in accordance with the GRI standards (2010)
- The first and only Turkish company included in the Global 500 Report of the CDP (Carbon Disclosure Project) (2010)

### 1. Corporate Governance Practices at Akbank

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

#### Integrity

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

#### Credibility

Aware that confidence lies at the heart of banking, the Bank provides customers, shareholders, employees and legal authorities with clear, comprehensible and accurate information and offers timely and comprehensive service in line with the promises made.

#### Non-discrimination

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

#### Compliance

Akbank abides by all laws, regulations and standards.

#### Confidentiality

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

#### Transparency

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

#### Sustainability

Akbank aims to contribute to the economic, social and environmental development of society. In all of the Bank's operations, practices and investments; the Bank's image, interest and profitability, as well as the public interest, development of the banking sector and continued

confidence in the sector are a primary consideration. Akbank complies with all laws and regulations regarding the environment, consumer rights and public health.

Akbank's management strives to establish transparent and close communication with the shareholders.

The primary objective is to make Akbank shares an attractive and predictable investment vehicle for existing shareholders as well as for potential investors. For this purpose, Akbank's management implements strategic plans and shares the results in accordance with generally-accepted accounting principles and provisions of relevant legislation in a comprehensive, fair, accurate, timely and comprehensible manner equally with shareholders, investors and capital markets experts.

Akbank complies with the Capital Markets Legislation and the regulations of the Capital Markets Board (CMB) and the Istanbul Stock Exchange (ISE) in the matter of public disclosure; the Bank expends maximum effort to implement the principles stipulated in the CMB Corporate Governance Principles.

The Corporate Governance Principles stipulated by the CMB that consist of four main sections are implemented by Akbank in general. Those aspects of the Principles that are not implemented are explained in detail along with their justification in subsequent articles.

## SECTION I - SHAREHOLDERS

### 2. Investor Relations Division

An Investor Relations Group was established in 1996 to manage and reinforce the Bank's relations with the shareholders. This Group provides responses to all inquiries that are not about the Bank's commercial secrets based on the principle of equality, maintaining constant communication between the management and the shareholders. In addition, Akbank has

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

instituted a Financial Accounting and Shareholder Transactions Department to facilitate shareholder engagement and execution of shareholder rights.

### Shareholder Transactions Subdivision

hissedarislemleri@akbank.com

Telephone: +90 (212) 385 54 45

+90 (212) 385 54 04

**Osman Sezginer**, Vice President

osman.sezginer@akbank.com

**Birol Dursun**, Manager

birol.dursun@akbank.com

### Investor Relations Department

investor.relations@akbank.com

Telephone: +90 (212) 385 51 13

+90 (212) 385 51 08

**A. Cenk Gökşan**, Senior Vice President

cenk.goksan@akbank.com

**Arbil Öztozlu**, Vice President

arbil.oztozlu@akbank.com

**Ayşe Aldirmaz**, Manager

ayse.alldirmaz@akbank.com

**Burak Şen**, Assistant Manager

burak.sen@akbank.com

Primary duties of the Shareholder Transactions Subdivision are;

- Ensuring the compliance of the General Assembly Meeting with the legislation in force, Articles of Association and other internal regulations,
- Performing capital increase transactions,
- Facilitating exercise of bonus share rights regarding capital increase,
- Conducting dividend payment transactions,
- Assisting shareholders to dematerialize their share certificates,
- Providing timely response to the questions from branches and shareholders concerning Company shares,
- Keeping the Articles of Association up-to-date.

Primary duties of the Investors Relations Department are;

- Administering the relationships with the, current and potential institutional investors and credit rating agencies,
- Announcing developments concerning Akbank and periodic financial

statements to investors in a timely fashion, posting these on the website and answering inquiries from investors,

- Preparing introductory presentations about the Bank, posting these on the website and participating in investor meetings and conferences in Turkey and abroad,
- Establishing communication between the Board of Directors and shareholders and reporting investor opinions to the Board of Directors on a regular basis,
- Undertaking initiatives to improve the Bank's corporate governance and corporate social responsibility practices.

The Investors Relations Department is responsible for conveying the performance and strategies of the Company to current and potential investors in the most accurate and transparent manner.

The Investor Relations Department joined the Executive Management in taking part in 20 domestic and overseas investor conferences in 2010 and met with approximately 350 international investment funds and three rating agencies during the year. In addition, the Department responded to more than 500 inquiries from investors and analysts via telephone and e-mail.

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

Information requests received from institutional investors and shareholders verbally or in writing are evaluated by the Shareholder Transactions Subdivision and the Investor Relations Department that operate under the Financial Coordination business unit, reporting to the CFO.

All kinds of news that may have an impact on the exercise of shareholders' rights are regularly announced via the Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)) as material disclosures. In addition, issues that are considered to be significant are also translated into English and communicated to foreign investors and analysts via e-mail and are posted on the website.

Akbank has dedicated investor relations websites in Turkish and in English.

The addresses for access to the websites are:

<http://www.akbank.com/yatirimci-iliskiler-1329.aspx>

**for Turkish and**

<http://www.akbank.com/investor-relations-1505.aspx>

**for English.**

These websites provide information about Akbank's corporate governance principles, share price, dividend payment and capital increases, annual reports, financial statements, credit ratings, proxy voting forms, material disclosures, disclosure policy, news and frequently asked questions.

Article 44 of the Articles of Association states that the General Assembly may appoint a special auditor for inspection of certain issues if deemed necessary. It also stipulates the conditions under which the election of the special auditor by investors with total shares equivalent to one-twentieth of the share capital can be done. There was no request for appointment of a special auditor during the period covered by this report.

### 4. Information on General Assembly Meetings

During the reporting period (January 1, 2010 - December 31, 2010), one Ordinary General Assembly Meeting was held. Participation ratio in the Ordinary General Assembly Meeting was 78% and all stakeholders wishing to attend the meeting were able to do so. Invitation to the General Assembly Meeting held during the period was placed in the Turkish Commercial Registry Gazette and a national daily newspaper. Prior to all General Assembly Meetings, the meeting date, venue and agenda are announced in the Turkish Commercial Registry Gazette, in a national daily newspaper, on the Bank's website and on the Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)). The Annual Report is made available to the shareholders two weeks prior to the General Assembly Meeting on the Bank's website and at the Shareholder Relations

Subdivision, as well as at the Ankara, Adana and Izmir commercial branches.

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

The provisions of the Articles of Association provide for voting by proxy. Pursuant to clause (a) of Article 64 of the Articles of Association, shareholders may cast their vote at General Assembly meetings either in person or through another shareholder.

General Assembly Meeting resolutions are made available to shareholders on the Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)) and Akbank websites.

### 5. Voting Rights and Minority Rights

The Articles of Association do not provide for privileged voting rights. The Bank is not in a cross-shareholding relationship with any company. The cumulative voting method is not employed by Akbank.

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

There are no privileges in the sharing of the Bank's profit. Considering the fact that global developments increased the importance of a strong core equity position for banks as well as the major growth opportunities for the Bank, Akbank's Board of Directors resolved to amend the dividend policy in February 2010 and publicly announced this decision.

Before the aforementioned resolution, the Bank's dividend policy was as follows:

"Provided that no adverse conditions exist regarding domestic and global economic circumstances and that the Bank's capital adequacy ratio remains at the targeted

level, Akbank's dividend distribution policy is to distribute at least 30% and at most 50% of the distributable profit in cash to shareholders identified in the Articles of Association."

Following the aforementioned resolution, the dividend policy was changed to:

"Provided that no adverse conditions exist regarding domestic and/or global economic circumstances and that the Bank's capital adequacy ratio remains at the targeted level, Akbank's dividend distribution policy is to distribute to its shareholders in cash or stock dividend up to 40% of the Bank's distributable profit."

Dividend payments were made within the legally established time frame.

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

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

### 7. Transfer of Shares

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

## SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

### 8. Akbank's Information Disclosures Policy

In accordance with the CMB Corporate Governance Principles, Information Disclosure Policy was formulated and approved by the Board of Directors and announced to the public on the company website. The Board of Directors has the authority and the responsibility to monitor, oversee and improve the public disclosure

and information dissemination policy of Akbank.

The Bank has tasked the Shareholder Transactions Subdivision and the Investor Relations Department, jointly serving as the Investor Relations Division under the Financial Coordination business unit and the Corporate Communication Department, which resides under the Consumer Banking business unit, to monitor and oversee all matters pertaining to public disclosure.

Persons responsible for administering the Information Disclosure Policy are:

**Ziya Akkurt**, CEO  
**Hakan Binbaşgil**, Deputy CEO - Consumer Banking  
**Atıl Özus**, Executive Vice President - CFO

### 9. Material Disclosures

Pursuant to the regulations of the Capital Markets Board (CMB) the Bank made a total of 102 material disclosures in 2010. No sanctions have been imposed against the Bank due to failure of making material disclosures promptly. The Bank's Level 1 depository receipts (ADRs) are traded on the OTC market in the USA. Significant information that may have an impact on the price of ADRs (such as dividend payment dates and amounts, capital increases) is translated to English and posted on the Bank's English corporate website as well as transmitted to institutional investors and bank analysts via e-mail.

### 10. Internet Website and Its Contents

The Bank's website address is <http://www.akbank.com>. In addition to the information stipulated in Article 1.11.5 of Section II of the CMB Corporate Governance Principles, items listed in the Bank's Information Disclosure Policy are also posted on the Internet.

Main categories of information that can be found on Akbank's website are:

- Information about members of the Board of Directors and executive management
- Board of Directors Committees
- International Advisory Board

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

- Detailed information about the Bank's corporate identity
- Corporate Governance Principles Report
- Ethical Principles
- Commercial registry information
- Shareholder and management structure
- Up-to-date Articles of Association
- Material disclosures
- Annual Reports, periodic financial statements and reports
- Agendas and meeting minutes of General Assembly Meetings
- Proxy voting forms
- Dividend distribution policy, history and capital increases
- Information Disclosure Policy
- Policy of Compliance with MASAK (Financial Crimes Investigation Board of Turkey) regulations
- Frequently asked questions

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

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

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

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

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

**A. Cenk Göksan**, Senior Vice President, Investor Relations Department

**Türker Tunalı**, Senior Vice President, Financial Coordination and International Reporting Department

**Arbil Öztözlü**, Vice President, Investor Relations Department

## SECTION III - STAKEHOLDERS

### 13. Informing Stakeholders

As stated in the vision, mission and objectives section of the Annual Report, supporting the development of employees to achieve motivation and job satisfaction is among the Bank's primary goals. Akbank's written and spoken principles, code of conduct and aspects governing relationships with persons and institutions, both internal and external to the Bank, known to the entire Bank staff, have been compiled and documented in writing under "Ethical Principles." This document can be accessed on both the Turkish and English website of the Bank (<http://www.akbank.com>).

Ethical Principles aim to regulate the conduct and behavior of Akbank employees at all levels as well as their relationships with individuals and institutions within or outside the Bank. Approved on September 26, 2003 by the resolution No. 8783 of the Board of Directors and updated in 2010 based on the prevailing circumstances in business world and trends, the Bank's ethical rules are expected to be observed by all employees at all levels and fully complied with while they are in the course of their high performance in their duties. Naturally, the employees shall act with due diligence in line with the basic rules and principles in any situation not covered in this document.

A Corporate Portal was created as an in-house information sharing system in order to enhance intra-company communication, which is the most important element for strengthening teamwork and synergy and ensuring continuity. All announcements are migrated from a paper medium into this system, facilitating easy and quick access to information. All information regarding the Bank's activities in every area, new product and service offerings, messages from the management, goals and strategies, brand communication activities and business conduct is shared with the employees in an effective and fast manner over the Bank's Corporate Portal.

Employees can instantly access the information they seek from different entry

points utilizing various key search words. This prevents loss of time and effort while achieving cost reduction and faster communication as well as fostering the development of a shared corporate culture.

### 14. Participation of Stakeholders in Management

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

### 15. Human Resources Policy

To sustain the success of Akbank in an ever-changing, developing and competitive world of business of today and tomorrow, the mission of Akbank Human Resources is to provide direction for the organizational structure, operations, human resource and business strategies in accordance with the objectives of the Bank. The human resources policy aims to optimize the competency and efficiency of the employees and ensure its full manifestation in business results. In this respect, the key objectives of focus for Akbank's human resource policy include recruiting the best candidates for the Bank and maintaining their loyalty and engagement, constantly improving the corporate culture and business conduct, making effective and appropriate investments in the human resource in line with the goals and strategies, participatory career planning, goal and competence-based, transparent and fair performance management and a rewarding mechanism that incentivizes and encourages superior performance.

Structured in accordance with the organization model, needs and expectations of the Bank's business lines, the Human Resources Department acts as the strategic partner of business units and employees in all human resources issues and lends them the necessary support.



An Ethics Line was established to enable the employees to raise their concerns about issues that they believe cannot be resolved within their business lines, or for certain reasons cannot be taken to their colleagues/line managers and to provide them with support and advice when necessary in such circumstances. In addition, the Bank has compiled and documented the essentials of corporate culture and governance under the Code of Ethics and shared it with all employees on the corporate portal.

Banksis (Banking and Insurance Employees Union) is engaged in employee relations. Monetary rights and other administrative relationships for Akbank employees who are Banksis members are determined by collective agreements made every other year between the Bank and the unionized employees.

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

Relationships with customers have been addressed as a separate section in the Bank's Code of Ethics document. Relationships with customers should be conducted as follows:

Akbank employees;

- are aware that one of the most important factors in beating the competition is to provide the best customers service;
- refer the issue to the person or unit in charge when they are confronted with a task, transaction or request that is beyond their authority, responsibility or sphere of knowledge;
- pay special attention to customer complaints resulting from circumstances beyond their control, try to resolve the customers' problems within the general principles and procedures of the Bank and expend efforts and take measures in order to prevent the same issue from arising again all the while knowing that avoiding creating customer complaint in the first place is the primary goal;
- collect interest, commissions, fees, etc. for each transaction executed

and each service provided in keeping with the Bank's procedures and communiqués and record all monetary collections immediately and unconditionally;

- Do not carry out any transactions that must be performed by the customers themselves, not even with the customers' authorization and perform any transaction on behalf of the customer only within the scope of clear and unambiguous instructions from the customer.

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

#### **17. Corporate Social Responsibility**

Showcasing the power of its 62-year heritage in the area of corporate social responsibility by launching yet another groundbreaking practice in 2009, Akbank established a Corporate Governance and Social Responsibility Committee that reports directly to the Board of Directors to oversee the Bank's sustainability criteria. Akbank carried on with many pioneering initiatives in Turkey and in the banking industry in 2010. Akbank published its Sustainability Report 2009 in the Global Reporting Initiative (GRI) format, the most widely accepted reporting standard worldwide that covers economic, environmental and social dimensions in a comparable format. This made Akbank the first deposit bank in Turkey to release a report in the GRI format, where Akbank committed to ensuring its sustainability.

Akbank also showed its commitment to universal principles of human rights, adequate and safe working conditions, protection of the environment and anti-corruption as well as the permanence of its support for these causes by signing the UN Global Compact. Akbank also became the first company in the Turkish banking industry to publish Communication on Progress (COP).

In addition, Akbank made a pioneering move in Turkey in the subject of the environment, one of its priority areas, by supporting the launch of the Carbon Disclosure Project (CDP) that is implemented in 60 countries and considered one of the world's most comprehensive and prestigious environmental projects.

In addition to being the sponsor of the Carbon Disclosure Project in Turkey, Akbank also submits reports to the CDP with regards to its management of climate change and calculation of its environmental footprint. As a member of the CDP, the Bank is listed among the world's most respected companies.

Akbank has become the first and only Turkish institution included in the CDP Global 500 Report, which features a total of 500 institutions from all countries the Carbon Disclosure Project is administered in addition, Akbank received a score of 81 points and ranked among the sector leaders globally.

The Bank also made major revisions to its internal business processes and policies in terms of environmental and social factors. In this regard, environmental and social factors were added to the code of ethics as well as the loan evaluation and procurement processes.

Furthermore, Akbank contributes as the project advisor to the ISE Sustainability Index initiative, a project led by the ISE to create an index in the area of sustainability that is gaining popularity and prominence daily in Turkey.

Yet another international initiative in which Akbank took part during the year was the Cancun Communiqué published ahead of the climate change summit. As a signatory to the communiqué released for the summit to be held in Cancun, Mexico after the Copenhagen Climate Change Conference, Akbank once again declared its commitment for taking action to prevent climate change.

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

Embracing the view that enlightenment of a country involves gaining diverse perspectives in several areas from education to the arts, Akbank has been working to shine a light to the future for 62 years. The Bank will continue to reflect its sensitivity in this area with the projects it implements and steps it takes with a delicate corporate social responsibility approach and sustainability awareness.

### SECTION IV - BOARD OF DIRECTORS

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

**Suzan Sabancı Dinçer**, Chairman and Executive Board Member  
**Erol Sabancı**, Honorary Chairman and Consultant to the Board- Board Member  
**Hayri Çulhacı**, Vice Chairman and Executive Board Member  
**Bülent Adanır**, Executive Board Member  
**William J. Mills**, Board Member  
**Hikmet Bayar**, Board Member  
**Yaman Törüner**, Board Member  
**Emre Derman**, Board Member  
**Ziya Akkurt**, Board Member and CEO

Members of the Board of Directors are elected for three-year terms and their current terms expire in 2013.

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

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

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

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

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

Akbank's Board of Directors has clearly and comprehensively formulated the vision, mission and short and long-term strategic objectives of Akbank as presented in the Annual Report. The Articles of Association state that the duties and responsibilities of the Board of Directors are subject to the principles stipulated in the provisions of the Turkish Commercial Code, the Banking Law and the provisions of the Articles of Association. The Articles of Association also obligate the Board of Directors to meet at least once a month and establish the circumstances thereof clearly. At its meetings, the Board of Directors monitors the Bank's progress in light of its strategic objectives and evaluates its performance.

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

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

The Board of Directors and the Executive Management are responsible for formulating risk management policies and strategies. These policies are reviewed and evaluated periodically at the meetings of the Executive Management Committee, Executive Risk Committee and Asset-Liability Committee.

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

The Risk Management Department, the Board of Internal Auditors and the Internal Control Center report directly to the Board of Directors.

The Audit Committee's assessment report is presented on page 67 of the Annual Report.

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

The Bank's administrative structure and organization are stipulated in Section 3 of the Articles of Association. This section establishes the duties and responsibilities of the Board Members and executives. Pursuant to the provisions included therein, the duties and responsibilities of the Board of Directors are subject to the principles stipulated in the provisions of the Turkish Commercial Code and the Banking Law and to the provisions of the Bank's Articles of Association. The Board of Directors is authorized to make decisions on matters other than those that are exclusively within the authority of the General Assembly, to use the powers of settlement, release of debt, arbitration and waiver irrevocably and to resolve on matters that fall or are left outside the powers of the Credit Committee and the CEO or the person charged with the CEO's duties.

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



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

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

For a resolution to be passed by the Board of Directors, the necessary quorum is the presence of more than half the members of the Board of Directors. A simple majority of the members in attendance is sufficient to adopt resolutions.

Deliberations of the Board of Directors are regularly recorded by a secretary to be selected either from among the members or from outside the Board. The minutes must be signed by the members present and should there be any dissenting votes regarding the resolution(s), the reason must be recorded in the minutes and signed by the dissenting member(s). The validity of the resolution(s) is predicated upon their being documented in writing and signed. The procedures regarding the recording of the minutes for resolutions are stipulated in Article 31 (quorum for the gathering and resolutions of the Board of Directors) and Article 32 (minutes of Board resolutions) of Section 3 (the administrative structure and organization of the Bank) of the Articles of Association.

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

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

Pursuant to Article 32 of the Articles of Association, members of the Board of Directors cannot undertake commercial transactions with the Bank in areas where the Bank is actively engaged either in

person or by proxy, unless they have received the approval of the General Assembly. The provisions of Article 335 of the Turkish Commercial Code pertaining to the non-compete clause and the provisions of the Banking Law are reserved.

Members of Akbank's Board of Directors did not engage in any business transactions with the Bank during the course of 2010.

### 25. Rules of Ethics

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

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

The Executive Management Committee reviews financial data, profitability of the business lines, the Bank's market position, new business developments and the changes needed in the risk parameters. Timing and agenda of the Committee's meetings are determined annually.

In keeping with legal requirements, Akbank has an Audit Committee composed of two members of the Board of Directors. Responsible for assisting the Board of Directors in its auditing and supervision functions, the Audit Committee is in charge of overseeing the operation and adequacy of the internal systems as well as the accounting and reporting systems.

The Corporate Governance and Social Responsibility Committee was established in 2009 to monitor the Bank's compliance with corporate governance principles and to oversee the administration of corporate social responsibility activities. The Committee meets at least twice a year.

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

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

Akbank also has an Asset-Liability Committee (ALCO). Responsible for daily liquidity and cash management, ALCO meets daily to take up developments in the economy and in the markets. In addition, development of investment, pricing and funding strategies are among the ALCO's responsibilities.

### 27. Remuneration of the Board of Directors

Article 37 of the Articles of Association states: "The General Assembly shall determine, under these Articles of Association, a monthly fee or remuneration for members of the Board of Directors." In addition, Ordinary General Assembly Meeting resolutions stipulate the portion of the Bank's profit to be distributed to the Chairman and the members of the Board of Directors. Executive Members are also paid 12 monthly salaries and four bonus payments per year. The Board of Directors determines these salaries annually. Article 50 of the Banking Law limits the loans to be extended by Akbank to the Directors serving on the Board with a clear framework of restrictions. No loans are made to the members of the Board of Directors outside of this scope.





FROM THE “CREATIVE LEADERSHIP DURING THE CRISIS AND FOR ALL SEASONS” CO-  
ENDEAVOR AND TÜGİAD (YOUNG BUSINESSMEN ASSOCIATION OF TURKEY)

“Turkey has a great spirit. More than half of the population are under 30 and well-educated. This generation has utilized very effectively the talents of our country. As Akbank’s expertise, resources and innovative ideas for the development of partnerships with SMEs and Endeavor Turkey

**SUZAN SABANCI DİNÇER**  
AKBANK CHAIRMAN

CONFERENCE ORGANIZED JOINTLY BY AKBANK,

entrepreneurial  
half of our 72 million  
over the age of 30 and  
s capital needs to be  
ively for the future  
akbank, we use our  
s and know-how  
t of entrepreneurship  
s through our  
abancı University  
y.”

opportunity  
for you

## FINANCIAL INFORMATION AND RISK MANAGEMENT

THANKS TO EFFECTIVE RISK MANAGEMENT, AKBANK'S CAPITAL ADEQUACY RATIO STANDS SIGNIFICANTLY ABOVE THE MINIMUM SET BY THE RELEVANT LEGISLATION. THE BANK IS CAPABLE OF SERVICING ITS DEBT DUE TO THE AMPLE LIQUIDITY IT ENJOYS.

Akbank's risk management practices are aimed at identification, measurement and reporting of risks on a consolidated and unconsolidated basis via policies, implementation procedures and limits set in accordance with the nature and magnitude of the Bank's activities based on its risk-return profile, as well as the determination of the overall capital adequacy with respect to the risk profiles.

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

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

### RISK MANAGEMENT POLICIES

**Fundamental principles of Akbank's risk management philosophy are:**

- Effectively managing and monitoring credit, interest rate, liquidity, market and operational risk and providing for appropriate allocation of capital among the types of risk,
- Managing risk in a forward-looking manner and identifying and analyzing risks from the beginning with the help of steering risk strategies, models and parameters,
- Creating the maximum value for the shareholders, customers and employees in the long term,
- Being financially reliable and strong and establishing business relations with shareholders and customers that will last for many years by creating the image of a financial institution that will stay in business permanently,
- Complying with Basel II, Basel III and other international guiding principles in all of its activities.

### Key Responsibilities

The Board of Directors is in charge of determining the Bank's fundamental

attitude toward risk while setting out the risk principles as well as the level of risk exposure. The Board of Directors manages risk through the Executive Risk Committee (ERC).

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

### Risk Categories

#### Credit Risk

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

### Credit Appraisal Process

#### Corporate and SME Loans

Lending policies and monitoring criteria for Corporate and SME loans were revised in accordance with the economic developments and changing economic conditions in 2010. Akbank focused on proactive risk management and conducted frequent company and sector visits. The Bank identified general trends and propensities through these visits and initiatives and monitored their impacts on Akbank's loan book.

### STRONG CAPITAL ADEQUACY (AS OF DECEMBER 31, 2010)

	LEGAL THRESHOLD (BASEL I) STANDARD	BASEL II INTERNAL STANDARD
MARKET RISK		
CREDIT RISK	STANDARD	STANDARD
OPERATIONAL RISK	BASIC	BASIC
CAPITAL ADEQUACY RATIO (%)		
UNCONSOLIDATED (%)	20.61	21.35
CONSOLIDATED (%)	19.93	20.38

Akbank continued its early warning initiatives through regular quick portfolio review (QPR) efforts. Thanks to Regional Credit Directorates established in 20 regions, effectiveness of proactive monitoring and lending functions were further enhanced for the SME segment.

The system/process revisions undertaken to improve lending processes are still ongoing; these improvements and arrangements led to a reduction in allocation times. In addition, the Bank accelerated training programs administered for improving Loan Approval processes and risk approach; certification programs were developed for Branch managers and Customer Relationship Managers.

Akbank worked with leading international consulting companies to develop internal rating models. A risk-based pricing system was established based on these models.

#### Consumer Loans and Credit Cards

Akbank's Consumer Loans and Credit Cards portfolio was managed through advanced lending-decision models based on data and statistical models as well as business flows consistent with customer characteristics, at low costs and in a way that minimizes the non-performing loan ratio.

Credit card and consumer loan scorecards were updated in 2010; the revised scorecards will be rolled out in the first quarter of 2011. Akbank began the infrastructure work for improving the efficiency of consumer loan processes. In addition, the Strategy Management System project that is being undertaken jointly with a leading international consulting company for the purpose of effective and proactive management of the Bank's micro loan portfolio will be put in service in the first quarter of 2011. The required infrastructure to create a real estate valuation index based on the characteristics and values of all appraised real estate and to store these data in an electronic environment was established;

these can be reported and analyzed by region and features.

With the amendments made to the regulations as part of the monitoring activities in 2010, Akbank supported its customers primarily in the micro and consumer segments with loan restructuring. This successful step led to a 90% success rate with respect to the expected improvement in customers who experienced difficulties during the crisis. In addition, analytical modeling efforts geared toward improving loan collection activities are still ongoing; first applications were placed in service and collection efficiency was increased. The infrastructure work for establishing a system that will differentiate collection policies based on customer profiles already started; the project will be implemented in 2011. Furthermore, reporting improvement efforts for effective monitoring of the consumer loan portfolio was completed.

#### Market Risk

Market risk exposure arises from fluctuations in foreign exchange rates, interest rates and stock prices. The market risk of the trading portfolio is measured using the Value at Risk (VaR) approach. The VaR model is based on the assumptions of a 99% confidence interval and a 10-day holding period. VaR analyses are reported daily to the executive management and are supported by scenario analyses and stress tests.

#### Operational Risk

The potential risk posed by the portfolio of constantly changing and improving products and services on the Bank's organizational structure and activities is overseen with a comprehensive set of policies and procedures. Akbank is undertaking Basel II compliance initiatives in operational risk management.

#### Asset-Liability Risk

Asset and liability risk is managed through the decisions taken at the ERC meetings. ERC formulates strategies for liquidity management and determines the

position the Bank will take in accordance with the daily changes in interest rates and foreign exchange rates. ERC also develops hedging strategies to respond to unforeseen and adverse events.

The assessment of the Audit Committee concerning the functioning and activities of the internal control, internal audit and risk management systems in 2010 is presented on page 67 of this Annual Report.

### The Importance of Countering Laundering of Criminal Proceeds and Financing of Terrorism

In line with national and international legislation, Akbank has formulated an effective strategy to counter the laundering of criminal proceeds and the financing of terrorism. In this regard, Akbank made its efforts to comply with the standards stipulated in national and international regulations permanent.

As part of this strategy, Akbank outlined the Company Policy Regarding Countering Laundering of Criminal Proceeds and Financing of Terrorism. The Bank developed implementation principles with regard to customer acceptance of this policy.

The staff at all Akbank branches and subsidiaries established in Turkey and abroad regularly attend comprehensive training programs covering the matter of countering laundering of criminal proceeds and financing of terrorism. The content of these programs, aiming to raise staff awareness, are regularly updated in accordance with the latest developments.

Akbank's business processes are effectively kept under control and provide supervision against this risk with the help of technological tools. Likewise, full compliance with standards for countering laundering of criminal proceeds and financing of terrorism is sought for new projects and during the revision of existing business processes.

## FIVE-YEAR SUMMARY FINANCIAL STATISTICS

### FIVE-YEAR SUMMARY CONSOLIDATED FINANCIAL STATISTICS (TL MILLIONS)

	2006	2007	2008	2009	2010
TOTAL ASSETS	60,320	72,103	93,093	102,833	120,070
DEPOSITS	35,959	43,635	57,575	60,954	71,708
LOANS	30,313	39,882	49,054	44,604	57,733
SHAREHOLDERS' EQUITY	7,185	10,632	11,331	14,447	17,948
NET PROFIT	1,580	2,041	1,782	2,723	3,010

### FIVE-YEAR SUMMARY UNCONSOLIDATED FINANCIAL STATISTICS (TL MILLIONS)

	2006	2007	2008	2009	2010
TOTAL ASSETS	57,248	68,205	85,655	95,309	113,183
DEPOSITS	34,202	41,044	52,182	55,851	67,167
LOANS	28,337	37,016	44,374	39,718	52,896
SHAREHOLDERS' EQUITY	7,041	10,601	11,208	14,191	17,565
NET PROFIT	1,600	1,994	1,705	2,726	2,857



## STATUTORY AUDITORS' REPORT

### To the General Assembly of Akbank Incorporated,

The Balance Sheet and the Profit and Loss Statement of the Bank as of year-end 2010 have been examined and audited by us in accordance with the Banking Law No. 5411 and the Articles of Association.

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

We respectfully request a resolution approving and certifying the submitted Balance Sheet and the Profit and Loss Statement.



Statutory Auditor  
**M.Nedim Bozfakroğlu**



Statutory Auditor  
**Mevlüt Aydemir**



**AKBANK T.A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES  
AT 31 DECEMBER 2010 TOGETHER WITH  
INDEPENDENT AUDITOR’S REPORT**

**(Convenience translation of publicly announced unconsolidated  
financial statements, related disclosures and audit report  
originally issued in Turkish, See Note. I.b of Section three)**



**ERNST & YOUNG**

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**(Convenience translation of the independent auditor's report originally issued in  
Turkish, See Note I.b of Section three)**

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

We have audited the unconsolidated balance sheet of Akbank T.A.Ş. ("the Bank") at 31 December 2010 and the related unconsolidated income statement, unconsolidated statements of income and expense items under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statements of changes in shareholders' equity for the year then ended and the summary of significant accounting policies and other explanatory notes.

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

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

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

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our audit has been performed in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

**Independent Auditors' Opinion:**

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Akbank T.A.Ş. at 31 December 2010 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No.5411 and other regulations, circulars, communiqués and interpretations published by the BRSA on accounting and financial reporting principles.

The unconsolidated financial statements of the Bank as of and for the year ended 31 December 2009 prepared in accordance with the prevailing accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Act No. 5411 were audited by another audit firm, who expressed an unqualified opinion in their report dated February 10, 2010.

**Additional paragraph for convenience translation to English:**

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

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst&Young Global Limited

Fatma Ebru Yücel, SMMM  
Partner

Istanbul, 11 February 2011

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

**THE UNCONSOLIDATED FINANCIAL REPORT OF  
AKBANK T.A.Ş. AS OF  
31 DECEMBER 2010**

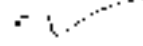
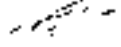
Address : Sabancı Center 34330, 4. Levent / Istanbul  
Telephone: (0 212) 385 55 55  
Fax : (0 212) 269 73 83  
Website : www.akbank.com  
E-mail : hizmet@akbank.com

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

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

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

11 February 2011

					
Suzan SABANCI DİNÇER Chairman of the Board of Directors	Hayri ÇULHACI Head of the Audit Committee	M. Hikmet BAYAR Member of the Audit Committee	Ziya AKKURT President	K. Atıl ÖZÜS Executive Vice President	Türker TUNALI Senior Vice President

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

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

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

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2010**

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

**SECTION ONE  
GENERAL INFORMATION ABOUT THE BANK**

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

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

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

The Bank's shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depositary Receipts ("ADRs"). As of 31 December 2010, approximately 29% of the shares are publicly traded, including the ADRs (31 December 2009: 29%).

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

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman:</b>	Suzan SABANCI DİNÇER	Chairman and Executive Board Member	Graduate
<b>Honorary Chairman:</b>	Erol SABANCI	Honorary Chairman, Board Member and Consultant	Undergraduate
<b>Board of Directors:</b>	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	Bülent ADANIR	Executive Board Member	Graduate
	M. Hikmet BAYAR	Board Member	Graduate
	Ş. Yaman TÖRÜNER	Board Member	Undergraduate
	William J. MILLS	Board Member	Undergraduate
	Emre DERMAN	Board Member	Graduate
	Ziya AKKURT	Board Member and CEO	Undergraduate
<b>President and CEO:</b>	Ziya AKKURT	CEO	Undergraduate
<b>Director of Internal Audit:</b>	Eyüp ENGİN	Head of Internal Audit	Undergraduate
<b>President Deputy:</b>	S. Hakan BİNBAŞGİL	Retail Banking	Graduate

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

**AKBANK T.A.Ş.  
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2010**

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

<b>Executive Vice Presidents:</b>	Zeki TUNCAY	Loans Follow-Up and Support Services	Undergraduate
	M. Fikret ÖNDER	Private Banking	Graduate
	Sevilay ÖZSÖZ	Operations	Undergraduate
	Alpaslan ÖZLÜ	Information Technology	Graduate
	Ferda BESLİ	SME Banking	Undergraduate
	Ahmet Fuat AYLA	Loans	Undergraduate
	Hülya KEFELİ	International Banking	Undergraduate
	K. Atıl ÖZÜS	Financial Coordination	Undergraduate
	A. Galip TÖZGE	Retail Banking	Graduate
	Cem MENGİ	Corporate Banking	Undergraduate
	Tunç AKYURT	Strategy	Graduate
	Bade SİPAHİOĞLU IŞIK	Human Resources	Graduate
	O. Mehmet SİNDEL	Payment Systems	Undergraduate
	Kerim ROTA	Treasury	Undergraduate
<b>Internal Audit Committee:</b>	Bülent Adanır	Head of the Audit Committee	Graduate
	M. Hikmet BAYAR	Member of the Audit Committee	Graduate
<b>Auditors:</b>	Mevlüt AYDEMİR	Auditor	Undergraduate
	Nedim BOZFAKIOĞLU	Auditor	Undergraduate

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

Tunç Akyurt has been assigned as Executive Vice President in charge of Strategy as of 15 February 2010 with the decision taken in the Board of Directors Meeting of the Bank.

In the Ordinary General Meeting of the Bank dated 26 March 2010, Emre Derman has been elected as a member of Board of Directors in lieu of Özen Göksel. The audit committee membership vacated by Özen Göksel has been filled by the Board of Directors Member M. Hikmet Bayar.

Zafer Kurtul has resigned from Vice Chairman and Executive Board Member positions effective from 19 July 2010 in accordance with the decision of the Board of Director's meeting dated 7 June 2010. Hayri Çulhacı, Executive Board Member, has taken office as Vice Chairman and Executive Board Member.

Zeki Tuncay, Executive Vice President in charge of Human Resources and Support Services, has been appointed as Executive Vice President in charge of Loans Follow-Up and Support Services and Bade Sipahioğlu has been appointed as Executive Vice President in charge of Human Resources with the decision taken in the Board of Directors Meeting effective from 1 September 2010.

Mine Könüman, Executive Vice President in charge of Payment Systems, has resigned as of 7 October 2010. In accordance with the decision taken in the Board of Directors Meeting Osman Mehmet Sindel has been appointed to the position vacated by Mine Könüman effective from 1 November 2010.

Reşit Toygar, President Deputy in charge of Treasury, has resigned as of 4 November 2010. In accordance with the decision taken in the Board of Directors Meeting Kerim Rota has been appointed to the position of Executive Vice President in charge of Treasury effective from 5 November 2010.

Ferda Besli, Executive Vice President in charge of SME Banking, has resigned as of 7 January 2011. In accordance with the decision taken in the Board of Director's Meeting Cenk Kaan Gür has been appointed to the position vacated by Ferda Besli effective from 14 January 2011.



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

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2010**

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

In accordance with the decision taken in the Board of Director's Meeting dated 17 January 2011, Hayri Çulhacı, Vice Chairman and Executive Board Member has been appointed to the position vacated by Bülent Adanır as Head of the Audit Committee.

Cem Mengi, Executive Vice President in charge of Corporate Banking, has resigned as of 31 January 2011.

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

<b>Name/Commercial Title</b>	<b>Share Amounts (Nominal)</b>	<b>Share Percentages</b>	<b>Paid-in Capital (Nominal)</b>	<b>Unpaid Portion</b>
Hacı Ömer Sabancı Holding A.Ş.	1.630.021	40,75%	1.630.021	-
Citibank Overseas Investment Corporation	800.000	20,00%	800.000	-

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

The Bank's core business activities include retail banking, SME banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş and AvivaSA Emeklilik ve Hayat A.Ş. As of 31 December 2010, the Bank has 912 branches dispersed throughout the country and 1 branch operating abroad (31 December 2009: 877 branches and 1 branches operating abroad).

As of 31 December 2010, the Bank employed 15.330 people (31 December 2009: 14.714).

## AKBANK T.A.Ş.

## I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2010 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2010)			PRIOR PERIOD (31/12/2009)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>	<b>(I-a)</b>	<b>2.255.059</b>	<b>3.840.922</b>	<b>6.095.981</b>	<b>2.505.041</b>	<b>2.235.018</b>	<b>4.740.059</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	<b>(I-b)</b>	<b>781.985</b>	<b>249.762</b>	<b>1.031.747</b>	<b>149.959</b>	<b>163.822</b>	<b>313.781</b>
2.1 Trading Financial Assets		781.985	249.762	1.031.747	149.959	163.822	313.781
2.1.1 Government Debt Securities		461.863	102.588	564.451	73.925	76.657	150.582
2.1.2 Share Certificates		-	-	-	11	-	11
2.1.3 Trading Derivative Financial Assets		320.122	147.174	467.296	76.023	87.165	163.188
2.1.4 Other Marketable Securities		-	-	-	-	-	-
2.2 Financial Assets Designated at Fair Value through Profit or (Loss)		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
<b>III. BANKS</b>	<b>(I-c)</b>	<b>10.062</b>	<b>1.773.789</b>	<b>1.783.851</b>	<b>1.158</b>	<b>2.958.703</b>	<b>2.959.861</b>
<b>IV. MONEY MARKETS</b>		-	-	-	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>(I-d)</b>	<b>38.284.147</b>	<b>3.937.187</b>	<b>42.221.334</b>	<b>27.771.254</b>	<b>1.397.880</b>	<b>29.169.134</b>
5.1 Share Certificates		4.543	25.735	30.278	4.543	151	4.694
5.2 Government Debt Securities		38.225.182	3.852.859	42.078.041	27.766.711	1.347.580	29.114.291
5.3 Other Marketable Securities		54.422	58.593	113.015	-	50.149	50.149
<b>VI. LOANS and RECEIVABLES</b>	<b>(I-e)</b>	<b>32.004.190</b>	<b>20.891.342</b>	<b>52.895.532</b>	<b>24.029.550</b>	<b>15.688.692</b>	<b>39.718.242</b>
6.1 Loans and Receivables		32.004.190	20.891.342	52.895.532	24.029.550	15.688.692	39.718.242
6.1.1 Loans to Bank's Risk Group	<b>(VII)</b>	337.616	841.987	1.179.603	153.900	754.103	908.003
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		31.666.574	20.049.355	51.715.929	23.875.650	14.934.589	38.810.239
6.2 Loans under Follow-up		1.279.533	-	1.279.533	1.727.249	57.271	1.784.520
6.3 Specific Provisions (-)		1.279.533	-	1.279.533	1.727.249	57.271	1.784.520
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>(I-f)</b>	<b>5.358.663</b>	<b>1.267.566</b>	<b>6.626.229</b>	<b>9.873.303</b>	<b>5.966.269</b>	<b>15.839.572</b>
8.1 Government Debt Securities		5.358.663	1.267.566	6.626.229	9.873.303	5.966.269	15.839.572
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>(I-g)</b>	<b>3.125</b>	<b>-</b>	<b>3.125</b>	<b>3.125</b>	<b>-</b>	<b>3.125</b>
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		3.125	-	3.125	3.125	-	3.125
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3.125	-	3.125	3.125	-	3.125
<b>X. SUBSIDIARIES (Net)</b>	<b>(I-h)</b>	<b>210.664</b>	<b>682.252</b>	<b>892.916</b>	<b>207.761</b>	<b>710.800</b>	<b>918.561</b>
10.1 Financial Subsidiaries		210.664	682.252	892.916	207.761	710.800	918.561
10.2 Non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. JOINT VENTURES (Net)</b>		-	-	-	-	-	-
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
<b>XII. FINANCIAL LEASE RECEIVABLES (Net)</b>	<b>(I-i)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. HEDGING DERIVATIVE FINANCIAL ASSETS</b>	<b>(I-j)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>	<b>(I-k)</b>	<b>886.291</b>	<b>1.868</b>	<b>888.159</b>	<b>789.164</b>	<b>2.593</b>	<b>791.757</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>(I-l)</b>	<b>92.533</b>	<b>211</b>	<b>92.744</b>	<b>64.904</b>	<b>-</b>	<b>64.904</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		92.533	211	92.744	64.904	-	64.904
<b>XVI. INVESTMENT PROPERTY (Net)</b>	<b>(I-m)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. TAX ASSET</b>		<b>70.888</b>	<b>-</b>	<b>70.888</b>	<b>183.830</b>	<b>-</b>	<b>183.830</b>
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	<b>(I-n)</b>	70.888	-	70.888	183.830	-	183.830
<b>XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>3.225</b>	<b>-</b>	<b>3.225</b>	<b>3.298</b>	<b>-</b>	<b>3.298</b>
18.1 Held for Sale Purpose		3.225	-	3.225	3.298	-	3.298
18.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>(I-p)</b>	<b>553.133</b>	<b>23.750</b>	<b>576.883</b>	<b>585.283</b>	<b>18.056</b>	<b>603.339</b>
<b>TOTAL ASSETS</b>		<b>80.513.965</b>	<b>32.668.649</b>	<b>113.182.614</b>	<b>66.167.630</b>	<b>29.141.833</b>	<b>95.309.463</b>

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

## AKBANK T.A.Ş.

## I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2010 (STATEMENT OF FINANCIAL POSITION)

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2010)			PRIOR PERIOD (31/12/2009)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>42.038.408</b>	<b>25.128.490</b>	<b>67.166.898</b>	<b>34.554.267</b>	<b>21.297.105</b>	<b>55.851.372</b>
1.1 Deposits of Bank's Risk Group	<b>(VII)</b>	1.247.138	1.337.406	2.584.544	1.338.666	1.227.130	2.565.796
1.2 Other		40.791.270	23.791.084	64.582.354	33.215.601	20.069.975	53.285.576
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b)</b>	<b>181.212</b>	<b>209.291</b>	<b>390.503</b>	<b>185.355</b>	<b>117.850</b>	<b>303.205</b>
<b>III. BORROWINGS</b>	<b>(II-c)</b>	<b>261.739</b>	<b>10.113.594</b>	<b>10.375.333</b>	<b>137.180</b>	<b>8.015.152</b>	<b>8.152.332</b>
<b>IV. MONEY MARKETS</b>		<b>10.594.978</b>	<b>615.748</b>	<b>11.210.726</b>	<b>12.559.585</b>	<b>871.523</b>	<b>13.431.108</b>
4.1 Funds from Interbank Money Market		-	-	-	-	200.854	200.854
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		10.594.978	615.748	11.210.726	12.559.585	670.669	13.230.254
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	<b>(II-d)</b>	<b>966.804</b>	<b>1.555.457</b>	<b>2.522.261</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.1 Bills		966.804	-	966.804	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	1.555.457	1.555.457	-	-	-
<b>VI. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>1.508.221</b>	<b>67.970</b>	<b>1.576.191</b>	<b>1.197.934</b>	<b>9.731</b>	<b>1.207.665</b>
<b>VIII. OTHER LIABILITIES</b>	<b>(II-e)</b>	<b>664.100</b>	<b>137.506</b>	<b>801.606</b>	<b>611.197</b>	<b>106.339</b>	<b>717.536</b>
<b>IX. FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>	<b>(II-f)</b>	<b>69.320</b>	<b>-</b>	<b>69.320</b>	<b>9.552</b>	<b>3.191</b>	<b>12.743</b>
10.1 Financial Lease Payables		90.610	-	90.610	12.895	3.314	16.209
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		21.290	-	21.290	3.343	123	3.466
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-g)</b>	<b>309.429</b>	<b>-</b>	<b>309.429</b>	<b>390.461</b>	<b>-</b>	<b>390.461</b>
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		309.429	-	309.429	390.461	-	390.461
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>(II-h)</b>	<b>614.399</b>	<b>207.306</b>	<b>821.705</b>	<b>566.561</b>	<b>163.386</b>	<b>729.947</b>
12.1 General Loan Loss Provision		282.522	207.047	489.569	206.274	163.014	369.288
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		70.036	-	70.036	58.061	-	58.061
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		261.841	259	262.100	302.226	372	302.598
<b>XIII. TAX LIABILITY</b>	<b>(II-i)</b>	<b>367.827</b>	<b>5.680</b>	<b>373.507</b>	<b>309.485</b>	<b>12.769</b>	<b>322.254</b>
13.1 Current Tax Liability		367.827	5.680	373.507	309.485	12.769	322.254
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(II-j)</b>	<b>17.533.237</b>	<b>31.898</b>	<b>17.565.135</b>	<b>14.229.096</b>	<b>(38.256)</b>	<b>14.190.840</b>
16.1 Paid-in capital		4.000.000	-	4.000.000	3.000.000	-	3.000.000
16.2 Capital Reserves		4.571.688	31.898	4.603.586	4.097.866	(38.256)	4.059.610
16.2.1 Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	<b>(II-k)</b>	1.724.886	61.718	1.786.604	801.499	(8.952)	792.547
16.2.4 Property and Equipment Revaluation Differences		2.919	-	2.919	17.309	-	17.309
16.2.5 Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Revaluation Differences of Investment Properties		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Funds (Effective portion)		(262.009)	(29.820)	(291.829)	(326.834)	(29.304)	(356.138)
16.2.9 Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.405.892	-	1.405.892	1.905.892	-	1.905.892
16.3 Profit Reserves		6.105.020	-	6.105.020	4.405.248	-	4.405.248
16.3.1 Legal Reserves		922.330	-	922.330	781.504	-	781.504
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		5.182.690	-	5.182.690	3.623.744	-	3.623.744
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		2.856.529	-	2.856.529	2.725.982	-	2.725.982
16.4.1 Prior Years' Income or (Loss)		-	-	-	-	-	-
16.4.2 Current Year Income or (Loss)		2.856.529	-	2.856.529	2.725.982	-	2.725.982
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>75.109.674</b>	<b>38.072.940</b>	<b>113.182.614</b>	<b>64.750.673</b>	<b>30.558.790</b>	<b>95.309.463</b>

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

**AKBANK T.A.Ş.****II. UNCONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010**

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

<b>INCOME AND EXPENSE ITEMS</b>		<b>Note</b>	<b>CURRENT PERIOD</b>	<b>PRIOR PERIOD</b>
		<b>(Section Five)</b>	<b>(01/01-31/12/2010)</b>	<b>(01/01-31/12/2009)</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(III-a)</b>	<b>8.635.705</b>	<b>9.155.217</b>
1.1	Interest on loans	<b>(III-a-1)</b>	4.093.105	4.859.444
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks	<b>(III-a-2)</b>	85.353	136.346
1.4	Interest Received from Money Market Transactions		-	32
1.5	Interest Received from Marketable Securities Portfolio	<b>(III-a-3)</b>	4.452.383	4.152.879
1.5.1	Trading Financial Assets		31.229	23.278
1.5.2	Financial Assets at Fair Value Through Profit or (loss)		-	-
1.5.3	Available-for-sale Financial Assets		3.557.343	1.735.911
1.5.4	Held to maturity Investments		863.811	2.393.690
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		4.864	6.516
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(III-b)</b>	<b>4.358.889</b>	<b>4.561.834</b>
2.1	Interest on Deposits	<b>(III-b-4)</b>	3.529.259	3.538.634
2.2	Interest on Funds Borrowed	<b>(III-b-1)</b>	191.736	269.473
2.3	Interest Expense on Money Market Transactions		590.763	745.147
2.4	Interest on Securities Issued	<b>(III-b-3)</b>	37.849	-
2.5	Other Interest Expenses		9.282	8.580
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>4.276.816</b>	<b>4.593.383</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>1.309.097</b>	<b>1.279.844</b>
4.1	Fees and Commissions Received		1.529.163	1.491.533
4.1.1	Non-cash Loans		57.196	59.768
4.1.2	Other		1.471.967	1.431.765
4.2	Fees and Commissions Paid		220.066	211.689
4.2.1	Non-cash Loans		418	214
4.2.2	Other		219.648	211.475
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(III-c)</b>	<b>27.287</b>	<b>43.075</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>(III-d)</b>	<b>32.928</b>	<b>155.113</b>
6.1	Trading Gains / (Losses) on Securities		425.802	250.912
6.2	Gains / (Losses) on Derivative Financial Transactions		(437.907)	(171.144)
6.3	Foreign Exchange Gains / (Losses)		45.033	75.345
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(III-e)</b>	<b>863.502</b>	<b>525.150</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>6.509.630</b>	<b>6.596.565</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(III-f)</b>	<b>518.775</b>	<b>1.116.928</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(III-g)</b>	<b>2.416.825</b>	<b>2.183.998</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>3.574.030</b>	<b>3.295.639</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>XIII.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)</b>		<b>3.574.030</b>	<b>3.295.639</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(III-i)</b>	<b>717.501</b>	<b>569.657</b>
16.1	Current Tax Provision		619.470	620.866
16.2	Deferred Tax Provision		98.031	(51.209)
<b>XVII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)</b>		<b>2.856.529</b>	<b>2.725.982</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1	Income from Non-current Assets Held for Resale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
18.3	Income from Other Discontinued Operations		-	-
<b>XIX.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Expenses for Non-current Assets Held for Resale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
19.3	Expenses for Other Discontinued Operations		-	-
<b>XX.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Current Tax Provision		-	-
21.2	Deferred Tax Provision		-	-
<b>XXII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET INCOME/(LOSS) (XVII+XXII)</b>	<b>(III-k)</b>	<b>2.856.529</b>	<b>2.725.982</b>
Earnings/(Loss) per share (in TL full)			0,00714	0,00681

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

**AKBANK T.A.Ş.**  
**III. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2010**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

	Note (Section Five)	CURRENT PERIOD (31/12/2010)		PRIOR PERIOD (31/12/2009)		Total
		TL	FC	TL	FC	
<b>A. OFF-BALANCE SHEET COMMITMENTS (I-II+III)</b>		<b>40.129.768</b>	<b>38.693.720</b>	<b>78.823.488</b>	<b>27.903.212</b>	<b>53.850.326</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(IV-a-2,3)</b>	<b>4.596.622</b>	<b>5.768.289</b>	<b>10.364.911</b>	<b>3.064.313</b>	<b>7.755.749</b>
1.1 Letters of Guarantee		4.052.798	2.515.823	6.568.621	2.815.895	2.696.021
1.1.1 Guarantees Subject to State Tender Law		160.158	712.676	872.834	116.519	546.042
1.1.2 Guarantees Given for Foreign Trade Operations		-	311.468	311.468	-	342.465
1.1.3 Other Letters of Guarantee		3.892.640	1.491.679	5.384.319	2.699.376	1.807.514
1.2 Bank Acceptances		1.727	68.481	70.208	723	58.790
1.2.1 Import Letter of Acceptance		1.727	68.481	70.208	723	58.790
1.2.2 Other Bank Acceptances		-	-	-	-	-
1.3 Letters of Credit		13.105	2.749.586	2.762.691	893	1.658.217
1.3.1 Documentary Letters of Credit		13.105	2.556.730	2.569.835	893	1.572.472
1.3.2 Other Letters of Credit		-	192.856	192.856	-	85.745
1.4 Prefinancing Given as Guarantee		-	-	-	-	-
1.5 Endorsements		-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-
1.7 Factoring Guarantees		-	7.923	7.923	-	7.002
1.8 Other Guarantees		18.817	420.086	438.903	22.531	264.160
1.9 Other Collaterals		510.175	6.390	516.565	224.271	7.246
<b>II. COMMITMENTS</b>	<b>(IV-a-1)</b>	<b>22.501.895</b>	<b>4.417.506</b>	<b>26.919.401</b>	<b>16.940.919</b>	<b>4.364.347</b>
2.1 Irrevocable Commitments		22.501.895	4.417.506	26.919.401	16.940.919	4.364.347
2.1.1 Asset Purchase Commitments		717.446	942.552	1.659.998	302.189	472.489
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		2.000	-	2.000	2.000	-
2.1.4 Loan Granting Commitments		790.865	2.310.515	3.101.380	460.009	2.401.260
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-
2.1.7 Commitments for Cheques		3.945.886	-	3.945.886	1.598.706	-
2.1.8 Tax and Fund Liabilities from Export Commitments		1.584	-	1.584	-	-
2.1.9 Commitments for Credit Card Limits		12.591.257	-	12.591.257	11.161.549	-
2.1.10 Promotion Commitments for Credit Cards and Banking Services		56.049	-	56.049	64.433	-
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-
2.1.13 Other Irrevocable Commitments		4.396.808	1.164.439	5.561.247	3.352.033	1.490.598
2.2 Revocable Commitments		-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(IV-b)</b>	<b>13.031.251</b>	<b>28.507.925</b>	<b>41.539.176</b>	<b>7.897.980</b>	<b>16.891.331</b>
3.1 Hedging Derivative Financial Instruments		5.090.000	-	5.090.000	5.090.000	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		5.090.000	-	5.090.000	5.090.000	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-
3.2 Trading Transactions		7.941.251	28.507.925	36.449.176	2.807.980	16.891.331
3.2.1 Forward Foreign Currency Buy/Sell Transactions		618.363	2.261.691	2.880.054	438.069	629.781
3.2.1.1 Forward Foreign Currency Transactions-Buy		159.184	1.285.715	1.444.899	198.054	335.162
3.2.1.2 Forward Foreign Currency Transactions-Sell		459.179	975.976	1.435.155	240.015	294.619
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		4.476.776	19.488.256	23.965.032	703.222	10.807.799
3.2.2.1 Foreign Currency Swap-Buy		195.939	5.980.420	6.176.359	167.841	1.362.271
3.2.2.2 Foreign Currency Swap-Sell		4.081.671	1.862.328	5.943.999	535.381	992.540
3.2.2.3 Interest Rate Swap-Buy		99.583	5.822.754	5.922.337	-	4.226.494
3.2.2.4 Interest Rate Swap-Sell		99.583	5.822.754	5.922.337	-	4.226.494
3.2.3 Foreign Currency, Interest rate and Securities Options		2.706.603	6.732.919	9.439.522	1.478.808	5.444.753
3.2.3.1 Foreign Currency Options-Buy		1.371.402	2.217.292	3.588.694	741.094	2.022.107
3.2.3.2 Foreign Currency Options-Sell		1.333.261	2.252.913	3.586.174	737.714	2.025.292
3.2.3.3 Interest Rate Options-Buy		-	1.131.357	1.131.357	-	698.677
3.2.3.4 Interest Rate Options-Sell		-	1.131.357	1.131.357	-	698.677
3.2.3.5 Securities Options-Buy		970	-	970	-	-
3.2.3.6 Securities Options-Sell		970	-	970	-	-
3.2.4 Foreign Currency Futures		989	1.015	2.004	9.190	8.998
3.2.4.1 Foreign Currency Futures-Buy		-	1.015	1.015	9.190	-
3.2.4.2 Foreign Currency Futures-Sell		989	-	989	-	8.998
3.2.5 Interest Rate Futures		-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-
3.2.6 Other		138.520	24.044	162.564	178.691	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>61.125.005</b>	<b>19.739.111</b>	<b>80.864.116</b>	<b>47.442.351</b>	<b>13.503.820</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>22.556.988</b>	<b>2.790.551</b>	<b>25.347.539</b>	<b>15.724.079</b>	<b>1.849.403</b>
4.1 Customer Fund and Portfolio Balances		4.010.359	-	4.010.359	3.392.892	-
4.2 Investment Securities Held in Custody		14.470.629	342.431	14.813.060	8.861.548	388.278
4.3 Cheques Received for Collection		2.922.165	24.384	2.946.549	2.244.635	26.850
4.4 Commercial Notes Received for Collection		945.579	506.078	1.451.657	1.034.731	438.351
4.5 Other Assets Received for Collection		-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-
4.7 Other Items Under Custody		208.256	1.916.918	2.125.174	190.273	994.975
4.8 Custodians		-	740	740	-	949
<b>V. PLEDGES RECEIVED</b>		<b>35.231.822</b>	<b>16.819.085</b>	<b>52.050.907</b>	<b>29.511.450</b>	<b>11.590.010</b>
5.1 Marketable Securities		697.868	291.543	989.411	492.755	277.008
5.2 Guarantee Notes		436.885	28.400	465.285	243.108	53.219
5.3 Commodity		-	8.098	8.098	-	9.426
5.4 Warranty		15	-	15	-	-
5.5 Immovable		21.425.680	13.207.943	34.633.623	17.697.666	8.861.859
5.6 Other Pledged Items		12.671.374	3.283.101	15.954.475	11.077.921	2.388.498
5.7 Pledged Items-Depository		-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>3.336.195</b>	<b>129.475</b>	<b>3.465.670</b>	<b>2.206.822</b>	<b>64.407</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>101.254.773</b>	<b>58.432.831</b>	<b>159.687.604</b>	<b>75.345.563</b>	<b>39.450.934</b>
						<b>114.796.497</b>

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

**AKBANK T.A.Ş.****IV. UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY****AT 31 DECEMBER 2010**

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

<b>INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>	<b>CURRENT PERIOD (31/12/2010)</b>	<b>PRIOR PERIOD (31/12/2009)</b>
<b>I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>1.608.521</b>	<b>1.207.055</b>
<b>II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES</b>	-	-
<b>III. INTANGIBLE FIXED ASSETS REVALUATION DIFFERENCES</b>	-	-
<b>IV. FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS</b>	-	-
<b>V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	<b>60.000</b>	<b>(274.160)</b>
<b>VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	-	-
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS</b>	-	-
<b>VIII. OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS</b>	-	-
<b>IX. TAX RELATED TO VALUATION DIFFERENCES</b>	<b>(333.704)</b>	<b>(186.579)</b>
<b>X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	<b>1.334.817</b>	<b>746.316</b>
<b>XI. CURRENT YEAR INCOME / LOSS</b>	<b>(276.451)</b>	<b>(129.280)</b>
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	(313.707)	(186.701)
1.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	16.309	8.490
1.3 Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4 Other	20.947	48.931
<b>XII. TOTAL ACCOUNTED INCOME/LOSS RELATED TO CURRENT PERIOD (X±XI)</b>	<b>1.058.366</b>	<b>617.036</b>

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

AKBANK T.A.Ş.  
V. UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2010  
(Amounts are expressed in thousands of Turkish Lira (TL))

PRIOR PERIOD (31/12/2009)		Share Cancellations	Share Premiums	Share Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Price Period Net Income (Loss)	Marketable Securities Increase Fund	Revaluation Fund	Bonus Shares From Share Issuance And	Hedging Transactions	Vol. Chg. in Prop. and Eq. MFS Para/ Disc. Opr.	Total Shareholders' Equity
I.	Period Opening Balance	-	1,700,000	-	675,221	-	2,395,308	-	1,704,553	-	(35,327)	8,025	-	(145,300)	-	11,208,372
II.	Changes in Accounting Policies according to TAS I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	New Balance (I+II)	-	1,700,000	-	675,221	-	2,395,308	-	1,704,553	-	(35,327)	8,025	-	(145,300)	-	11,208,372
III.	Changes in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Increase/Decrease due to the Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Property and Equipment Revaluation Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Intangible Fixed Assets Revaluation Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes due to the disposal of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Effects of changes in equity of investments in associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Capital adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXI.	Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXII.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+V+...+XVIII+XX+XXI+XXII+20.2+20.3)		-	1,700,000	-	781,504	-	3,423,744	-	2,725,982	-	792,567	17,309	-	(356,138)	-	14,170,840
CURRENT PERIOD (31/12/2010)																
I.	Prior Period End Balance	-	1,700,000	-	781,504	-	3,423,744	-	2,725,982	-	792,567	17,309	-	(356,138)	-	14,170,840
II.	Increase/Decrease due to the Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Property and Equipment Revaluation Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Intangible Fixed Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Changes due to the disposal of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Effects of changes in equity of investments in associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Capital adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXII.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XXII+10.2+10.3)		-	1,700,000	-	922,230	-	5,182,690	-	2,856,529	-	1,704,604	2,919	-	(291,629)	-	17,546,138

[\*] The amounts for the current period under "Adjustment to Share Capital" column are presented under "Other Capital Reserves" in the financial statements.

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

**AKBANK T.A.Ş.****VI. UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010**

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

	Note (Section Five)	CURRENT PERIOD (31/12/2010)	PRIOR PERIOD (31/12/2009)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	Operating Profit before changes in operating assets and liabilities	3.105.722	3.641.377
<b>1.1.1</b>	Interest received	7.975.719	8.665.250
<b>1.1.2</b>	Interest paid	(4.406.599)	(4.774.779)
<b>1.1.3</b>	Dividend received	27.287	43.075
<b>1.1.4</b>	Fees and commissions received	1.525.473	1.485.100
<b>1.1.5</b>	Other income	292.003	164.124
<b>1.1.6</b>	Collections from previously written-off loans and other receivables	580.868	692.595
<b>1.1.7</b>	Payments to personnel and service suppliers	(877.517)	(817.677)
<b>1.1.8</b>	Taxes paid	(788.393)	(725.122)
<b>1.1.9</b>	Other	(VI-b) (1.223.119)	(1.091.189)
<b>1.2</b>	Changes in operating assets and liabilities	(3.554.319)	12.109.864
<b>1.2.1</b>	Net decrease in trading securities	(708.290)	(99.180)
<b>1.2.2</b>	Net (increase) / decrease in fair value through profit/(loss) financial assets	-	-
<b>1.2.3</b>	Net (increase) / decrease in due from banks and other financial institutions	(1.189.549)	2.923.453
<b>1.2.4</b>	Net (increase) / decrease in loans	(13.620.615)	3.188.385
<b>1.2.5</b>	Net (increase) / decrease in other assets	40.476	13.770
<b>1.2.6</b>	Net increase / (decrease) in bank deposits	3.813.340	(279.131)
<b>1.2.7</b>	Net increase / (decrease) in other deposits	7.529.614	4.130.553
<b>1.2.8</b>	Net increase / (decrease) in funds borrowed	22.969	2.210.573
<b>1.2.9</b>	Net increase / (decrease) in payables	-	-
<b>1.2.10</b>	Net increase / (decrease) in other liabilities	(VI-b) 557.736	21.441
<b>I.</b>	Net cash provided from banking operations	(448.597)	15.751.241
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	Net cash provided from investing activities	(2.506.040)	(16.476.416)
<b>2.1</b>	Cash paid for acquisition of investments, associates and subsidiaries	(259)	(2.762)
<b>2.2</b>	Cash obtained from disposal of investments, associates and subsidiaries	-	19.960
<b>2.3</b>	Purchases of property and equipment	(311.072)	(130.372)
<b>2.4</b>	Disposals of property and equipments	139.707	3.190
<b>2.5</b>	Cash paid for purchase of investments available-for-sale	(15.836.739)	(22.599.975)
<b>2.6</b>	Cash obtained from sale of investments available-for-sale	5.075.488	1.167.356
<b>2.7</b>	Cash paid for purchase of investment securities	-	(4.287)
<b>2.8</b>	Cash obtained from sale of investment securities	9.245.463	4.967.199
<b>2.9</b>	Other	(818.628)	103.275
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	Net cash provided from financing activities	1.925.832	(381.199)
<b>3.1</b>	Cash obtained from funds borrowed and securities issued	2.488.139	-
<b>3.2</b>	Cash used for repayment of funds borrowed and securities issued	-	-
<b>3.3</b>	Issued capital instruments	-	-
<b>3.4</b>	Dividends paid	(540.600)	(360.550)
<b>3.5</b>	Payments for finance leases	(21.707)	(20.649)
<b>3.6</b>	Other	-	-
<b>IV.</b>	Effect of change in foreign exchange rate on cash and cash equivalents	(VI-b) 31.822	(22.639)
<b>V.</b>	Net increase in cash and cash equivalents (I+II+III+IV)	(996.983)	(1.129.013)
<b>VI.</b>	Cash and cash equivalents at beginning of the year	(VI-a) 2.867.363	3.996.376
<b>VII.</b>	Cash and cash equivalents at end of the year	(VI-a) 1.870.380	2.867.363

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



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

	CURRENT PERIOD (31/12/2010)	PRIOR PERIOD (31/12/2009)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	3.574.030	3.295.639
1.2 TAXES AND DUTIES PAYABLE	717.501	569.657
1.2.1 Corporate Tax (Income Tax)	619.470	620.866
1.2.2 Income Withholding Tax	-	-
1.2.3 Other taxes and duties	98.031	(51.209)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>2.856.529</b>	<b>2.725.982</b>
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	101.766
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>2.856.529</b>	<b>2.624.216</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	150.000
1.6.1 To Owners of Ordinary Shares	-	150.000
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	600
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	390.000
1.9.1 To Owners of Ordinary Shares	-	390.000
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	39.060
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	2.041.637
1.13 OTHER RESERVES	-	2.919
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Privileged Shares	-	-
2.3.3 To Owners of Preferred Shares	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE (*)</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,007	0,007
3.2 TO OWNERS OF ORDINARY SHARES ( % )	0,7	0,7
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	0,002
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	0,2
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-

(\*) Amounts are expressed in TL.

**NOTE:** Authorized body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

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**SECTION THREE  
ACCOUNTING POLICIES**

**I. EXPLANATIONS ON BASIS OF PRESENTATION:**

**a. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks' Accounting Application and Keeping Documents:**

The unconsolidated financial statements are prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette No. 26333 dated 1 November 2006, which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles [all "Turkish Accounting Standards" or "TAS"] published by the Banking Regulation and Supervision Agency ("BRSA"). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette No. 26430, dated 10 February 2007, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been effective as of reporting date have no impact on the accounting policies, financial condition and performance of the Group. The Group assess the impact of TFRS 9 Financial Instruments standard.

**b. Explanation for convenience translation into English:**

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**c. Accounting policies and valuation principles applied in the presentation of financial statements:**

The accounting policies and valuation principles applied in the preparation of financial statements are determined and applied in accordance with the TAS. These accounting policies and valuation principles are explained in Notes II through XXVIII below.

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**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS ON FOREIGN CURRENCY TRANSACTIONS:**

The Bank's core business activities include retail banking, SME banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. By nature, the Bank's activities are principally related to the use of financial instruments. As the main funding source, the Bank accepts deposits from customers for various periods and invests these funds in high quality assets with high interest margins. Other than deposits, the Bank's most important funding sources are equity, mostly intermediate and long-term borrowings from foreign financial institutions. The Bank follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Bank's exposure to liquidity risk, interest rate risk, currency risk and credit risk while increasing profitability and strengthening the Bank's equity. The Asset-Liabilities Committee ("ALCO") manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Market Risk Committee ("EMRC").

For covering foreign currency exposures arising from the foreign currency transactions, the Bank uses derivatives and asset-liability balancing transactions.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of "Net foreign exchange income/expense". Foreign currency denominated subsidiaries, which are non-monetary assets carried at historical cost, are translated into Turkish Lira with the foreign exchange rates prevailing at the balance sheet date.

The Bank hedges fair value risk of foreign investments stemming from changes in the foreign exchange rates with foreign currency denominated financial liabilities. In this context, carried values of net investments that are carried with acquisition values but are subject to hedge against fair value risk are adjusted to reflect the changes in fair value with respect to the risks that are subject to protection and fair value changes of foreign investments resulting from changes in foreign exchange rates are accounted on the income statement.

As at 31 December 2010, foreign currency denominated balances are translated into TL by using the exchange rates of TL 1,5376, TL 2,0552 and TL 1,8906 for USD, EUR, and Yen respectively.

**III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:**

Investments in associates and subsidiaries are accounted in accordance with the "Turkish Accounting Standard on Financial Instruments: Recognition and Measurement" ("TAS 39") in the unconsolidated financial statements. Subsidiaries that have a quoted market price in an active market and whose fair value can be reliably measured are carried at fair value. Investments in associates and subsidiaries that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less provision for impairment.

**IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:**

The major derivative instruments utilized by the Bank are currency and interest rate swaps, currency options and currency forwards.

The Bank classifies its derivative instruments as "Held-for-hedging" or "Held-for-trading" in accordance with "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement" ("TAS 39"). Certain derivative transactions, while providing effective economic hedges under the Bank's risk management position, in accordance with TAS 39 are treated as derivatives "Held-for-trading".

Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

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Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Trading derivative financial assets" or "Hedging derivative financial assets"; if the fair value difference is negative, it is recorded to "Trading derivative financial liabilities" or "Hedging derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

The Bank is hedged against cash flow risk arising from TL and foreign currency floating rate borrowings through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under "Hedging reserves" within equity. In the periods when the cash flows (interest expenses) relating to hedged item affect the income statement, income/loss from related hedging instrument is also transferred from equity to income statement.

When the hedging instrument is expired, executed, sold or the hedge relationship has become ineffective as a result of the effectiveness test the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized. In accordance with TAS 39, the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy.

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and are accounted according to the standard applied to the host contract.

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:**

Interest income and expenses are recognized in the income statement by using the "Effective interest method". The Bank ceases accruing interest income on non-performing loans and any interest income accruals from such loans are reversed and no income is accounted until the collection is made according to the related regulation.

**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:**

All fees and commission income/expenses are recognized on an accrual basis, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Borrowing fees and commissions expenses paid to other financial institutions are recognized as transaction costs and recorded by using the "Effective interest method". Contract based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

The Bank categorizes its financial assets as "Fair value through profit/loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". Sale and purchase transactions of the financial assets mentioned above are recognized and derecognized at the "Settlement dates". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Group management, taking into consideration the purpose of the investment.

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**a. Financial assets at fair value through profit or loss:**

This category has two sub-categories: "Trading financial assets" and "Financial assets designated at fair value through profit/loss at initial recognition".

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

All regular way purchases and sales of trading financial assets are recognized at the settlement date, which is the date that the asset is delivered to/from the Bank. Trading financial assets are initially recognized at fair value and subsequently remeasured at fair value after recording. All gains and losses arising from these valuations are reflected in the income statement. Interest earned while holding trading financial assets is accounted as interest income and dividends received are included separately in dividend income.

Derivative financial assets are classified as trading financial assets unless they are used for hedging purposes. The accounting of derivative financial assets is explained in Note IV of Section Three.

The Bank has no financial assets designated as financial assets at fair value through profit or loss.

**b. Financial assets available-for-sale:**

Financial assets available-for-sale consists of financial assets other than "Loan and receivables", "Held-to-maturity" and "Financial assets at fair value through profit or loss" and non-derivative financial assets. Financial assets available-for-sale are recorded by adding transaction cost to acquisition cost reflecting the fair value of the financial asset.

Financial assets available-for-sale are subsequently remeasured at fair value. Interest income arising from debt securities classified as available-for-sale calculated with "Effective interest method" and dividend income of equity securities are reflected to income statement. "Unrealized gains and losses" arising from the difference between the amortised cost and the fair value of securities classified as available-for-sale are recognized in the account of "Marketable securities valuation differences" under shareholder's equity, unless these assets are impaired, collected, sold, or disposed of. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

**c. Loans and Receivables:**

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available for sale, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding acquisition cost which reflect fair value to transaction costs and subsequently recognized at the discounted value calculated using the "Effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

If the collectibility of any receivable is identified as limited or doubtful by the management through assessments and estimates, the Bank provides general and specific provisions for these loans and receivables in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette dated 1 November 2006, No. 26333 and amended in the Official Gazette dated 23 January 2009, No. 27119. Provision expenses are deducted from the net income of the period. If there is a subsequent collection from a

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receivable that was already provisioned in the previous years, the recovery amount is classified under "Other operating income". If a receivable is collected which is provisioned in the same year, it is deducted from the "Provisions for loan losses and other receivables". Uncollectible receivables are written-off after all the legal procedures are finalized.

In accordance with the "Communiqué regarding change in the Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published on 6 March 2010 to be effective from 1 March 2010, the banks are allowed not to calculate general provision for cash loans which have been granted beginning from 1 March 2010 except for credit cards until 1 March 2011. The Bank did not prefer to apply the related provisional clause. If the Bank had preferred to apply the related provisional amendment, the general loan loss provision expense would have been lower as of 31 December 2010.

**d. Held-to-Maturity Financial Assets:**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available for sale; and those that meet the definition of loans and receivables.

There are no financial assets previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

The Bank has Consumer Price Index ("CPI") linked government bonds in available for sale and held to maturity portfolios having 5-10 year term and fixed real coupon rates until the maturity. These marketable securities are valued by using effective interest method by considering the real coupon rates together with the changes in the CPI references between the issuance and balance sheet dates. Market values are used to for the fair value calculation.

As of 1 January 2011, for the interim periods the Bank has started to use CPI at balance sheet date for the effective interest rate method calculation of these marketable securities, which were calculated considering the estimated inflation rate based on CPI. Used estimated inflation rate will be updated when necessary during the year, final valuation will be according to actual inflation rate.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS**

It is assessed that, whether there is objective evidence for a financial asset or group of financial assets is impaired at each balance sheet date. Provision for impairment is provided when there is objective evidence.

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the "Effective interest method", or the fair value if one exists, is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and this is charged against the income for the year. An explanation about the impairment of loans and receivables is given in Note VII-c.

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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**X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:**

Securities subject to repurchase agreements ("Repos") are classified as "Financial assets at fair value difference through profit or loss", "Available-for-sale securities" and "Held-to-maturity securities" in the balance sheet according to the investment purposes and measured according to the portfolio of the Bank to which they belong. Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the "Effective interest (internal return) method".

Funds given against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the "Effective interest method". The Group has no securities lending transactions.

**XI. EXPLANATIONS ON PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS:**

The Bank has no discontinued operations.

Property and equipment held-for-resale purpose consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, No.26333.

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:**

The Bank has no goodwill.

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

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

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:**

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment carried at cost less accumulated depreciation and provision for value decrease.

Depreciation is calculated over the cost of property and equipment using the straight-line method over estimated useful lives. The estimated useful lives are stated below:

Buildings	50 years
Machinery, furniture fixtures and vehicles	5 years

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

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Where the carrying amount of an asset is greater than its estimated "Net realizable value amount", it is written down to its "Net realizable value amount" and the impairment loss is charged to the income statement.

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

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset. Capital expenditures include the cost components that increase the useful life, or the capacity of the asset, increase the quality of the product or decrease the costs.

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "Lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is impairment in value of the leased asset, an "impairment" is recognized. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not provide financial leasing services as a "Lessor".

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

**XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:**

Provisions and contingent liabilities are accounted in accordance with, "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the periodicity principle. When the amount of the obligation cannot be reliably estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

**XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:**

**a. Employment termination benefits and vacation rights:**

Obligations related to employment termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under "Reserve for Employee Rights" account in the balance sheet.



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Under the Turkish Labor Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labor Law. According to the related regulation, the Bank is obliged to pay termination benefits for employees who retire, quit for their military service obligations, who have been dismissed as defined in the related regulation or who have completed at least one year of service. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Bank arising from this liability.

**b. Retirement rights:**

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

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette No 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the related article was rescinded as from the 31 March 2007, the publication date of the decision of the Constitutional Court dated 22 March 2007. The reasoned decree regarding the rescission of the mentioned paragraph was published in the Official Gazette numbered 26731, dated 15 December 2007.

Following the publication of the reasoned decree of the Constitutional Court, Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security Institution; the related articles of the Social Security Law ("New Law") numbered 5754 regarding the transfer of the funds, were ratified by the Grand National Assembly on 17 April 2008 and came into effect following the publication in the Official Gazette numbered 26870, dated 8 May 2008.

The main opposition party appealed to the Constitutional Court for the cancellation of some of the articles of the New Law including transfer of the Funds to the SSI on 19 June 2008. There is no resolution adopted by the Constitution Court related to mentioned issue as of the publication date of the financial statements.

The New Law requires that present value of post-employment benefits at the balance sheet date regarding the members of the fund to be transferred shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Under secretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. The transfer required by the New Law is to be completed until 8 May 2011. If the time frame for the transfer will not be sufficient, the transfer can be extended for two years with the decision of Council of Ministers.

According to the New Law, following the transfer of the members of the fund to the SSI, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.

In this extent, according to the technical balance sheet report dated 31 December 2010 prepared considering the related articles of the New Law regarding the transferrable benefit obligations and in accordance with TAS 19 for the non-transferrable social benefits and payments which are included in the articles of association and audited within the framework stated in the first paragraph above; the fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

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Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for the Bank.

**XVIII. EXPLANATIONS ON TAXATION:**

**a. Current Tax:**

The corporate tax rate is 20% in Turkey. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14<sup>th</sup> day and paid by the 17<sup>th</sup> day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until the 25<sup>th</sup> day of the following forth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year following the date of filing during which time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Current tax, related to items recognized directly in equity is also credited or charged directly to equity.

**b. Deferred Tax:**

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning about the income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over provisions for possible risks and general provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

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The calculated deferred tax assets and deferred tax liabilities are presented on a net basis in these financial statements.

Deferred tax, related to items recognized directly in equity is also credited or charged directly to equity.

**XIX. EXPLANATIONS ON BORROWINGS:**

Trading financial liabilities and derivative instruments are carried at their fair values and other financial liabilities are carried at amortized cost using the "Effective interest method".

**XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:**

The Bank has increased its paid-in-capital from TL 3.000.000 to TL 4.000.000 within registered capital ceiling amounting to TL 5.000.000 with a total increase of TL 1.000.000 met from extraordinary reserves amounting to TL 482.691, profit of subsidiary sales amounting to TL 16.554, income from property sales amounting to TL 755 and differences from inflation adjustment into share capital under other reserves amounting to TL 500.000. The new capital of the Bank is registered by Istanbul Trade Registry Office on 12 April 2010 and published on Turkish Trade Registry Gazette on 16 April 2010 No.7545.

**XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

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

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 31 December 2010 and 31 December 2009, there is no government grant for the Bank.

**XXIII. EXPLANATIONS ON SEGMENT REPORTING:**

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

(c) for which discrete financial information is available.

Reporting according to the operational segment is presented in Note X of Section Four.

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**XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

Under the Turkish Commercial Code, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, but Holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

**XXV. EARNINGS PER SHARE:**

Earning per share disclosed in the income statement is calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned.

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Net Profit for the Year	2.856.529	2.725.982
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,00714</b>	<b>0,00681</b>

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

The number of bonus shares issued in 2010 is 100.000.000.000 (31 December 2009: [-]).

**XXVI. RELATED PARTIES:**

Parties defined article 49 of the Banking Law No. 5411, Bank's senior management, and board members are deemed as related parties. Transactions regarding related parties are presented in Note VII of Section Five.

**XXVII. CASH AND CASH EQUIVALENT ASSETS:**

For the purposes of the cash flow statement cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements, time deposits at banks with original maturity periods of less than three months and investments on marketable securities other than common stocks.

**XXVIII. RECLASSIFICATIONS:**

In order to be consistent with the presentation of financial statements as of 31 December 2010, there are certain reclassifications made on income and expenses accounted under shareholders' equity and cash flow statements and off-balance sheet commitments as of 31 December 2009.

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**SECTION FOUR  
INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:**

- a.** The Bank's capital adequacy ratio is 20,61% (31 December 2009: 22,50%). This rate is considerably above the minimum rate specified by the related regulation.
- b.** For the calculation of the capital adequacy ratio, the Bank classifies the risk weighted assets and non-cash loans according to the risk weights defined by the regulations and calculates "Total risk weighted assets" which is the sum of "Market risk on securities" and the "Bank's currency risk". The following tables present the classifications of "Risk weighted assets" and the calculation of "shareholders' equity" for the capital adequacy ratio calculation.

**c. Information related to capital adequacy ratio:**

	Risk Weights					
	0%	20%	50%	100%	150%	200%
<b>Amount Subject to Credit Risk</b>						
Balance Sheet Items (Net)	56.754.145	1.404.851	-	54.205.359	443.668	100.824
Cash	811.966	198	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	957.243	-	-	-	-	-
Domestic, Foreign Banks, Foreign Head Offices and Branches	-	1.052.868	-	730.773	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repurchase Transactions	-	-	-	-	-	-
Reserve Requirements with the Central Bank of the Republic of Turkey	4.322.844	-	-	-	-	-
Loans	1.112.876	64.171	-	50.676.908	443.668	100.824
Non-performing Receivables (Net)	-	-	-	-	-	-
Lease Receivables	-	-	-	-	-	-
Available-for-Sale Financial Assets	38.079.238	-	-	4.704	-	-
Held-to-Maturity Investments	6.313.131	-	-	-	-	-
Receivables From the Disposal of Assets	-	-	-	-	-	-
Miscellaneous Receivables	40.390	-	-	141.562	-	-
Interest and Income Accruals	4.477.500	287.614	-	647.589	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (Net)	-	-	-	896.041	-	-
Fixed Assets	-	-	-	843.861	-	-
Other Assets	638.957	-	-	263.921	-	-
Off-Balance Sheet Items	55.138	882.230	-	12.844.168	-	-
Non-Cash Loans and Commitments	55.138	299.498	-	12.620.574	-	-
Derivative Financial Instruments	-	582.732	-	223.594	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>56.809.283</b>	<b>2.287.081</b>	<b>-</b>	<b>67.049.527</b>	<b>443.668</b>	<b>100.824</b>

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**d. Summary information related to capital adequacy ratio:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Amount Subject to Credit Risk ("ASCR")	68.374.093	52.063.099
Amount Subject to Market Risk ("ASMR")	5.229.950	3.231.225
Amount Subject to Operational Risk ("ASOR")	9.430.736	8.339.697
Shareholders' Equity	17.115.134	14.314.764
Shareholders' Equity/(ASCR+ASMR+ASOR) *100	20,61	22,50

**e. Information about shareholders' equity items:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>CORE CAPITAL</b>		
Paid-in Capital	4.000.000	3.000.000
Nominal Capital	4.000.000	3.000.000
Capital Commitments	-	-
Inflation Adjustment to Share Capital	1.405.892	1.905.892
Share Premium	1.700.000	1.700.000
Share Cancellation Profits	-	-
Legal Reserves	922.330	781.504
First Legal Reserve (Turkish Commercial Code 466/1)	600.000	498.234
Second Legal Reserve (Turkish Commercial Code 466/2)	322.330	283.270
Other Legal Reserves per Special Legislation	-	-
Status Reserves	-	-
Extraordinary Reserves	5.182.690	3.623.744
Reserves Allocated by the General Assembly	5.182.690	3.623.744
Retained Earnings	-	-
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	2.856.529	2.725.982
Net Income for the Period	2.856.529	2.725.982
Prior Period Profit	-	-
Provisions for Possible Risks up to 25% of Core Capital	25.000	110.000
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Share Capital	2.919	17.309
Primary Subordinated Loans up to 15% of Core Capital.	-	-
Uncovered Portion of Loss with Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-)	46.127	-
Prepaid Expenses (-)	133.500	181.036

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	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Intangible Assets (-)	92.744	64.904
Deferred Tax Asset Amount Exceeding 10% of Core Capital (-)	-	-
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	-	-
<b>Total Core Capital</b>	<b>15.822.989</b>	<b>13.618.491</b>
<b>SUPPLEMENTARY CAPITAL</b>		
Provisions	489.569	369.288
45% of the Movables Revaluation Fund	-	-
45% of the Immovables Revaluation Fund	-	-
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-	-
Primary Subordinated Loans That are not Considered in the Calculation of Core	-	-
Secondary Subordinated Loans	-	-
45% Of Marketable Securities Valuation Fund	803.972	351.723
From Investments in Associates And Subsidiaries	1.113	2.786
From Available-for-Sale Financial Assets	802.859	348.937
Inflation Adjustment to Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
<b>Total Supplementary Capital</b>	<b>1.293.541</b>	<b>721.011</b>
<b>TIER III CAPITAL</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>17.116.530</b>	<b>14.339.502</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>1.396</b>	<b>24.738</b>
Investments in Unconsolidated Financial Institutions (Domestic, Foreign) and Banks in which 10% or More Equity Interest Exercised	-	23.227
Investments in Financial Institutions (Domestic, Foreign) and Banks, in Which Less than 10% of Equity Interest is Exercised and That Exceeds the 10% And More of the Total Core and Supplementary Capital of the Bank	-	-
The Secondary Subordinated Loans Extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments That Have Primary or Secondary Subordinated Loan Nature Purchased from Them	-	-
Loans Extended as Contradictory to the Articles 50 And 51 of The Law	-	-
Excess of 50% of the Bank's Immovables' Total Net Book Value and Net Book Value of Immovables Obtained Against Bank's Receivables that Must be Disposed According to Article 57 of the Banking Law which Could not be Disposed Although Five Years Have Passed Since the Acquisition Date	1.396	1.511
Other	-	-
<b>Total Shareholders' Equity</b>	<b>17.115.134</b>	<b>14.314.764</b>

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**II. EXPLANATIONS ON CREDIT RISK:**

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

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

- b.** The Bank's banking activities in foreign countries and credit transactions do not constitute an important risk in terms of the related countries' economic conditions and activities of customers and companies.
- c.** When necessary, derivative instruments are exercised to control and to offset credit risks that can especially originate from foreign exchange and interest rate fluctuations.
- d.** Non-cash loans turned into cash loans are included in the same risk group as cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

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

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

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

When considered within the financial activities of other financial institutions, the Bank as an active participant in the national and international banking market is not exposed to a significant credit risk. As seen in the Bank's balance sheet, the ratio of loans under follow-up to total loans is as low as 2,4% (31 December 2009: 4,3%) and 100% provision has been provided.

- f.** 1. The proportion of the Bank's top 100 cash loan balances in total cash loans is 35% (31 December 2009: 38%).
2. The proportion of the Bank's top 100 non-cash loan balances in total non-cash loans is 58% (31 December 2008: 65%).
3. The proportion of the Bank's cash and non-cash loan balances with the first 100 customers comprises of 20% of total cash loans and non-cash loans (31 December 2009: 17%).
- g.** The Bank provided a general provision amounting to TL 489.569 (31 December 2009: TL 369.288).



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**h. Information on loan types and provisions:**

<b>Current Period - 31 December 2010</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	32.512.512	12.432.079	6.640.619	<b>51.585.210</b>
Close Monitoring Loans	468.691	697.792	143.839	<b>1.310.322</b>
Loans Under Follow-up	629.901	329.763	319.869	<b>1.279.533</b>
Specific Provision (-)	629.901	329.763	319.869	<b>1.279.533</b>
<b>Total</b>	<b>32.981.203</b>	<b>13.129.871</b>	<b>6.784.458</b>	<b>52.895.532</b>

<b>Prior Period - 31 December 2009</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	23.550.338	8.025.595	5.455.594	<b>37.031.527</b>
Close Monitoring Loans	1.090.655	1.219.570	376.490	<b>2.686.715</b>
Loans Under Follow-up	979.675	409.324	395.521	<b>1.784.520</b>
Specific Provision (-)	979.675	409.324	395.521	<b>1.784.520</b>
<b>Total</b>	<b>24.640.993</b>	<b>9.245.165</b>	<b>5.832.084</b>	<b>39.718.242</b>

**i. Information on the movement of provision for loan and other receivables of the Bank:**

	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
<b>1 January 2010</b>	<b>979.675</b>	<b>409.324</b>	<b>395.521</b>	<b>1.784.520</b>
Transferred during the period	148.239	160.605	175.095	<b>483.939</b>
Collection	(281.563)	(154.979)	(144.326)	<b>(580.868)</b>
Write off	(216.450)	(85.187)	(106.421)	<b>(408.058)</b>
<b>31 December 2010</b>	<b>629.901</b>	<b>329.763</b>	<b>319.869</b>	<b>1.279.533</b>

	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
<b>1 January 2009</b>	<b>702.481</b>	<b>150.030</b>	<b>286.198</b>	<b>1.138.709</b>
Transferred during the period	669.627	429.682	279.943	<b>1.379.252</b>
Collection	(371.348)	(163.668)	(157.579)	<b>(692.595)</b>
Write off	(21.085)	(6.720)	(13.041)	<b>(40.846)</b>
<b>31 December 2009</b>	<b>979.675</b>	<b>409.324</b>	<b>395.521</b>	<b>1.784.520</b>

**j. Information on debt securities, treasury bills and other eligible bills:**

<b>Current Period - 31 December 2010</b>	<b>Trading Financial Assets</b>	<b>Available for Sale Financial Assets</b>	<b>Held to Maturity Securities</b>	<b>Total</b>
<b>Moody's Rating</b>				
Aaa	-	-	-	-
A1, A2, A3	-	-	-	-
Baa1, Baa2, Baa3	-	-	-	-
Ba1	-	-	-	-
Ba2	564.451	42.122.680	6.626.229	<b>49.313.360</b>
<b>Total</b>	<b>564.451</b>	<b>42.122.680</b>	<b>6.626.229</b>	<b>49.313.360</b>

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<b>Prior Period - 31 December 2009</b>	<b>Trading Financial Assets</b>	<b>Available for Sale Financial Assets</b>	<b>Held to Maturity Securities</b>	<b>Total</b>
<b>Moody's Rating</b>				
Aaa	-	-	-	-
A1, A2, A3	-	-	-	-
Baa1, Baa2, Baa3	-	-	-	-
Ba1	-	-	-	-
Ba3	150.582	29.114.291	15.839.572	<b>45.104.445</b>
<b>Total</b>	<b>150.582</b>	<b>29.114.291</b>	<b>15.839.572</b>	<b>45.104.445</b>

**k. Information on maximum exposure to credit risk:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Credit risk exposures relating to on-balance sheet assets:</b>	<b>104.912.331</b>	<b>88.336.729</b>
Loans and advances to banks	1.783.851	2.959.861
Loans and advances to customers	52.895.532	39.718.242
-Corporate	32.981.203	24.640.993
-Consumer	13.129.871	9.245.165
-Credit Cards	6.784.458	5.832.084
Trading assets	1.031.747	313.770
-Government bonds	564.451	150.582
-Trading derivative financial assets	467.296	163.188
- Other marketable securities	-	-
Investment Securities	42.191.056	29.164.440
-Government bonds	42.078.041	29.114.291
-Other marketable securities	113.015	50.149
Held-to-maturity financial assets	6.626.229	15.839.572
Financial lease receivables	-	-
Other assets	383.916	340.844
<b>Credit risk exposures relating to off-balance sheet items:</b>	<b>30.003.434</b>	<b>23.456.461</b>
Letters of guarantees	6.568.621	5.511.916
Other guarantees and commitments	3.796.290	2.243.833
Credit granting commitments	3.101.380	2.940.457
Check payment commitments	3.945.886	1.598.706
Credit card limit commitments	12.591.257	11.161.549
<b>Total</b>	<b>134.915.765</b>	<b>111.793.190</b>

As of 31 December 2010 and 2009, the Group's collateral types mainly composed of mortgages, cash blockages, vehicle and machinery pledges.

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**I. Customer and geographical concentration of credit risk:**

	Loans Granted to Real Persons and Corporate Entities		Loans Granted to Banks and Other Financial Institutions		Marketable Securities(*)		Other Loans(**)	
	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009
<b>Industry Sectors</b>								
Private Sector	29.907.842	21.499.114	1.959.557	1.405.839	113.015	50.149	22.386.192	17.785.669
Public Sector	1.184.568	1.665.292	48.998	8.687	49.268.721	45.104.445	874.712	1.689.780
Banks	-	-	46.028	140.081	-	-	19.760.098	13.792.184
Individual Customers	19.748.539	14.999.229	-	-	-	-	16.910.036	12.277.776
Share Certificates	-	-	-	-	30.278	4.705	-	-
<b>Total</b>	<b>50.840.949</b>	<b>38.163.635</b>	<b>2.054.583</b>	<b>1.554.607</b>	<b>49.412.014</b>	<b>45.159.299</b>	<b>59.931.038</b>	<b>45.545.409</b>
<b>Geographical Sectors</b>								
Domestic	49.764.935	37.447.680	1.953.935	1.391.141	49.327.686	45.159.148	40.301.135	30.668.560
European Union Countries	873.414	439.450	100.648	163.466	58.754	151	17.789.922	13.653.623
OECD Countries(***)	-	-	-	-	-	-	903.013	477.882
Off-shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	25.574	-	932.375	740.643
Other Countries	202.600	276.505	-	-	-	-	4.593	4.701
<b>Total</b>	<b>50.840.949</b>	<b>38.163.635</b>	<b>2.054.583</b>	<b>1.554.607</b>	<b>49.412.014</b>	<b>45.159.299</b>	<b>59.931.038</b>	<b>45.545.409</b>

(\*) Marketable securities consist of fair value through profit and loss, available for sale and held to maturity securities.

(\*\*) Other loans consist of transactions which are not classified in the first three columns of THP and transactions defined as loan in the article 48 of the Banking Law No.5411.

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

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**m. Information according to geographical concentration:**

	Assets	Liabilities (***)	Non-cash	Assets	Net Profit
<b>Current Period - 31 December 2010</b>					
Domestic	108.607.276	78.627.310	10.364.911	389.356	2.636.197
European Union Countries	2.497.247	8.470.322	-	-	-
OECD Countries (*)	40.812	5.560.644	-	-	-
Off-Shore Banking Regions	-	-	-	-	220.332
USA, Canada	532.784	2.636.372	-	-	-
Other Countries	219.098	322.831	-	-	-
Subsidiaries, Investment in Associates and Joint Ventures (Net)	896.041	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
<b>Total</b>	<b>112.793.258</b>	<b>95.617.479</b>	<b>10.364.911</b>	<b>389.356</b>	<b>2.856.529</b>
<b>Prior Period - 31 December 2009</b>					
Domestic	90.376.035	68.245.884	7.755.749	142.529	2.199.449
European Union Countries	3.044.409	8.932.057	-	-	-
OECD Countries (*)	9.162	3.159.059	-	-	-
Off-Shore Banking Regions	2.363	-	-	-	526.533
USA, Canada	534.467	547.478	-	-	-
Other Countries	278.812	234.145	-	-	-
Subsidiaries, Investment in Associates and Joint Ventures (Net)	921.686	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
<b>Total</b>	<b>95.166.934</b>	<b>81.118.623</b>	<b>7.755.749</b>	<b>142.529</b>	<b>2.725.982</b>

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

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

(\*\*\*) Shareholders' equity is not included.

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**n. Sectoral concentrations for cash loans:**

	Current Period 31 December 2010				Prior Period 31 December 2009			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	87.685	0,28	1.758	0,01	136.787	0,57	8.730	0,06
Farming and Raising								
Livestock	66.364	0,21	-	-	115.150	0,48	6.374	0,04
Forestry	21.233	0,07	1.758	0,01	21.591	0,09	2.356	0,02
Fishing	88	0,00	-	-	46	0,00	-	-
Manufacturing	3.622.154	11,32	8.456.124	40,47	2.850.383	11,87	5.409.459	34,47
Mining	60.152	0,19	46.893	0,22	35.073	0,15	25.788	0,16
Production	3.352.123	10,47	5.731.097	27,43	2.771.962	11,54	4.274.196	27,24
Electric, Gas and Water	209.879	0,66	2.678.134	12,82	43.348	0,18	1.109.475	7,07
Construction	1.200.297	3,75	2.213.408	10,59	889.586	3,70	2.664.663	16,98
Services	6.335.025	19,79	8.335.686	39,90	4.220.863	17,57	5.841.987	37,25
Wholesale and Retail Trade	3.713.452	11,60	1.919.298	9,19	2.340.261	9,74	1.849.854	11,79
Hotel, Food and Beverage								
Services	345.639	1,08	1.065.887	5,10	245.332	1,02	863.076	5,50
Transportation and								
Telecommunication	411.068	1,28	1.850.947	8,86	335.326	1,40	1.172.839	7,48
Financial Institutions	910.980	2,85	1.143.603	5,47	456.227	1,90	1.098.380	7,00
Real Estate and Leasing								
Services	39.259	0,12	73.590	0,35	16.748	0,07	20.453	0,13
Professional Services	22.874	0,07	91.473	0,44	16.754	0,07	65.386	0,42
Education Services	73.192	0,23	7.790	0,04	55.710	0,23	10.259	0,07
Health and Social Services	818.561	2,56	2.183.098	10,45	754.505	3,14	761.740	4,86
Other	20.759.029	64,86	1.884.366	9,03	15.931.931	66,29	1.763.853	11,24
<b>Total</b>	<b>32.004.190</b>	<b>100,00</b>	<b>20.891.342</b>	<b>100,00</b>	<b>24.029.550</b>	<b>100,00</b>	<b>15.688.692</b>	<b>100,00</b>

**III. EXPLANATIONS ON MARKET RISK:**

Companies are exposed to market risk, due to the movements in exchange rates, interest rates, and market prices of stocks. The Bank assesses that exchange risk and interest rate risk are the two most important components constituting the market risk. Market risk is measured using two separate methods, which are the "inherent model", and "standard method".

According to the "inherent model", market risk is measured with the Value at Risk (VaR) approach. In VaR calculations, variance, covariance, historical comparison and Monte Carlo simulation methods are used. The software used can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of a 99% confidence interval and 10 days retention period. VaR analyses are reported to senior management, and they are also used as risk parameters for the bond portfolio and as a limit management instrument. Limits are revised steadily according to the market conditions and the application of specified limits is subjected to authority restrictions, thereby increasing the control efficiency. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have a significant impact and the market fluctuations. Retrospective tests of the model outputs are performed regularly.

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According to the "standard method", market risk is measured on a securities portfolio basis in a way that includes the Group's exchange risk daily and weekly according to the standard method, and reported to the senior management.

The table below indicates the details of the calculation of market risk as of 31 December 2010 according to "Market Risk Measurement Standard Method", pursuant to part 3 related to the "Calculation of the Amount basis to Market Risk", of the "Communiqué on the Measurement and Assessment of Capital Adequacy of the Banks", published in the Official Gazette dated 1 November 2006 No. 26333.

**a. Information on Market Risk:**

	<b>Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	394.614
(II) Capital to be Employed for Specific Risk - Standard Method	6.529
(III) Capital to be Employed for Currency Risk - Standard Method	16.167
(IV) Capital to be Employed for Commodity Risk - Standard Method	1.086
(V) Capital to be Employed for Exchange Risk - Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options - Standard Method	-
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	418.396 (*)
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	5.229.950 (*)

(\*) Of the "Amount subject to market risk", only TL 418.396 which is 8% of TL 5.229.950 is used in the calculation of the market risk related to the capital adequacy ratio which is given in Note I of Section Four. TL 418.396 is the minimum amount of capital that can mitigate the mentioned risk.

**b. Average Market Risk Table of Calculated Market Risk for Period Ends:**

	<b>Current Period 31 December 2010</b>			<b>Prior Period 31 December 2009</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	335.240	391.763	292.136	138.795	231.951	92.952
Share Certificates Risk	10.027	9.380	15.854	838	1.828	5
Currency Risk	14.768	16.167	8.910	34.418	24.719	22.346
Commodity Risk	793	1.086	892	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
<b>Total Amount Subject to Risk</b>	<b>360.828</b>	<b>418.396</b>	<b>317.792</b>	<b>174.051</b>	<b>258.498</b>	<b>115.303</b>

**IV. EXPLANATIONS ON OPERATIONAL RISK:**

The "Basic indicator method" is used in the operational risk calculation of the Bank. The amount subject to the operational risk is calculated by using the gross income of the Bank in 2009, 2008, and 2007 in accordance with the "Regulation Regarding Measurement and Evaluation of the Bank's Capital Adequacy Ratio" published in the Official Gazette No.26333 dated 1 November 2006. In the scope of "Capital adequacy ratio", the amount subject to operational risk is TL 9,430,736; capital liability of operational risk is TL 754,459, corresponding to 8% of TL 9,430,736.

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**V. EXPLANATIONS ON CURRENCY RISK:**

The difference between the Bank's foreign currency denominated and foreign currency indexed assets and liabilities is defined as the "Net Foreign Currency Position" and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. The Bank keeps the foreign exchange exposure amount within the limits set by the EMRC. The Board, taking into account the recommendations by the EMRC, sets a limit for the size of a foreign exchange exposure, which is closely monitored by ALCO.

Those limits are individually determined and followed for both the net overall foreign currency position and for the foreign exchange exposure. Derivative financial instruments like forward foreign exchange contracts and currency swaps are used as tools for foreign exchange exposure management.

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

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	1,5376 TL	2,0552 TL	1,8906 TL
1. Day bid rate	1,5050 TL	1,9929 TL	1,8489 TL
2. Day bid rate	1,5050 TL	1,9752 TL	1,8307 TL
3. Day bid rate	1,5050 TL	1,9800 TL	1,8316 TL
4. Day bid rate	1,4950 TL	1,9647 TL	1,8064 TL
5. Day bid rate	1,4950 TL	1,9622 TL	1,8019 TL

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

USD	: 1,4664 TL
Euro	: 1,9394 TL
Yen	: 1,7600 TL

As of 31 December 2009;

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	1,4873 TL	2,1426 TL	1,6103 TL

**Information related to Bank's Currency Risk: (Thousand TL)**

The table below summarizes the Bank's exposure to foreign currency exchange rate risk, categorized by currency. Foreign currency indexed assets, classified as Turkish Lira assets according to the Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; derivative financial assets and liabilities, prepaid expenses and general loan loss provision, hedging derivative financial assets and liabilities and shareholders' equity are excluded in the currency risk calculation. Therefore, there exists differences between the amounts of foreign currency denominated assets and liabilities demonstrated on the table below and the amounts on the balance sheet. The Banks' real position, both in financial and economic terms, is presented in the table below.

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	EURO	USD	Yen	Other FC (*)	Total
<b>Current Period – 31 December 2010</b>					
<b>Assets</b>					
Cash Equivalents and Central Bank	2.152.931	1.650.339	780	36.872	<b>3.840.922</b>
Banks	935.631	782.361	29.293	26.504	<b>1.773.789</b>
Financial Assets at Fair Value through					
Profit or Loss (Net)	39.273	63.315	-	-	<b>102.588</b>
Interbank Money Market Placements	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	1.232.401	2.704.786	-	-	<b>3.937.187</b>
Loans	6.242.168	15.255.820	20.601	85.862	<b>21.604.451</b>
Investments in Associates, Subsidiaries and Joint					
Ventures	680.009	2.243	-	-	<b>682.252</b>
Held-to-maturity Investments (Net)	589.892	677.674	-	-	<b>1.267.566</b>
Hedging Derivative Financial Assets	-	-	-	-	<b>-</b>
Tangible Assets (Net)	-	1.868	-	-	<b>1.868</b>
Intangible Assets (Net)	-	211	-	-	<b>211</b>
Other Assets	1.435	6.416	11	262	<b>8.124</b>
<b>Total assets</b>	<b>11.873.740</b>	<b>21.145.033</b>	<b>50.685</b>	<b>149.500</b>	<b>33.218.958</b>
<b>Liabilities</b>					
Bank Deposits	1.631.810	3.387.302	208	288.725	<b>5.308.045</b>
Foreign Currency Deposits	6.636.853	12.143.155	34.861	1.005.576	<b>19.820.445</b>
Funds from Interbank Money Market	-	615.748	-	-	<b>615.748</b>
Borrowings	3.559.676	6.520.626	15.461	17.831	<b>10.113.594</b>
Marketable Securities Issued (Net)	-	1.555.457	-	-	<b>1.555.457</b>
Miscellaneous Payables	4.628	59.522	60	3.760	<b>67.970</b>
Hedging Derivative Financial Liabilities	-	-	-	-	<b>-</b>
Other Liabilities	27.022	115.121	80	1.222	<b>143.445</b>
<b>Total Liabilities</b>	<b>11.859.989</b>	<b>24.396.931</b>	<b>50.670</b>	<b>1.317.114</b>	<b>37.624.704</b>
<b>Net on Balance Sheet Position</b>	<b>13.751</b>	<b>(3.251.898)</b>	<b>15</b>	<b>(1.167.614)</b>	<b>(4.405.746)</b>
<b>Net off-Balance Sheet Position (**)</b>					
<b>Net off-Balance Sheet Position (**)</b>	<b>11.222</b>	<b>3.254.090</b>	<b>2.898</b>	<b>1.172.136</b>	<b>4.440.346</b>
Financial Derivative Assets	2.033.390	6.575.933	66.647	1.291.430	<b>9.967.400</b>
Financial Derivative Liabilities	2.022.168	3.321.843	63.749	119.294	<b>5.527.054</b>
Non-cash Loans	1.540.685	4.022.420	134.140	71.044	<b>5.768.289</b>
<b>Prior Period - 31 December 2009</b>					
Total Assets	9.444.964	20.034.986	136.465	133.530	<b>29.749.945</b>
Total Liabilities	9.395.350	20.027.690	71.364	821.778	<b>30.316.182</b>
Net on-Balance Sheet Position	49.614	7.296	65.101	(688.248)	<b>(566.237)</b>
Net off-Balance Sheet Position (**)	(91.506)	(128.227)	(5.395)	697.713	<b>472.585</b>
Financial Derivative Assets	2.591.093	4.817.316	41.089	769.656	<b>8.219.154</b>
Financial Derivative Liabilities	2.682.599	4.945.543	46.484	71.943	<b>7.746.569</b>
Non-cash Loans	1.351.545	3.111.557	160.017	68.317	<b>4.691.436</b>

(\*) Of the "Other FC" total assets amounting to TL 149.500 (31 December 2009: TL 133.530), TL 45.239 is in English Pounds (31 December 2009: TL 79.743), and TL 51.942 in Swiss Francs (31 December 2009: TL 24.894). Of the total liabilities amounting to TL 1.317.114 (31 December 2009: TL 821.778) TL 818.581 is in English Pounds (31 December 2009: TL 579.437) and TL 304.034 is in Swiss Francs (31 December 2009: TL 82.409).

(\*\*) Presents the net balance of receivables and payables from derivative transactions. Foreign Exchange spot dealings shown under "Asset purchase commitments" in the financial statements are included in the net off-balance sheet position.

Since the foreign currency position risk of the Bank is insignificant level, currency exchanges have not significant impact on the financial statements of the Group.



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**VI. EXPLANATIONS ON INTEREST RATE RISK:**

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

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

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

<b>Current Period – 31 December 2010</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash Equivalents and Central Bank	3.730	-	-	-	-	6.092.251	<b>6.095.981</b>
Banks	567.103	130.078	-	-	-	1.086.670	<b>1.783.851</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	289.586	130.930	191.621	340.413	79.197	-	<b>1.031.747</b>
Interbank Money Market Placements	-	-	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	1.878.431	5.878.922	20.698.214	10.972.485	2.694.628	98.654	<b>42.221.334</b>
Loans	16.867.612	8.587.343	14.920.191	11.179.029	1.341.357	-	<b>52.895.532</b>
Held-to-maturity Investments (Net)	813.266	4.340.558	475.275	117	997.013	-	<b>6.626.229</b>
Other Assets	159.355	-	-	-	-	2.368.585	<b>2.527.940</b>
<b>Total Assets</b>	<b>20.579.083</b>	<b>19.067.831</b>	<b>36.285.301</b>	<b>22.492.044</b>	<b>5.112.195</b>	<b>9.646.160</b>	<b>113.182.614</b>
<b>Liabilities</b>							
Bank Deposits	5.185.455	1.645.693	359.301	-	-	187.818	<b>7.378.267</b>
Other deposits	37.944.029	12.154.495	1.196.757	4.219	-	8.489.131	<b>59.788.631</b>
Funds from Interbank Money Market	10.772.845	437.819	62	-	-	-	<b>11.210.726</b>
Miscellaneous Payables	-	-	-	-	-	1.576.191	<b>1.576.191</b>
Marketable Securities Issued (Net)	-	-	966.804	1.555.457	-	-	<b>2.522.261</b>
Borrowings	622.974	7.638.658	2.072.336	41.365	-	-	<b>10.375.333</b>
Other Liabilities (*)	93.740	148.551	528.229	98.536	59.915	19.402.234	<b>20.331.205</b>
<b>Total Liabilities</b>	<b>54.619.043</b>	<b>22.025.216</b>	<b>5.123.489</b>	<b>1.699.577</b>	<b>59.915</b>	<b>29.655.374</b>	<b>113.182.614</b>
Balance Sheet Long Position	-	-	31.161.812	20.792.467	5.052.280	-	<b>57.006.559</b>
Balance Sheet Short Position	(34.039.960)	(2.957.385)	-	-	-	(20.009.214)	<b>(57.006.559)</b>
Off Balance Sheet Long Position	-	826.115	1.347.467	-	-	-	<b>2.173.582</b>
Off Balance Sheet Short Position	(388.026)	-	-	(913.008)	(650.106)	-	<b>(1.951.140)</b>
<b>Total Position</b>	<b>(34.427.986)</b>	<b>(2.131.270)</b>	<b>32.509.279</b>	<b>19.879.459</b>	<b>4.402.174</b>	<b>(20.009.214)</b>	<b>222.442</b>

(\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

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Prior Period - 31 December 2009	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Non Interest Bearing	Total
<b>Assets</b>							
Cash Equivalents and Central Bank	2.115.591	-	-	-	-	2.624.468	<b>4.740.059</b>
Banks	1.725.774	125.310	-	-	-	1.108.777	<b>2.959.861</b>
Financial Assets at Fair Value through Profit or Loss (Net)	22.065	66.126	141.548	46.636	37.395	11	<b>313.781</b>
Interbank Money Market Placements	-	-	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	1.837.019	3.384.720	13.028.209	9.630.414	1.233.929	54.843	<b>29.169.134</b>
Loans	14.452.029	7.263.853	10.702.016	6.541.441	758.903	-	<b>39.718.242</b>
Held-to-maturity Investments (Net)	4.433.200	7.652.099	1.315.446	1.275.244	1.163.583	-	<b>15.839.572</b>
Other Assets	188.697	-	-	-	-	2.380.117	<b>2.568.814</b>
<b>Total Assets</b>	<b>24.774.375</b>	<b>18.492.108</b>	<b>25.187.219</b>	<b>17.493.735</b>	<b>3.193.810</b>	<b>6.168.216</b>	<b>95.309.463</b>
<b>Liabilities</b>							
Bank Deposits	2.945.269	321.026	104.202	-	-	190.332	<b>3.560.829</b>
Other Deposits	35.613.832	7.880.126	1.262.293	9.000	-	7.525.292	<b>52.290.543</b>
Funds from Interbank Money Market	10.606.634	2.824.404	70	-	-	-	<b>13.431.108</b>
Miscellaneous Payables	-	-	-	-	-	1.207.665	<b>1.207.665</b>
Marketable Securities Issued (Net)	-	-	-	-	-	-	<b>-</b>
Borrowings	1.557.933	5.276.491	1.317.729	179	-	-	<b>8.152.332</b>
Other Liabilities (*)	118.076	120.017	529.006	64.202	66.811	15.768.874	<b>16.666.986</b>
<b>Total Liabilities</b>	<b>50.841.744</b>	<b>16.422.064</b>	<b>3.213.300</b>	<b>73.381</b>	<b>66.811</b>	<b>24.692.163</b>	<b>95.309.463</b>
Balance Sheet Long Position	-	2.070.044	21.973.919	17.420.354	3.126.999	-	<b>44.591.316</b>
Balance Sheet Short Position	(26.067.369)	-	-	-	-	(18.523.947)	<b>(44.591.316)</b>
Off Balance Sheet Long Position	312.338	737.775	2.371.752	-	-	-	<b>3.421.865</b>
Off Balance Sheet Short Position	-	-	-	(2.889.289)	(549.371)	-	<b>(3.438.660)</b>
<b>Total Position</b>	<b>(25.755.031)</b>	<b>2.807.819</b>	<b>24.345.671</b>	<b>14.531.065</b>	<b>2.577.628</b>	<b>(18.523.947)</b>	<b>(16.795)</b>

(\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

**Interest Rate Sensitivity Analysis:**

Change in interest rates	Current Period - 31 December 2010		Prior Period - 31 December 2009	
	Effect on income statement	Effect on equity	Effect on income statement	Effect on equity
<b>(+) 1%</b>	(129.152)	(577.430)	(109.048)	(207.733)
<b>(-) 1%</b>	127.769	595.726	111.404	216.031

The effects of (+) %1 and (-) %1 changes in interest rates on income statement and "capital reserves" under equity demonstrated on the above table are net off tax amounts.

As of 31 December 2010 in interest rate sensitivity analysis estimations used in previous periods for demand deposit and marketable securities portfolio have been changed. As of 31 December 2009, if interest rate sensitivity analysis has been calculated according to new estimations, in case of 1% increase or decrease on interest rates, income/loss effect would be TL (40.380) and TL 46.789 and funds under equity effect would be TL (313.384) and 310.776.

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**b. Effective average interest rates for monetary financial instruments %:**

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

<b>Current Period – 31 December 2010</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash Equivalents and Central Bank	-	-	-	-
Banks	0,30	0,23	-	-
Financial Assets at Fair Value Through Profit or Loss (Net)	4,67	4,31	-	10,07
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets (Net)	5,13	4,19	-	11,16
Loans	4,68	3,88	3,31	11,85
Held-to-Maturity Investments (Net)	7,34	6,58	-	11,16
<b>Liabilities</b>				
Bank Deposits	1,89	2,31	-	7,03
Other Deposits	2,11	2,39	0,29	7,14
Funds From Interbank Money Market	-	1,01	-	6,66
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	5,40	-	7,28
Borrowings	1,75	1,82	0,67	7,42

<b>Prior Period – 31 December 2009</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash Equivalents and Central Bank	-	-	-	5,20
Banks	0,18	0,09	-	12,75
Financial Assets at Fair Value Through Profit or Loss (Net)	3,74	4,63	-	8,97
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets (Net)	5,49	5,94	-	9,71
Loans	4,66	4,13	2,75	14,62
Held-to-Maturity Investments (Net)	5,03	4,70	-	15,05
<b>Liabilities</b>				
Bank Deposits	1,64	1,45	-	7,00
Other Deposits	1,75	1,92	0,09	8,18
Funds From Interbank Money Market	-	0,81	-	6,95
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-
Borrowings	2,15	1,87	1,47	8,62

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**VII. EXPLANATIONS ON LIQUIDITY RISK:**

The Bank manages liquidity risk through broad deposit base, strong capital structure and diversified foreign borrowing facilities. The Bank maintains additional resources to provide liquidity when necessary through allocated limits in Central Bank of Turkey, İstanbul Stock Exchange("ISE") Money Market, ISE Settlement and Custody Bank Money Market and other banks, and through liquid marketable securities portfolio. The Bank acts conservative on foreign currency liquidity management and in order to meet liquidity needs completely, maintains adequate reserves.

Short term funding needs are provided by using deposits. The Bank's broad deposit base and high ratio of core deposit enable long-term funding. Long-term placements can be provided by means of long-term foreign funds.

In accordance with the "Communiqué on the Measurement and Assessment of Liquidity of the Banks" published in the Official Gazette dated 1 November 2006 No. 26333, beginning from 1 June 2007 liquidity ratio of the banks on a weekly and monthly basis should not be less than 80% for foreign currency denominated assets and liabilities, and for total assets and liabilities it should not be less than 100%. Liquidity ratios as at 31 December 2010 and 2009 are presented below:

<b>Current Period</b> <b>31 December 2010</b>	<b>First Maturity Tranche (Weekly)</b>		<b>Second Maturity Tranche (Monthly)</b>	
	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average (%)</b>	195,6	243,8	96,8	133,5
<b>Maximum (%)</b>	248,2	279,4	112,1	149,5
<b>Minimum (%)</b>	142,7	199,5	81,9	119,6

<b>Prior Period</b> <b>31 December 2009</b>	<b>First Maturity Tranche (Weekly)</b>		<b>Second Maturity Tranche (Monthly)</b>	
	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average (%)</b>	274,5	246,5	117,1	143,0
<b>Maximum (%)</b>	337,7	317,2	154,5	164,2
<b>Minimum (%)</b>	191,6	206,2	87,5	131,4

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**Breakdown of assets and liabilities according to their outstanding maturities:**

Current Period – 31 December 2010	Demand	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Unallocated (*)	Total
<b>Assets</b>								
Cash Equivalents and Central Bank	6.092.251	3.730	-	-	-	-	-	<b>6.095.981</b>
Banks	1.086.670	567.103	130.078	-	-	-	-	<b>1.783.851</b>
Financial Assets at Fair Value through Profit or Loss (Net)	-	276.445	34.546	89.743	467.479	163.534	-	<b>1.031.747</b>
Interbank Money Market Placements	-	-	-	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	98.654	277.022	186.841	9.310.906	27.933.446	4.414.465	-	<b>42.221.334</b>
Loans	-	10.704.269	6.071.888	9.857.465	19.742.332	6.519.578	-	<b>52.895.532</b>
Held-to-maturity Investments (Net)	-	813.266	-	1.029.769	3.786.181	997.013	-	<b>6.626.229</b>
Other Assets	78.627	361.318	-	-	70.888	-	2.017.107	<b>2.527.940</b>
<b>Total Assets</b>	<b>7.356.202</b>	<b>13.003.153</b>	<b>6.423.353</b>	<b>20.287.883</b>	<b>52.000.326</b>	<b>12.094.590</b>	<b>2.017.107</b>	<b>113.182.614</b>
<b>Liabilities</b>								
Bank Deposits	187.818	5.185.455	1.645.693	359.301	-	-	-	<b>7.378.267</b>
Other Deposits	8.489.131	37.944.029	12.154.495	1.196.757	4.219	-	-	<b>59.788.631</b>
Borrowings	-	272.155	2.456.934	3.317.150	3.444.458	884.636	-	<b>10.375.333</b>
Funds from Interbank Money Market	-	10.772.845	437.819	62	-	-	-	<b>11.210.726</b>
Marketable Securities Issued (Net)	-	-	-	966.804	1.555.457	-	-	<b>2.522.261</b>
Miscellaneous Payables	-	918.585	657.606	-	-	-	-	<b>1.576.191</b>
Other Liabilities (**)	-	712.333	291.320	504.635	1.047.835	209.947	17.565.135	<b>20.331.205</b>
<b>Total Liabilities</b>	<b>8.676.949</b>	<b>55.805.402</b>	<b>17.643.867</b>	<b>6.344.709</b>	<b>6.051.969</b>	<b>1.094.583</b>	<b>17.565.135</b>	<b>113.182.614</b>
<b>Net Liquidity Gap</b>	<b>(1.320.747)</b>	<b>(42.802.249)</b>	<b>(11.220.514)</b>	<b>13.943.174</b>	<b>45.948.357</b>	<b>11.000.007</b>	<b>(15.548.028)</b>	<b>-</b>
<b>Prior Period - 31 December 2009</b>								
Total Assets	5.937.579	16.050.606	8.231.859	19.139.201	38.239.530	5.745.229	1.965.459	<b>95.309.463</b>
Total Liabilities	7.715.624	50.992.398	12.801.662	4.627.279	3.558.882	1.422.778	14.190.840	<b>95.309.463</b>
<b>Net Liquidity Gap</b>	<b>(1.778.045)</b>	<b>(34.941.792)</b>	<b>(4.569.803)</b>	<b>14.511.922</b>	<b>34.680.648</b>	<b>4.322.451</b>	<b>(12.225.381)</b>	<b>-</b>

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

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

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<b>Current Period - 31 December 2010</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Liabilities</b>						
Deposits	51.917.197	13.906.651	1.583.212	4.671	-	<b>67.411.731</b>
Funds borrowed from other financial institutions	303.180	2.477.875	3.399.149	3.647.671	908.491	<b>10.736.366</b>
Funds from interbank money market	10.784.857	438.509	63	-	-	<b>11.223.429</b>
Marketable Securities Issued (Net)	39.401	-	1.038.779	1.852.808	-	<b>2.930.988</b>
Non-cash loans	971	394.408	2.004.513	2.490.413	5.474.606	<b>10.364.911</b>
<b>Prior Period - 31 December 2009</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Liabilities</b>						
Deposits	46.385.676	8.259.563	1.425.201	9.037	-	<b>56.079.477</b>
Funds borrowed from other financial institutions	587.682	826.950	3.107.347	2.596.230	1.335.923	<b>8.454.132</b>
Funds from interbank money market	10.619.563	2.848.481	71	-	-	<b>13.468.115</b>
Marketable Securities Issued (Net)	-	-	-	-	-	<b>-</b>
Non-cash loans	11.757	252.331	1.235.875	1.999.367	4.256.419	<b>7.755.749</b>

**Breakdown of derivative instruments according to their remaining contractual maturities:**

<b>Current Period - 31 December 2010</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and Over</b>
<b>Derivatives held for trading</b>	<b>12.559.640</b>	<b>2.443.610</b>	<b>2.478.225</b>	<b>1.271.760</b>	<b>328.521</b>
Foreign exchange derivatives:	12.528.091	2.393.439	2.209.797	289.310	-
- Inflow	6.409.702	1.190.426	1.108.497	111.728	-
- Outflow	6.118.389	1.203.013	1.101.300	177.582	-
Interest rate derivatives:	31.549	50.171	268.428	982.450	328.521
- Inflow	26.730	14.897	136.718	522.694	133.847
- Outflow	4.819	35.274	131.710	459.756	194.674
<b>Derivatives held for hedging</b>	<b>51.935</b>	<b>48.620</b>	<b>514.060</b>	<b>530.418</b>	<b>31.239</b>
Foreign exchange derivatives:	-	-	-	-	-
- Inflow	-	-	-	-	-
- Outflow	-	-	-	-	-
Interest rate derivatives:	51.935	48.620	514.060	530.418	31.239
- Inflow	13.860	13.665	149.742	150.806	9.239
- Outflow	38.075	34.955	364.318	379.612	22.000
<b>Total Inflow</b>	<b>6.450.292</b>	<b>1.218.988</b>	<b>1.394.957</b>	<b>785.228</b>	<b>143.086</b>
<b>Total Outflow</b>	<b>6.161.283</b>	<b>1.273.242</b>	<b>1.597.328</b>	<b>1.016.950</b>	<b>216.674</b>

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<b>Prior Period - 31 December 2009</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and Over</b>
<b>Derivatives held for trading</b>	<b>3.073.638</b>	<b>1.638.539</b>	<b>1.396.484</b>	<b>280.852</b>	<b>103.816</b>
Foreign exchange derivatives:	3.037.067	1.623.230	1.344.652	96.559	712
- Inflow	1.551.536	802.757	672.457	15.506	356
- Outflow	1.485.531	820.473	672.195	81.053	356
Interest rate derivatives:	36.571	15.309	51.832	184.293	103.104
- Inflow	8.197	2.063	17.173	43.751	18.210
- Outflow	28.374	13.246	34.659	140.542	84.894
<b>Derivatives held for hedging</b>	<b>56.800</b>	<b>67.630</b>	<b>548.182</b>	<b>1.136.636</b>	<b>33.235</b>
Foreign exchange derivatives:	-	-	-	-	-
- Inflow	-	-	-	-	-
- Outflow	-	-	-	-	-
Interest rate derivatives:	56.800	67.630	548.182	1.136.636	33.235
- Inflow	24.050	27.350	183.908	337.720	10.735
- Outflow	32.750	40.280	364.274	798.916	22.500
<b>Total Inflow</b>	<b>1.583.783</b>	<b>832.170</b>	<b>873.538</b>	<b>396.977</b>	<b>29.301</b>
<b>Total Outflow</b>	<b>1.546.655</b>	<b>873.999</b>	<b>1.071.128</b>	<b>1.020.511</b>	<b>107.750</b>

**VIII. EXPLANATIONS REGARDING THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:**

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. There is no agreement or protocol signed related to trust transactions.

**a. Calculations of financial assets and liabilities at their fair values:**

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair values of the overnight deposits and floating rate placements represent the carrying value. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the market interest rates of similar liabilities and loans.

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

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

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The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

	Carrying Value		Fair Value	
	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009
<b>Financial Assets</b>	<b>103.526.946</b>	<b>87.686.809</b>	<b>105.655.387</b>	<b>89.423.760</b>
Interbank Money Market Placements	-	-	-	-
Banks	1.783.851	2.959.861	1.783.851	2.959.861
Available-for-Sale Financial Assets (Net)	42.221.334	29.169.134	42.221.334	29.169.134
Held-to-Maturity Investments (Net)	6.626.229	15.839.572	7.042.957	16.478.349
Loans	52.895.532	39.718.242	54.607.245	40.816.416
<b>Financial Liabilities</b>	<b>81.640.683</b>	<b>65.211.369</b>	<b>81.515.810</b>	<b>65.054.639</b>
Bank Deposits	7.378.267	3.560.829	7.392.410	3.567.486
Other Deposits	59.788.631	52.290.543	59.792.433	52.313.646
Borrowings	10.375.333	8.152.332	10.193.067	7.965.842
Marketable Securities Issued (Net)	2.522.261	-	2.561.709	-
Miscellaneous Payables	1.576.191	1.207.665	1.576.191	1.207.665

**b. Fair value hierarchy:**

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

- Quoted market prices (non-adjusted) (1st level)
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)
- Data not based on observable data regarding assets or liabilities (3rd level)



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Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below:

<b>Current Period - 31 December 2010</b>	<b>1<sup>st</sup> Level</b>	<b>2<sup>nd</sup> Level</b>	<b>3<sup>rd</sup> Level</b>	<b>Total</b>
- Financial Assets at Fair Value Through Profit or Loss	607.046	424.701	-	1.031.747
- Government Debt Securities	564.451	-	-	564.451
- Share Certificates	-	-	-	-
- Trading Derivative Financial Assets	42.595	424.701	-	467.296
Available For Sale Financial Assets	42.171.991	44.639	-	42.216.630
- Government Debt Securities	42.077.902	139	-	42.078.041
- Share Certificates	25.574	-	-	25.574
- Other Marketable Securities	68.515	44.500	-	113.015
<b>Total Assets</b>	<b>42.779.037</b>	<b>469.340</b>	<b>-</b>	<b>43.248.377</b>
- Trading Derivative Financial Liabilities	34.923	355.580	-	390.503
- Hedging Derivative Financial Liabilities	-	309.429	-	309.429
<b>Total Liabilities</b>	<b>34.923</b>	<b>665.009</b>	<b>-</b>	<b>699.932</b>

<b>Prior Period - 31 December 2009</b>	<b>1<sup>st</sup> Level</b>	<b>2<sup>nd</sup> Level</b>	<b>3<sup>rd</sup> Level</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	187.739	126.042	-	313.781
- Government Debt Securities	143.400	7.182	-	150.582
- Share Certificates	11	-	-	11
- Trading Derivative Financial Assets	44.328	118.860	-	163.188
Available For Sale Financial Assets	29.139.751	24.689	-	29.164.440
- Government Debt Securities	29.089.602	24.689	-	29.114.291
- Other Marketable Securities	50.149	-	-	50.149
<b>Total Assets</b>	<b>29.327.490</b>	<b>150.731</b>	<b>-</b>	<b>29.478.221</b>
Trading Derivative Financial Liabilities	25.973	277.232	-	303.205
Hedging Derivative Financial Liabilities	-	390.461	-	390.461
<b>Total Liabilities</b>	<b>25.973</b>	<b>667.693</b>	<b>-</b>	<b>693.666</b>

As explained in the note of VII-b of the Third Section, share certificates classified as available for sale are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably.

There are no transfers between the 1<sup>st</sup> and the 2<sup>nd</sup> levels in the current year.

**IX. EXPLANATIONS REGARDING THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:**

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

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**X. EXPLANATIONS ON BUSINESS SEGMENTS:**

The Bank operates in five main business segments including retail banking, corporate and SME banking, treasury activities, private banking and international banking. These segments have been determined considering customer segments and branch network providing services to customers in accordance with the Bank's organizational structure.

The profitability system generating segment information provides profitability information on the basis of account, customer, customer relationship manager, branch, segment and product. This information is made available to the branch and Head Office personnel through a web based management reporting system.

In scope of retail banking, the Bank offers a variety of retail services such as deposit accounts, consumer loans, commercial installment loans, credit cards, insurance products and asset management services. The retail banking products and services also include bank cards, investment funds trading, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking, telephone and internet banking.

Corporate banking and SME banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans, financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Bank provides timely and permanent solutions for corporate customers' working capital management, delivers cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities.

Treasury activities are performed by the Treasury Unit. The Treasury Unit trades in TL and foreign currency instruments on a spot and forward basis, and trade in treasury bills, bonds and other domestic securities together with foreign securities with "AAA" rating. The Marketing and Treasury Group carry out marketing activities of treasury and derivative financial products for customers.

Private banking serves the members of the upper-income groups who have expectations for upperclass service quality both in banking and investment transactions.

International Banking activities are managed by International Banking Unit. The Bank provides services for foreign trade financing, foreign currency and TL clearances, and money transfers through agent financial institutions. The international banking unit serves in fundamental areas such as providing long-term funding opportunities, creating funding facility at lower prices that fully reflect country risk, diversifying funding resources and creating a base of international investors for that purpose.

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Information on business segments as of 31 December 2010 and 31 December 2009 is presented on the following table:

	<b>Retail Banking</b>	<b>Corporate Banking and SME Banking</b>	<b>Treasury</b>	<b>Private Banking</b>	<b>International Banking</b>	<b>Other and Unallocated</b>	<b>Bank's Total Activities</b>
<b>Current Period – 31 December 2010</b>							
Operating Income	2.609.167	1.463.477	2.209.646	139.368	60.685	-	6.482.343
Profit from Operating Activities	699.407	808.214	2.055.969	103.774	57.444	(178.065)	3.546.743
Income from Subsidiaries	-	-	-	-	-	27.287	27.287
Profit before Tax	699.407	808.214	2.055.969	103.774	57.444	(150.778)	3.574.030
Corporate Tax	-	-	-	-	-	(717.501)	(717.501)
Net Profit for the Period	699.407	808.214	2.055.969	103.774	57.444	(868.279)	2.856.529
Segment Assets	22.268.305	33.481.048	51.651.497	687.543	724.014	-	108.812.407
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)	-	-	-	-	-	-	896.041
Undistributed Assets	-	-	-	-	-	-	3.474.166
Total Assets	-	-	-	-	-	-	113.182.614
Segment Liabilities	38.266.342	18.404.252	19.511.439	9.163.035	7.078.921	-	92.423.989
Undistributed Liabilities	-	-	-	-	-	-	3.193.490
Shareholders' Equity	-	-	-	-	-	-	17.565.135
Total Liabilities	-	-	-	-	-	-	113.182.614
Other Segment Items							
Capital Investment	192.861	5.440	4.437	2.625	-	183.993	389.356
Amortization	(71.872)	(4.647)	(819)	(759)	(247)	(47.220)	(125.564)
Non-cash Other Income- Expense	(164.947)	(250.747)	(82.483)	(1.360)	(821)	(28.968)	(529.326)
Restructuring Costs	-	-	-	-	-	-	-

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	Retail Banking	Corporate and Commercial Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Bank's Total Activities
<b>Prior Period – 31 December 2009</b>							
Operating Income	3.225.889	923.105	2.224.148	105.059	75.289	-	6.553.490
Profit from Operating Activities	633.083	633.853	2.075.942	76.169	62.649	(229.132)	3.252.564
Income from Subsidiaries	-	-	-	-	-	43.075	43.075
Profit before Tax	633.083	633.853	2.075.942	76.169	62.649	(186.057)	3.295.639
Corporate Tax	-	-	-	-	-	(569.657)	(569.657)
Net Profit for the Period	633.083	633.853	2.075.942	76.169	62.649	(755.714)	2.725.982
Segment Assets	18.174.946	24.401.385	48.275.925	246.924	316.477	-	91.415.657
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)	-	-	-	-	-	-	921.686
Undistributed Assets	-	-	-	-	-	-	2.972.120
Total Assets	-	-	-	-	-	-	95.309.463
Segment Liabilities	35.758.771	13.453.352	17.326.253	6.673.619	5.254.404	-	78.466.399
Undistributed Liabilities	-	-	-	-	-	-	2.652.224
Shareholders' Equity	-	-	-	-	-	-	14.190.840
Total Liabilities	-	-	-	-	-	-	95.309.463
Other Segment Items							
Capital Investment	50.463	2.159	3.210	902	4	85.791	142.529
Amortization	(60.476)	(5.334)	(573)	(755)	(196)	(51.798)	(119.132)
Non-cash Other Income- Expense	(396.625)	(598.235)	(13.265)	(634)	(5)	(111.413)	(1.120.177)
Restructuring Costs	-	-	-	-	-	-	-

As a result of the changes in the organizational structure of the Bank, there are classification differences between business segments of current period and prior period. The main change in the organization structure stems from the transfer of Enterprise Banking into SME Banking at the beginning of 2010 which was classified under Retail Banking as of 31 December 2009.

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**SECTION FIVE  
INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED  
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**I. EXPLANATIONS AND NOTES RELATED TO ASSETS**

**a. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the "CBRT"):**

1. Information on cash equivalents and the account of the CBRT:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash/Foreign Currency	463.296	334.468	379.131	195.503
The CBRT	1.784.020	3.499.797	2.118.588	2.025.822
Other (*)	7.743	6.657	7.322	13.693
<b>Total</b>	<b>2.255.059</b>	<b>3.840.922</b>	<b>2.505.041</b>	<b>2.235.018</b>

(\*) As of 31 December 2010, precious metal account amounts to TL 6.459 (31 December 2009: TL 4.442).

2. Information related to the account of the CBRT:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Demand Unrestricted Account	5.108	-	2.997	-
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	1.778.912	3.499.797	2.115.591	2.025.822
<b>Total</b>	<b>1.784.020</b>	<b>3.499.797</b>	<b>2.118.588</b>	<b>2.025.822</b>

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements", banks operating in Turkey are required to place reserves in CBRT with a rate of 6% for their TL liabilities and 11% for USD and/or EUR for their foreign currency liabilities. The Central Bank does not make any interest payments over the FC reserve requirements. In accordance with the "Communiqué Regarding Change in the Communiqué Regarding the Reserve Requirements" published in the Official Gazette dated 23 September 2010 No. 27708 interest payments over the TL reserve requirements have been annulled.

With the changes made in the "Communiqué Regarding the Reserve Requirements" on 17 December 2010 and 24 January 2011 the reserve requirement rates for TL liabilities are differentiated between 5% and 12% and funds obtained from repos except for the ones made with the Central Bank and domestic banks are included in the calculation basis.

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**b. Information on financial assets at fair value through profit or loss:**

- As of 31 December 2010, there is no financial assets at fair value through profit or loss subject to repo transactions and those given as collateral/blocked.
- Positive differences table related to trading derivative financial assets:

	Current Period 31 December 2010		Prior Period 31 December 2009	
	TL	FC	TL	FC
Forward Transactions	29.890	-	6.237	-
Swap Transactions	245.503	115.323	109	62.739
Futures Transactions	39.907	2.688	42.411	1.917
Options	4.822	29.163	27.266	22.509
Other	-	-	-	-
<b>Total</b>	<b>320.122</b>	<b>147.174</b>	<b>76.023</b>	<b>87.165</b>

**c. Information on banks and foreign banks account:**

	Current Period 31 December 2010		Prior Period 31 December 2009	
	TL	FC	TL	FC
Banks	10.062	1.773.789	1.158	2.958.703
Domestic	10.062	46.141	1.158	126.432
Foreign	-	1.727.648	-	2.832.271
Head Quarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>10.062</b>	<b>1.773.789</b>	<b>1.158</b>	<b>2.958.703</b>

- Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009
European Union Countries	637.239	1.665.752	543.124	620.689
USA, Canada	318.623	333.095	186.787	201.268
OECD Countries (*)	40.809	9.162	-	-
Off-Shore Banking Regions	-	-	-	-
Other	1.066	2.305	-	-
<b>Total</b>	<b>997.737</b>	<b>2.010.314</b>	<b>729.911</b>	<b>821.957</b>

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

**d. Information on available-for-sale financial assets. net values:**

- As of 31 December 2010, available-for-sale financial assets subject to repurchase agreements amount to TL 10.745.151 (31 December 2009: TL 7.660.596); and those given as collateral/blocked amount to TL 5.454.938 (31 December 2009: TL 469.204).

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2. Information on available-for-sale financial assets:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Debt Securities	42.199.375	29.165.719
Quoted to Stock Exchange	42.199.375	29.165.719
Not Quoted to Stock Exchange	-	-
Share Certificates	30.278	4.694
Quoted to Stock Exchange	25.574	-
Not Quoted to Stock Exchange	4.704	4.694
Impairment Provision (-)	8.319	1.279
<b>Total</b>	<b>42.221.334</b>	<b>29.169.134</b>

In accordance with "Communiqué for the Amendment of the Communiqué related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazette numbered 27040 and dated 31 October 2008 by Turkish Accounting Standard Board, due to change in the intention to hold such securities in 2008, the Bank reclassified its government bonds with fair values USD 91.820.730 and EUR 17.129.244 into the category of financial assets available for sale which were classified under the category of financial asset held for trading before. As of the date of balance sheet, the fair values of these reclassified government bonds are USD (-) (31 December 2009: USD 1.744.680) and EUR (-) (31 December 2009: EUR 7.590.058). Had these financial assets not been reclassified, a valuation gain/loss of USD (-) (31 December 2009: USD 566) and EUR (-) (31 December 2009: Euro 33.160) would have been recognised in the income statement.

**e. Information related to loans:**

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

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Direct Loans Granted to Shareholders	-	250	-	425
Corporate Shareholders	-	250	-	425
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	926.506	380.541	609.054	734.026
Loans Granted to Employees	75.462	-	67.005	-
<b>Total</b>	<b>1.001.968</b>	<b>380.791</b>	<b>676.059</b>	<b>734.451</b>

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

	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
Non-specialized Loans	51.585.210	-	1.304.603	5.719
Discount And Purchase Notes	83.360	-	-	-
Export Loans	2.602.807	-	6.289	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	1.251.288	-	-	-
Foreign Loans	1.175.909	-	753	-
Consumer Loans (Including Overdraft Loans)	12.432.079	-	697.304	488
Credit Cards	6.640.619	-	143.839	11
Precious Metal Loans	11.471	-	-	-
Other	27.387.677	-	456.418	5.220
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>51.585.210</b>	<b>-</b>	<b>1.304.603</b>	<b>5.719</b>

3. Breakdown of loans according to their maturities:

	<b>Standard Loans and Other Receivables</b>		<b>Loans and Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
Short-Term Loans and Other Receivables	15.252.180	-	1.304.603	5.719
Non-Specialized Loans	15.252.180	-	1.304.603	5.719
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	36.333.030	-	-	-
Non-Specialized Loans	36.333.030	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-



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

	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>281.986</b>	<b>12.405.240</b>	<b>12.687.226</b>
Mortgage Loans	4.732	6.036.975	6.041.707
Automotive Loans	31.250	771.254	802.504
Consumer Loans	242.553	5.424.571	5.667.124
Other	3.451	172.440	175.891
<b>Consumer Loans- Indexed to FC</b>	<b>7</b>	<b>131.869</b>	<b>131.876</b>
Mortgage Loans	2	122.895	122.897
Automotive Loans	5	1.090	1.095
Consumer Loans	-	7.884	7.884
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Credit Cards-TL</b>	<b>6.205.724</b>	<b>374.760</b>	<b>6.580.484</b>
With Installment	2.605.949	374.760	2.980.709
Without Installment	3.599.775	-	3.599.775
<b>Consumer Credit Cards-FC</b>	<b>7.292</b>	<b>-</b>	<b>7.292</b>
With Installment	2.657	-	2.657
Without Installment	4.635	-	4.635
<b>Personnel Loans-TL</b>	<b>4.263</b>	<b>39.798</b>	<b>44.061</b>
Mortgage Loans	9	851	860
Automotive Loans	48	388	436
Consumer Loans	4.206	38.559	42.765
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>509</b>	<b>509</b>
Mortgage Loans	-	300	300
Automotive Loans	-	-	-
Consumer Loans	-	209	209
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>30.006</b>	<b>760</b>	<b>30.766</b>
With Installment	13.236	760	13.996
Without Installment	16.770	-	16.770
<b>Personnel Credit Cards-FC</b>	<b>126</b>	<b>-</b>	<b>126</b>
With Installment	46	-	46
Without Installment	80	-	80
<b>Credit Deposit Account-TL (Real Person)</b>	<b>266.199</b>	<b>-</b>	<b>266.199</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>6.795.603</b>	<b>12.952.936</b>	<b>19.748.539</b>

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

	Short-term	Medium and Long-term	Total
<b>Commercial Installment Loans-TL</b>	<b>587.417</b>	<b>2.990.197</b>	<b>3.577.614</b>
Mortgage Loans	1.080	381.283	382.363
Automotive Loans	16.706	593.934	610.640
Consumer Loans	569.072	1.948.351	2.517.423
Other	559	66.629	67.188
<b>Commercial Installment Loans- Indexed to FC</b>	<b>13.259</b>	<b>223.593</b>	<b>236.852</b>
Mortgage Loans	-	29.572	29.572
Automotive Loans	382	94.158	94.540
Consumer Loans	10.062	86.965	97.027
Other	2.815	12.898	15.713
<b>Commercial Installment Loans-FC</b>	<b>-</b>	<b>65.178</b>	<b>65.178</b>
Mortgage Loans	-	-	-
Automotive loans	-	-	-
Consumer Loans	-	-	-
Other	-	65.178	65.178
<b>Corporate Credit Cards-TL</b>	<b>163.902</b>	<b>1.105</b>	<b>165.007</b>
With Installment	59.940	422	60.362
Without Installment	103.962	683	104.645
<b>Corporate Credit Cards-FC</b>	<b>794</b>	<b>-</b>	<b>794</b>
With Installment	326	-	326
Without Installment	468	-	468
<b>Credited Deposit Account-TL (Legal Person)</b>	<b>220.498</b>	<b>-</b>	<b>220.498</b>
<b>Credited Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>985.870</b>	<b>3.280.073</b>	<b>4.265.943</b>

6. Loans according to types of borrowers:

	Current Period 31 December 2010	Prior Period 31 December 2009
Public	1.233.566	1.673.979
Private	51.661.966	38.044.263
<b>Total</b>	<b>52.895.532</b>	<b>39.718.242</b>

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

	Current Period 31 December 2010	Prior Period 31 December 2009
Domestic Loans	51.718.870	38.838.821
Foreign Loans	1.176.662	879.421
<b>Total</b>	<b>52.895.532</b>	<b>39.718.242</b>

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8. Loans granted to investments in associates and subsidiaries:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Direct Loans Granted to Investments in Associates and Subsidiaries	250.670	291.989
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
<b>Total</b>	<b>250.670</b>	<b>291.989</b>

9. Specific provisions accounted for loans:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Loans and Receivables with Limited Collectibility	80.196	181.886
Loans and Receivables with Doubtful Collectibility	146.470	452.410
Uncollectible Loans and Receivables	1.052.867	1.150.224
<b>Total</b>	<b>1.279.533</b>	<b>1.784.520</b>

10. Information on non-performing loans (Net):

- 10(i). Information on non-performing loans restructured or rescheduled and other receivables:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Other Receivables with Limited Collectibility</b>	<b>Loans and Other Receivables with Doubtful Collectibility</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period: 31 December 2010</b>			
(Gross Amounts Before Specific Provisions)	13.388	11.417	38.665
Restructured Loans and Other Receivables	10.810	9.842	22.319
Rescheduled Loans and Other Receivables	2.578	1.575	16.346
<b>Prior Period: 31 December 2009</b>			
(Gross Amounts Before Specific Provisions)	33.180	56.792	75.690
Restructured Loans and Other Receivables	29.431	50.991	63.954
Rescheduled Loans and Other Receivables	3.749	5.801	11.736

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10(ii). Information on the movement of total non-performing loans:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Other Receivables with Limited Collectibility</b>	<b>Loans and Other Receivables with Doubtful Collectibility</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Prior Period End Balance: 31 December 2009</b>	<b>181.886</b>	<b>452.410</b>	<b>1.150.224</b>
Additions (+)	443.890	23.969	16.080
Transfers from Other Categories of Non-Performing Loans (+)	-	458.908	614.001
Transfers to Other Categories of Non-Performing Loans (-)	458.908	614.001	-
Collections (-)	86.288	161.910	332.670
Write-offs (-) (*)	384	12.906	394.768
Corporate and Commercial Loans	84	1.722	214.644
Retail Loans	125	3.031	82.031
Credit Cards	175	8.153	98.093
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>80.196</b>	<b>146.470</b>	<b>1.052.867</b>
Specific Provisions (-)	80.196	146.470	1.052.867
<b>Net Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) The Bank has sold a portion of its non-performing loan portfolio amounting to TL 326.121 to Girişim Varlık Yönetimi A.Ş. with a purchase price of TL 38.500 on 5 January 2010. The sold portion is presented under "Write-offs" in the above table.

10(iii). Information on non-performing loans granted as foreign currency loans:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Other Receivables with Limited Collectibility</b>	<b>Loans and Other Receivables with Doubtful Collectibility</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period: 31 December 2010</b>			
Balance at the End of the Period	1.943	7.783	47.284
Specific Provisions (-)	1.943	7.783	47.284
Net Balance on Balance Sheet	-	-	-
<b>Prior Period: 31 December 2009</b>			
Balance at the End of the Period	10.620	8.250	38.401
Specific Provisions (-)	10.620	8.250	38.401
<b>Net Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

Non-performing loans granted as foreign currency are followed under TL accounts of balance sheet.

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10(iv). Breakdown of non-performing loans according to their gross and net values:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
<b>Current Period (Net): 31 December 2010</b>			
Loans granted to corporate entities and real persons (Gross)	80.196	146.470	1.052.867
Specific Provisions Amount(-)	80.196	146.470	1.052.867
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
<b>Prior Period (Net): 31 December 2009</b>			
Loans granted to corporate entities and real persons (Gross)	181.886	452.410	1.150.224
Specific Provisions Amount(-)	181.886	452.410	1.150.224
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-

11. Information on the collection policy of non-performing loans and other receivables:

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

12. Information on the write-off policy of the Bank:

Write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

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**f. Held-to-maturity Investments:**

1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Given as collateral/blocked	490.918	382.581	-	5.394.623
Subject to repurchase agreements	620.700	195.970	5.219.379	185.313
<b>Total</b>	<b>1.111.618</b>	<b>578.551</b>	<b>5.219.379</b>	<b>5.579.936</b>

2. Information on Held-to-maturity government debt securities:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Government Bonds	6.626.229	15.839.572
Treasury Bills	-	-
Other Government Debt Securities	-	-
<b>Total</b>	<b>6.626.229</b>	<b>15.839.572</b>

3. Information on Held-to-maturity Investments:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Debt Securities	6.648.942	15.852.501
Quoted to Stock Exchange	6.648.942	15.852.501
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	22.713	12.929
<b>Total</b>	<b>6.626.229</b>	<b>15.839.572</b>

4. The movement of investment securities Held-to-maturity:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Beginning Balance	15.839.572	20.560.583
Foreign Currency Differences on Monetary Assets	(2.968)	(95.862)
Purchases During Year	-	4.287
Disposals Through Sales and Redemptions	9.245.463	4.967.199
Impairment Provision (-)	22.713	12.929
Change in Amortized Cost	57.801	350.692
<b>Balance at the End of the Period</b>	<b>6.626.229</b>	<b>15.839.572</b>

In accordance with "Communique for the Amendment of the Communique related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazette numbered 27040 and dated 31 October 2008 by Turkish Accounting Standards Board, due to change in the intention to hold such securities in 2008, the Bank reclassified its government bonds with fair values TL 104.306 USD 962.377.327 and EUR 419.021.064 into the category of financial assets held to maturity which were classified under the category of financial assets held for trading before. As of the balance sheet date, fair values of these reclassified government bonds after the redemption in the current year are TL 1.808 (31 December 2009: TL 61.574), USD (-) (31 December 2009: USD 972.098.310) and EUR (-) (31 December 2009: EUR 389.177.100). Had these financial assets not been reclassified, a valuation gain/loss of TL 139 (31 December 2009: TL1.574), USD (-)

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[31 December 2009 USD 315.466] and EUR [-] [31 December 2009: EUR 486.406] would have been recognised in the income statement.

**g. Information on investments in associates (Net):**

1. Information about investments in associates:

Title	Address (City / Country)	Bank's share percentage – If different voting percentage(%)	Bank's risk group share percentage (%)
1 Bankalararası Kart Merkezi A.Ş.	İstanbul/Turkey	9.98	9.98
2 Kredi Kayıt Bürosu A.Ş.	İstanbul/Turkey	9.09	9.09

2. Information about investments in associates:

The financial figures have been obtained from the financial statements dated 30 September 2010.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value
1	19.837	16.925	6.019	661	-	2.525	(536)	-
2	40.927	32.578	1.303	1.655	-	9.905	6.640	-

3. Movement schedule of investments in associates:

	Current Period 31 December 2010	Prior Period 31 December 2009
Balance at the Beginning of the Period	3.125	3.125
Movements During the Period	-	-
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends From Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Increase/decrease due to foreign exchange valuation of foreign investment in associates	-	-
Balance at the End of the Period	3.125	3.125
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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**h. Information on subsidiaries (Net):**

- Accounting method used for the valuation of subsidiaries: Disclosed in Note III of Section Three.
- Information on subsidiaries:

Title	Address (City / Country)	Bank's share percentage – If different voting percentage (%)	Bank's risk group share percentage (%)
1 Ak B Tipi Yatırım Ortaklığı A.Ş. (*)	Istanbul/Turkey	70.04	70.04
2 Ak Finansal Kiralama A.Ş.	Istanbul/Turkey	99.99	99.99
3 Ak Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.80	99.80
4 Ak Portföy Yönetimi A.Ş.	Istanbul/Turkey	99.99	99.99
5 Akbank N.V.	Rotterdam/Netherlands	100.00	100.00
6 Akbank AG	Frankfurt/Germany	100.00	100.00
7 Ak Global Funding B.V.	Rotterdam/Netherlands	100.00	100.00
8 Akbank (Dubai) Limited	Dubai/United Arab Emirates	100.00	100.00

(\*) The Company name (previously named Ak Yatırım Ortaklığı A.Ş.) has been changed as Ak B Tipi Yatırım Ortaklığı A.Ş. and published on Trade Registry Gazette on December 7, 2010.

- Main financial figures of subsidiaries. in the order of the above table:

The financial figures have been obtained from the financial statements dated 31 December 2010.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value (*)
1	53.625	49.499	2	1.036	562	4.961	13.828	24.584
2	1.188.376	280.341	465	90.554	-	49.691	53.736	-
3	554.725	81.200	25.841	37.936	3.287	17.206	16.576	-
4	21.491	17.074	189	1.281	-	8.918	8.680	-
5	4.760.824	844.424	2.702	175.680	74.665	27.276	1.611	-
6	2.184.371	474.944	360	75.375	10.647	21.945	18.698	-
7	15	6	-	-	-	(5)	(7)	-
8	1.126	1.031	30	-	-	(638)	(585)	-

(\*) The figure presents the fair value of publicly traded company's shares owned by the Bank .

Operations of Ak Global Funding B.V. have not commenced yet and the Bank's investment in this company is immaterial.



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4. Movement schedule of subsidiaries consolidated:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Balance at the Beginning of the Period	918.561	920.409
Movements During the Period		
Purchases	259	2.762
Bonus Shares and Contributions to Capital(*)	731	-
Dividends From Current Year Income	-	-
Sales/Liquidation	-	(19.962)
Revaluation Increase	-	-
Revaluation/Impairment	2.644	12.236
Additions to Consolidation	(29.279)	3.116
Increase /decrease due to foreign exchange valuation of foreign subsidiaries	892.916	918.561
Balance at the End of the Period	-	-
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(\*) TL 731 which is shown in the row of Bonus Shares and Contributions to Capital is related to increase of Akbank (Dubai) Limited's paid-in capital from USD 1.000.000 USD to USD 1.500.000 as at 30 September 2010.

5. Sectoral information on financial subsidiaries and the related carrying amounts:

<b>Subsidiaries</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Banks	679.975	709.254
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	121.088	121.088
Finance Companies	-	-
Other Financial Subsidiaries	91.853	88.219

6. Subsidiaries quoted on a stock exchange:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Quoted to Domestic Stock Exchanges	24.584	21.681
Quoted to Foreign Stock Exchanges	-	-

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i. Information on leasing receivables (Net): None

j. Information on hedging derivative financial assets: None

k. Explanations on property and equipment:

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
<b>Prior Period End: 31 December 2009</b>				
Cost	751.255	641.766	74.325	1.467.346
Accumulated Depreciation(-)	230.321	445.268	-	675.589
Net Book Value	<b>520.934</b>	<b>196.498</b>	<b>74.325</b>	<b>791.757</b>
<b>Current Period End: 31 December 2010</b>				
Net Book Value at the Beginning of the Period	520.934	196.498	74.325	791.757
Additions	153.534	126.026	60.150	339.710
Disposals(-), net	5.452	1.155	133.100	139.707
Depreciation (-)	21.303	82.298	-	103.601
Impairment	-	-	-	-
Cost at Period End	895.307	757.565	1.375	1.654.247
Accumulated Depreciation at Period End (-)	247.594	518.494	-	766.088
<b>Closing Net Book Value</b>	<b>647.713</b>	<b>239.071</b>	<b>1.375</b>	<b>888.159</b>

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
<b>Prior Period End: 31 December 2008</b>				
Cost	751.490	619.906	14.828	1.386.224
Accumulated Depreciation(-)	210.922	375.538	-	586.460
Net Book Value	<b>540.568</b>	<b>244.368</b>	<b>14.828</b>	<b>799.764</b>
<b>Current Period End: 31 December 2009</b>				
Net Book Value at the Beginning of the Period	540.568	244.368	14.828	799.764
Additions	2.642	36.368	59.497	98.507
Disposals(-), net	1.962	1.127	-	3.089
Depreciation (-)	20.314	83.111	-	103.425
Impairment	-	-	-	-
Cost at Period End	751.255	641.766	74.325	1.467.346
Accumulated Depreciation at Period End (-)	230.321	445.268	-	675.589
<b>Closing Net Book Value</b>	<b>520.934</b>	<b>196.498</b>	<b>74.325</b>	<b>791.757</b>

As of 31 December 2010, net book value of the tangible fixed assets obtained by financial leasing is TL 110.639 (31 December 2009: TL 87.336).

As of 31 December 2010, there is no impairment provision for buildings (31 December 2009: TL 11.799).

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**L. Information on intangible assets:**

1. Cost and accumulated amortization at the beginning and end of the period:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Book Values (Gross)	182.717	131.987
Accumulated Amortization (-)	89.973	67.083
Net Book Value	92.744	64.904

2. Reconciliation of movements for the current period and prior period:

	<b>Cari Dönem 31 Aralık 2010</b>	<b>Önceki Dönem 31 Aralık 2009</b>
Cost	182.717	131.987
Accumulated Depreciation (-)	89.973	67.083
<b>Net Book Value</b>	<b>92.744</b>	<b>64.904</b>
Opening Balance	64.904	36.295
Additions	49.646	44.022
Disposals (-), net	-	-
Depreciation (-)	21.806	15.413
<b>Closing Net Book Value</b>	<b>92.744</b>	<b>64.904</b>

**m. Information on the investment properties:** None.

**n. Information on deferred tax asset:**

As of 31 December 2010 deferred tax asset of the Bank is TL 70.888 (31 December 2009: TL 183.830). Provisional differences subject to deferred tax calculation result from principally the difference between the book values and tax values of fixed assets, financial assets and liabilities, and provision for employee rights.

Deferred tax assets and liabilities which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation, are netted-off and accounted. As noted in Note XVIII of Section Three, for the purposes of consolidated financial statements deferred taxes arising from different consolidated subsidiaries are presented separately in assets and liabilities. An explanation about the net deferred tax liability is given in Note II-i-2 of Section Five.

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	<b>Accumulated temporary differences</b>		<b>Deferred tax assets/(liabilities)</b>	
	<b>31 December 2010</b>	<b>31 December 2009</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
Employee benefits	70.036	58.061	14.007	11.612
Differences between fair value and book value of financial assets	546.434	991.608	109.287	198.322
Other	199.135	167.717	39.827	33.543
<b>Deferred tax asset</b>			<b>163.121</b>	<b>243.477</b>
Differences between book value and tax base of property, plant and equipment	112.569	80.967	(22.514)	(16.193)
Differences between book value and tax base of financial assets	348.597	217.268	(69.719)	(43.454)
<b>Deferred tax liability</b>			<b>(92.233)</b>	<b>(59.647)</b>
<b>Deferred tax asset/(liability), net</b>			<b>70.888</b>	<b>183.830</b>

**o. Information on property and equipment held for sale and related to discontinued operations:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Cost	3.845	3.779
Accumulated Depreciation (-)	620	481
<b>Net Book Value</b>	<b>3.225</b>	<b>3.298</b>
	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Opening Balance	3.298	3.872
Additions	440	163
Disposals (-), net	356	443
Depreciation (-)	157	294
<b>Closing Net Book Value</b>	<b>3.225</b>	<b>3.298</b>

**p. Information on other assets:**

Other assets amount to TL 576.883 TL (31 December 2009: TL 603.339) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES**

**a. Information on deposits:**

1. Information on maturity structure of the deposits:

There are no deposits with 7 days notification and accumulative deposits.

1(i). Current Period – 31 December 2010:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>1-5 Year Cumulative</b>	<b>Total</b>
Saving Deposits	2.519.114	6.875.329	14.825.746	544.798	228.001	46.263	2.008	25.041.259
Foreign Currency Deposits	2.775.461	4.673.305	10.617.034	686.422	766.685	301.437	101	19.820.445
Residents in Turkey	2.721.675	4.602.074	10.447.234	640.929	651.901	227.080	92	19.290.985
Residents Abroad	53.786	71.231	169.800	45.493	114.784	74.357	9	529.460
Public Sector Deposits	398.257	3.207	7.476	105	50	32	-	409.127
Commercial Deposits	2.701.302	2.362.699	8.131.842	239.851	1.406	1.495	-	13.438.595
Other Institutions Deposits	94.997	305.548	655.666	19.209	3.491	294	-	1.079.205
Precious Metals Deposits	-	-	-	-	-	-	-	-
Bank Deposits	187.818	1.857.978	4.792.787	214.195	294.936	30.553	-	7.378.267
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	7.091	1.605.175	1.002	-	-	-	-	1.613.268
Foreign Banks	57.663	252.803	4.791.785	214.195	294.936	30.553	-	5.641.935
Special Finance Institutions	123.064	-	-	-	-	-	-	123.064
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8.676.949</b>	<b>16.078.066</b>	<b>39.030.551</b>	<b>1.704.580</b>	<b>1.294.569</b>	<b>380.074</b>	<b>2.109</b>	<b>67.166.898</b>

1(ii). Prior Period - 31 December 2009:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>1-5 Year Cumulative</b>	<b>Total</b>
Saving Deposits	1.807.324	6.365.675	13.085.553	458.376	163.709	37.201	-	21.917.838
Foreign Currency Deposits	3.275.762	4.137.052	8.564.812	1.186.716	811.636	594.221	-	18.570.199
Residents in Turkey	3.227.416	4.102.824	8.524.807	1.135.964	684.308	472.889	-	18.148.208
Residents Abroad	48.346	34.228	40.005	50.752	127.328	121.332	-	421.991
Public Sector Deposits	256.286	2.057	1.602	1.942	114	3	-	262.004
Commercial Deposits	2.066.884	2.590.066	5.778.341	31.878	2.276	558	-	10.470.003
Other Institutions Deposits	119.036	44.367	894.523	9.299	2.830	444	-	1.070.499
Precious Metals Deposits	-	-	-	-	-	-	-	-
Bank Deposits	190.332	630.959	2.399.358	241.754	89.945	8.481	-	3.560.829
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	5.041	190.409	-	-	1.002	-	-	196.452
Foreign Banks	34.624	440.550	2.399.358	241.754	88.943	8.481	-	3.213.710
Special Finance Institutions	150.667	-	-	-	-	-	-	150.667
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7.715.624</b>	<b>13.770.176</b>	<b>30.724.189</b>	<b>1.929.965</b>	<b>1.070.510</b>	<b>640.908</b>	<b>-</b>	<b>55.851.372</b>

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2. Information on saving deposits insurance:

2(i). Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund:

	<b>Under the Guarantee of Deposit Insurance</b>		<b>Exceeding the Limit of Deposit Insurance</b>	
	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Saving Deposits	10.478.261	9.315.004	14.562.998	12.602.834
Foreign Currency Saving Deposits	3.501.587	3.888.677	10.015.308	10.063.857
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-Shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

2(ii). Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children in care	768.897	662.782
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Turkey in Order to Engage in Off-shore Banking Activities Solely	-	-

**b. Information on trading derivative financial liabilities:**

Table of negative differences for trading derivative financial liabilities:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	12.911	-	7.330	-
Swap Transactions	134.364	174.263	128.092	92.180
Future Transactions	29.251	5.672	22.478	3.495
Options	4.686	29.356	27.455	22.175
Other	-	-	-	-
<b>Total</b>	<b>181.212</b>	<b>209.291</b>	<b>185.355</b>	<b>117.850</b>

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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	145.937	80.827	67.167	32.881
From Foreign Banks, Institutions and Funds	115.802	10.032.767	70.013	7.982.271
<b>Total</b>	<b>261.739</b>	<b>10.113.594</b>	<b>137.180</b>	<b>8.015.152</b>

2. Information on maturity structure of borrowings:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term	186.246	5.109.077	137.180	3.410.437
Medium and Long-term	75.493	5.004.517	-	4.604.715
<b>Total</b>	<b>261.739</b>	<b>10.113.594</b>	<b>137.180</b>	<b>8.015.152</b>

The liabilities providing the funding sources of the Bank are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Bank and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. In 2010 the borrowings are composed of funds such as syndicated, securitized borrowings and post finance obtained from different financial institutions with different maturity-interest structures and characteristics. In 2010 issued marketable securities in domestic and foreign markets are also new funding sources of the Bank. There is no risk concentration in any of the funding sources of the Bank.

**d. Information on securities issued (Net):**

On 22 July 2010 the Bank has issued USD denominated Eurobonds with a nominal amount of USD 1 billion and maturing at 22 July 2015. These bonds have a yield of 5,256% and coupon rate of 5,125%.

On 14 December 2010 the Bank has issued 178 days maturity bonds with a nominal amount of TL 1 billion. These bonds have a yield of 7,28% .

**e. Information on other foreign liabilities:**

Other foreign liabilities amount to TL 801.606 (31 December 2009: TL 717.536) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

**f. Information on financial leasing agreements:**

The contingent rent installments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which cause significant commitments for the Bank.

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Liabilities incurred due to financial leasing agreements:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Less Than 1 Year	57.315	41.613	11.752	9.193
Between 1-4 Years	33.295	27.707	4.457	3.550
More Than 4 Years	-	-	-	-
<b>Total</b>	<b>90.610</b>	<b>69.320</b>	<b>16.209</b>	<b>12.743</b>

**g. Information on hedging derivative financial liabilities:**

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair value hedge	-	-	-	-
Cash flow hedge	309.429	-	390.461	-
Net investment hedge	-	-	-	-
<b>Total</b>	<b>309.429</b>	<b>-</b>	<b>390.461</b>	<b>-</b>

**h. Information on provisions:**

1. Information on general provisions:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>General Provisions</b>	<b>489.569</b>	<b>369.288</b>
Provisions for Group I. Loans and Receivables	383.586	240.715
Provisions for Group II. Loans and Receivables	20.705	46.747
Provisions for Non-cash Loans	56.660	45.121
Other	28.618	36.705

2. Information on reserve for employment termination benefits:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Balance sheet obligations for:</b>		
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	38.935	30.135
- Reserve for unused vacation	31.101	27.926
<b>Total</b>	<b>70.036</b>	<b>58.061</b>

As explained on note 2(ii) below, there is no amount recognized in the balance sheet for post-employment benefits since fair value of the Fund's plan assets compensate defined benefit obligations.



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	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2010</b>	<b>31 December 2009</b>
<b>Income statement charge for:</b>		
- Post-employment benefits (pension and medical)	(87.125)	(84.835)
- Reserve for employment termination benefits	(8.951)	(3.249)
- Reserve for unused vacation	(3.951)	(2.586)
<b>Total</b>	<b>(100.027)</b>	<b>(90.670)</b>

The charge for the post-employment benefits represents the cash payments, which represent the employer's contribution determined by the Social Security Law No: 506 and additional 2% contribution of the employer. The employer's contribution amounting to TL 87.125 (31 December 2009: TL 84.835) during the year has been included in employee costs under operating expenses.

2.(i) Employment termination benefits and unused vacation rights:

Under the Turkish Labour Law, the Bank is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TL 2.517,00 (in full TL) amount (31 December 2009: TL 2.365,16 (full TL amount)) for each year of service. The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2010</b>	<b>31 December 2009</b>
Discount Rate (%)	4,66	5,92
Rate for the Probability of Retirement (%)	93,46	92,87

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 2.623,23 (1 January 2010: TL 2.427,04) effective from 1 January 2011 has been taken into consideration in calculating the reserve for employee termination benefits.

Movements in the reserve for employment termination benefits during the periods are as follows:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2010</b>	<b>31 December 2009</b>
Balance at the Beginning of the Period	<b>30.135</b>	<b>26.886</b>
Provisions Recognized During the Period	18.095	12.165
Paid During the Period	(9.295)	(8.916)
Balance at the End of the Period	<b>38.935</b>	<b>30.135</b>

As of 31 December 2010, the Bank has accounted a provision for unused vacation rights amounting to TL 31.101 (31 December 2009: TL 27.926).

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2 (ii). Post-employment benefits:

The Bank's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations; and the Bank's obligation related to other non-transferrable benefits has been calculated in accordance with TAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%), except for the non-transferrable other benefits. Accordingly, including the obligation for non-transferable other benefits amounting TL 85.337 (31 December 2009: TL 79.761), the surplus of the Fund amounts to TL 462.242 as of 31 December 2010 (31 December 2009: TL 402.213).

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Present value of funded obligations	(424.002)	(451.968)
- Pension benefits transferrable to SSI	(760.219)	(742.525)
- Post-employment medical benefits transferrable to SSI	421.554	370.318
- Other non-transferrable benefits	(85.337)	(79.761)
Fair value of plan assets	886.244	854.181
<b>Surplus</b>	<b>462.242</b>	<b>402.213</b>

The amount of the post-employment medical benefits transferrable to SSI are calculated over the net present value of medical liabilities and health premiums.

The principal actuarial assumptions used were as follows:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Discount rate</b>		
- Pension benefits transferrable to SSI	% 9,80	% 9,80
- Post-employment medical benefits transferrable to SSI	% 9,80	% 9,80
- Other non-transferrable benefits	% 4,66	% 5,92

**Mortality rate**

The average life expectancy in years of a pensioner retiring at age 60 for men, 58 for women determined using mortality table depending on statistical data is 17 years for men and 23 years for women.

The movement in the fair value of plan assets of the year is as follows:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Prior period end</b>	<b>854.181</b>	<b>788.759</b>
Actual return on plan assets	98.310	119.396
Employer contributions	87.125	84.835
Employee contributions	76.612	68.751
Benefits paid	(229.984)	(207.560)
<b>Period end</b>	<b>886.244</b>	<b>854.181</b>

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Plan assets are comprised as follows:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>31 December 2010</b>		<b>31 December 2009</b>	
Bank placements	793.085	% 89	784.925	% 92
Premises and equipment	31.288	% 4	32.078	% 4
Equity securities	52.981	% 6	31.479	% 3
Other	8.890	% 1	5.699	% 1
<b>Period end</b>	<b>886.244</b>	<b>% 100</b>	<b>854.181</b>	<b>% 100</b>

3. Information on provisions related to foreign currency difference of foreign indexed loans:

As of 31 December 2010, the provision related to foreign currency difference of foreign currency indexed loans, which amounts to TL 1.770 (31 December 2009: TL 7.614), which is offset with the balance of foreign currency indexed loans in these financial statements.

4. Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash:

Provision for non-cash loans that are non-funded and non-transformed into cash as of 31 December 2010 is amounting to TL 89.269. (31 December 2009: 104.782 TL).

5. Information on other provisions:

5 (i). Information on general provision for possible risks: TL 25.000 (31 December 2009: The Bank has accounted general provision for possible risks of loans and other receivables amounting to 110.000 TL).

5 (ii). Information on provisions for banking services promotion:

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 119.834 (31 December 2009: TL 85.789).

**i. Explanations on tax liability:**

1. Explanations on current tax liability:

The tax calculation of the Bank is explained in Note XVIII of Section Three. As of 31 December 2010, the tax liability after the deduction of temporary taxes paid from the corporate tax is TL 255.467 (31 December 2009: TL 189.858).

- 1(i). Information on taxes payable:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2010</b>	<b>31 December 2009</b>
Corporate Taxes Payable	255.467	189.858
Taxation on Marketable Securities	60.785	71.491
Property Tax	869	611
Banking Insurance Transaction Tax (BITT)	25.627	23.355
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	2.598	1.706
Other	26.453	33.643
<b>Total</b>	<b>371.799</b>	<b>320.664</b>

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1(ii). Information on premium payables:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Social Security Premiums - Employee	-	-
Social Security Premiums - Employer	1	1
Bank Social Aid Pension Fund Premium - Employee	6	32
Bank Social Aid Pension Fund Premium - Employer	8	43
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance - Employee	564	505
Unemployment Insurance - Employer	1.129	1.009
Other	-	-
<b>Total</b>	<b>1.708</b>	<b>1.590</b>

2. Information on deferred tax liability:

The Bank has no deferred tax liability as of 31 December 2010 (31 December 2009: TL (-) ). Explanation on net deferred tax asset is disclosed in Note I-n of Section Five.

**j. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Common Stock	4.000.000	3.000.000
Preferred Stock	-	-

2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so, the amount of registered share capital ceiling:

<b>Capital System</b>	<b>Paid-in capital</b>	<b>Ceiling</b>
Registered Share Capital	4.000.000	5.000.000

3. Information on the share capital increases during the period and their sources:

<b>Increase Date</b>	<b>Increase Amount</b>	<b>Cash</b>	<b>Profit Reserves Subject to Capital Increase</b>	<b>Capital Reserves Subject to Capital Increase</b>
16 April 2010	1.000.000	-	482.691	517.309

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4. Information on share capital increases from capital reserves during the current period:

<b>Marketable Securities Value Increase Fund</b>	<b>Revaluation Fund</b>	<b>Bonus Shares from Investment in Associates, Subsidiaries and Joint Ventures</b>	<b>Other</b>
-	17.309	-	500.000

5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.
6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity:

The Bank has been continuing its operations with high profitability and has been retaining most of its net profit in the equity, either by increasing its capital or transferring it into reserves. On the other hand, only a small part of the equity is allocated to associates and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and high interest bearing assets. Considering all these factors, the Bank's shareholders' equity is getting steadily stronger.

7. Information on privileges given to shares representing the capital: None.

**k. Information on marketable securities value increase fund:**

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	2.473	-	6.190	-
Valuation Difference	1.722.413	61.718	795.309	(8.952)
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>1.724.886</b>	<b>61.718</b>	<b>801.499</b>	<b>(8.952)</b>

The part of value increase fund related to foreign currency marketable securities is the difference between the fair values and the amortized costs, calculated in accordance with the "Effective interest method" of government bonds classified as "available-for-sale financial assets".

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**III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT**

**a. Information on interest income:**

1. Information on interest income on loans (\*):

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term Loans	1.435.106	69.731	2.135.917	105.335
Medium and Long-term Loans	1.876.011	668.069	1.889.999	697.970
Interest on Loans Under Follow-Up	44.133	55	29.561	662
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>3.355.250</b>	<b>737.855</b>	<b>4.055.477</b>	<b>803.967</b>

(\*) Fee and commission income from cash loans are included.

2. Information on interest income on banks:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From the CBRT	77.587	-	123.011	-
From Domestic Banks	71	145	256	34
From Foreign Banks	-	7.550	16	13.029
From Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>77.658</b>	<b>7.695</b>	<b>123.283</b>	<b>13.063</b>

3. Information on interest income on marketable securities:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Trading Financial Assets	25.483	5.746	16.522	6.756
From Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	3.414.698	142.645	1.678.780	57.131
From Held-to-maturity Investments	730.215	133.596	2.071.117	322.573
<b>Total</b>	<b>4.170.396</b>	<b>281.987</b>	<b>3.766.419</b>	<b>386.460</b>

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4. Information on interest income received from investments in associates and subsidiaries:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Interests Received From Investments in Associates and Subsidiaries	11.853	13.038

**b. Information on interest expense:**

1. Information on interest expense on borrowings (\*):

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	11.419	176.194	17.986	248.094
The CBRT	-	-	-	-
Domestic Banks	8.947	1.603	17.076	1.443
Foreign Banks	2.472	174.591	910	246.651
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	4.123	-	3.393
<b>Total</b>	<b>11.419</b>	<b>180.317</b>	<b>17.986</b>	<b>251.487</b>

(\*) Fee and commission expense from cash loans is included

2. Information on interest expense given to associates and subsidiaries:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
To Associates and Subsidiaries	6.413	5.097

3. Information on interest expense given to securities issued:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Interest expense on securities issued	3.224	34.625	-	-

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4. Maturity structure of the interest expense on deposits:

There are no deposits with 7 days notification and accumulative deposits.

		Time Deposit					Total
		Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	
TL							
Bank Deposits	-	45.158	58.838	1.353	227	-	105.576
Saving Deposits	256	764.314	1.060.818	37.448	12.725	3.041	1.878.602
Public Sector Deposits	-	253	224	59	32	2	570
Commercial Deposit	15.831	318.227	629.065	8.228	6.445	41	977.837
Other Deposits	1.149	8.329	91.463	838	72	217	102.068
Total	17.236	1.136.281	1.840.408	47.926	19.501	3.301	3.064.653
FC							
Foreign Currency Deposits	8.710	146.028	197.129	16.028	17.532	9.627	395.054
Bank Deposits	-	21.537	37.087	7.551	3.077	300	69.552
Precious Metals Deposits	-	-	-	-	-	-	-
Total	8.710	167.565	234.216	23.579	20.609	9.927	464.606
Grand Total	25.946	1.303.846	2.074.624	71.505	40.110	13.228	3.529.259

c. Explanations on dividend income:

	Current Period 31 December 2010	Prior Period 31 December 2009
From Trading Financial Assets	214	984
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-Sale Financial Assets	-	-
Other (*)	27.073	42.091
<b>Total</b>	<b>27.287</b>	<b>43.075</b>

(\*)Discloses the dividend income received from non consolidated investments in associates and subsidiaries.



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**d. Information on trading profit/loss (Net):**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Profit</b>	<b>30.238.601</b>	<b>26.336.194</b>
Income from Capital Market Transactions	459.999	272.641
Income from Derivative Financial Transactions	846.762	299.294
Foreign Exchange Gains	28.931.840	25.764.259
<b>Loss (-)</b>	<b>30.205.673</b>	<b>26.181.081</b>
Loss from Capital Market Transactions	34.197	21.729
Loss from Derivative Financial Transactions	1.284.669	470.438
Foreign Exchange Loss	28.886.807	25.688.914
<b>Total (Net)</b>	<b>32.928</b>	<b>155.113</b>

The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 16.380 (31 December 2009: TL 20.778).

**e. Explanations on other operating income:**

"Other Operating Income" in the Income Statement mainly consists of collections from receivables for which provisions were provided in prior periods.

**f. Provision expenses related to loans and other receivables of the Bank:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Specific Provisions for Loans and Other Receivables	348.175	993.679
III. Group Loans and Receivables	80.790	926.443
IV. Group Loans and Receivables	151.787	54.250
V. Group Loans and Receivables	115.598	12.986
General Provision Expenses	120.282	-
Provision Expense for Possible Risks	25.000	110.000
Marketable Securities Impairment Expense	2.605	320
Financial Assets at Fair Value Through Profit or Loss	702	260
Available-for-sale Financial Assets	1.903	60
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	22.713	12.929
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments:	22.713	12.929
Other	-	-
<b>Total</b>	<b>518.775</b>	<b>1.116.928</b>

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**g. Information related to other operating expenses:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Personnel Expenses	877.517	817.677
Reserve for Employee Termination Benefits	10.551	3.249
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	103.601	103.425
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	21.806	15.413
Impairment Expenses of Equity Participations for Which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	157	294
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.089.241	971.077
Operational Leasing Expenses	76.963	68.289
Maintenance Expenses	21.312	13.434
Advertisement Expenses	120.008	96.595
Other Expenses	870.958	792.759
Loss on Sales of Assets	701	48
Other	313.251	272.815
<b>Total</b>	<b>2.416.825</b>	<b>2.183.998</b>

**h. Information on profit before tax income of continued and discontinued operations:**

The Bank's income before tax consists of net interest income amounting to TL 4.276.816, net fees and commission income amounting to TL 1.309.097 and the amount of other operating expense is TL 2.416.825.

The Bank has no discontinued operations.

**i. Information on tax provision of continued and discontinued operations:**

As of 31 December 2010, the Bank has a current tax expense of TL 619.470 and deferred tax expense of TL 98.031. The amount of deferred tax income that occurred due to the temporary differences is TL14.457 and deferred tax expense is TL 38.964; the amounts of deferred tax income and deferred tax expense that occurred due to the closing of temporary differences are TL 5.212 and TL 78.736 respectively.

The Bank has no discontinued operations.

**j. Explanation on current period net profit and loss of continued and discontinued operations:**

Net profit of the Bank is TL 2.856.529.

The Bank has no discontinued operations.

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**k. Information on net profit and loss:**

1. Explanation on the quality, amount and frequency of the figures of the income and expense stemming from ordinary banking operations, if necessary to understand the performance of the Bank for the current period: None.
2. Explanation on the changes in the estimations regarding the figures on the financial statements, if there exists a possibility that the profit and loss for the current or the following periods will be impacted: None.

**l. Other figures on profit and loss statement:**

"Other Fee and Commission Income" in the Income Statement mainly consists of commissions received from credit card, mutual fund and common stock transactions.

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**IV. EXPLANATIONS AND NOTES RELATED TO OFF-BALANCE SHEET ACCOUNTS**

**a. Explanations on off-balance sheet commitments:**

1. Type and amount of irrevocable commitments: TL 1.659.998 asset purchase commitments (31 December 2009: TL 774.678). TL 12.591.257 commitment for credit card limits (31 December 2009: TL 11.161.549). TL 3.945.886 commitments for cheque books (31 December 2009: TL 1.598.706)

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

The Bank has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments".

- 2 (i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Bank Acceptance Loans	70.208	59.513
Letters of Credit	2.762.691	1.659.110
Other Commitments and Contingencies	963.391	525.210
<b>Total</b>	<b>3.796.290</b>	<b>2.243.833</b>

- 2 (ii). Revocable, irrevocable guarantees and other similar commitments and contingencies:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Revocable Letters of Guarantee	313.186	205.730
Irrevocable Letters of Guarantee	3.731.755	3.547.097
Letters of Guarantee Given in Advance	1.028.940	672.001
Guarantees Given to Customs	420.185	312.989
Other Letters of Guarantee	1.074.555	774.099
<b>Total</b>	<b>6.568.621</b>	<b>5.511.916</b>

3. (i) Total amount of non-cash loans:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Non-Cash Loans Given against Cash Loans	252.683	179.310
With Original Maturity of 1 Year or Less Than 1 Year	199.745	114.393
With Original Maturity of More Than 1 Year	52.938	64.917
Other Non-Cash Loans	10.112.228	7.576.439
<b>Total</b>	<b>10.364.911</b>	<b>7.755.749</b>

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3 (ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2010				Prior Period 31 December 2009			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	18.013	0,39	14.673	0,25	8.549	0,28	913	0,02
Farming and Raising								
Livestock	8.951	0,19	14.644	0,25	1.810	0,06	330	0,01
Forestry	9.030	0,20	29	0,00	6.697	0,22	583	0,01
Fishing	32	0,00	-	-	42	0,00	-	-
Manufacturing	1.450.490	31,56	3.231.068	56,02	1.024.497	33,43	2.495.587	53,19
Mining	9.100	0,20	8.440	0,15	6.854	0,22	20.414	0,44
Production	1.190.055	25,89	2.855.908	49,51	932.064	30,42	1.684.910	35,91
Electric, Gas and Water	251.335	5,47	366.720	6,36	85.579	2,79	790.263	16,84
Construction	667.401	14,52	588.573	10,20	264.018	8,62	314.749	6,71
Services	2.121.636	46,16	1.390.165	24,09	1.547.531	50,50	1.246.322	26,56
Wholesale and Retail Trade	1.301.479	28,31	335.357	5,81	940.437	30,69	354.717	7,56
Hotel, Food and								
Beverage Services	20.006	0,44	8.736	0,15	16.033	0,52	5.088	0,11
Transportation and								
Telecommunication	141.392	3,08	165.691	2,87	67.600	2,21	79.454	1,69
Financial Institutions	562.556	12,24	841.551	14,59	481.121	15,70	756.221	16,12
Real Estate and Leasing								
Services	633	0,01	1.538	0,03	111	0,00	-	-
Self-Employment Services	8.440	0,18	1.999	0,03	6.139	0,20	1.723	0,04
Education Services	6.245	0,14	152	0,00	3.861	0,13	223	0,00
Health and Social Services	80.885	1,76	35.141	0,61	32.229	1,05	48.896	1,04
Other	339.082	7,37	543.810	9,44	219.718	7,17	633.865	13,52
<b>Total</b>	<b>4.596.622</b>	<b>100,00</b>	<b>5.768.289</b>	<b>100,00</b>	<b>3.064.313</b>	<b>100,00</b>	<b>4.691.436</b>	<b>100,00</b>

3 (iii). Information on the non-cash loans classified in Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans</b>	<b>4.574.305</b>	<b>5.762.398</b>	<b>22.317</b>	<b>5.891</b>
Letters of Guarantee	4.030.485	2.509.932	22.313	5.891
Bank Acceptances	1.727	68.481	-	-
Letters of Credit	13.105	2.749.586	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	7.923	-	-
Other Commitments and Contingencies	528.988	426.476	4	-

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**4. Mutual Funds:**

As of 31 December 2010, the Bank is the founder of 32 mutual funds (31 December 2009: 17) with a total fund value of TL 4.100.904 (31 December 2009: TL 3.673.830). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Istanbul Stock Exchange Settlement and Custody Bank. Inc.

**b. Information on derivative transactions:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Types of Trading Transactions</b>		
Foreign Currency Related Derivative Transactions (I)	22.177.284	9.670.278
FC Trading Forward Transactions	2.880.054	1.067.850
Trading Swap Transactions	12.120.358	3.058.033
Futures Transactions	2.004	18.188
Trading Option Transactions	7.174.868	5.526.207
Interest Related Derivative Transactions (II)	14.107.388	9.850.342
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	11.844.674	8.452.988
Interest Rate Options	2.262.714	1.397.354
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	164.504	178.691
A. Total Trading Derivative Transactions (I+II+III)	36.449.176	19.699.311
<b>Types of Hedging Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	5.090.000	5.090.000
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	5.090.000	5.090.000
<b>Total Derivative Transactions (A+B)</b>	<b>41.539.176</b>	<b>24.789.311</b>

**c. Explanations on contingent assets and liabilities:**

**1. Contingent Liabilities:**

The Bank has accounted a provision amounting to TL 27.920 (31 December 2009: TL1.947) for the contingent liabilities with a high probability of realization about continuing opposing trials.

Banks, including Akbank, are subject to investigation started in August 2009 by the Competition Board in accordance with the Law No. 4054 on the Protection of Competition. The investigation, which is related to promotions offered to public and private corporate customers while providing payroll deposit services, is still continuing and there is no issue affecting the financial statements.

**2. Contingent Assets:**

None.

**d. Explanations on the activities carried out on behalf and account of other persons:**

The policy is explained on note IX in Section Four.

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**V. EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY**

**a. Information on distribution of profit:**

The Ordinary General Assembly Meeting of the Parent Bank was held on 26 March 2010. In the Ordinary General Assembly, it was resolved to distribute a TL 540.600 cash dividend over the TL 2.725.982 net unconsolidated income from 2009 operations to the Bank's shareholders, Chairman and Members of the Board of Directors. It was also resolved in the General Assembly to transfer TL 2.919 to capital reserves, to allocate TL 140.826 as legal and TL 2.041.637 extraordinary reserves.

General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of these financial statements.

**b. Information on capital increase:**

The Bank has increased its paid-in-capital from TL 3.000.000 to TL 4.000.000 within registered capital ceiling amounting to TL 5.000.000 with a total increase of TL 1.000.000 met from extraordinary reserves amounting to TL 482.691, profit of subsidiary sales amounting to TL 16.554, income from property sales amounting to TL 755 and differences from inflation adjustment into share capital under other reserves amounting to TL 500.000. The new capital of the Bank is registered by Istanbul Trade Registry Office on 12 April 2010 and published on Turkish Trade Registry Gazette on 16 April 2010 No.7545.

**c. Information on hedge funds:**

Information on cash flow hedge:

The Bank is hedged against cash flow risk arising from local and foreign currency floating rate borrowings through the use of interest rate swaps. In this context, effective portion of the fair value change of the hedging instrument is recognized under "Hedging reserves" within equity. As of 31 December 2010, the amount directly recognized in equity is (-)TL 291.829.

**d. Information on available-for-sale financial assets:**

"Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities value increase fund" account under equity, until the financial assets are sold, disposed of or impaired.

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**VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS**

**a. Information on cash and cash equivalents:**

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as "Cash"; interbank money market, time deposits in banks with original maturities less than three months and investments on marketable securities other than common stocks are defined as "Cash Equivalents".

1. Cash and cash equivalents at the beginning of the period:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Cash</b>	<b>1.010.981</b>	<b>946.507</b>
Cash, Foreign Currency and Other	595.649	610.521
Demand Deposits in Banks (*)	415.332	335.986
<b>Cash Equivalents</b>	<b>1.856.382</b>	<b>3.049.869</b>
Interbank Money Market Placements	-	-
Time Deposits in Banks	1.849.776	3.038.648
Marketable Securities	6.606	11.221
<b>Total Cash and Cash Equivalents</b>	<b>2.867.363</b>	<b>3.996.376</b>

(\*) The restricted demand accounts are not included.

The total amount from operations in the prior period gives the total cash and cash equivalents amount at the beginning of the current period.

2. Cash and cash equivalents at the end of period:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Cash</b>	<b>1.297.856</b>	<b>1.010.981</b>
Cash, Foreign Currency and Other	805.706	595.649
Demand Deposits in Banks (*)	492.150	415.332
<b>Cash Equivalents</b>	<b>572.524</b>	<b>1.856.382</b>
Interbank Money Market Placements	-	-
Time Deposits in Banks	566.893	1.849.776
Marketable Securities	5.631	6.606
<b>Total Cash and Cash Equivalents</b>	<b>1.870.380</b>	<b>2.867.363</b>

(\*) The restricted demand accounts are not included.

**b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:**

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to (-) TL 1.223.119 [31 December 2009: (-) TL 1.091.189 ] consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expense, foreign exchange gains/losses, depreciation, provisions and bonus shares.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 557.736 [31 December 2009: TL 21.441] 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 calculated approximately as TL 31.822 TL as of 31 December 2010. [31 December 2009: TL 22.639].



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**VII. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP**

**Information on the volume of transactions relating to the bank's risk group, outstanding loan and deposit transactions and profit and loss of the period:**

1. Current Period – 31 December 2010:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	291.989	58.317	609.054	734.451	6.960	4.828
Balance at the End of the Period	250.670	84.869	926.506	380.791	2.427	3.022
Interest and Commission Income Received	11.853	194	48.614	20.308	374	26

According to the German deposit insurance law, the Bank has given a "letter of undertaking" to the German Banking Institute related to Akbank AG which is assigned to Akbank NV, a subsidiary of the Bank, by way of real capital as of 31 May 2007. Based on the "Regulation Regarding Loan Transactions of Banks" effective from 1 November 2006, this letter of undertaking amounts to TL 1.164.439 as of 31 December 2010.

2. Prior Period – 31 December 2009:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	261.768	22.953	814.868	455.698	1.910	3.680
Balance at the End of the Period	291.989	58.317	609.054	734.451	6.960	4.828
Interest and Commission Income Received	13.038	91	41.443	24.783	2.044	33

3. Information on deposits of the Bank's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009
<b>Deposit</b>						
Balance at the Beginning of the Period	96.043	40.022	1.546.078	1.536.845	923.675	760.150
Balance at the End of the Period	72.643	96.043	1.514.114	1.546.078	997.787	923.675
Interest on Deposits	6.413	5.097	91.877	98.558	21.910	23.805

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

**AKBANK T.A.Ş.  
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2010**

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

4. Information on forward and option agreements and other similar agreements made with the Bank's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	400.086	527.113	1.769.172	502.192	81.284	-
Balance at the End of the Period	305.710	400.086	2.310.514	1.769.172	58.156	81.284
Total Income/Loss	(3.746)	(3.476)	(28.313)	(15.370)	(713)	(706)
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	410.886	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

Figures presented in the table above show the total of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affect the net exposure of the Bank. As of 31 December 2010, the net exposure for investments in associates and subsidiaries is TL (-) 515 (31 December 2009: (-) TL 3.406), for direct and indirect shareholders of the Bank (-) TL 248.008 (31 December 2009: (-) TL 268.208) and for other third party or legal person in risk group (-) TL (31 December 2009: (-) TL 50.285).

5. Information regarding benefits provided to the Bank's key management:

As of 31 December 2010 benefits provided to the Bank's key management amount to TL 15.752 (31 December 2009: TL 12.304).

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

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2010**

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

**VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK**

1. Information on the domestic and foreign branches and representatives of the bank:

	Number	Number of Employees			
Domestic Branch	912	15.320			
			<b>Country of Incorporation</b>		
Foreign Representation Office	-	-	-		
				<b>Total Assets</b>	<b>Statutory Share Capital</b>
Foreign Branch	-	-	-	-	-
Off-shore Banking					
Region Branches	1	10	Malta	21.248.757	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure: In 2010, the Bank has opened 79 domestic branches and closed up 44 domestic branches.

**IX. INFORMATION AND NOTES RELATED TO SUBSEQUENT EVENTS**

1. The Bank has applied to Capital Market Board of Turkey as of 14 January 2011 for Eurobond issuance in international markets amounting up to USD 1.5 billion.
2. At the meeting of the Board of Directors on 25 January 2011, the Ordinary General Assembly Meeting of the Bank has been decided to be held on 21 March 2011 at 14:00, Sabancı Center, 4.Levent/İstanbul Headquarters.
3. As of 31 January 2011 the Bank has issued a 178 day maturity bond amounting to TL 500 million at an interest rate of 7.56%.

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

**AKBANK T.A.Ş.  
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2010**

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

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**SECTION SIX  
OTHER EXPLANATIONS**

**I. OTHER EXPLANATIONS**

None.

**SECTION SEVEN  
EXPLANATIONS ON AUDITOR'S REPORT**

**I. EXPLANATIONS ON AUDITOR'S REPORT**

The unconsolidated financial statements for the year ended 31 December 2010 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated 11 February 2011 is presented prior to the unconsolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS**

None.

**AKBANK T.A.Ş.****PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES  
AT 31 DECEMBER 2010 TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT**

**(Convenience translation of publicly announced consolidated  
financial statements, related disclosures and audit report  
originally issued in Turkish, See Note. I.b of Section three)**



**ERNST & YOUNG**

Güney Bağımsız Denetim ve  
SMMM A.Ş.  
Büyükdere Caddesi, Barışman Plaza  
Kat: 27 Kat: 9-10, 34381 Şişli  
İstanbul - Türkiye

Tic. Sic. No: 272127/01532002  
Tic. Sic. No: 272127/01532002  
www.ey.com

**(Convenience translation of the independent auditor's report originally issued  
in Turkish, See Note I.b of Section three)**

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

We have audited the consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") at December 31, 2010 and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Disclosure for the responsibility of the Bank's board of directors:**

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

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

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our audit has been performed in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

**Independent Auditors' Opinion:**

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Akbank T.A.Ş. and its consolidated subsidiaries at 31 December 2010 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411 and other regulations, circulars, communiqués and interpretations published by the BRSA on accounting and financial reporting principles.

The consolidated financial statements of the Group as at and for the year ended 31 December 2009 prepared in accordance with the prevailing accounting principles and standards set out by regulations in conformity with Article 37 and 38 of the Banking Act No. 5411 were audited by another audit firm, who expressed an unqualified opinion in their audit report dated February 10, 2010.

**Additional paragraph for convenience translation to English:**

As explained in detail in Note I.b. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst&Young Global Limited

Fatma Ebru Yücel, SMMM  
Partner

İstanbul, 11 February 2011

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

**THE CONSOLIDATED FINANCIAL REPORT OF  
AKBANK T.A.Ş. AS OF  
31 DECEMBER 2010**

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

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

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

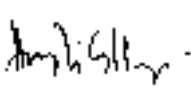
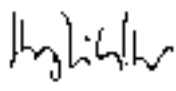


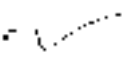

Investments in associates, joint ventures, direct and indirect subsidiaries whose financial statements have been consolidated in this reporting package are as follows:

	Subsidiaries	Investments in Associates	Joint Ventures
1.	Ak Finansal Kiralama A.Ş.	-	-
2.	Ak Yatırım Menkul Değerler A.Ş.	-	-
3.	Ak Portföy Yönetimi A.Ş.	-	-
4.	Akbank N.V.	-	-
5.	Akbank AG	-	-
6.	Ak B Tipi Yatırım Ortaklığı A.Ş.	-	-
7.	Ak Global Funding B.V.	-	-
8.	Akbank (Dubai) Limited	-	-

Ak Receivables Corporation and A.R.T.S. Ltd., which are not subsidiaries of the Bank but over which the Bank has 100% controlling power, have been included in the consolidation due to the reason that these companies are "Special Purpose Entities".

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

11 February 2011

					
Suzan SABANCI DİNÇER Chairman of the Board of Directors	Hayri ÇULHACI Head of the Audit Committee	M. Hikmet BAYAR Member of the Audit Committee	Ziya AKKURT President	K. Atıl ÖZUS Executive Vice President	Türker TUNALI Senior Vice President

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

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

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**CONVENIENCE TRANSLATION OF  
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ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2010**

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

**SECTION ONE  
GENERAL INFORMATION ABOUT THE GROUP**

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

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

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

The Bank's shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depositary Receipts ("ADRs"). As of 31 December 2010, approximately 29% of the shares are publicly traded, including the ADRs (31 December 2009: 29%).

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

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman:</b>	Suzan SABANCI DİNÇER	Chairman and Executive Board Member	Graduate
<b>Honorary Chairman:</b>	Erol SABANCI	Honorary Chairman, Board Member and Consultant	Undergraduate
<b>Board of Directors:</b>	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	Bülent ADANIR	Executive Board Member	Graduate
	M. Hikmet BAYAR	Board Member	Graduate
	Yaman TÖRÜNER	Board Member	Undergraduate
	William J. MILLS	Board Member	Undergraduate
	Emre DERMAN	Board Member	Graduate
	Ziya AKKURT	Board Member and CEO	Undergraduate
<b>President and CEO:</b>	Ziya AKKURT	CEO	Undergraduate
<b>Director of Internal Audit:</b>	Eyüp ENGİN	Head of Internal Audit	Undergraduate
<b>President Deputy:</b>	S. Hakan BİNBAŞGİL	Retail Banking	Graduate

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

**AKBANK T.A.Ş.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2010**

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

<b>Executive Vice Presidents:</b>	Zeki TUNCAY	Loans Follow-Up and Support Services	Undergraduate
	M. Fikret ÖNDER	Private Banking	Graduate
	Sevilay ÖZSÖZ	Operation	Undergraduate
	Alpaslan ÖZLÜ	Information Technologies	Graduate
	Ferda BESLİ	SME Banking	Undergraduate
	Ahmet Fuat AYLA	Loans	Undergraduate
	Hülya KEFELİ	International Banking	Undergraduate
	K. Atıl ÖZÜS	Financial Coordination	Undergraduate
	A. Galip TÖZGE	Retail Banking	Graduate
	Cem MENGİ	Corporate Banking	Undergraduate
	Tunç AKYURT	Strategy	Graduate
	Bade SİPAHİOĞLU İŞİK	Human Resources	Graduate
	O. Mehmet SİNDEL	Payment Systems	Undergraduate
	Kerim ROTA	Treasury	Undergraduate
<b>Internal Audit Committee:</b>	Bülent ADANIR	Head of the Audit Committee	Graduate
	M. Hikmet BAYAR	Member of the Audit Committee	Graduate
<b>Auditors:</b>	Mevlüt AYDEMİR	Auditor	Undergraduate
	Nedim BOZFAKIOĞLU	Auditor	Undergraduate

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

Tunç Akyurt has been assigned as Executive Vice President in charge of Strategy as of 15 February 2010 with the decision taken in the Board of Directors Meeting of the Bank.

In the Ordinary General Meeting of the Bank dated 26 March 2010, Emre Derman has been elected as a member of Board of Directors in lieu of Özen Göksel. The audit committee membership vacated by Özen Göksel has been filled by the Board Member M. Hikmet Bayar.

Zafer Kurtul has resigned from Vice Chairman and Executive Board Member positions effective from 19 July 2010 in accordance with the decision of the Board of Director's meeting dated 7 June 2010. Hayri Çulhacı, Executive Board Member, has taken office as Vice Chairman and Executive Board Member effective from 19 July 2010.

Zeki Tuncay, Executive Vice President in charge of Human Resources and Support Services, has been appointed as Executive Vice President in charge of Loans Follow-Up and Support Services and Bade Sipahioğlu has been appointed as Executive Vice President in charge of Human Resources with the decision taken in the Board of Directors Meeting effective from 1 September 2010.

Mine Könüman, Executive Vice President in charge of Payment Systems, has resigned as of 7 October 2010. In accordance with the decision taken in the Board of Directors Meeting Osman Mehmet Sindel has been appointed to the position vacated by Mine Könüman effective from 1 November 2010.

Reşit Toygar, President Deputy in charge of Treasury, has resigned as of 4 November 2010. In accordance with the decision taken in the Board of Directors Meeting Kerim Rota has been appointed to the position of Executive Vice President in charge of Treasury effective from 5 November 2010.

Ferda Besli, Executive Vice President in charge of SME Banking, has resigned as of 7 January 2011. In accordance with the decision taken in the Board of Director's Meeting Cenk Kaan Gür has been appointed to the position vacated by Ferda Besli effective from 14 January 2011.

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

**AKBANK T.A.Ş.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2010**

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

In accordance with the decision taken in the Board of Director's Meeting dated 17 January 2011, Hayri Çulhacı, Vice Chairman and Executive Board Member has been appointed to the position vacated by Bülent Adanır as Head of the Audit Committee.

Cem Mengi, Executive Vice President in charge of Corporate Banking, has resigned as of 31 January 2011.

**IV. INFORMATION ON SHAREHOLDERS HAVING CONTROL SHARES:**

<b>Name/Commercial Title</b>	<b>Share Amounts (Nominal)</b>	<b>Share Percentages</b>	<b>Paid-in Capital (Nominal)</b>	<b>Unpaid Portion</b>
Hacı Ömer Sabancı Holding A.Ş.	1.630.021	40,75%	1.630.021	-
Citibank Overseas Investment Corporation	800.000	20,00%	800.000	-

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

The Bank's core business activities include retail banking, SME banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş and AvivaSA Emeklilik ve Hayat A.Ş. As of 31 December 2010, the Bank has 912 branches dispersed throughout the country and 1 branch operating abroad (31 December 2009: 877 branches and 1 branch operating abroad). As of 31 December 2010, the Bank employed 15.330 people (31 December 2009: 14.714).

The Parent Bank and its direct and indirect subsidiaries, Ak Yatırım Menkul Değerler A.Ş., AK Portföy Yönetimi A.Ş., Akbank N.V., Akbank AG, Ak Finansal Kiralama A.Ş., Ak B Tipi Yatırım Ortaklığı A.Ş., Ak Global Funding B.V., Akbank (Dubai) Limited and together with Ak Receivables Corporation and A.R.T.S. Ltd., which are not subsidiaries of the Bank, but over which the Bank has 100% controlling power due to the reason that these companies are "Special Purpose Entities", have been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group" in these consolidated financial statements and notes to consolidated financial statements.

As at 31 December 2010, the Group employed 15.550 people (31 December 2009: 14.936).

**AKBANK T.A.Ş.****I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2010 (STATEMENT OF FINANCIAL POSITION)**

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2010)		Total	PRIOR PERIOD (31/12/2009)		Total
		TL	FC		TL	FC	
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>	<b>(I-a)</b>	<b>2.255.059</b>	<b>3.841.762</b>	<b>6.096.821</b>	<b>2.505.041</b>	<b>2.235.054</b>	<b>4.740.095</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	<b>(I-b)</b>	<b>828.136</b>	<b>253.507</b>	<b>1.081.643</b>	<b>159.152</b>	<b>245.754</b>	<b>404.906</b>
2.1 Trading Financial Assets		828.136	253.507	1.081.643	159.152	245.754	404.906
2.1.1 Government Debt Securities		483.282	102.588	585.870	81.392	76.657	158.049
2.1.2 Share Certificates		24.732	-	24.732	387	-	387
2.1.3 Trading Derivative Financial Assets		320.122	150.919	471.041	76.023	169.097	245.120
2.1.4 Other Marketable Securities		-	-	-	1.350	-	1.350
2.2 Financial Assets Designated at Fair Value through Profit or (Loss)		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
<b>III. BANKS</b>	<b>(I-c)</b>	<b>421.485</b>	<b>1.989.059</b>	<b>2.410.544</b>	<b>302.276</b>	<b>3.433.476</b>	<b>3.735.752</b>
<b>IV. MONEY MARKETS</b>		<b>13.803</b>	<b>-</b>	<b>13.803</b>	<b>17.503</b>	<b>-</b>	<b>17.503</b>
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		13.803	-	13.803	17.503	-	17.503
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>(I-d)</b>	<b>38.285.150</b>	<b>5.020.201</b>	<b>43.305.351</b>	<b>27.772.307</b>	<b>2.931.266</b>	<b>30.703.573</b>
5.1 Share Certificates		5.546	25.735	31.281	5.596	151	5.747
5.2 Government Debt Securities		38.225.182	4.176.905	42.402.087	27.766.711	2.221.171	29.987.882
5.3 Other Marketable Securities		54.422	817.561	871.983	-	709.944	709.944
<b>VI. LOANS AND RECEIVABLES</b>	<b>(I-e)</b>	<b>32.035.046</b>	<b>25.697.921</b>	<b>57.732.967</b>	<b>24.073.086</b>	<b>20.530.658</b>	<b>44.603.744</b>
6.1 Loans and Receivables		32.035.046	25.697.921	57.732.967	24.073.086	20.530.658	44.603.744
6.1.1 Loans to Bank's Risk Group	<b>(VII)</b>	337.537	613.570	951.107	153.823	481.412	635.235
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		31.697.509	25.084.351	56.781.860	23.919.263	20.049.246	43.968.509
6.2 Loans under Follow-up		1.279.533	101	1.279.634	1.727.249	57.430	1.784.679
6.3 Specific Provisions (-)		1.279.533	101	1.279.634	1.727.249	57.430	1.784.679
<b>VII. FACTORING RECEIVABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>(I-f)</b>	<b>5.359.714</b>	<b>1.267.566</b>	<b>6.627.280</b>	<b>9.873.495</b>	<b>5.966.269</b>	<b>15.839.764</b>
8.1 Government Debt Securities		5.358.854	1.267.566	6.626.420	9.873.495	5.966.269	15.839.764
8.2 Other Marketable Securities		860	-	860	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>(I-g)</b>	<b>3.125</b>	<b>-</b>	<b>3.125</b>	<b>3.125</b>	<b>-</b>	<b>3.125</b>
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		3.125	-	3.125	3.125	-	3.125
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3.125	-	3.125	3.125	-	3.125
<b>X. SUBSIDIARIES (Net)</b>	<b>(I-h)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.681</b>	<b>1.546</b>	<b>23.227</b>
10.1 Unconsolidated Financial Subsidiaries		-	-	-	21.681	1.546	23.227
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. JOINT VENTURES (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
<b>XII. FINANCIAL LEASE RECEIVABLES (Net)</b>	<b>(I-i)</b>	<b>153.226</b>	<b>838.051</b>	<b>991.277</b>	<b>125.500</b>	<b>837.202</b>	<b>962.702</b>
12.1 Financial Lease Receivables		183.319	961.907	1.145.226	159.186	1.000.830	1.160.016
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		30.093	123.856	153.949	33.686	163.628	197.314
<b>XIII. HEDGING DERIVATIVE FINANCIAL ASSETS</b>	<b>(I-j)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>	<b>(I-k)</b>	<b>896.449</b>	<b>4.892</b>	<b>901.341</b>	<b>798.470</b>	<b>6.987</b>	<b>805.457</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>(I-l)</b>	<b>92.852</b>	<b>279</b>	<b>93.131</b>	<b>65.395</b>	<b>54</b>	<b>65.449</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		92.852	279	93.131	65.395	54	65.449
<b>XVI. INVESTMENT PROPERTY (Net)</b>	<b>(I-m)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. TAX ASSET</b>		<b>84.744</b>	<b>4.886</b>	<b>89.630</b>	<b>187.645</b>	<b>12.855</b>	<b>200.500</b>
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	<b>(I-n)</b>	84.744	4.886	89.630	187.645	12.855	200.500
<b>XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>3.225</b>	<b>-</b>	<b>3.225</b>	<b>3.298</b>	<b>-</b>	<b>3.298</b>
18.1 Held for Sale Purpose		3.225	-	3.225	3.298	-	3.298
18.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>(I-p)</b>	<b>664.172</b>	<b>55.417</b>	<b>719.589</b>	<b>693.968</b>	<b>30.384</b>	<b>724.352</b>
<b>TOTAL ASSETS</b>		<b>81.096.186</b>	<b>38.973.541</b>	<b>120.069.727</b>	<b>66.601.942</b>	<b>36.231.505</b>	<b>102.833.447</b>

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

**AKBANK T.A.Ş.**  
**I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2010 (STATEMENT OF FINANCIAL POSITION)**  
 [Amounts are expressed in thousands of Turkish Lira (TL)].

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2010)			PRIOR PERIOD (31/12/2009)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>42.016.947</b>	<b>29.691.388</b>	<b>71.708.335</b>	<b>34.561.002</b>	<b>26.393.273</b>	<b>60.954.275</b>
1.1 Deposits of Bank's Risk Group	<b>(VII)</b>	1.179.811	1.343.379	2.523.190	1.266.661	1.218.165	2.484.826
1.2 Other		40.837.136	28.348.009	69.185.145	33.294.341	25.175.108	58.469.449
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b)</b>	<b>181.212</b>	<b>259.362</b>	<b>440.574</b>	<b>185.355</b>	<b>195.927</b>	<b>381.282</b>
<b>III. BORROWINGS</b>	<b>(II-c)</b>	<b>401.858</b>	<b>11.095.306</b>	<b>11.497.164</b>	<b>208.839</b>	<b>9.000.501</b>	<b>9.209.340</b>
<b>IV. MONEY MARKETS</b>		<b>10.994.894</b>	<b>802.227</b>	<b>11.797.121</b>	<b>12.842.257</b>	<b>1.388.324</b>	<b>14.230.581</b>
4.1 Funds from Interbank Money Market		400.005	-	400.005	282.718	200.854	483.572
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		10.594.889	802.227	11.397.116	12.559.539	1.187.470	13.747.009
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	<b>(II-d)</b>	<b>966.804</b>	<b>1.555.457</b>	<b>2.522.261</b>	-	-	-
5.1 Bills		966.804	-	966.804	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	1.555.457	1.555.457	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>1.586.011</b>	<b>124.647</b>	<b>1.710.658</b>	<b>1.279.586</b>	<b>31.857</b>	<b>1.311.443</b>
<b>VIII. OTHER LIABILITIES</b>	<b>(II-e)</b>	<b>664.529</b>	<b>163.489</b>	<b>828.018</b>	<b>612.521</b>	<b>134.193</b>	<b>746.714</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>	<b>(II-f)</b>	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses ( - )		-	-	-	-	-	-
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-g)</b>	<b>309.429</b>	-	<b>309.429</b>	<b>390.461</b>	-	<b>390.461</b>
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		309.429	-	309.429	390.461	-	390.461
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>(II-h)</b>	<b>632.599</b>	<b>247.360</b>	<b>879.959</b>	<b>573.417</b>	<b>216.856</b>	<b>790.273</b>
12.1 General Loan Loss Provision		294.564	232.556	527.120	208.413	198.216	406.629
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		71.383	345	71.728	58.886	-	58.886
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		266.652	14.459	281.111	306.118	18.640	324.758
<b>XIII. TAX LIABILITY</b>	<b>(II-i)</b>	<b>372.772</b>	<b>55.842</b>	<b>428.614</b>	<b>312.524</b>	<b>59.204</b>	<b>371.728</b>
13.1 Current Tax Liability		372.772	38.940	411.712	312.524	22.154	334.678
13.2 Deferred Tax Liability		-	16.902	16.902	-	37.050	37.050
<b>XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		-	-	-	-	-	-
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(II-j)</b>	<b>17.883.521</b>	<b>64.073</b>	<b>17.947.594</b>	<b>14.409.721</b>	<b>37.629</b>	<b>14.447.350</b>
16.1 Paid-in capital		4.000.000	-	4.000.000	3.000.000	-	3.000.000
16.2 Capital Reserves		4.487.063	64.073	4.551.136	3.987.018	37.629	4.024.647
16.2.1 Share Premium		1.700.030	-	1.700.030	1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	<b>(II-k)</b>	1.722.413	93.893	1.816.306	801.499	66.933	868.432
16.2.4 Property and Equipment Revaluation Differences		2.919	-	2.919	17.309	-	17.309
16.2.5 Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Revaluation Differences of Investment Properties		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Funds (Effective portion)		(349.433)	(29.820)	(379.253)	(437.682)	(29.304)	(466.986)
16.2.9 Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.411.134	-	1.411.134	1.905.892	-	1.905.892
16.3 Profit Reserves		6.312.226	-	6.312.226	4.636.205	-	4.636.205
16.3.1 Legal Reserves		946.058	-	946.058	796.720	-	796.720
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		5.254.243	-	5.254.243	3.695.297	-	3.695.297
16.3.4 Other Profit Reserves		111.925	-	111.925	144.188	-	144.188
16.4 Income or (Loss)		3.071.298	-	3.071.298	2.786.293	-	2.786.293
16.4.1 Prior Years' Income or (Loss)		62.489	-	62.489	63.672	-	63.672
16.4.2 Current Year Income or (Loss)		3.008.809	-	3.008.809	2.722.621	-	2.722.621
16.5 Minority Interest		12.934	-	12.934	205	-	205
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>76.010.576</b>	<b>44.059.151</b>	<b>120.069.727</b>	<b>65.375.683</b>	<b>37.457.764</b>	<b>102.833.447</b>

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

**AKBANK T.A.Ş.****II. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010**

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

<b>INCOME AND EXPENSE ITEMS</b>		<b>Note</b>	<b>CURRENT PERIOD</b>	<b>PRIOR PERIOD</b>
		<b>(Section Five)</b>	<b>(01/01-31/12/2010)</b>	<b>(01/01-31/12/2009)</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(III-a)</b>	<b>8.994.490</b>	<b>9.549.763</b>
1.1	Interest on loans	<b>(III-a-1)</b>	4.261.211	5.029.231
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks	<b>(III-a-2)</b>	121.072	164.615
1.4	Interest Received from Money Market Transactions		1.329	3.800
1.5	Interest Received from Marketable Securities Portfolio	<b>(III-a-3)</b>	4.501.680	4.220.178
1.5.1	Trading Financial Assets		33.123	24.096
1.5.2	Financial Assets at Fair Value Through Profit or (loss)		-	-
1.5.3	Available-for-sale Financial Assets		3.604.746	1.802.392
1.5.4	Held to maturity Investments		863.811	2.393.690
1.6	Financial Lease Income		83.784	98.512
1.7	Other Interest Income		25.414	33.427
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(III-b)</b>	<b>4.563.572</b>	<b>4.825.073</b>
2.1	Interest on Deposits	<b>(III-b-4)</b>	3.645.001	3.713.145
2.2	Interest on Funds Borrowed	<b>(III-b-1)</b>	219.155	306.937
2.3	Interest Expense on Money Market Transactions		616.431	759.659
2.4	Interest on Securities Issued	<b>(III-b-3)</b>	37.849	-
2.5	Other Interest Expenses		45.136	45.332
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>4.430.918</b>	<b>4.724.690</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>1.358.036</b>	<b>1.323.449</b>
4.1	Fees and Commissions Received		1.571.991	1.530.841
4.1.1	Non-cash Loans		62.801	60.901
4.1.2	Other		1.509.190	1.469.940
4.2	Fees and Commissions Paid		213.955	207.392
4.2.1	Non-cash Loans		1.002	797
4.2.2	Other		212.953	206.595
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(III-c)</b>	<b>1.059</b>	<b>1.391</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>(III-d)</b>	<b>80.316</b>	<b>113.339</b>
6.1	Trading Gains / (Losses) on Securities		471.290	262.992
6.2	Gains / (Losses) on Derivative Financial Transactions		(436.540)	(226.032)
6.3	Foreign Exchange Gains / (Losses)		45.566	76.379
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(III-e)</b>	<b>902.212</b>	<b>511.782</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>6.772.541</b>	<b>6.674.651</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(III-f)</b>	<b>524.792</b>	<b>1.124.269</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(III-g)</b>	<b>2.483.227</b>	<b>2.261.343</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>3.764.522</b>	<b>3.289.039</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>			
	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES</b>		-	-
<b>XIII.</b>	<b>CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)</b>		<b>3.764.522</b>	<b>3.289.039</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(III-j)</b>	<b>754.172</b>	<b>566.378</b>
16.1	Current Tax Provision		664.138	638.120
16.2	Deferred Tax Provision		90.034	(71.742)
<b>XVII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)</b>		<b>3.010.350</b>	<b>2.722.661</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1	Income from Non-current Assets Held for Resale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
18.3	Income from Other Discontinued Operations		-	-
<b>XIX.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Expenses for Non-current Assets Held for Resale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
19.3	Expenses for Other Discontinued Operations		-	-
<b>XX.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Current Tax Provision		-	-
21.2	Deferred Tax Provision		-	-
<b>XXII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET INCOME/(LOSS) (XVII+XXII)</b>	<b>(III-l)</b>	<b>3.010.350</b>	<b>2.722.661</b>
<b>23.1</b>	<b>Income/(Loss) from the Group</b>		<b>3.008.809</b>	<b>2.722.621</b>
23.2	Income/(Loss) from Minority Interest	<b>(III-h)</b>	1.541	40
	Earnings/(Loss) per share (in TL full)		0,00752	0,00681

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

**AKBANK T.A.Ş.**  
**III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2010**  
(Amounts are expressed in thousands of Turkish Lira (TL)).

	Note (Section Five)	CURRENT PERIOD (31/12/2010)			PRIOR PERIOD (31/12/2009)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>40.573.530</b>	<b>43.727.612</b>	<b>84.301.142</b>	<b>28.068.592</b>	<b>31.803.628</b>	<b>59.872.220</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(IV-a-2, 3)</b>	<b>4.594.134</b>	<b>5.747.768</b>	<b>10.341.902</b>	<b>3.045.050</b>	<b>4.690.103</b>	<b>7.735.153</b>
1.1 Letters of Guarantee		4.050.311	2.512.075	6.562.386	2.796.635	2.670.577	5.467.212
1.1.1 Guarantees Subject to State Tender Law		160.158	722.716	882.874	116.519	556.354	672.873
1.1.2 Guarantees Given for Foreign Trade Operations		-	311.468	311.468	-	342.465	342.465
1.1.3 Other Letters of Guarantee		3.890.153	1.477.891	5.368.044	2.680.116	1.771.758	4.451.874
1.2 Bank Acceptances		1.727	68.037	69.764	723	58.327	59.050
1.2.1 Import Letter of Acceptance		1.727	68.037	69.764	723	58.327	59.050
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		13.105	2.733.257	2.746.362	893	1.682.791	1.683.684
1.3.1 Documentary Letters of Credit		13.105	2.507.277	2.520.382	893	1.563.114	1.564.007
1.3.2 Other Letters of Credit		-	225.980	225.980	-	119.677	119.677
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	7.923	7.923	-	7.002	7.002
1.8 Other Guarantees		18.817	420.086	438.903	22.531	264.160	286.691
1.9 Other Collaterals		510.174	6.390	516.564	224.268	7.246	231.514
<b>II. COMMITMENTS</b>	<b>(IV-a-1)</b>	<b>22.927.884</b>	<b>3.502.932</b>	<b>26.430.816</b>	<b>17.222.475</b>	<b>3.054.230</b>	<b>20.276.705</b>
2.1 Irrevocable Commitments		22.927.884	3.502.932	26.430.816	17.222.475	3.054.230	20.276.705
2.1.1 Asset Purchase Commitments		717.446	942.552	1.659.998	302.189	472.489	774.678
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		2.000	-	2.000	2.000	-	2.000
2.1.4 Loan Granting Commitments		790.865	2.455.662	3.246.527	460.009	2.480.448	2.940.457
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		3.945.886	-	3.945.886	1.598.706	-	1.598.706
2.1.8 Tax and Fund Liabilities from Export Commitments		1.584	-	1.584	-	-	-
2.1.9 Commitments for Credit Card Limits		12.591.257	-	12.591.257	11.161.549	-	11.161.549
2.1.10 Promotion Commitments for Credit Cards and Banking Services		56.049	-	56.049	64.433	-	64.433
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		4.822.797	104.718	4.927.515	3.633.589	101.293	3.734.882
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(IV-b)</b>	<b>13.051.512</b>	<b>34.476.912</b>	<b>47.528.424</b>	<b>7.801.067</b>	<b>24.059.295</b>	<b>31.860.362</b>
3.1 Hedging Derivative Financial Instruments		5.090.000	-	5.090.000	5.090.000	-	5.090.000
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		5.090.000	-	5.090.000	5.090.000	-	5.090.000
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		7.961.512	34.476.912	42.438.424	2.711.067	24.059.295	26.770.362
3.2.1 Forward Foreign Currency Buy/Sell Transactions		618.363	2.273.709	2.892.072	438.069	640.031	1.078.100
3.2.1.1 Forward Foreign Currency Transactions-Buy		159.184	1.291.659	1.450.843	198.054	340.206	538.260
3.2.1.2 Forward Foreign Currency Transactions-Sell		459.179	982.050	1.441.229	240.015	299.825	539.840
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		4.497.037	25.445.225	29.942.262	606.309	17.965.513	18.571.822
3.2.2.1 Foreign Currency Swap-Buy		284.185	8.626.984	8.911.169	172.522	4.166.894	4.339.416
3.2.2.2 Foreign Currency Swap-Sell		4.013.686	4.683.977	8.697.663	433.787	3.831.109	4.264.896
3.2.2.3 Interest Rate Swap-Buy		99.583	6.067.132	6.166.715	-	4.983.755	4.983.755
3.2.2.4 Interest Rate Swap-Sell		99.583	6.067.132	6.166.715	-	4.983.755	4.983.755
3.2.3 Foreign Currency, Interest rate and Securities Options		2.706.603	6.732.919	9.439.522	1.478.808	5.444.753	6.923.561
3.2.3.1 Foreign Currency Options-Buy		1.371.402	2.217.292	3.588.694	741.094	2.022.107	2.763.201
3.2.3.2 Foreign Currency Options-Sell		1.333.261	2.252.913	3.586.174	737.714	2.025.292	2.763.006
3.2.3.3 Interest Rate Options-Buy		-	1.131.357	1.131.357	-	698.677	698.677
3.2.3.4 Interest Rate Options-Sell		-	1.131.357	1.131.357	-	698.677	698.677
3.2.3.5 Securities Options-Buy		970	-	970	-	-	-
3.2.3.6 Securities Options-Sell		970	-	970	-	-	-
3.2.4 Foreign Currency Futures		989	1.015	2.004	9.190	8.998	18.188
3.2.4.1 Foreign Currency Futures-Buy		-	1.015	1.015	9.190	-	9.190
3.2.4.2 Foreign Currency Futures-Sell		989	-	989	-	8.998	8.998
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		138.520	24.044	162.564	178.691	-	178.691
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>62.065.819</b>	<b>20.255.155</b>	<b>82.320.974</b>	<b>53.680.659</b>	<b>14.254.854</b>	<b>67.935.513</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>23.467.015</b>	<b>2.790.554</b>	<b>26.257.569</b>	<b>21.918.963</b>	<b>1.873.060</b>	<b>23.792.023</b>
4.1 Customer Fund and Portfolio Balances		4.010.359	-	4.010.359	3.392.892	-	3.392.892
4.2 Investment Securities Held in Custody		15.380.656	342.434	15.723.090	15.056.432	411.935	15.468.367
4.3 Cheques Received for Collection		2.922.165	24.384	2.946.549	2.244.635	26.850	2.271.485
4.4 Commercial Notes Received for Collection		945.579	506.078	1.451.657	1.034.731	438.351	1.473.082
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		208.256	1.916.918	2.125.174	190.273	994.975	1.185.248
4.8 Custodians		-	740	740	-	949	949
<b>V. PLEDGES RECEIVED</b>		<b>35.262.609</b>	<b>17.335.126</b>	<b>52.597.735</b>	<b>29.554.874</b>	<b>12.317.387</b>	<b>41.872.261</b>
5.1 Marketable Securities		697.868	291.543	989.411	492.755	277.008	769.763
5.2 Guarantee Notes		436.885	40.704	477.589	243.108	171.146	414.254
5.3 Commodity		-	8.098	8.098	-	9.426	9.426
5.4 Warranty		15	83.821	83.836	-	23.423	23.423
5.5 Immovable		21.425.680	13.623.989	35.049.669	17.697.666	9.359.495	27.057.161
5.6 Other Pledged Items		12.702.161	3.286.971	15.989.132	11.121.345	2.476.889	13.598.234
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>3.336.195</b>	<b>129.475</b>	<b>3.465.670</b>	<b>2.206.822</b>	<b>64.407</b>	<b>2.271.229</b>
<b>TOTAL OF OFF-BALANCE SHEET COMMITMENT (A+B)</b>		<b>102.639.349</b>	<b>63.982.767</b>	<b>166.622.116</b>	<b>81.749.251</b>	<b>46.058.482</b>	<b>127.807.733</b>

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

**AKBANK T.A.Ş.****IV. STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER CONSOLIDATED SHAREHOLDERS' EQUITY  
AT 31 DECEMBER 2010**

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

<b>INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>	<b>CURRENT PERIOD (31/12/2010)</b>	<b>PRIOR PERIOD (31/12/2009)</b>
<b>I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>1.550.793</b>	<b>1.373.079</b>
<b>II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>III. INTANGIBLE FIXED ASSETS REVALUATION DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>IV. FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS</b>	<b>(32.263)</b>	<b>7.205</b>
<b>V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	<b>60.000</b>	<b>(292.970)</b>
<b>VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes) (*)</b>	<b>29.280</b>	<b>(3.116)</b>
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS</b>	<b>-</b>	<b>-</b>
<b>VIII. OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS</b>	<b>-</b>	<b>-</b>
<b>IX. TAX RELATED TO VALUATION DIFFERENCES</b>	<b>(328.015)</b>	<b>(215.399)</b>
<b>X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	<b>1.279.795</b>	<b>868.799</b>
<b>XI. CURRENT YEAR INCOME / LOSS</b>	<b>(276.451)</b>	<b>(114.232)</b>
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	(313.707)	(186.701)
1.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	16.309	23.538
1.3 Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4 Other	20.947	48.931
<b>XII. TOTAL ACCOUNTED INCOME / LOSS RELATED TO CURRENT PERIOD (X+XI)</b>	<b>1.003.344</b>	<b>754.567</b>

(\*) Figure represents the effective part of the foreign exchange differences of the financial liabilities hedging the net investment risk of foreign investments as explained in Note I of Section Three.



[illegible]

|| The amounts for the current period under "Adjustment to Share Capital" column are presented under "Other Capital Reserves" in the financial statements.

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

**AKBANK T.A.Ş.****VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010**

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

	Note (Section Five)	CURRENT PERIOD (31/12/2010)	PRIOR PERIOD (31/12/2009)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	Operating Profit before changes in operating assets and liabilities	3.203.526	3.714.681
<b>1.1.1</b>	Interest received	8.441.564	9.023.287
<b>1.1.2</b>	Interest paid	(4.625.250)	(5.068.911)
<b>1.1.3</b>	Dividend received	1.059	1.391
<b>1.1.4</b>	Fees and commissions received	1.568.301	1.524.408
<b>1.1.5</b>	Other income	260.671	201.859
<b>1.1.6</b>	Collections from previously written-off loans and other receivables	580.868	692.595
<b>1.1.7</b>	Payments to personnel and service suppliers	(916.506)	(857.490)
<b>1.1.8</b>	Taxes paid	(818.927)	(723.841)
<b>1.1.9</b>	Other	(1.288.254)	(1.078.617)
	<b>(VI-b)</b>		
<b>1.2</b>	Changes in operating assets and liabilities	(4.084.520)	11.563.206
<b>1.2.1</b>	Net decrease in trading securities	(667.061)	(167.028)
<b>1.2.2</b>	Net (increase) / decrease in fair value through profit/(loss) financial assets	-	-
<b>1.2.3</b>	Net increase / (decrease) in due from banks and other financial institutions	(1.118.563)	2.851.663
<b>1.2.4</b>	Net (increase) / decrease in loans	(13.571.622)	2.938.547
<b>1.2.5</b>	Net (increase) / decrease in other assets	(18.120)	(57.977)
<b>1.2.6</b>	Net increase / (decrease) in bank deposits	3.637.978	202.760
<b>1.2.7</b>	Net increase / (decrease) in other deposits	7.155.442	3.372.480
<b>1.2.8</b>	Net increase / (decrease) in funds borrowed	(123.250)	2.346.014
<b>1.2.9</b>	Net increase / (decrease) in payables	-	-
<b>1.2.10</b>	Net increase / (decrease) in other liabilities	620.676	76.747
	<b>(VI-b)</b>		
<b>I.</b>	Net cash provided from banking operations	(880.994)	15.277.887
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	Net cash provided from investing activities	(2.196.250)	(16.647.819)
<b>2.1</b>	Cash paid for acquisition of investments, associates and subsidiaries	(259)	(2.762)
<b>2.2</b>	Cash obtained from disposal of investments, associates and subsidiaries	-	-
<b>2.3</b>	Purchases of property and equipment	(391.797)	(143.856)
<b>2.4</b>	Disposals of property and equipments	140.170	4.031
<b>2.5</b>	Cash paid for purchase of investments available-for-sale	(16.202.724)	(22.969.759)
<b>2.6</b>	Cash obtained from sale of investments available-for-sale	5.832.384	1.398.353
<b>2.7</b>	Cash paid for purchase of investment securities	(1.051)	(4.471)
<b>2.8</b>	Cash obtained from sale of investment securities	9.245.663	4.967.378
<b>2.9</b>	Other	(818.636)	103.267
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	Net cash provided from financing activities	1.945.383	(360.616)
<b>3.1</b>	Cash obtained from funds borrowed and securities issued	2.488.139	-
<b>3.2</b>	Cash used for repayment of funds borrowed and securities issued	-	-
<b>3.3</b>	Issued capital instruments	-	-
<b>3.4</b>	Dividends paid	(542.756)	(360.616)
<b>3.5</b>	Payments for finance leases	-	-
<b>3.6</b>	Other	-	-
<b>IV.</b>	Effect of change in foreign exchange rate on cash and cash equivalents	53.909	(22.408)
	<b>(VI-b)</b>		
<b>V.</b>	Net increase in cash and cash equivalents (I+II+III+IV)	(1.077.952)	(1.752.956)
	<b>(VI-a)</b>		
<b>VI.</b>	Cash and cash equivalents at beginning of the year	3.589.667	5.342.623
	<b>(VI-a)</b>		
<b>VII.</b>	Cash and cash equivalents at end of the year	2.511.715	3.589.667

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

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

	CURRENT PERIOD (31/12/2010)	PRIOR PERIOD (31/12/2009)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	3.574.030	3.295.639
1.2 TAXES AND DUTIES PAYABLE	717.501	569.657
1.2.1 Corporate Tax (Income Tax)	619.470	620.866
1.2.2 Income Withholding Tax	-	-
1.2.3 Other taxes and duties	98.031	(51.209)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>2.856.529</b>	<b>2.725.982</b>
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	101.766
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>2.856.529</b>	<b>2.624.216</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	150.000
1.6.1 To Owners of Ordinary Shares	-	150.000
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	600
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	390.000
1.9.1 To Owners of Ordinary Shares	-	390.000
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	39.060
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	2.041.637
1.13 OTHER RESERVES	-	2.919
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Privileged Shares	-	-
2.3.3 To Owners of Preferred Shares	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE (*)</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,007	0,007
3.2 TO OWNERS OF ORDINARY SHARES ( % )	0,7	0,7
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	0,002
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	0,2
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-

(\*) Amounts are expressed in TL.

**NOTE:**

(1) Authorized body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

(2) Profit appropriation has been realized based on unconsolidated financial statements of the Parent Bank.

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

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

**AKBANK T.A.Ş.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2010  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

**SECTION THREE  
ACCOUNTING POLICIES**

**I. EXPLANATIONS ON BASIS OF PRESENTATION:**

**a. The preparation of the consolidated financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures numbered 5411 Regarding Banks' Accounting Application and Keeping Documents:**

The consolidated financial statements have been prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette No.26333 dated 1 November 2006, which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette No. 26430, dated 10 February 2007, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been effective as of reporting date have no impact on the accounting policies, financial condition and performance of the Group. The Group assess the impact of TFRS 9 Financial Instruments standard.

**b. Explanation for convenience translation into English:**

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**c. Accounting policies and valuation principles applied in the presentation of consolidated financial statements:**

The accounting policies and valuation principles applied in the preparation of consolidated financial statements are determined and applied in accordance with TAS. These accounting policies and valuation principles are explained in Notes II to XXVIII below.

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**d. Items subject to different accounting policies in the preparation of consolidated financial statements:**

There are no items subject to different accounting policies in the preparation of these consolidated financial statements.

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS IN FOREIGN CURRENCY TRANSACTIONS:**

The Group's core business activities include retail banking, SME banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (Treasury transactions) and international banking services. The Group performs financial leasing transactions through Ak Finansal Kiralama A.Ş.. By nature the Group's activities are principally related to the use of financial instruments. As the main funding source, the Group accepts deposits from customers for various periods and invests these funds in high quality assets with high interest margins. Other than deposits, the Group's most important funding sources are equity, mostly intermediate and long-term borrowings from foreign financial institutions. The Group follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Group's exposure to liquidity risk, interest rate risk, currency risk and credit risk while increasing profitability and strengthening the Group's equity. The Asset-Liabilities Committee ("ALCO") manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Market Risk Committee ("EMRC").

For covering foreign currency exposures arising from the foreign currency transactions, the Group uses derivatives and asset-liability balancing transactions.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of "Net foreign exchange income/expense". Assets and liabilities of foreign subsidiaries are translated into Turkish lira using the foreign exchange rates prevailing at the balance sheet date, income and expenses of foreign subsidiaries are translated into Turkish Lira at the average exchange rates and all resulting exchange differences are accounted in the shareholders' equity under "Other profit reserves".

The Group hedges the net investment risk of foreign investments with the foreign exchange differences of the foreign currency denominated financial liabilities. The effective part of the foreign exchange differences of the foreign currency denominated financial liabilities in this extent has been accounted in the "Hedge Funds" account under shareholders' equity.

As at 31 December 2010, foreign currency denominated balances are translated into TL using the exchange rates of TL 1,5376, TL 2,0552 and TL 1,8906 for USD, EUR and Yen respectively.

**III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:**

Consolidated financial statements are prepared in accordance with the "Turkish Accounting Standard for Consolidated and Separate Financial Statements" ("TAS 27").

Consolidation principles for subsidiaries:

Subsidiaries are the entities controlled directly or indirectly by the Bank.

Subsidiaries are consolidated using the full consolidation method on the grounds of materiality principle considering their operations, asset and equity sizes. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank.

Control means, directly or indirectly, holding the majority of the capital of an enterprise or although not having this majority, by holding privileged shares; or based on agreements made with other shareholders, holding the majority

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of the voting power or somehow having the power of dismissal or appointment of the majority of the members of the board of directors.

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

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

The Parent Bank and its direct and indirect subsidiaries, Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetimi A.Ş., Akbank N.V., Akbank AG, Ak Finansal Kiralama A.Ş., Ak B Tipi Yatırım Ortaklığı A.Ş., Ak Global Funding B.V., Akbank (Dubai) Limited and together with Ak Receivables Corporation and A.R.T.S. Ltd., which are not subsidiaries of the Bank, but over the Bank has 100% control power due to the reason that these companies are "Special Purpose Entities", have been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group" in these consolidated financial statements.

Ak Yatırım Menkul Değerler A.Ş. was established on 11 December 1996 to trade in capital markets in accordance with Capital Market Law. This company is delivering intermediary services in capital markets, discretionary portfolio management, derivative transactions, repurchase and reverse repurchase agreements with authorizations given by the Capital Markets Board for each transaction.

Ak Finansal Kiralama A.Ş. was established in 1988 for leasing operations and all kinds of agreements and transactions related to these operations.

Ak Portföy Yönetimi A.Ş. was established at 28 June 2000 in order to manage A and B type mutual funds of Akbank T.A.Ş., B Type variable fund of Ak Yatırım Menkul Değerler A.Ş., pension funds of AvivaSa Emeklilik ve Hayat A.Ş. and portfolios of the Ak Yatırım Ortaklığı A.Ş..

Akbank N.V. was established in 2000 for banking operations in the Netherlands.

The Bank's Frankfurt Branch was established on 5 April 1998 for banking operations abroad. As of 1 September 2006, the Frankfurt Branch has been converted to a 100% subsidiary of the Bank. As of 31 May 2007, shares of Akbank AG were transferred to Akbank N.V resident in the Netherlands, which is 100% subsidiary of the Parent Bank, through capital in kind.

Ak B Tipi Yatırım Ortaklığı A.Ş. was established on 18 September 1998 as Ak Yatırım Ortaklığı A.Ş. to manage portfolio with the trading of capital market instruments. The Company is the subsidiary of the Bank with the rate of 70,04%. The Company name has been changed as Ak B Tipi Yatırım Ortaklığı A.Ş. and published on Trade Registry Gazette on December 7, 2010.

Akbank (Dubai) Limited was established in December 2009 in Dubai International Finance Center (DIFC) to serve delivering intermediary services on acquisition and mergers, consultancy about financial instruments, intermediary services on loan and investment instruments.

Ak Global Funding B.V was established in 2001 has not yet started to its operations.

Ak Receivables Corporation and A.R.T.S Ltd. are "Special Purpose Entities" established in July 1998 and November 1999, respectively, in connection with raising long-term financing.

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**IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:**

The major derivative instruments utilized by the Group are currency and interest rate swaps, currency options and currency forwards.

The Group classifies its derivative instruments as "Held-for-hedging" or "Held-for-trading" in accordance with "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement" ("TAS 39"). Certain derivative transactions, while providing effective economic hedges under the Bank's risk management position, in accordance with TAS 39 are treated as derivatives "Held-for-trading".

Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Trading derivative financial assets" or "Hedging derivative financial assets"; if the fair value difference is negative, it is recorded to "Trading derivative financial liabilities" or "Hedging derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

The Bank is hedged against cash flow risk arising from TL and foreign currency floating rate borrowings through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under "Hedging reserves" within equity. In the periods when the cash flows (interest expenses) relating to hedged item affect the income statement, income/loss from related hedging instrument is also transferred from equity to income statement.

When the hedging instrument is expired, executed, sold or the hedge relationship has become ineffective as a result of the effectiveness test the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized. In accordance with TAS 39, the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy.

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and are accounted according to the standard applied to the host contract.

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:**

Interest income and expenses are recognized in the income by using the "Effective interest method". The Group ceases accruing interest income on non-performing loans and any interest income accruals from such loans are reversed and no income is accounted until the collection is made according to the related regulation.

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**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:**

All fees and commission income/expenses are recognized on an accrual basis, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Borrowing fees and commissions expenses paid to other financial institutions are recognized as transaction costs and recorded using the "Effective interest method". Contract based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

The Group categorizes its financial assets as "Fair value through profit/loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". Sale and purchase transactions of the financial assets mentioned above are recognized and derecognized at the "Settlement dates". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Group management, taking into consideration the purpose of the investment.

**a. Financial assets at the fair value through profit or loss:**

This category has two sub categories: "Trading financial assets" and "Financial assets designated at fair value through profit/loss at initial recognition".

Trading financial assets are financial assets which are either acquired for generating a profit from short-term fluctuations in prices or dealers' margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists.

All regular way purchases and sales of trading financial assets are recognized at the settlement date, which is the date that the asset is delivered to/from the Bank. Trading financial assets are initially recognized at fair value and subsequently remeasured at their fair value after recording. All gains and losses arising from these valuations are reflected in the income statement. Interest earned while holding trading financial assets is accounted as interest income and dividends received are included separately in dividend income.

Derivative financial assets are classified as trading financial assets unless they are used for hedging purposes. The accounting of derivative financial assets is explained in Note IV of Section Three.

The Group has no financial assets designated as financial assets at fair value through profit or loss.

**b. Financial assets available-for-sale:**

Financial assets available-for-sale consists of financial assets other than "Loan and receivables", "Held-to-maturity", "Financial assets at fair value through profit or loss" and non-derivative financial assets. Financial assets available-for-sale are recorded by adding transaction cost to acquisition cost reflecting the fair value of the financial asset.

Financial assets available-for-sale are subsequently remeasured at fair value. Interest income arising from debt securities classified as available-for-sale calculated with "Effective interest method" and dividend income of equity securities are reflected to income statement. "Unrealized gains and losses" arising from the difference between the amortised cost and the fair value of securities classified as available-for-sale are recognized in the account of "Marketable securities valuation differences" under shareholder's equity, unless these assets are impaired, collected, sold, or disposed of. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market



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price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

**c. Loans and Receivables:**

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available for sale, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding acquisition cost which reflect fair value to transaction costs and subsequently recognized at the discounted value calculated using the "Effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

If the collectability of any receivable is identified as limited or doubtful by the management through assessments and estimates, the Group provides general and specific provisions for these loans and receivables in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette dated 1 November 2006, No.26333 and amended in the Official Gazette dated 23 January 2009, No. 27119. Provision expenses are deducted from the net income of the period. If there is a subsequent collection from a receivable that was already provisioned in the previous years, the recovery amount is classified under "Other operating income". If a receivable is collected which is provisioned in the same year, it is deducted from the "Provisions for loan losses and other receivables". Uncollectible receivables are written-off after all the legal procedures are finalized.

In accordance with the "Communiqué regarding change in the Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published on 6 March 2010 to be effective from 1 March 2010, the banks are allowed not to calculate general provision for cash loans which have been granted beginning from 1 March 2010 except for credit cards until 1 March 2011. The Bank did not prefer to apply the related provisional clause. If the Bank had preferred to apply the related provisional amendment, the general loan loss provision expense would have been lower as of 31 December 2010.

**d. Held-to-maturity financial assets:**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available for sale; and those that meet the definition of loans and receivables.

There are no financial assets previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

The Bank has Consumer Price Index ("CPI") linked government bonds in available for sale and held to maturity portfolios having 5-10 year term and fixed real coupon rates until the maturity. These marketable securities are valued by using effective interest method by considering the real coupon rates together with the changes in the CPI references between the issuance and balance sheet dates. Market values are used to for the fair value calculation.

As of 1 January 2011, for the interim periods the Bank has started to use CPI at balance sheet date for the effective interest rate method calculation of these marketable securities, which were calculated considering the estimated inflation rate based on CPI. Used estimated inflation rate will be updated when necessary during the year, final valuation will be according to actual inflation rate.

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**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:**

It is assessed that, whether there is objective evidence for a financial asset or group of financial assets is impaired at each balance sheet date. Provision for impairment is provided when there is objective evidence.

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the "Effective interest method", or the fair value if one exists, is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and this is charged against the income for the year. An explanation about the impairment of loans and receivables is given in Note VII-c of Section Three.

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:**

Securities subject to repurchase agreements ("Repos") are classified as "Financial assets at fair value difference through profit or loss", "Available-for-sale securities" and "Held-to-maturity securities" in the balance sheet according to the investment purposes and measured according to the portfolio of the Group to which they belong. Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the "Effective interest (internal return) method".

Funds given against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the "Effective interest method". The Group has no securities lending transactions.

**XI. EXPLANATIONS ON PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS:**

The Group has no discontinued operations.

Property and equipment held-for-resale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, No.26333.

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:**

As of 31 December 2010, the Group has no goodwill.

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

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

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**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:**

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment is carried at cost less accumulated depreciation and provision for value decrease.

Depreciation is calculated over the cost of property and equipment using the straight-line method over estimated useful lives. The estimated useful lives are stated below:

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

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

Where the carrying amount of an asset is greater than its estimated "Net realizable value amount", it is written down to its "Net realizable value amount" and the impairment loss is charged to the income statement.

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

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset. Capital expenditures include the cost components that increase the useful life, or the capacity of the asset, increase the quality of the product or decrease the costs.

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

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

The Group performs financial leasing operations as a "Lessor" through Ak Finansal Kiralama A.Ş. which is a consolidated subsidiary. The asset subject to the financial leasing is presented in the balance sheet as receivable equal to the net leasing amount. Interest income is recognized over the term of the lease using the net investment method which reflects a constant periodic rate of return and the unearned portion is followed under unearned interest income account.

The Group provides specific provisions for financial lease receivables in accordance with the "Communiqué Regarding the Principles and Procedures for the Provisions Provided for Receivables by Financial Leasing, Factoring and Finance Companies" published in Official Gazette No. 26588, dated 20 July 2007. The Group provides general provisions for non-impaired financial lease receivables.

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

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**XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:**

Provisions and contingent liabilities are accounted in accordance with, "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the periodicity principle. When the amount of the obligation cannot be reliably estimated and there is no possibility of an outflow of resources from the Group, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

**XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:**

**a. Employment termination benefits and vacation rights:**

Obligations related to employment termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under the "Reserve for Employee Rights" account in the balance sheet.

Under the Turkish Labor Law, the Bank and its subsidiaries operating in Turkey is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labor Law. According to the related regulation, the Bank is obliged to pay termination benefits for employees who retire, quit for their military service obligations, who have been dismissed as defined in the related regulation or who have completed at least one year of service. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Group arising from this liability.

**b. Retirement rights:**

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

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette No 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution ("SSI") within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the related article was rescinded as from the 31 March 2007, the publication date of the decision of the Constitutional Court dated 22 March 2007. The reasoned decree regarding the rescission of the mentioned paragraph was published in the Official Gazette numbered 26731, dated 15 December 2007.

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Following the publication of the reasoned decree of the Constitutional Court, Turkish Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security Institution; the related articles of the Social Security Law ("New Law") numbered 5754 regarding the transfer of the funds, were ratified by the TGNA General Meeting on 17 April 2008 and came into effect following the publication in the Official Gazette numbered 26870, dated 8 May 2008.

The main opposition party appealed to the Constitutional Court for the cancellation of some of the articles of the New Law including transfer of the Funds to the SSI on 19 June 2008. There is no resolution adopted by the Constitution Court related to mentioned issue as of the publication date of the financial statements.

The New Law requires that present value of post-employment benefits at the balance sheet date regarding the members of the fund to be transferred shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Under secretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. The transfer required by the New Law is to be completed until 8 May 2011. If the time frame for the transfer will not be sufficient, the transfer can be extended for two years with the decision of Council of Ministers.

According to the New Law, following the transfer of the members of the fund to the SSI, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.

In this extent, according to the technical balance sheet report dated 31 December 2010 prepared considering the related articles of the New Law regarding the transferrable benefit obligations and in accordance with TAS 19 for the non-transferrable social benefits and payments which are included in the articles of association and audited within the framework stated in the first paragraph above; and based on the technical balance sheet report as at December 31, 2010 the fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for the Bank.

The consolidated affiliates do not have retirement benefit plans for their employees. The retirement related benefits of the employees of the consolidated affiliates are subject to the Social Security Institution and other pension schemes.

**XVIII. EXPLANATIONS ON TAXATION:**

**a. Current tax:**

Turkish Tax Legislation does not permit a parent bank and its subsidiaries to file a consolidated tax return. Therefore, a provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

In Turkey, corporate tax rate is 20%. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

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Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14<sup>th</sup> day and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until the 25th day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year following the date of filing during which time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Current tax, related to items recognized directly in equity is also credited or charged directly to equity.

**b. Deferred tax:**

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

According to TAS 12, deferred taxes and liabilities resulting from different subsidiaries subject to consolidation are not presented as net; rather they are presented separately as assets and liabilities in the financial statements.

Deferred tax, related to items recognized directly in equity is also credited or charged directly to equity.

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**XIX. EXPLANATIONS ON BORROWINGS:**

Trading financial liabilities and derivative instruments are carried at their fair values and other financial liabilities are carried at amortized cost using the "Effective interest method".

**XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:**

The Bank has increased its paid-in-capital from TL 3.000.000 to TL 4.000.000 within registered capital ceiling amounting to TL 5.000.000 with a total increase of TL 1.000.000 met from extraordinary reserves amounting to TL 482.691, profit of subsidiary sales amounting to TL 16.554, income from property sales amounting to TL 755 and differences from inflation adjustment into share capital under other reserves amounting to TL 500.000. The new capital of the Bank is registered by Istanbul Trade Registry Office on 12 April 2010 and published on Turkish Trade Registry Gazette on 16 April 2010 No.7545.

**XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

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

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 31 December 2010 and 31 December 2009, there is no government grant for the Group.

**XXIII. EXPLANATIONS ON SEGMENT REPORTING:**

An operating segment is a component of an entity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (c) for which discrete financial information is available.

Reporting according to the operational segment is presented in Note X of Section Four.

**XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

Under the Turkish Commercial Code, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, but Holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

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**XXV. EARNINGS PER SHARE:**

Earnings per share disclosed in the income statement are calculated by dividing net profit for the year the weighted average number of shares outstanding during the period concerned.

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Net Profit for the Year	3.008.809	2.722.621
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,00752</b>	<b>0,00681</b>

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

The number of bonus shares issued in 2010 is 100.000.000.000 (31 December 2009(-)).

**XXVI. RELATED PARTIES:**

Parties defined in article 49 of the Banking Law No.5411, Bank's senior management, and board members are deemed as related parties. Transactions regarding related parties are presented in Note VII of Section Five.

**XXVII. CASH AND CASH EQUIVALENT ASSETS:**

For the purposes of the cash flow statement, cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements, time deposits at banks with original maturity periods of less than three months and investments on marketable securities other than common stocks.

**XXVIII. RECLASSIFICATIONS:**

In order to be consistent with the presentation of financial statements dated 31 December 2010, there are certain reclassifications made on off-balance sheet commitments as of 31 December 2009 and consolidated income and expenses accounted under shareholders' equity and consolidated cash flow statements as of 31 December 2009.



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**SECTION FOUR  
INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP**

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:**

- a.** The Group's and Parent Bank's capital adequacy ratios are 19,93% (31 December 2009:21,04%) and 20,61% (31 December 2009: 22,50%) respectively. These rates are considerably above the minimum rate specified by the related regulation.
- b.** For the calculation of the capital adequacy ratio, the Group classifies the risk weighted assets and non-cash loans according to the risk weights defined by the regulations and calculates "Total risk weighted assets" which is the sum of "Market risk on securities" and the "Group's currency risk". The following tables present the classifications of "Risk weighted assets of the Group and the Parent Bank" and the calculation of "shareholders' equity" for the capital adequacy ratio calculation.

**c. Information related to consolidated capital adequacy ratio:**

	0%	20%	Risk Weights			
			Consolidated		150%	200%
			50%	100%		
<b>Amount Subject to Credit Risk</b>						
Balance Sheet Items (Net)	58.721.369	1.964.899	62.307	58.500.585	443.668	100.824
Cash	812.806	198	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	957.243	-	-	-	-	-
Domestic, Foreign Banks, Foreign Head Offices and Branches	71.217	1.608.206	-	730.778	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repurchase Transactions	13.803	-	-	-	-	-
Reserve Requirements with the Central Bank of the Republic of Turkey	4.322.844	-	-	-	-	-
Loans	1.866.442	64.171	-	54.725.241	443.668	100.824
Non-Performing Receivables (Net)	-	-	-	-	-	-
Lease Receivables	792	-	59.990	930.495	-	-
Available-for-sale Financial Assets	39.085.534	-	-	5.707	-	-
Held-to-maturity Investments	6.313.322	-	-	860	-	-
Receivables From the Disposal of Assets	-	-	-	-	-	-
Miscellaneous Receivables	40.390	-	-	244.277	-	-
Interest and Income Accruals	4.557.858	292.324	2.317	676.336	-	-
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-
(Business Partnerships) (Net)	-	-	-	3.125	-	-
Fixed Assets	-	-	-	856.440	-	-
Other Assets	679.118	-	-	327.326	-	-
Off Balance Sheet Items	55.138	1.043.865	-	12.653.660	-	-
Non-cash Loans and Commitments	55.138	299.498	-	12.430.066	-	-
Derivative Financial Instruments	-	744.367	-	223.594	-	-
Non-risk Weighted Accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>58.776.507</b>	<b>3.008.764</b>	<b>62.307</b>	<b>71.154.245</b>	<b>443.668</b>	<b>100.824</b>

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	Risk Weights					
	0%	20%	Parent Bank		150%	200%
	50%	100%				
<b>Amount Subject to Credit Risk</b>						
Balance Sheet Items (Net)	56.754.145	1.404.851	-	54.205.359	443.668	100.824
Cash	811.966	198	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	957.243	-	-	-	-	-
Domestic, Foreign Banks, Foreign Head Offices and Branches	-	1.052.868	-	730.773	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repurchase Transactions	-	-	-	-	-	-
Reserve Requirements with the Central Bank of the Republic of Turkey	4.322.844	-	-	-	-	-
Loans	1.112.876	64.171	-	50.676.908	443.668	100.824
Non-Performing Receivables (Net)	-	-	-	-	-	-
Lease Receivables	-	-	-	-	-	-
Available-for-sale Financial Assets	38.079.238	-	-	4.704	-	-
Held-to-maturity Investments	6.313.131	-	-	-	-	-
Receivables From the Disposal of Assets	-	-	-	-	-	-
Miscellaneous Receivables	40.390	-	-	141.562	-	-
Interest and Income Accruals	4.477.500	287.614	-	647.589	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (Net)	-	-	-	896.041	-	-
Fixed Assets	-	-	-	843.861	-	-
Other Assets	638.957	-	-	263.921	-	-
Off Balance Sheet Items	55.138	882.230	-	12.844.168	-	-
Non-cash Loans and Commitments	55.138	299.498	-	12.620.574	-	-
Derivative Financial Instrument	-	582.732	-	223.594	-	-
Non-risk Weighted Accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>56.809.283</b>	<b>2.287.081</b>	<b>-</b>	<b>67.049.527</b>	<b>443.668</b>	<b>100.824</b>

**d. Summary information related to consolidated capital adequacy ratio:**

	Parent Bank		Consolidated	
	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009
Amount Subject to Credit Risk ("ASCR")	68.374.093	52.063.099	72.654.302	57.053.326
Amount Subject to Market Risk ("ASMR")	5.229.950	3.231.225	5.513.788	3.568.963
Amount Subject to Operational Risk ("ASOR")	9.430.736	8.339.697	9.710.271	8.621.035
Shareholders' Equity	17.115.134	14.314.764	17.516.500	14.569.944
Shareholders' Equity/(ASCR+ASMR+ASOR) *100	20,61	22,50	19,93	21,04

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**e. Information about consolidated shareholders' equity items:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>CORE CAPITAL</b>		
Paid-in capital	4.000.000	3.000.000
Nominal Capital	4.000.000	3.000.000
Capital Commitments (-)	-	-
Inflation Adjustment to Share Capital	1.411.134	1.905.892
Share Premium	1.700.030	1.700.000
Share Cancellation Profits	-	-
Legal Reserves	946.058	796.720
First Legal Reserve (Turkish Commercial Code 466/1)	623.728	513.450
Second Legal Reserve (Turkish Commercial Code 466/2)	322.330	283.270
Other Legal Reserves per Special Legislation	-	-
Status Reserves	-	-
Extraordinary Reserves	5.278.744	3.728.637
Reserves Allocated by the General Assembly	5.254.243	3.695.297
Retained Earnings	-	-
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference(*)	24.501	33.340
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	3.071.298	2.786.293
Net Income for the Period	3.008.809	2.722.621
Prior Period Profit	62.489	63.672
Provisions for Possible Risks up to 25% of Core Capital	25.000	110.000
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Share Capital	2.919	17.309
Primary Subordinated Loans up to 15% of Core Capital.	-	-
Minority Rights	12.934	205
Uncovered Portion of Loss with Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-)	46.730	-
Prepaid Expenses (-)	134.818	182.349
Intangible Assets (-)	93.131	65.449
Deferred Tax Asset Amount Exceeding 10% of Core Capital (-)	-	-
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	-	-
Consolidation Goodwill (net)	-	-
<b>Total Core Capital</b>	<b>16.173.438</b>	<b>13.797.258</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	527.120	406.629
45% of the Movables Revaluation Fund	-	-
45% of the Immovables Revaluation Fund	-	-
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-	-
Primary Subordinated Loans That are not Considered in the Calculation of Core Capital	-	-
Secondary Subordinated Loans	-	-
45% Of Marketable Securities Valuation Fund	817.338	390.795
From Investments in Associates And Subsidiaries	-	2.786
From Available-for-Sale Financial Assets	817.338	388.009

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	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Inflation Adjustment to Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
Minority Rights	-	-
<b>Total Supplementary Capital</b>	<b>1.344.458</b>	<b>797.424</b>
<b>TIER III CAPITAL (Minority Rights included, if exists)</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>17.517.896</b>	<b>14.594.682</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>1.396</b>	<b>24.738</b>
Shares in Unconsolidated Banks and Financial Institutions	-	23.227
The Secondary Subordinated Loans Extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments That Have Primary or Secondary Subordinated Loan Nature Purchased from Them	-	-
Shares of Banks and Financial Institutions that Equity Method Applied but Assets and Liabilities are not Consolidated	-	-
Loans Extended as Contradictory to the Articles 50 And 51 of The Law	-	-
Excess of 50% of the Bank's Immovables' Total Net Book Value and Net Book Value of Immovables Obtained Against Bank's Receivables that Must be Disposed According to Article 57 of the Banking Law which Could not be Disposed Although Five Years Have Passed Since the Acquisition Date	1.396	1.511
Other	-	-
<b>Total Shareholders' Equity</b>	<b>17.516.500</b>	<b>14.569.944</b>

(\*) Effective part of the value differences due from exchange rates, of financial liabilities that are used for hedging the net investment risk abroad explained in note II of Section Three is included.

**II. EXPLANATIONS ON CREDIT RISK :**

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

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

- b.** There are risk control limits set for the market risks and credit risks arise from forward and option agreements and other similar agreements.
- c.** When necessary, derivative instruments are exercised to control and to offset credit risks that can especially originate from foreign exchange and interest rate fluctuations.
- d.** Non-cash loans turned into cash loans are included in the same risk group as cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

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

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

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

When considered within the financial activities of other financial institutions, the Group as an active participant in the national and international banking market is not exposed to a significant credit risk. As seen in the Group's balance sheet, the ratio of loans under follow-up to total loans is as low as % 2,2 % (31 December 2009: 3,8%) and a 100% provision has been provided.

- f.** 1. The proportion of the Parent Bank's top 100 cash loan balances in total cash loans is 32% (31 December 2009: 34%).
2. The proportion of the Parent Bank's top 100 non-cash loan balances in total cash loans is 58% (31 December 2009: 65%).
3. The proportion of the Parent Bank's cash and non-cash loan balances with the first 100 customers comprises of 19% of total cash loans and non-cash loans (31 December 2009: 16%).

- g.** The Group provided a general provision amounting to TL 527.120 (31 December 2009: TL 406.629 ).

**h. Information on loan types and provisions:**

<b>Current Period – 31 December 2010</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	37.349.947	12.432.079	6.640.619	<b>56.422.645</b>
Close Monitoring Loans	468.691	697.792	143.839	<b>1.310.322</b>
Loans Under Follow-up	630.002	329.763	319.869	<b>1.279.634</b>
Specific Provision (-)	630.002	329.763	319.869	<b>1.279.634</b>
<b>Total</b>	<b>37.818.638</b>	<b>13.129.871</b>	<b>6.784.458</b>	<b>57.732.967</b>

<b>Prior Period – 31 December 2009</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	28.435.840	8.025.595	5.455.594	<b>41.917.029</b>
Close Monitoring Loans	1.090.655	1.219.570	376.490	<b>2.686.715</b>
Loans Under Follow-up	979.834	409.324	395.521	<b>1.784.679</b>
Specific Provision (-)	979.834	409.324	395.521	<b>1.784.679</b>
<b>Total</b>	<b>29.526.495</b>	<b>9.245.165</b>	<b>5.832.084</b>	<b>44.603.744</b>

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**i. Information on the movement of provision for loan and other receivables of the Bank:**

	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
<b>1 January 2010</b>	<b>979.834</b>	<b>409.324</b>	<b>395.521</b>	<b>1.784.679</b>
Transferred during the period	148.239	160.605	175.095	<b>483.939</b>
Collection	(281.563)	(154.979)	(144.326)	<b>(580.868)</b>
Write off	(216.450)	(85.187)	(106.421)	<b>(408.058)</b>
Foreign Exchange difference	(58)	-	-	<b>(58)</b>
<b>31 December 2010</b>	<b>630.002</b>	<b>329.763</b>	<b>319.869</b>	<b>1.279.634</b>
	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
<b>1 January 2009</b>	<b>702.639</b>	<b>150.030</b>	<b>286.198</b>	<b>1.138.867</b>
Transferred during the period	669.627	429.682	279.943	<b>1.379.252</b>
Collection	(371.348)	(163.668)	(157.579)	<b>(692.595)</b>
Write off	(21.085)	(6.720)	(13.041)	<b>(40.846)</b>
Foreign Exchange difference	1	-	-	<b>1</b>
<b>31 December 2009</b>	<b>979.834</b>	<b>409.324</b>	<b>395.521</b>	<b>1.784.679</b>

**j. Information on debt securities, treasury bills and other eligible bills:**

<b>Current Period – 31 December 2010</b>	<b>Trading Financial Assets</b>	<b>Available for Sale Financial Assets</b>	<b>Held to Maturity Securities</b>	<b>Total</b>
<b>Moody's Rating</b>				
Aaa	-	151.538	-	<b>151.538</b>
A1, A2, A3	-	410.138	-	<b>410.138</b>
Baa1, Baa2, Baa3	-	197.292	-	<b>197.292</b>
Ba1	-	-	-	<b>-</b>
Ba2	585.870	42.446.726	6.627.280	<b>49.659.876</b>
<b>Total</b>	<b>585.870</b>	<b>43.205.694</b>	<b>6.627.280</b>	<b>50.418.844</b>

<b>Prior Period - 31 December 2009</b>	<b>Trading Financial Assets</b>	<b>Available for Sale Financial Assets</b>	<b>Held to Maturity Securities</b>	<b>Total</b>
<b>Moody's Rating</b>				
Aaa	-	216.833	-	<b>216.833</b>
A1, A2, A3	-	296.376	-	<b>296.376</b>
Baa1, Baa2, Baa3	-	94.898	-	<b>94.898</b>
Ba1	-	-	-	<b>-</b>
Ba3	158.049	30.039.570	15.839.764	<b>46.037.383</b>
<b>Total</b>	<b>158.049</b>	<b>30.647.677</b>	<b>15.839.764</b>	<b>46.645.490</b>

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**k. Information on maximum exposure to credit risk:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Credit risk exposures relating to on-balance sheet assets:</b>	<b>112.579.680</b>	<b>96.619.905</b>
Loans and advances to banks	2.410.544	3.735.752
Loans and advances to customers	57.732.967	44.603.744
-Corporate	37.818.638	29.526.495
-Consumer	13.129.871	9.245.165
-Credit Cards	6.784.458	5.832.084
Trading assets	1.056.911	404.519
-Government bonds	585.870	158.049
-Trading derivative financial assets	471.041	245.120
-Other marketable securities	-	1.350
Investments securities	43.274.070	30.697.826
-Government bonds	42.402.087	29.987.882
-Other marketable securities	871.983	709.944
Held-to-maturity financial assets	6.627.280	15.839.764
Financial lease receivables	991.277	962.702
Other assets	486.631	375.598
<b>Credit risk exposures relating to off-balance sheet items:</b>	<b>30.125.572</b>	<b>23.435.865</b>
Letter of guarantees	6.562.386	5.467.212
Other guarantees and commitments	3.779.516	2.267.941
Credit granting commitments	3.246.527	2.940.457
Check payment commitments	3.945.886	1.598.706
Credit card limit commitments	12.591.257	11.161.549
<b>Total</b>	<b>142.705.252</b>	<b>120.055.770</b>

As of 31 December 2010 and 2009, the Group's collateral types mainly composed of mortgages, cash blockages, vehicle and machinery pledges.

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**I. Customer and geographical concentration of credit risk:**

	<b>Loans Granted to Real Persons and Corporate Entities</b>		<b>Loans Granted to Banks and Other Financial Institutions</b>		<b>Marketable Securities(*)</b>		<b>Other Loans(**)</b>	
	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Industry Sectors</b>								
Private Sector	33.380.184	24.856.110	2.057.513	1.448.938	589.013	711.294	23.096.201	17.431.110
Public Sector	1.200.216	1.665.292	75.820	8.687	49.614.377	45.985.695	895.399	1.689.780
Banks	-	-	1.270.695	1.625.488	283.830	-	21.338.820	16.659.587
Individual Customers	19.748.539	14.999.229	-	-	-	-	16.910.648	12.277.777
Share Certificates	-	-	-	-	56.013	6.134	-	-
<b>Total</b>	<b>54.328.939</b>	<b>41.520.631</b>	<b>3.404.028</b>	<b>3.083.113</b>	<b>50.543.233</b>	<b>46.703.123</b>	<b>62.241.068</b>	<b>48.058.254</b>
<b>Geographical Sectors</b>								
Domestic	53.150.535	40.739.969	3.119.494	2.823.746	49.714.243	45.986.767	41.083.393	31.365.204
European Union Countries	899.568	439.450	219.494	256.789	769.765	716.356	19.137.733	15.223.937
OECD Countries(***)	34.330	1.084	-	-	-	-	932.731	477.996
Off-shore Banking Regions	-	-	-	-	-	-	-	4.100
USA, Canada	-	3.531	-	-	25.574	-	1.082.855	977.344
Other Countries	244.506	336.597	65.040	2.578	33.651	-	4.356	9.673
<b>Total</b>	<b>54.328.939</b>	<b>41.520.631</b>	<b>3.404.028</b>	<b>3.083.113</b>	<b>50.543.233</b>	<b>46.703.123</b>	<b>62.241.068</b>	<b>48.058.254</b>

(\*) Marketable securities consist of fair value through profit and loss, available for sale and held to maturity securities.

(\*\*) Other loans consist of transactions which are not classified in the first three columns of THP and transactions defined as loan in the article 48 of the Banking Law No.5411

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



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**m. Information according to geographical concentration:**

	<b>Assets</b>	<b>Liabilities(***)</b>	<b>Non-Cash Loans</b>	<b>Capital Expenditures</b>	<b>Net Profit</b>
<b>Current Period - 31 December 2010</b>					
Domestic	114.214.505	80.297.688	10.329.455	391.479	2.725.658
European Union Countries	3.864.190	13.129.706	9.292	318	60.496
OECD Countries (*)	75.561	5.632.650	1.149	-	4
Off-shore Banking Regions	-	-	-	-	219.746
USA, Canada	730.330	2.653.490	-	-	271
Other Countries	790.219	423.660	2.006	-	4.175
Subsidiaries, Investments in Associates and Joint Ventures (Net)	3.125	-	-	-	-
Unallocated Assets/Liabilities(**)	-	-	-	-	-
<b>Total</b>	<b>119.677.930</b>	<b>102.137.194</b>	<b>10.341.902</b>	<b>391.797</b>	<b>3.010.350</b>
<b>Prior Period - 31 December 2008</b>					
Domestic	96.404.519	69.241.154	7.725.743	143.021	2.175.779
European Union Countries	4.760.440	14.949.483	2.764	835	20.309
OECD Countries (*)	14.409	3.220.494	-	-	-
Off-shore Banking Regions	2.363	-	-	-	526.533
USA, Canada	767.275	688.589	-	-	-
Other Countries	714.233	286.377	6.646	-	-
Subsidiaries, Investments in Associates and Joint Ventures (Net)	26.352	-	-	-	-
Unallocated Assets/Liabilities(**)	-	-	-	-	-
<b>Total</b>	<b>102.689.591</b>	<b>88.386.097</b>	<b>7.735.153</b>	<b>143.856</b>	<b>2.722.621</b>

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

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

(\*\*\*) Shareholders' equity is not included.

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**n. Sectoral concentrations for cash loans:**

	Current Period 31 December 2010				Prior Period 31 December 2009			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	87.685	0,28	33.750	0,13	136.787	0,57	15.046	0,07
Farming and Raising								
Livestock	66.364	0,21	31.992	0,12	115.150	0,48	12.690	0,06
Forestry	21.233	0,07	1.758	0,01	21.591	0,09	2.356	0,01
Fishing	88	0,00	-	-	46	0,00	-	-
Manufacturing	3.622.154	11,31	9.445.394	36,75	2.850.383	11,84	6.632.372	32,31
Mining	60.152	0,19	46.893	0,18	35.073	0,15	25.788	0,13
Production	3.352.123	10,46	6.450.206	25,10	2.771.962	11,51	5.074.507	24,72
Electric, Gas and Water	209.879	0,66	2.948.295	11,47	43.348	0,18	1.532.077	7,46
Construction	1.200.297	3,75	3.331.586	12,96	891.284	3,70	3.272.268	15,94
Services	6.365.881	19,87	10.754.657	41,85	4.262.701	17,70	8.724.678	42,51
Wholesale and Retail Trade	3.713.452	11,59	2.095.195	8,15	2.340.261	9,72	2.205.950	10,74
Hotel, Food and Beverage								
Services	345.639	1,08	1.326.872	5,16	245.332	1,02	1.202.103	5,86
Transportation and								
Telecommunication	442.003	1,38	2.341.154	9,11	377.241	1,57	1.675.057	8,16
Financial Institutions	910.901	2,84	2.493.127	9,70	456.150	1,89	2.626.963	12,80
Real Estate and Leasing								
Services	39.259	0,12	202.593	0,79	16.748	0,07	157.120	0,77
Professional Services	22.874	0,07	91.473	0,36	16.754	0,07	65.386	0,32
Education Services	73.192	0,23	7.790	0,03	55.710	0,23	10.259	0,05
Health and Social Services	818.561	2,56	2.196.453	8,55	754.505	3,13	781.840	3,81
Other	20.759.029	64,79	2.132.534	8,31	15.931.931	66,19	1.886.294	9,17
<b>Total</b>	<b>32.035.046</b>	<b>100,00</b>	<b>25.697.921</b>	<b>100,00</b>	<b>24.073.086</b>	<b>100,00</b>	<b>20.530.658</b>	<b>100,00</b>

**III. EXPLANATIONS ON MARKET RISK:**

Companies are exposed to market risk, due to the movements in exchange rates, interest rates and market prices of stocks. The Bank assesses that exchange risk and interest rate risk are the two most important components constituting the market risk. Market risk is measured using two separate methods, which are the "inherent model" and "standard method".

According to the "inherent model", market risk is measured with the Value at Risk (VaR) approach. In VaR calculations, variance, covariance, historical comparison and Monte Carlo simulation methods are used. The software used can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of a 99% confidence interval and 10 days retention period. VaR analyses are reported to senior management, and they are also used as risk parameters for the bond portfolio, and as a limit management instrument. Limits are revised steadily according to the market conditions and the application of specified limits is subjected to authority restrictions, thereby increasing the control efficiency. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have a significant impact and market fluctuations. Retrospective tests of the model outputs are performed regularly.

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According to the "standard method", market risk is measured on securities portfolio basis in a way that includes the Group's exchange risk daily and weekly according to the standard method, and reported to the senior management.

The table below indicates the details of the calculation of market risk as of 31 December 2010 according to "Market Risk Measurement Standard Method", pursuant to part 3 related to the "Calculation of the Amount basis to Market Risk", of the "Communiqué on the Measurement and Assessment of Capital Adequacy of the Banks", published in the Official Gazette dated 1 November 2006 No. 26333.

**a. Information on Market Risk:**

	<b>Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	415.496
(II) Capital to be Employed for Specific Risk - Standard Method	17.932
(III) Capital to be Employed for Currency Risk - Standard Method	6.589
(IV) Capital to be Employed for Commodity Risk - Standard Method	1.086
(V) Capital to be Employed for Exchange Risk - Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options - Standard Method	-
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	441.103(*)
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	5.513.788(*)

(\*) Of the "Amount subject to market risk", only TL 441.103 which is 8% of TL 5.513.788 is used in the calculation of the market risk related to the capital adequacy ratio which is given in Note I of Section Four TL 441.103 is the minimum amount of capital that can mitigate the mentioned risk.

**b. Average Market Risk Table of Calculated Market Risk for 3 Months Periods:**

	<b>Current Period 31 December 2010</b>			<b>Prior Period 31 December 2009</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	370.197	420.064	355.151	176.346	267.905	118.162
Share Certificate Risk	12.679	13.364	2.425	1.139	1.828	629
Currency Risk	10.539	6.589	8.906	22.383	15.784	29.101
Commodity Risk	981	1.086	877	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
<b>Total Amount Subject to Risk</b>	<b>394.396</b>	<b>441.103</b>	<b>367.359</b>	<b>199.868</b>	<b>285.517</b>	<b>147.892</b>

**IV. EXPLANATIONS ON OPERATIONAL RISK:**

The "Basic indicator method" is used in the operational risk calculation of the Group. The amount subject to the operational risk is calculated by using the gross income of the Group in 2009, 2008, and 2007 in accordance with the "Regulation Regarding Measurement and Evaluation of the Bank's Capital Adequacy Ratio" published in the Official Gazette No.26333 dated 1 November 2006. In the scope of "Capital adequacy ratio", the amount subject to operational risk is TL 9,710,271; capital liability of operational risk is TL 776,822, corresponding to 8% of TL 9,710,271

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**V. EXPLANATIONS ON CURRENCY RISK:**

The difference between the Group's foreign currency denominated and foreign currency indexed assets and liabilities is defined as the "Net Foreign Currency Position" and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. The Bank keeps the foreign exchange exposure amount within the limits set by the EMRC. The Board, taking into account the recommendations by the EMRC, sets a limit for the size of a foreign exchange exposure, which is closely monitored by ALCO. Those limits are individually determined and followed for both the net overall foreign currency position and for the foreign exchange exposure. Derivative financial instruments like forward foreign exchange contracts and currency swaps are used as tools for foreign exchange exposure management.

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

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	1,5376 TL	2,0552 TL	1,8906 TL
1.Day bid rate	1,5050 TL	1,9929 TL	1,8489 TL
2.Day bid rate	1,5050 TL	1,9752 TL	1,8307 TL
3.Day bid rate	1,5050 TL	1,9800 TL	1,8316 TL
4.Day bid rate	1,4950 TL	1,9647 TL	1,8064 TL
5.Day bid rate	1,4950 TL	1,9622 TL	1,8019 TL

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

USD	: TL 1,4664
Euro	: TL 1,9394
Yen	: TL 1,7600

As of 31 December 2009;

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	TL 1,4873	TL 2,1426	TL 1,6103

**Information related to Group's Currency Risk: (Thousand TL)**

The table below summarizes the Group's exposure to foreign currency exchange rate risk, categorized by currency. Foreign currencies indexed assets, classified as Turkish lira assets according to the Uniform Chart of Accounts are considered as foreign currency assets for the calculation of Net Foreign Currency Position. In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; derivative financial assets and liabilities, prepaid expenses, general loan loss provision, hedging derivative financial assets and liabilities and shareholders' equity are excluded in the currency risk calculation. Therefore, there exists differences between the amounts of foreign currency denominated assets and liabilities demonstrated on the table below and the amounts on the balance sheet. The Banks' real position, both in financial and economic terms, is presented in the table below.

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<b>Current Period – 31 December 2010</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>Other FC(*)</b>	<b>Total</b>
<b>Assets</b>					
Cash Equivalents and Central Bank	2.152.960	1.651.150	780	36.872	<b>3.841.762</b>
Banks	1.111.507	821.550	29.340	26.662	<b>1.989.059</b>
Financial Assets at Fair Value through Profit or Loss (Net)	39.273	63.315	-	-	<b>102.588</b>
Interbank Money Market Placements	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	2.075.820	2.944.381	-	-	<b>5.020.201</b>
Loans	7.580.981	18.715.538	20.601	93.910	<b>26.411.030</b>
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	<b>-</b>
Held-to-maturity Investments (Net)	589.892	677.674	-	-	<b>1.267.566</b>
Hedging Derivative Financial Assets	-	-	-	-	<b>-</b>
Tangible Assets (Net)	2.994	1.898	-	-	<b>4.892</b>
Intangible Assets (Net)	68	211	-	-	<b>279</b>
Other Assets	507.921	369.648	11	262	<b>877.842</b>
<b>Total Assets</b>	<b>14.061.416</b>	<b>25.245.365</b>	<b>50.732</b>	<b>157.706</b>	<b>39.515.219</b>
<b>Liabilities</b>					
Bank Deposit	1.887.446	3.433.328	208	294.576	<b>5.615.558</b>
Foreign Currency Deposits	10.045.324	12.981.865	34.861	1.013.780	<b>24.075.830</b>
Funds from Interbank Money Market	156.352	645.875	-	-	<b>802.227</b>
Borrowings	4.210.293	6.845.754	15.461	23.798	<b>11.095.306</b>
Marketable Securities Issued (Net)	-	1.555.457	-	-	<b>1.555.457</b>
Miscellaneous Payables	61.266	59.561	60	3.760	<b>124.647</b>
Hedging Derivative Financial Liabilities	-	-	-	-	<b>-</b>
Other Liabilities	100.755	115.176	80	1.222	<b>217.233</b>
<b>Total Liabilities</b>	<b>16.461.436</b>	<b>25.637.016</b>	<b>50.670</b>	<b>1.337.136</b>	<b>43.486.258</b>
<b>Net on Balance Sheet Position</b>	<b>(2.400.020)</b>	<b>(391.651)</b>	<b>62</b>	<b>(1.179.430)</b>	<b>(3.971.039)</b>
<b>Net off-Balance Sheet Position (**)</b>	<b>2.625.873</b>	<b>452.963</b>	<b>2.898</b>	<b>1.183.397</b>	<b>4.265.131</b>
Financial Derivative Assets	4.648.041	6.548.238	66.647	1.356.982	<b>12.619.908</b>
Financial Derivative Liabilities	2.022.168	6.095.275	63.749	173.585	<b>8.354.777</b>
Non-cash Loans	1.506.292	4.034.568	135.864	71.044	<b>5.747.768</b>
<b>Prior Period - 31 December 2009</b>					
Total Assets	12.615.119	23.844.768	137.932	147.011	<b>36.744.830</b>
Total Liabilities	14.833.350	21.047.243	72.986	1.035.363	<b>36.988.942</b>
Net on-Balance Sheet Position	(2.218.231)	2.797.525	64.946	(888.352)	<b>(244.112)</b>
Net off-Balance Sheet Position (**)	2.428.538	(2.883.008)	(5.395)	898.342	<b>438.477</b>
Financial Derivative Assets	5.972.851	4.743.518	41.089	1.028.624	<b>11.786.082</b>
Financial Derivative Liabilities	3.544.313	7.626.526	46.484	130.282	<b>11.347.605</b>
Non-cash Loans	1.313.632	3.146.247	160.017	70.207	<b>4.690.103</b>

(\*) Of the "Other FC" total assets amounting to TL 157.706 (31 December 2009: TL 147.011), TL 52.397 is in English Pounds (31 December 2009: TL 92.363), and TL 51.942 in Swiss Francs (31 December 2009: TL 24.894). Of the total liabilities amounting to TL 1.337.136 (31 December 2009: TL 1.035.363) TL 838.604 is in English Pounds (31 December 2009: TL 792.948) and TL 304.034 is in Swiss Francs (31 December 2009: TL 82.408).

(\*\*) Presents the net balance of receivables and payables from derivative transactions. Foreign Exchange spot dealings shown under "Asset purchase commitments" in the financial statements are included in the net off-balance sheet position.

Since the Group's exposure to foreign currency exchange rate risk is at an immaterial level, the fluctuations in exchange rates do not have material impact on the Group's financial statements.

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**VI. EXPLANATIONS ON INTEREST RATE RISK:**

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

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

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

Current Period – 31 December 2010	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non Interest Bearing	Total
<b>Assets</b>							
Cash Equivalents and Central Bank	3.730	-	-	-	-	6.093.091	<b>6.096.821</b>
Banks	1.065.991	226.837	-	-	-	1.117.716	<b>2.410.544</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	300.325	133.830	199.519	343.453	79.784	24.732	<b>1.081.643</b>
Interbank Money Market Placements	13.803	-	-	-	-	-	<b>13.803</b>
Available-for-sale Financial Assets (Net)	1.882.934	5.920.223	20.763.448	11.737.410	2.901.679	99.657	<b>43.305.351</b>
Loans	18.277.409	9.882.886	15.843.843	12.387.472	1.341.357	-	<b>57.732.967</b>
Held-to-maturity Investments (Net)	813.266	4.340.557	475.466	978	997.013	-	<b>6.627.280</b>
Other Assets	374.855	62.905	188.777	433.255	124.022	1.617.504	<b>2.801.318</b>
<b>Total Assets</b>	<b>22.732.313</b>	<b>20.567.238</b>	<b>37.471.053</b>	<b>24.902.568</b>	<b>5.443.855</b>	<b>8.952.700</b>	<b>120.069.727</b>
<b>Liabilities</b>							
Bank Deposits	5.385.714	1.748.623	359.301	-	-	192.116	<b>7.685.754</b>
Other Deposits	39.713.121	12.599.920	2.060.830	1.109.395	22.202	8.517.113	<b>64.022.581</b>
Funds from Interbank Money Market	11.074.541	536.041	30.414	-	156.125	-	<b>11.797.121</b>
Miscellaneous Payables	61.165	-	-	-	-	1.649.493	<b>1.710.658</b>
Marketable Securities Issued (Net)	-	-	966.804	1.555.457	-	-	<b>2.522.261</b>
Borrowings	1.262.606	7.723.084	2.279.948	224.871	6.655	-	<b>11.497.164</b>
Other Liabilities (*)	164.914	165.341	530.819	100.670	63.852	19.808.592	<b>20.834.188</b>
<b>Total Liabilities</b>	<b>57.662.061</b>	<b>22.773.009</b>	<b>6.228.116</b>	<b>2,990.393</b>	<b>248.834</b>	<b>30,167.314</b>	<b>120,069.727</b>
Balance Sheet Long Position	-	-	31.242.937	21.912.175	5,195.021	-	<b>58,350.133</b>
Balance Sheet Short Position	(34,929.748)	(2,205.771)	-	-	-	(21,214.614)	<b>(58,350.133)</b>
Off-balance Sheet Long Position	-	1,037.227	1,390.819	-	-	-	<b>2,428.046</b>
Off-balance Sheet Short Position	(167,443)	-	-	(1,409,620)	(647,525)	-	<b>(2,224,588)</b>
<b>Total Position</b>	<b>(35,097.191)</b>	<b>(1,168.544)</b>	<b>32,633.756</b>	<b>20,502.555</b>	<b>4,547.496</b>	<b>(21,214.614)</b>	<b>203.458</b>

(\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

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<b>Prior Period - 31 December 2009</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash Equivalents and Central Bank	2.115.591	-	-	-	-	2.624.504	<b>4.740.095</b>
Banks	2.504.892	84.094	-	2.380	6.856	1.137.530	<b>3.735.752</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	49.900	91.538	169.171	51.839	40.721	1.737	<b>404.906</b>
Interbank Money Market Placements	17.503	-	-	-	-	-	<b>17.503</b>
Available-for-sale Financial Assets (Net)	1.837.019	3.546.244	13.109.645	10.368.745	1.786.024	55.896	<b>30.703.573</b>
Loans	15.586.525	8.835.855	12.230.641	7.167.014	783.709	-	<b>44.603.744</b>
Held-to-maturity Investments (Net)	4.433.200	7.652.099	1.315.638	1.275.244	1.163.583	-	<b>15.839.764</b>
Other Assets	278.518	53.245	215.513	530.155	121.573	1.589.106	<b>2.788.110</b>
<b>Total Assets</b>	<b>26.823.148</b>	<b>20.263.075</b>	<b>27.040.608</b>	<b>19.395.377</b>	<b>3.902.466</b>	<b>5.408.773</b>	<b>102.833.447</b>
<b>Liabilities</b>							
Bank Deposits	3.209.231	321.026	318.462	-	-	194.458	<b>4.043.177</b>
Other Deposits	37.431.270	8.600.367	2.593.613	618.488	54.131	7.613.229	<b>56.911.098</b>
Funds from Interbank Money Market	10.941.245	3.020.957	183.831	-	84.548	-	<b>14.230.581</b>
Miscellaneous Payables	29.226	-	-	-	-	1.282.217	<b>1.311.443</b>
Marketable Securities Issued (Net)	-	-	-	-	-	-	<b>-</b>
Borrowings	1.779.414	5.439.694	1.876.151	101.545	12.536	-	<b>9.209.340</b>
Other Liabilities (*)	182.697	138.143	545.905	82.767	107.243	16.071.053	<b>17.127.808</b>
<b>Total Liabilities</b>	<b>53.573.083</b>	<b>17.520.187</b>	<b>5.517.962</b>	<b>802.800</b>	<b>258.458</b>	<b>25.160.957</b>	<b>102.833.447</b>
Balance Sheet Long Position	-	2.742.888	21.522.646	18.592.577	3.644.008	-	<b>46.502.119</b>
Balance Sheet Short Position	(26.749.935)	-	-	-	-	(19.752.184)	<b>(46.502.119)</b>
Off-balance Sheet Long Position	1.015.115	849.822	2.443.944	-	-	-	<b>4.308.881</b>
Off-balance Sheet Short Position	-	-	-	(3.681.309)	(572.200)	-	<b>(4.253.509)</b>
<b>Total Position</b>	<b>(25.734.820)</b>	<b>3.592.710</b>	<b>23.966.590</b>	<b>14.911.268</b>	<b>3.071.808</b>	<b>(19.752.184)</b>	<b>55.372</b>

(\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

**Interest rate sensitivity analysis:**

	<b>Current period - 31 December 2010</b>		<b>Prior period - 31 December 2009</b>	
	<b>Effect on income statement</b>	<b>Effect on equity</b>	<b>Effect on income statement</b>	<b>Effect on equity</b>
<b>Change in interest rates</b>				
<b>(+) %1</b>	(112.228)	(605.690)	(66.313)	(263.333)
<b>(-) %1</b>	108.512	701.592	66.598	275.457

The effects of (+) 1% and (-) 1% changes in interest rates on income statement and equity demonstrated on the above table are net off tax amounts.

As of 31 December 2010 in interest rate sensitivity analysis estimations used in previous periods for demand deposit and marketable securities portfolio have been changed. As of 31 December 2009, if interest rate sensitivity analysis has been calculated according to new estimations, in case of 1% increase or decrease on interest rates, income/loss effect would be TL 2.355 and TL (8.811) and funds under equity effect would be TL (358.190) and 370.202.

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**b. Effective average interest rates for monetary financial instruments %:**

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

<b>Current Period – 31 December 2010</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash Equivalents and Central Bank	-	-	-	-
Banks	0,44	0,21	-	-
Financial Assets at Fair Value Through Profit or Loss (Net)	4,67	4,31	-	10,06
Interbank Money Market Placements	-	-	-	7,12
Available-for-sale Financial Assets (Net)	4,68	4,34	-	11,16
Loans	4,40	3,83	3,31	11,85
Held-to-maturity Investments (Net)	7,34	6,58	-	11,16
<b>Liabilities</b>				
Bank Deposits	1,76	2,29	-	7,03
Other Deposits	2,09	2,59	0,29	7,14
Funds from Interbank Money Market	3,18	1,01	-	6,68
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	5,40	-	7,28
Borrowings	1,83	1,87	0,67	7,14
<b>Prior Period - 31 December 2009</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash Equivalents and Central Bank	-	-	-	5,20
Banks	0,22	0,09	-	12,75
Financial Assets at Fair Value Through Profit or Loss (Net)	3,74	4,63	-	9,21
Interbank Money Market Placements	-	-	-	6,76
Available-for-sale Financial Assets (Net)	4,55	6,06	-	9,71
Loans	4,31	3,89	2,77	14,61
Held-to-maturity Investments (Net)	5,03	4,70	-	15,05
<b>Liabilities</b>				
Bank Deposits	1,34	1,44	-	7,00
Other Deposits	2,25	1,93	0,09	8,18
Funds from Interbank Money Market	2,21	0,81	-	6,96
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-
Borrowings	2,18	1,98	1,47	5,73



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**VII. EXPLANATIONS ON LIQUIDITY RISK:**

The Bank manages liquidity risk through broad deposit base, strong capital structure and diversified foreign borrowing facilities. The Bank maintains additional resources to provide liquidity when necessary through allocated limits in Central Bank of Turkey, İstanbul Stock Exchange("ISE") Money Market, ISE Settlement and Custody Bank Money Market and other banks, and through liquid marketable securities portfolio. The Bank acts conservative on foreign currency liquidity management and in order to meet liquidity needs completely, maintains adequate reserves.

Short term funding needs are provided by using deposits. The Bank's broad deposit base and high ratio of core deposit enable long-term funding. Long-term placements can be provided by means of long-term foreign funds.

In accordance with the "Communiqué on the Measurement and Assessment of Liquidity of the Banks" published in the Official Gazette dated 1 November 2006 No. 26333, beginning from 1 June 2007 liquidity ratio of the banks on a weekly and monthly basis should not be less than 80% for foreign currency denominated assets and liabilities, and for total assets and liabilities it should not be less than 100%. Liquidity ratios of the Bank as at 31 December 2010 and 2009 are presented below:

<b>Current Period</b> <b>31 December 2010</b>	<b>First Maturity Tranche (Weekly)</b>		<b>Second Maturity Tranche (Monthly)</b>	
	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average (%)</b>	195,6	243,8	96,8	133,5
<b>Maximum (%)</b>	248,2	279,4	112,1	149,5
<b>Minimum (%)</b>	142,7	199,5	81,9	119,6

<b>Prior Period</b> <b>31 December 2009</b>	<b>First Maturity Tranche (Weekly)</b>		<b>Second Maturity Tranche (Monthly)</b>	
	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average (%)</b>	274,5	246,5	117,1	143,0
<b>Maximum (%)</b>	337,7	317,2	154,5	164,2
<b>Minimum (%)</b>	191,6	206,2	87,5	131,4

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**Breakdown of assets and liabilities according to their outstanding maturities:**

<b>Current Period – 31 December 2010</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Unallocated (*)</b>	<b>Total</b>
<b>Assets</b>								
Cash Equivalents and Central Bank	6.093.091	3.730	-	-	-	-	-	<b>6.096.821</b>
Banks	1.117.716	1.065.991	226.837	-	-	-	-	<b>2.410.544</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	24.732	287.184	36.676	97.641	471.289	164.121	-	<b>1.081.643</b>
Interbank Money Market Placements	-	13.803	-	-	-	-	-	<b>13.803</b>
Available-for-sale Financial Assets (Net)	99.657	281.525	186.841	9.376.140	28.739.672	4.621.516	-	<b>43.305.351</b>
Loans	-	11.110.892	6.847.056	10.995.429	22.355.043	6.424.547	-	<b>57.732.967</b>
Held-to-maturity Investments (Net)	-	813.266	-	1.029.960	3.787.041	997.013	-	<b>6.627.280</b>
Other Assets	154.368	446.313	50.252	196.275	594.293	169.538	1.190.279	<b>2.801.318</b>
<b>Total Assets</b>	<b>7.489.564</b>	<b>14.022.704</b>	<b>7.347.662</b>	<b>21.695.445</b>	<b>55.947.338</b>	<b>12.376.735</b>	<b>1.190.279</b>	<b>120.069.727</b>
<b>Liabilities</b>								
Bank Deposits	192.116	5.385.714	1.748.623	359.301	-	-	-	<b>7.685.754</b>
Other Deposits	8.517.113	39.750.185	12.567.168	2.057.741	1.104.302	26.072	-	<b>64.022.581</b>
Funds from Interbank Money Market	-	834.972	2.454.422	3.543.521	3.772.958	891.291	-	<b>11.497.164</b>
Miscellaneous Payables	-	11.074.541	536.041	30.414	-	156.125	-	<b>11.797.121</b>
Marketable Securities Issued (Net)	-	-	-	966.804	1.555.457	-	-	<b>2.522.261</b>
Borrowings	73.574	979.478	657.606	-	-	-	-	<b>1.710.658</b>
Other Liabilities (**)	46.480	760.144	308.108	507.224	1.050.754	213.884	17.947.594	<b>20.834.188</b>
<b>Total Liabilities</b>	<b>8.829.283</b>	<b>58.785.034</b>	<b>18.271.968</b>	<b>7.465.005</b>	<b>7.483.471</b>	<b>1.287.372</b>	<b>17.947.594</b>	<b>120.069.727</b>
<b>Net Liquidity Gap</b>	<b>(1.339.719)</b>	<b>(44.762.330)</b>	<b>(10.924.306)</b>	<b>14.230.440</b>	<b>48.463.867</b>	<b>11.089.363</b>	<b>(16.757.315)</b>	<b>-</b>
<b>Prior Period – 31 December 2009</b>								
Total Assets	6.047.106	17.235.504	8.883.671	21.344.421	41.816.825	6.409.432	1.096.488	<b>102.833.447</b>
Total Liabilities	7.954.218	53.486.695	13.785.684	7.050.542	4.497.641	1.611.317	14.447.350	<b>102.833.447</b>
<b>Net Liquidity Gap</b>	<b>(1.907.112)</b>	<b>(36.251.191)</b>	<b>(4.902.013)</b>	<b>14.293.879</b>	<b>37.319.184</b>	<b>4.798.115</b>	<b>(13.350.862)</b>	<b>-</b>

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

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

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**Breakdown of liabilities according to their remaining contractual maturities:**

<b>Current Period - 31 December 2010</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Total</b>
<b>Liabilities</b>						
Deposits	53.943.139	14.337.937	2.573.466	1.200.914	29.709	<b>72.085.165</b>
Funds borrowed from other financial institutions	891.073	2.517.364	3.692.553	4.048.095	919.802	<b>12.068.887</b>
Funds from interbank money market	11.088.571	537.803	34.159	-	186.851	<b>11.847.384</b>
Marketable Securities Issued (Net)	39.401	-	1.038.779	1.852.808	-	<b>2.930.988</b>
Non-cash Loans	14.287	412.712	1.976.681	2.492.450	5.445.772	<b>10.341.902</b>

<b>Prior Period - 31 December 2009</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Total</b>
<b>Liabilities</b>						
Deposits	48.488.216	9.001.184	2.986.365	721.255	42.610	<b>61.239.630</b>
Funds borrowed from other financial institutions	739.203	860.625	3.921.254	2.770.323	1.353.391	<b>9.644.796</b>
Funds from interbank money market	10.903.867	3.019.610	187.730	86.356	121.555	<b>14.319.118</b>
Marketable Securities Issued (Net)	-	-	-	-	-	<b>-</b>
Non-cash Loans	24.925	276.905	1.224.264	1.999.650	4.209.409	<b>7.735.153</b>

**Breakdown of derivative instruments according to their remaining contractual maturities:**

<b>Current Period – 31 December 2010</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and Over</b>
<b>Derivatives held for trading</b>	<b>13.882.698</b>	<b>4.897.861</b>	<b>3.629.958</b>	<b>2.787.482</b>	<b>704.029</b>
Foreign exchange derivatives:	13.845.891	4.846.418	3.353.608	1.772.817	375.508
– Inflow	7.062.685	2.489.043	1.680.328	768.431	190.329
– Outflow	6.783.206	2.357.375	1.673.280	1.004.386	185.179
Interest rate derivatives:	36.807	51.443	276.350	1.014.665	328.521
– Inflow	27.660	15.164	137.385	524.777	133.847
– Outflow	9.147	36.279	138.965	489.888	194.674
<b>Derivatives held for hedging</b>	<b>51.935</b>	<b>48.620</b>	<b>514.060</b>	<b>530.418</b>	<b>31.239</b>
Foreign exchange derivatives:	-	-	-	-	-
– Inflow	-	-	-	-	-
– Outflow	-	-	-	-	-
Interest rate derivatives:	51.935	48.620	514.060	530.418	31.239
– Inflow	13.860	13.665	149.742	150.806	9.239
– Outflow	38.075	34.955	364.318	379.612	22.000
<b>Total Inflow</b>	<b>7.104.205</b>	<b>2.517.872</b>	<b>1.967.455</b>	<b>1.444.014</b>	<b>333.415</b>
<b>Total Outflow</b>	<b>6.830.428</b>	<b>2.428.609</b>	<b>2.176.563</b>	<b>1.873.886</b>	<b>401.853</b>

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<b>Prior Period – 31 December 2009</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and Over</b>
<b>Derivatives held for trading</b>	<b>3.950.734</b>	<b>3.550.617</b>	<b>3.902.509</b>	<b>1.186.888</b>	<b>483.980</b>
Foreign exchange derivatives:	3.906.210	3.530.733	3.819.719	920.282	377.989
– Inflow	1.993.550	1.781.952	1.909.158	426.572	198.653
– Outflow	1.912.660	1.748.781	1.910.561	493.710	179.336
Interest rate derivatives:	44.524	19.884	82.790	266.606	105.991
– Inflow	10.811	3.547	18.781	43.983	18.210
– Outflow	33.713	16.337	64.009	222.623	87.781
<b>Derivatives held for hedging</b>	<b>56.800</b>	<b>67.630</b>	<b>548.182</b>	<b>1.136.636</b>	<b>33.235</b>
Foreign exchange derivatives:	-	-	-	-	-
– Inflow	-	-	-	-	-
– Outflow	-	-	-	-	-
Interest rate derivatives:	56.800	67.630	548.182	1.136.636	33.235
– Inflow	24.050	27.350	183.908	337.720	10.735
– Outflow	32.750	40.280	364.274	798.916	22.500
<b>Total Inflow</b>	<b>2.028.411</b>	<b>1.812.849</b>	<b>2.111.847</b>	<b>808.275</b>	<b>227.598</b>
<b>Total Outflow</b>	<b>1.979.123</b>	<b>1.805.398</b>	<b>2.338.844</b>	<b>1.515.249</b>	<b>289.617</b>

**VIII. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:**

**a. Calculations of financial assets and liabilities at their fair values:**

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair values of the overnight deposits and floating rate placements represent the carrying value. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the market interest rates of similar liabilities and loans.

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

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

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	Carrying Value		Fair Value	
	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009
<b>Financial Assets</b>	<b>110.089.945</b>	<b>94.900.336</b>	<b>112.312.234</b>	<b>96.657.142</b>
Interbank Money Market Placements	13.803	17.503	13.803	17.503
Banks	2.410.544	3.735.752	2.410.544	3.735.752
Available-for-Sale Financial Assets (Net)	43.305.351	30.703.573	43.305.351	30.703.573
Held-to-Maturity Investments (Net)	6.627.280	15.839.764	7.042.957	16.478.541
Loans	57.732.967	44.603.744	59.539.579	45.721.773
<b>Financial Liabilities</b>	<b>87.438.418</b>	<b>71.475.058</b>	<b>87.411.974</b>	<b>71.385.147</b>
Bank Deposits	7.685.754	4.043.177	7.699.897	4.079.834
Other Deposits	64.022.581	56.911.098	64.135.452	56.967.344
Borrowings	11.497.164	9.209.340	11.304.258	9.026.526
Marketable Securities Issued (Net)	2.522.261	-	2.561.709	-
Miscellaneous Payables	1.710.658	1.311.443	1.710.658	1.311.443

**b. Fair value hierarchy:**

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

A foresaid fair value hierarchy is determined as follows.

a) Quoted market prices (non-adjusted) (1st level)

b) Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)

c) Data not based on observable data regarding assets or liabilities (3rd level)

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Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below:

<b>Current Period - 31 December 2010</b>	<b>1<sup>st</sup> Level</b>	<b>2<sup>nd</sup> Level</b>	<b>3<sup>rd</sup> Level</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	653.197	428.446	-	1.081.643
- Share Certificates	585.870	-	-	585.870
- Trading Derivative Financial Assets	24.732	-	-	24.732
- Other Marketable Securities	42.595	428.446	-	471.041
	-	-	-	-
Available For Sale Financial Assets	43.255.005	44.639	-	43.299.644
- Government Debt Securities	42.401.948	139	-	42.402.087
- Share Certificates	25.574	-	-	25.574
- Other Marketable Securities	827.483	44.500	-	871.983
<b>Total Assets</b>	<b>43.908.202</b>	<b>473.085</b>	<b>-</b>	<b>44.381.287</b>
Trading Derivative Financial Liabilities	34.923	405.651	-	440.574
Hedging Derivative Financial Liabilities	-	309.429	-	309.429
<b>Total Liabilities</b>	<b>34.923</b>	<b>715.080</b>	<b>-</b>	<b>750.003</b>
<b>Prior Period - 31 December 2009</b>	<b>1<sup>st</sup> Level</b>	<b>2<sup>nd</sup> Level</b>	<b>3<sup>rd</sup> Level</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	196.932	207.974	-	404.906
- Government Debt Securities	150.867	7.182	-	158.049
- Share Certificates	387	-	-	387
- Trading Derivative Financial Assets	44.328	200.792	-	245.120
- Other Marketable Securities	1.350	-	-	1.350
Available For Sale Financial Assets	30.565.038	132.788	-	30.697.826
- Government Debt Securities	29.963.193	24.689	-	29.987.882
- Other Marketable Securities	601.845	108.099	-	709.944
<b>Total Assets</b>	<b>30.761.970</b>	<b>340.762</b>	<b>-</b>	<b>31.102.732</b>
Trading Derivative Financial Liabilities	25.973	355.309	-	381.282
Hedging Derivative Financial Liabilities	-	390.461	-	390.461
<b>Total Liabilities</b>	<b>25.973</b>	<b>745.770</b>	<b>-</b>	<b>771.743</b>

As explained in the note of VII-b of the Third Section, share certificates classified as available for sale are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably.

There are no transfers between the 1<sup>st</sup> and the 2<sup>nd</sup> levels in the current year.

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**IX. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:**

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

**X. EXPLANATIONS ON BUSINESS SEGMENTS:**

The Group operates in five main business segments including retail banking, corporate and SME banking, treasury activities, private banking and international banking. These segments have been determined considering customer segments and branch network providing services to customers in accordance with the Bank's organizational structure.

The profitability system generating segment information provides profitability information on the basis of account, customer, customer relationship manager, branch, segment and product. This information is made available to the branch and Head Office personnel through a web based management reporting system.

In scope of retail banking, the Group offers a variety of retail services such as deposit accounts, consumer loans, commercial installment loans, credit cards, insurance products and asset management services. The retail banking products and services also include bank cards, investment funds trading, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking, telephone and internet banking.

Corporate banking and SME banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans, financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Group provides timely and permanent solutions for corporate customers' working capital management, delivers cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities.

Treasury activities are performed by the Treasury Unit. The Treasury Unit trades in TL and foreign currency instruments on a spot and forward basis, and trade in treasury bills, bonds and other domestic securities together with foreign securities with "AAA" rating. The Marketing and Treasury Group carry out marketing activities of treasury and derivative financial products for customers.

Private banking serves the members of the upper-income groups who have expectations for upperclass service quality both in banking and investment transactions.

International Banking activities are managed by International Banking Unit. The Group provides services for foreign trade financing, foreign currency and TL clearances, and money transfers through agent financial institutions. The international banking unit serves in fundamental areas such as providing long-term funding opportunities, creating funding facility at lower prices that fully reflect country risk, diversifying funding resources and creating a base of international investors for that purpose.

Other activities including leasing services provided by Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetim A.Ş., Ak B Tipi Yatırım Ortaklığı A.Ş., Akbank (Dubai) Limited which are the consolidated subsidiaries of the Bank.

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Information on business segments as of 31 December 2010 and 2009 are presented on the following tables:

	<b>Corporate</b>						
	<b>Retail Banking and</b>	<b>Banking SME Banking</b>	<b>Treasury</b>	<b>Private Banking</b>	<b>International Banking</b>	<b>Other and Unallocated</b>	<b>Group's Total Activities</b>
<b>Current Period – 31 December 2010</b>							
Operating Income	2.558.949	1.596.433	2.327.008	139.368	61.136	88.588	6.771.482
Operating Profit	665.474	902.472	2.128.519	103.774	57.613	(94.389)	3.763.463
Income from Subsidiaries	-	-	-	-	-	1.059	1.059
Profit before Tax	665.474	902.472	2.128.519	103.774	57.613	(93.330)	3.764.522
Corporate Tax	-	-	-	-	-	(754.172)	(754.172)
Minority Rights	-	-	-	-	-	(1.541)	(1.541)
Net Profit for the Period	665.474	902.472	2.128.519	103.774	57.613	(849.043)	3.008.809
Segment Assets	22.268.303	38.569.024	53.697.896	687.543	724.014	548.664	116.495.444
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)	-	-	-	-	-	-	3.125
Undistributed Assets	-	-	-	-	-	-	3.571.158
Total Assets	-	-	-	-	-	-	120.069.727
Segment Liabilities	40.681.726	20.635.815	17.583.514	9.163.035	10.198.727	598.958	98.861.775
Undistributed Liabilities	-	-	-	-	-	-	3.260.358
Shareholders' Equity	-	-	-	-	-	-	17.947.594
Total Liabilities	-	-	-	-	-	-	120.069.727
Other Segment Items							
Capital Investment	194.079	5.474	4.465	2.625	-	185.154	391.797
Amortization	(73.216)	(4.734)	(834)	(759)	(252)	(48.423)	(128.218)
Non-cash Other Income-Expense	(164.155)	(249.296)	(82.004)	(1.353)	(817)	(37.950)	(535.575)
Restructuring Costs	-	-	-	-	-	-	-



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	Retail Banking	Corporate and Commercial Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Group's Total Activities
<b>Prior Period – 31 December 2009</b>							
Operating Income	3.104.488	1.031.605	2.287.713	105.059	74.758	69.637	6.673.260
Operating Profit	566.711	669.924	2.082.856	76.169	61.725	(169.737)	3.287.648
Income from Subsidiaries	-	-	-	-	-	1.391	1.391
Profit before Tax	566.711	669.924	2.082.856	76.169	61.725	(168.346)	3.289.039
Corporate Tax	-	-	-	-	-	(566.378)	(566.378)
Minority Rights	-	-	-	-	-	(40)	(40)
Net Profit for the Period	566.711	669.924	2.082.856	76.169	61.725	(734.764)	2.722.621
Segment Assets	19.933.877	27.527.957	50.684.500	246.924	316.477	1.028.853	99.738.588
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)	-	-	-	-	-	-	26.352
Undistributed Assets	-	-	-	-	-	-	3.068.507
Total Assets	-	-	-	-	-	-	102.833.447
Segment Liabilities	38.643.847	15.551.142	18.387.223	6.673.618	5.737.885	606.079	85.599.794
Undistributed Liabilities	-	-	-	-	-	-	2.786.303
Shareholders' Equity	-	-	-	-	-	-	14.447.350
Total Liabilities	-	-	-	-	-	-	102.833.447
Other Segment Items							
Capital Investment	51.058	2.184	3.248	902	4	86.460	143.856
Amortization	(61.692)	(5.441)	(585)	(755)	(200)	(53.255)	(121.928)
Non-cash Other Income-Expense	(396.453)	(598.220)	(13.263)	(634)	(5)	(118.608)	(1.127.183)
Restructuring Costs	-	-	-	-	-	-	-

As a result of the changes in the organizational structure of the parent Bank, there are classification differences between business segments of current period and prior period. The main change in the organization structure stems from the transfer of Enterprise Banking into SME Banking at the beginning of 2010 which was classified under Retail Banking as of 31 December 2009.

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**SECTION FIVE  
INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED  
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**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS**

**a. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the "CBRT"):**

1. Information on cash equivalents and the account of the CBRT:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash/Foreign Currency	463.296	335.308	379.131	195.539
The CBRT	1.784.020	3.499.797	2.118.588	2.025.822
Other(*)	7.743	6.657	7.322	13.693
<b>Total</b>	<b>2.255.059</b>	<b>3.841.762</b>	<b>2.505.041</b>	<b>2.235.054</b>

(\*) As of 31 December 2010, precious metal account amounts to TL 6.459 (31 December 2009: TL 4.442).

2. Information related to the account of the CBRT:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Demand Unrestricted Account	5.108	-	2.997	-
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	1.778.912	3.499.797	2.115.591	2.025.822
<b>Total</b>	<b>1.784.020</b>	<b>3.499.797</b>	<b>2.118.588</b>	<b>2.025.822</b>

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements", banks operating in Turkey are required to place reserves in CBRT with a rate of 6% for their TL liabilities and 11% for USD and/or EUR for their foreign currency liabilities. The Central Bank does not make any interest payments over the FC reserve requirements. In accordance with the "Communiqué Regarding Change in the Communiqué Regarding the Reserve Requirements" published in the Official Gazette dated 23 September 2010 No. 27708 interest payments over the TL reserve requirements have been annulled.

With the changes made in the "Communiqué Regarding the Reserve Requirements" on 17 December 2010 and 24 January 2011 the reserve requirement rates for TL liabilities are differentiated between 5% and 12% and funds obtained from repos except for the ones made with the Central Bank and domestic banks are included in the calculation basis.

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**b. Information on financial assets at fair value through profit or loss:**

- As of 31 December 2010, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 892 (31 December 2009: TL 7.467). There is no financial assets at fair value through profit or loss subject to repo transactions.
- Positive differences table related to trading derivative financial assets:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	29.890	-	6.237	-
Swap Transactions	245.503	119.068	109	144.671
Futures Transactions	39.907	2.688	42.411	1.917
Options	4.822	29.163	27.266	22.509
Other	-	-	-	-
<b>Total</b>	<b>320.122</b>	<b>150.919</b>	<b>76.023</b>	<b>169.097</b>

**c. Information on banks and foreign banks account:**

- Information on banks:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	421.485	1.989.059	302.276	3.433.476
Domestic	421.485	46.646	302.257	125.372
Foreign	-	1.942.413	19	3.308.104
Head Quarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>421.485</b>	<b>1.989.059</b>	<b>302.276</b>	<b>3.433.476</b>

- Information on foreign banks account:

	<b>Unrestricted Amount</b>		<b>Restricted Amount</b>	
	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
European Union Countries	757.377	2.013.300	543.124	620.689
USA, Canada	413.154	461.285	186.787	201.268
OECD Countries (*)	40.906	9.276	-	-
Off-shore Banking Regions	-	-	-	-
Other	1.065	2.305	-	-
<b>Total</b>	<b>1.212.502</b>	<b>2.486.166</b>	<b>729.911</b>	<b>821.957</b>

(\*) OECD Countries except EU countries, USA and Canada.

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**d. Information on available-for-sale financial assets, net values:**

- As of 31 December 2010, available-for-sale financial assets subject to repurchase agreements amount to TL 11.320.252 (31 December 2009: TL 7.982.033); and those given as collateral/blocked amount to TL 5.813.064 (31 December 2009: TL 731.447).

- Information on available-for-sale financial assets:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Debt Securities	43.282.389	30.699.105
Quoted to Stock Exchange	43.282.389	30.591.006
Not Quoted to Stock Exchange	-	108.099
Share Certificates	31.281	5.747
Quoted to Stock Exchange	25.574	-
Not Quoted to Stock Exchange	5.707	5.747
Impairment Provision (-)	8.319	1.279
<b>Total</b>	<b>43.305.351</b>	<b>30.703.573</b>

In accordance with "Communiqué for the Amendment of the Communiqué related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazette numbered 27040 and dated 31 October 2008 by Turkish Accounting Standard Board, due to change in the intention to hold such securities in 2008, the Parent Bank reclassified its government bonds with fair values USD 91.820.730 and EUR 17.129.244 into the category of financial assets available for sale which were classified under the category of financial asset held for trading before. As of the date of balance sheet, the fair values of these reclassified government bonds are USD (-) (31 December 2009: USD 1.744.680) and EUR (-) (31 December 2009: EUR 7.590.058). Had these financial assets not been reclassified, a valuation gain/loss of USD (-) (31 December 2009: USD 566) and EUR (-) (31 December 2009: EUR 33.160) would have been recognised in the income statement.

**e. Information related to loans:**

- Information on all types of loans and advances given to shareholders and employees of the Bank:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Direct Loans Granted to Shareholders	-	250	-	425
Corporate Shareholders	-	250	-	425
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	948.680	393.990	628.275	742.423
Loans Granted to Employees	75.462	-	67.005	-
<b>Total</b>	<b>1.024.142</b>	<b>394.240</b>	<b>695.280</b>	<b>742.848</b>

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

	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
Non-specialized Loans	56.422.645	-	1.304.603	5.719
Discount And Purchase Notes	541.921	-	-	-
Export Loans	2.697.060	-	6.289	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	1.853.554	-	-	-
Foreign Loans	1.462.185	-	753	-
Consumer Loans (Including Overdraft Loans)	12.432.079	-	697.304	488
Credit Cards	6.640.619	-	143.839	11
Precious Metal Loans	11.471	-	-	-
Other	30.783.756	-	456.418	5.220
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>56.422.645</b>	<b>-</b>	<b>1.304.603</b>	<b>5.719</b>

3. Breakdown of loans according to their maturities:

	<b>Standard Loans and Other Receivables</b>		<b>Loans and Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
Short-Term Loans and Other Receivables	16.377.304	-	1.304.603	5.719
Non-Specialized Loans	16.377.304	-	1.304.603	5.719
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	40.045.341	-	-	-
Non-Specialized Loans	40.045.341	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-

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

	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>281.986</b>	<b>12.405.240</b>	<b>12.687.226</b>
Mortgage Loans	4.732	6.036.975	6.041.707
Automotive Loans	31.250	771.254	802.504
Consumer Loans	242.553	5.424.571	5.667.124
Other	3.451	172.440	175.891
<b>Consumer Loans- Indexed to FC</b>	<b>7</b>	<b>131.869</b>	<b>131.876</b>
Mortgage Loans	2	122.895	122.897
Automotive Loans	5	1.090	1.095
Consumer Loans	-	7.884	7.884
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Credit Cards-TL</b>	<b>6.205.724</b>	<b>374.760</b>	<b>6.580.484</b>
With Installment	2.605.949	374.760	2.980.709
Without Installment	3.599.775	-	3.599.775
<b>Consumer Credit Cards-FC</b>	<b>7.292</b>	<b>-</b>	<b>7.292</b>
With Installment	2.657	-	2.657
Without Installment	4.635	-	4.635
<b>Personnel Loans-TL</b>	<b>4.263</b>	<b>39.798</b>	<b>44.061</b>
Mortgage Loans	9	851	860
Automotive Loans	48	388	436
Consumer Loans	4.206	38.559	42.765
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>509</b>	<b>509</b>
Mortgage Loans	-	300	300
Automotive Loans	-	-	-
Consumer Loans	-	209	209
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>30.006</b>	<b>760</b>	<b>30.766</b>
With Installment	13.236	760	13.996
Without Installment	16.770	-	16.770
<b>Personnel Credit Cards-FC</b>	<b>126</b>	<b>-</b>	<b>126</b>
With Installment	46	-	46
Without Installment	80	-	80
<b>Credit Deposit Account-TL (Real Person)</b>	<b>266.199</b>	<b>-</b>	<b>266.199</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>6.795.603</b>	<b>12.952.936</b>	<b>19.748.539</b>

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

	Short-term	Medium and Long-term	Total
<b>Commercial Installment Loans-TL</b>	<b>587.417</b>	<b>2.990.197</b>	<b>3.577.614</b>
Mortgage Loans	1.080	381.283	382.363
Automotive Loans	16.706	593.934	610.640
Consumer Loans	569.072	1.948.351	2.517.423
Other	559	66.629	67.188
<b>FC Indexed Commercial Installment Loans</b>	<b>13.259</b>	<b>223.593</b>	<b>236.852</b>
Mortgage Loans	-	29.572	29.572
Automotive Loans	382	94.158	94.540
Consumer Loans	10.062	86.965	97.027
Other	2.815	12.898	15.713
<b>Commercial Installment Loans-FC</b>	<b>-</b>	<b>65.178</b>	<b>65.178</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	65.178	65.178
<b>Corporate Credit Cards-TL</b>	<b>163.902</b>	<b>1.105</b>	<b>165.007</b>
With Installment	59.940	422	60.362
Without Installment	103.962	683	104.645
<b>Corporate Credit Cards-FC</b>	<b>794</b>	<b>-</b>	<b>794</b>
With Installment	326	-	326
Without Installment	468	-	468
<b>Credited Deposit Account-TL (Legal Person)</b>	<b>220.498</b>	<b>-</b>	<b>220.498</b>
<b>Credited Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>985.870</b>	<b>3.280.073</b>	<b>4.265.943</b>

6. Loans according to types of borrowers:

	Current Period 31 December 2010	Prior Period 31 December 2009
Public	1.276.036	1.673.979
Private	56.456.931	42.929.765
<b>Total</b>	<b>57.732.967</b>	<b>44.603.744</b>

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

	Current Period 31 December 2010	Prior Period 31 December 2009
Domestic Loans	56.270.029	43.563.715
Foreign Loans	1.462.938	1.040.029
<b>Total</b>	<b>57.732.967</b>	<b>44.603.744</b>

8. Loans granted to investments in associates and subsidiaries: None.

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9. Specific provisions accounted for loans:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Loans and Receivables with Limited Collectibility	80.196	181.886
Loans and Receivables with Doubtful Collectibility	146.571	452.569
Uncollectible Loans and Receivables	1.052.867	1.150.224
<b>Total</b>	<b>1.279.634</b>	<b>1.784.679</b>

10. Information on non-performing loans (Net):

10 (i). Information on non-performing loans restructured or rescheduled and other receivables:

	<b>III. Group Loans and Other Receivables with Limited Collectibility</b>	<b>IV. Group Loans and Other Receivables with Doubtful Collectibility</b>	<b>V. Group Uncollectible Loans and Other Receivables</b>
<b>Current Period: 31 December 2010</b>			
(Gross Amounts Before Specific Provisions)	13.388	11.417	38.665
Restructured Loans and Other Receivables	10.810	9.842	22.319
Rescheduled Loans and Other Receivables	2.578	1.575	16.346
<b>Prior Period: 31 December 2009</b>			
(Gross Amounts Before Specific Provisions)	33.180	56.792	75.690
Restructured Loans and Other Receivables	29.431	50.991	63.954
Rescheduled Loans and Other Receivables	3.749	5.801	11.736

10(ii). Information on the movement of total non-performing loans:

	<b>III. Group Loans and Other Receivables with Limited Collectibility</b>	<b>IV. Group Loans and Other Receivables with Doubtful Collectibility</b>	<b>V. Group Uncollectible Loans and Other Receivables</b>
<b>Prior Period End Balance: 31 December 2009</b>	<b>181.886</b>	<b>452.569</b>	<b>1.150.224</b>
Additions (+)	443.890	23.969	16.080
Transfers from Other Categories of Non-performing Loans (+)	-	458.908	614.001
Transfers to Other Categories of Non-Performing Loans (-)	458.908	614.001	-
Collections (-)	86.288	161.910	332.670
Net FC Differences from Subsidiaries Abroad	-	(58)	-
Write-offs (-) (*)	384	12.906	394.768
Corporate and Commercial Loans	84	1.722	214.644
Retail Loans	125	3.031	82.031
Credit Cards	175	8.153	98.093
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>80.196</b>	<b>146.571</b>	<b>1.052.867</b>
Specific Provisions (-)	80.196	146.571	1.052.867
<b>Net Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) The bank has sold a portion of non-performing loans portfolio amounting to TL 326.121 to Girişim Varlık Yönetimi A.Ş. with a purchase price TL 38.500 on 5 January 2010. The sold portion is presented under "Write-offs" in the above table.



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10(iii) Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
<b>Current Period: 31 December 2010</b>			
Balance at the End of the Period	1.943	7.884	47.284
Specific Provisions (-)	1.943	7.884	47.284
Net Balance on Balance Sheet	-	-	-
<b>Prior Period: 31 December 2009</b>			
Balance at the End of the Period	10.620	8.409	38.401
Specific Provisions (-)	10.620	8.409	38.401
<b>Net Balance</b>	-	-	-

In Parent Bank, non-performing loans granted as foreign currency are followed under TL accounts of balance sheet.

10(iv). Breakdown of non-performing loans according to their gross and net values:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
<b>Current Period (Net): 31 December 2010</b>			
Loans granted to corporate entities and real persons (Gross)	80.196	146.571	1.052.867
Specific Provisions Amount(-)	80.196	146.571	1.052.867
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
<b>Prior Period (Net): 31 December 2009</b>			
Loans granted to corporate entities and real persons (Gross)	181.886	452.569	1.150.224
Specific Provisions Amount(-)	181.886	452.569	1.150.224
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-

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11. Information on the collection policy of non-performing loans and other receivables:

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

12. Information on the write-off policy of the Bank:

Write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

**f. Held-to-maturity investments:**

1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>31 December 2010</b>		<b>31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Given as collateral/blocked	491.109	382.581	192	5.394.623
Subject to repurchase agreements	620.700	195.970	5.219.379	185.313
<b>Total</b>	<b>1.111.809</b>	<b>578.551</b>	<b>5.219.571</b>	<b>5.579.936</b>

2. Information on Held-to-maturity government debt securities:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2010</b>	<b>31 December 2009</b>
Government Bonds	6.626.420	15.839.764
Treasury Bills	-	-
Other Government Debt Securities	860	-
<b>Total</b>	<b>6.627.280</b>	<b>15.839.764</b>

3. Information on Held-to-maturity investments:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2010</b>	<b>31 December 2009</b>
Debt Securities	6.649.993	15.852.693
Quoted to Stock Exchange	6.649.993	15.852.693
Not Quoted to Stock Exchange	-	-
Impairment Provision [-]	22.713	12.929
<b>Total</b>	<b>6.627.280</b>	<b>15.839.764</b>

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4. The movement of investment securities Held-to-maturity:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Beginning Balance	15.839.763	20.560.762
Foreign Currency Differences on Monetary Assets	(2.968)	(95.862)
Purchases During Year	1.051	4.471
Disposals Through Sales and Redemptions	9.245.663	4.967.378
Impairment Provision (-)	22.713	12.929
Change in Amortized Cost	57.810	350.700
<b>Balance at the End of the Period</b>	<b>6.627.280</b>	<b>15.839.764</b>

In accordance with "Communique for the Amendment of the Communique related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazette numbered 27040 and dated 31 October 2008 by Turkish Accounting Standards Board, due to change in the intention to hold such securities in 2008, the parent Bank reclassified its government bonds with fair values amounting to TL 104.306, USD 962.377.327 and EUR 419.021.064 into the category of financial assets held to maturity which were classified under the category of financial assets held for trading before. As of the balance sheet date, fair values of these reclassified government bonds after the redemption in the current year are TL 1.808 (31 December 2009: TL 61.574) , USD (-) ( 31 December 2009: USD 972.098.310) and EUR (-) (31 December 2009: EUR 389.177.100). Had these financial assets not been reclassified, a valuation gain/loss of TL 139 (31 December 2009: TL 1.574), USD (-) (31 December 2009: USD 315.466) and EUR (-) (31 December 2009: EUR 486.406) would have been recognised in the income statement.

**g. Information on investments in associates (Net):**

1. Non-consolidated associates:

1(i). Reasons of being out of consolidation for non-consolidated associates: In accordance with the Communique on Preparation of Consolidated Financial Statements of Banks they have been left out of the scope of consolidation.

1(ii). Information about non-consolidated associates:

<b>Title</b>	<b>Address (City / Country)</b>	<b>Bank's share percentage- If different voting percentage (%)</b>	<b>Bank's risk group share percentage (%)</b>
1 Bankalararası Kart Merkezi A.Ş.	İstanbul/Turkey	9,98	9,98
2 Kredi Kayıt Bürosu A.Ş.	İstanbul/Turkey	9,09	9,09

Main financial figures of non-consolidated associates, in the order of the above table:

The financial figures have been obtained from the financial statements dated 31 December 2010.

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit/ Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value (*)</b>
1	19.837	16.925	6.019	661	-	2.525	(536)	-
2	40.927	32.578	1.303	1.655	-	9.905	6.640	-

2. Consolidated associates: None.

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**h. Information on subsidiaries (Net):**

1. Non-consolidated subsidiaries: None.
2. Consolidated subsidiaries:
  - 2(i). Information about consolidated subsidiaries:

Title	Address (City / Country)	Bank's Share Percentage-If Different Voting Percentage (%)	Other Shareholder Share Percentage (%)	Consolidation Method
1 Ak Finansal Kiralama A.Ş.	İstanbul/Turkey	99,99	0,01	Full Consolidation
2 Ak Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99,80	0,20	Full Consolidation
3 Ak Portföy Yönetimi A.Ş.	İstanbul/Turkey	99,99	-	Full Consolidation
4 Akbank N.V.	Amsterdam/Netherlands	100,00	-	Full Consolidation
5 Akbank AG	Frankfurt/Germany	100,00	-	Full Consolidation
6 Ak B Tipi Yatırım Ortaklığı A.Ş. (*)	İstanbul/Turkey	70,04	70,04	Full Consolidation
7 Ak Global Funding B.V.	Rotterdam/Netherlands	100,00	100,00	Full Consolidation
8 Akbank (Dubai) Limited	Dubai/The United Arab Emirates	100,00	100,00	Full Consolidation

(\*) The Company name (previously named Ak Yatırım Ortaklığı A.Ş.) has been changed as Ak B Tipi Yatırım Ortaklığı A.Ş. and published on Trade Registry Gazette on December 7, 2010.

Main financial figures of consolidated subsidiaries, in the order of the above table:

The financial figures have been obtained from the financial statements 31 December 2010.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value (*)
1	1.188.376	280.341	2.660	90.554	-	49.691	53.736	-
2	554.725	81.200	25.841	37.936	3.287	17.206	16.576	-
3	21.491	17.074	189	1.281	-	8.918	8.680	-
4	4.760.824	844.424	2.702	175.680	74.665	27.276	1.611	-
5	2.184.371	474.944	360	75.375	10.647	21.945	18.698	-
6	53.625	49.499	2	1.036	532	4.961	13.828	24.584
7	15	6	-	-	-	(5)	(7)	-
8	1.126	1.031	30	-	-	(638)	(585)	-

(\*)Fair values are disclosed when the shares of the Companies are publicly traded.

Ak Global Funding B.V. has not yet started to its operations. Group's investment on this company is immaterial.

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Although not being the subsidiaries of the Bank, Ak Receivables Corporation and A.R.T.S Ltd. which were established in July 1998 and November 1999 respectively in connection with raising long-term financing, are included in the full scope of consolidation as "Special Purpose Entities" due to the 100% control of these entities by the Group.

2(ii). Movement schedule for consolidated subsidiaries:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Balance at the Beginning of the Period	895.334	912.178
Movements During the Period		
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	[19.960]
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Additions to Consolidation	26.861	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	[29.279]	3.116
Balance at the End of the Period	892.916	895.334
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

2(iii). Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

<b>Subsidiaries</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Banks	679.975	709.254
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	121.088	121.088
Finance Companies	-	-
Other Financial Subsidiaries	91.853	64.992

2(iv). Subsidiaries quoted on a stock exchange:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Subsidiaries quoted on domestic stock exchange	24.584	-
Subsidiaries quoted on foreign stock exchange	-	-

2(v). Consolidated subsidiaries disposed within the current period: None.

2(vi). Consolidated subsidiaries purchased within the current period: None.

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**i. Information on finance lease receivables (Net):**

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
2011	323.448	283.915	394.092	318.329
2012	275.425	230.884	264.491	216.343
2013	179.866	154.154	184.753	156.840
2014	106.835	91.103	115.667	99.790
2015	72.370	61.682	58.485	48.804
2016 (*)	187.282	169.539	142.528	122.596
<b>Total</b>	<b>1.145.226</b>	<b>991.277</b>	<b>1.160.016</b>	<b>962.702</b>

(\*) Amounts present 2016 and following years figures.

**j. Information on the Hedging Derivative Financial Assets:** None.

**k. Information on property and equipment:**

	<b>Immovables</b>	<b>Other Tangible Fixed Assets</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Prior Period End: 31 December 2009</b>				
Cost	767.052	658.964	74.325	1.500.341
Accumulated Depreciation(-)	237.608	457.276	-	694.884
Net Book Value	529.444	201.688	74.325	805.457
<b>Current Period End: 31 December 2010</b>				
Net Book Value at the beginning of the Period	529.444	201.688	74.325	805.457
Additions	155.404	126.448	60.150	342.002
Disposals(-), net	5.452	1.618	133.100	140.170
Depreciation (-)	22.281	83.667	-	105.948
Impairment	-	-	-	-
Cost at Period End	912.767	774.409	1.375	1.688.551
Accumulated Depreciation at Period End (-)	255.652	531.558	-	787.210
<b>Closing Net Book Value</b>	<b>657.115</b>	<b>242.851</b>	<b>1.375</b>	<b>901.341</b>

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	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
<b>Prior Period End: 31 December 2008</b>				
Cost	766.611	639.558	14.828	1.420.997
Accumulated Depreciation(-)	216.833	388.765	-	605.598
Net Book Value	549.778	250.793	14.828	815.399
<b>Current Period End: 31 December 2009</b>				
Net Book Value at the beginning of the Period	549.778	250.793	14.828	815.399
Additions	2.708	37.291	59.497	99.496
Disposals(-), net	1.962	1.626	-	3.588
Depreciation (-)	21.080	84.770	-	105.850
Impairment	-	-	-	-
Cost at Period End	767.052	658.964	74.325	1.500.341
Accumulated Depreciation at Period End (-)	237.608	457.276	-	694.884
<b>Closing Net Book Value</b>	<b>529.444</b>	<b>201.688</b>	<b>74.325</b>	<b>805.457</b>

As of 31 December 2010, net book value of the tangible fixed assets obtained by financial leasing is TL 110.639 (31 December 2009: TL 87.336).

As of 31 December 2010, there is no impairment provision for buildings (31 December 2009: TL 11.799).

**I. Informations on intangible assets:**

1. Cost and accumulated amortization at the beginning and end of the period :

	Current Period 31 December 2010	Prior Period 31 December 2009
Book Values (Gross)	185.461	134.956
Accumulated Amortization (-)	92.330	69.507
Net Book Value	93.131	65.449

2. Reconciliation of movements for the current period and prior period:

	Current Period 31 December 2010	Prior Period 31 December 2009
Cost	185.461	134.956
Accumulated Depreciation (-)	92.330	69.507
<b>Net Book Value</b>	<b>93.131</b>	<b>65.449</b>
Opening Balance	65.449	36.873
Additions	49.795	44.360
Disposals (-), net	-	-
Depreciation (-)	22.113	15.784
<b>Closing Net Book Value</b>	<b>93.131</b>	<b>65.449</b>

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**m. Information on the investment properties:** None.

**n. Information on deferred tax asset :**

The Group's deferred tax asset as of 31 December 2010 amounts to TL 89.630 (31 December 2009: TL 200.500). Provisional differences subject to deferred tax calculation result from principally the difference between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

Deferred tax assets and liabilities, which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation in the Bank and in consolidated subsidiaries, are presented as net on an individual entity level. As noted in Note XVIII of Section Three, for the purposes of consolidated financial statements deferred taxes arising from different consolidated subsidiaries are presented separately in assets and liabilities. There are no carry forward tax losses that can be used as deductions for the tax calculation for the Group. An explanation on the net deferred tax liability is given in Note II-i-2 of Section Five.

	<b>Accumulated temporary differences</b>		<b>Deferred tax assets/liabilities</b>	
	<b>31 December 2010</b>	<b>31 December 2009</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
Employee benefits	71.728	58.061	14.633	11.612
Differences between fair value and book value of financial assets	564.023	1.055.883	114.183	211.177
Other	273.800	186.792	55.773	37.358
<b>Deferred Tax Asset</b>			<b>184.589</b>	<b>260.147</b>
Differences between book value and tax base of property, plant and equipment	112.569	80.967	(22.514)	(16.193)
Differences between book value and tax base of financial assets	348.597	217.268	(69.719)	(43.454)
Country risk provision	67.647	125.124	(19.628)	(37.050)
<b>Deferred Tax Liabilities</b>			<b>(111.861)</b>	<b>(96.697)</b>
<b>Deferred Tax Asset/(Liabilities) Net</b>			<b>72.728</b>	<b>163.450</b>



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**o. Information on property and equipment held for sale and related to discontinued operations:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Cost	3.845	3.779
Accumulated Depreciation (-)	620	481
<b>Net Book Value</b>	<b>3.225</b>	<b>3.298</b>
Opening Balance	3.298	3.872
Additions	440	163
Disposals (-), net	356	443
Depreciation (-)	157	294
<b>Closing Net Book Value</b>	<b>3.225</b>	<b>3.298</b>

**p. Information on other assets:**

Other assets amount to TL 719.589 (31 December 2009: TL724.352) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES**

**a. Information on deposits:**

1. Information on maturity structure of the deposits:

There are no seven-day notification and accumulative deposits.

1(i). Current Period – 31 December 2010:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>1-5 Year Cumulative</b>	<b>Total</b>
Saving Deposits	2.519.114	6.875.329	14.825.746	544.798	228.001	46.263	2.008	25.041.259
Foreign Currency Deposits	2.817.250	5.944.301	10.850.528	1.127.611	1.426.370	1.909.669	101	24.075.830
Residents in Turkey	2.725.184	4.568.768	10.466.441	642.069	653.296	861.752	92	19.917.602
Residents Abroad	92.066	1.375.533	384.087	485.542	773.074	1.047.917	9	4.158.228
Public Sector Deposits	398.257	3.207	7.476	105	50	32	-	409.127
Commercial Deposits	2.687.495	2.386.679	8.095.296	239.851	6.344	1.495	-	13.417.160
Other Institutions Deposits	94.997	305.548	655.666	19.209	3.491	294	-	1.079.205
Gold Vault	-	-	-	-	-	-	-	-
Bank Deposits	192.116	1.912.168	4.938.856	317.125	294.936	30.553	-	7.685.754
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	19.511	1.605.175	1.002	-	-	-	-	1.625.688
Foreign Banks	49.541	306.993	4.937.854	317.125	294.936	30.553	-	5.937.002
Special Finance Institutions	123.064	-	-	-	-	-	-	123.064
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8.709.229</b>	<b>17.427.232</b>	<b>39.373.568</b>	<b>2.248.699</b>	<b>1.959.192</b>	<b>1.988.306</b>	<b>2.109</b>	<b>71.708.335</b>

1(ii). Prior period – 31 December 2009:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>1-5 Year Cumulative</b>	<b>Total</b>
Saving Deposits	1.807.324	6.365.675	13.085.553	458.376	163.709	37.201	-	21.917.838
Foreign Currency Deposits	3.370.011	4.496.255	9.170.451	1.648.241	2.492.551	2.040.852	-	23.218.361
Residents in Turkey	3.224.702	4.434.846	8.805.054	1.135.964	1.232.748	993.586	-	19.826.900
Residents Abroad	145.309	61.409	365.397	512.277	1.259.803	1.047.266	-	3.391.461
Public Sector Deposits	256.286	2.057	1.602	1.942	114	3	-	262.004
Commercial Deposits	2.060.572	2.539.199	5.806.216	31.878	2.276	2.255	-	10.442.396
Other Institutions Deposits	119.036	44.367	894.523	9.299	2.830	444	-	1.070.499
Gold Vault	-	-	-	-	-	-	-	-
Bank Deposits	194.458	799.590	2.494.689	241.754	239.927	72.759	-	4.043.177
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	5.066	301.241	9.944	-	1.002	-	-	317.253
Foreign Banks	38.725	498.349	2.484.745	241.754	238.925	72.759	-	3.575.257
Special Finance Institutions	150.667	-	-	-	-	-	-	150.667
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7.807.687</b>	<b>14.247.143</b>	<b>31.453.034</b>	<b>2.391.490</b>	<b>2.901.407</b>	<b>2.153.514</b>	<b>-</b>	<b>60.954.275</b>

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2. Information on saving deposits insurance:

2(i). Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund (\*):

	<b>Under the Guarantee of Deposit Insurance</b>		<b>Exceeding the Limit of Deposit Insurance</b>	
	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Saving Deposits	10.478.261	9.315.004	14.562.998	12.602.834
Foreign Currency Saving Deposits	3.501.587	3.888.677	10.015.308	10.063.857
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

(\*)The deposit amounts of the consolidated subsidiaries located abroad are subject to local insurance regulations and are not included in the table above.

2(ii). Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children in care	768.897	662.782
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Turkey in Order to Engage in Off-shore Banking Activities Solely	-	-

**b. Information on trading derivative financial liabilities:**

Table of negative differences for trading derivative financial liabilities:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	12.911	-	7.330	-
Swap Transactions	134.364	224.334	128.092	170.257
Futures Transactions	29.251	5.672	22.478	3.495
Options	4.686	29.356	27.455	22.175
Other	-	-	-	-
<b>Total</b>	<b>181.212</b>	<b>259.362</b>	<b>185.355</b>	<b>195.927</b>

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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	290.385	442.903	67.167	314.802
From Foreign Banks, Institutions and Funds	111.473	10.652.403	141.672	8.685.699
<b>Total</b>	<b>401.858</b>	<b>11.095.306</b>	<b>208.839</b>	<b>9.000.501</b>

2. Information on maturity structure of borrowings:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term	326.365	5.525.222	207.781	3.633.856
Medium and Long-Term	75.493	5.570.084	1.058	5.366.645
<b>Total</b>	<b>401.858</b>	<b>11.095.306</b>	<b>208.839</b>	<b>9.000.501</b>

The liabilities providing the funding sources of the Group are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Group and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitized borrowings and post finance obtained from different financial institutions with different maturity-interest structures and characteristics. In 2010 issued of marketable securities in domestic and abroad are a new fund source for the Group. There is no risk concentration in any of the funding sources of the Group.

**d. Information on securities issued (Net):**

On 22 July 2010 the Group has issued USD denominated Eurobonds with a nominal amount of USD 1 billion and maturing at 22 July 2015. These bonds have a yield of 5,256% and coupon rate of 5,125%.

On 14 December 2010 the Bank has issued 178 days maturity bonds with a nominal amount of TL 1 billion. These bonds have a yield of 7,28% .

**e. Information on other foreign liabilities:**

Other foreign liabilities amount to TL 828.018 (31 December 2009: TL 746.714) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

**f. Information on financial leasing agreements:** None.

**g. Information on the Hedging Derivative Financial Liabilities:**

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair value Hedge	-	-	-	-
Cash Flow Hedge	309.429	-	390.461	-
Net investment Hedge	-	-	-	-
<b>Total</b>	<b>309.429</b>	<b>-</b>	<b>390.461</b>	<b>-</b>

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**h. Information on provisions:**

1. Information on general provisions:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>General Provisions</b>	<b>527.120</b>	<b>406.629</b>
Provisions for Group I. Loans and Receivables	412.043	278.056
Provisions for Group II. Loans and Receivables	20.705	46.747
Provisions for Non-cash Loans	56.660	45.121
Other	37.712	36.705

2. Information on reserve for employment termination benefits:

<b>Balance Sheet Obligations for:</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	39.496	30.545
- Reserve for unused vacation	32.232	28.341
<b>Total</b>	<b>71.728</b>	<b>58.886</b>

As explained on note 2(iii) below, there is no amount recognized in the balance sheet for post-employment benefits since fair value of the Fund's plan assets compensate defined benefit obligations for the years ended 2010 and 2009.

<b>Income Statement Charge for:</b>	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
- Post-employment benefits (pension and medical)	(87.125)	(84.835)
- Reserve for employment termination benefits	(8.951)	(2.914)
- Reserve for unused vacation	(3.951)	(2.640)
<b>Toplam</b>	<b>(100.027)</b>	<b>(90.389)</b>

The charge for the post-employment benefits represents the cash payments, which represent the employer's contribution determined by the Social Security Law No: 506 and additional 2% contribution of the employer. The employer's contribution amounting to TL 87.125 (31 December 2009: TL 84.835) during the year has been included in employee costs under operating expenses.

2 (i). Employment termination benefits and unused vacation rights:

Under the Turkish Labor Law, the Bank and its subsidiaries operated in Turkey are required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TL 2.517,00 (in full TL amount) (31 December 2009: TL 2.365,16 (in full TL amount)) for each year of service. The liability is not funded, as there is no funding requirement.

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The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Discount Rate (%)	4,66	5,92
Rate for the Probability of Retirement (%)	93,46	92,87

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 2.623,23 (1 January 2010: TL 2.427,04) effective from 1 January 2011 has been taken into consideration in calculating the reserve for employee termination benefits.

Movements in the reserve for employment termination benefits during the period are as follows:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Balance at the Beginning of the Period</b>	<b>30.545</b>	<b>27.631</b>
Provisions Recognized During the Period	18.553	12.405
Paid During the Period	(9.602)	(9.491)
<b>Balance at the End of the Period.</b>	<b>39.496</b>	<b>30.545</b>

As of 31 December 2010, the Group has accounted provision for unused vacation rights amounting to TL 32.232 (31 December 2009: TL 28.341).

2 (ii). Post-employment benefits:

The Group's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations; and the Group's obligation related to other non-transferrable benefits has been calculated in accordance with TAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%), except for the non-transferrable other benefits. Accordingly, including the obligation for non-transferable other benefits amounting TL 85.337 (31 December 2009: TL 79.761), the surplus of the Fund amounts to TL 462.242 as of 31 December 2010 (31 December 2009: TL 402.213).

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Present value of funded obligations	(424.002)	(451.968)
- Pension benefits transferrable to SSI	(760.219)	(742.525)
- Post-employment medical benefits transferrable to SSI	421.554	370.318
- Other non-transferrable benefits	(85.337)	(79.761)
Fair value of plan assets	886.244	854.181
<b>Surplus</b>	<b>462.242</b>	<b>402.213</b>

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The amount of the post-employment medical benefits transferrable to SSI are calculated over the net present value of medical liabilities and health premiums.

The principal actuarial assumptions used were as follows:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Discount rate</b>		
- Pension benefits transferrable to SSI	% 9,80	% 9,80
- Post-employment medical benefits transferrable to SSI	% 9,80	% 9,80
- Other non-transferrable benefits	% 4,66	% 5,92

**Mortality Rate:**

The average life expectancy in years of a pensioner retiring at age 60 for men, 58 for women determined using mortality table depending on statistical data is 17 years for men and 23 years for women.

The movement in the fair value of plan assets of the year is as follows:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Prior Period End</b>	<b>854.181</b>	<b>788.759</b>
Actual return on plan assets	98.310	119.396
Employer contributions	87.125	84.835
Employee contributions	76.612	68.751
Benefits paid	(229.984)	(207.560)
<b>Period End</b>	<b>886.244</b>	<b>854.181</b>

Plan assets are comprised as follows:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
Bank placements	793.085	% 89	784.925	% 92
Premises and equipment	31.288	% 4	32.078	% 4
Equity securities	52.981	% 6	31.479	% 3
Other	8.890	% 1	5.699	% 1
<b>Period End</b>	<b>886.244</b>	<b>% 100</b>	<b>854.181</b>	<b>% 100</b>

3. Information on provisions related with foreign currency difference of foreign indexed loans:

As of 31 December 2010, the provision related to foreign currency differences of foreign indexed loans amounts to TL 1.770 (31 December 2009: TL 7.614), which is offset with the balance of foreign currency indexed loans in these financial statements.

4. Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash:

Provision for non-cash loans that are non-funded and non-transformed into cash as of 31 December 2010 is amounting to TL 89.269. (31 December 2009: 104.782 TL).

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5. Information on other provisions:

5 (i). Information on general provision for possible risks: TL 25.000 (31 December 2009: The Group has accounted general provision for possible risks of loans and other receivables amounting to 110.000 TL).

5 (ii). Information on provisions for banking services promotion:

The Group has provisions for credit cards and banking services promotion activities amounting to TL 119.834 (31 December 2009: TL 85.789).

**i. Explanations on tax liability :**

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVIII of Section Three. As of 31 December 2010, the tax liability after the deduction of temporary taxes paid is TL 290.536 (31 December 2009: TL 196.541).

1(i). Information on taxes payable:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Corporate Taxes Payable	290.536	196.541
Taxation on Marketable Securities	60.785	71.671
Property Tax	869	611
Banking Insurance Transaction Tax (BITT)	25.837	23.515
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	5.022	6.282
Other	26.817	34.327
<b>Total</b>	<b>409.866</b>	<b>332.947</b>

1(ii). Information on premium payables:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Social Security Premiums – Employee	86	83
Social Security Premiums – Employer	46	51
Bank Social Aid Pension Fund Premium– Employee	6	32
Bank Social Aid Pension Fund Premium – Employer	8	43
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	571	513
Unemployment Insurance – Employer	1.129	1.009
Other	-	-
<b>Total</b>	<b>1.846</b>	<b>1.731</b>

2. Information on deferred tax liability:

As of 31 December 2010, the deferred tax liability of the Group amounts to TL 16.902 (31 December 2009: TL 37.050). An explanation about the net deferred tax asset is given in Note I-n of Section Five.



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**j. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Common Stock	4.000.000	3.000.000
Preferred Stock	-	-

2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so, the amount of registered share capital ceiling:

<b>Capital System</b>	<b>Paid-in capital</b>	<b>Ceiling</b>
Registered Share Capital	4.000.000	5.000.000

3. Information on the share capital increases during the period and their sources:

<b>Increase Date</b>	<b>Increase Amount</b>	<b>Cash</b>	<b>Profit Reserves Subject to Capital Increase</b>	<b>Capital Reserves Subject to Capital Increase</b>
16 April 2010	1.000.000	-	482.691	517.309

4. Information on share capital increases from capital reserves during the current period: None.

<b>Marketable Securities Value Increase Fund</b>	<b>Revaluation Fund</b>	<b>Bonus Shares from Investment in Associates, Subsidiaries and Joint Ventures</b>	<b>Other</b>
-	17.309	-	500.000

5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.

6. The effects of anticipations based on the financial figures for prior periods regarding the Group's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity:

The Group has been continuing its operations with high profitability and has been retaining most of its net profit in the equity, either by increasing its capital or transferring it into reserves. On the other hand, only a small part of the equity is allocated to associates and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and high interest bearing assets. Considering all these factors, the Group's shareholders' equity is getting steadily stronger.

7. Information on privileges given to shares representing the capital: None.

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**k. Information on marketable securities value increase fund:**

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	6.190	-
Valuation Difference	1.722.413	93.893	795.309	66.933
Foreign Currency Differences	-	-	-	-
<b>Total</b>	<b>1.722.413</b>	<b>93.893</b>	<b>801.499</b>	<b>66.933</b>

The part of value increase fund related to foreign currency marketable securities is the difference between the fair values and the amortized costs, calculated by the "Effective interest method" of government bonds classified as "Available-for-sale financial assets".

**l. Information on minority interest:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Balance at the Beginning of the Period	205	231
Other Shareholders' Net Dividend	1.541	40
Prior Period Dividend	(2.156)	(66)
Net Foreign Currency Difference From Subsidiaries Abroad	-	-
Effect of Changes in Consolidation Scope	13.344	-
<b>Current Period End Balance</b>	<b>12.934</b>	<b>205</b>

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**III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT**

**a. Information on interest income:**

1. Information on interest income on loans: (\*)

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term Loans	1.435.106	123.828	2.137.741	179.338
Medium and Long-term Loans	1.863.271	794.818	1.875.778	806.151
Interest on Loans Under Follow-Up	44.133	55	29.561	662
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>3.342.510</b>	<b>918.701</b>	<b>4.043.080</b>	<b>986.151</b>

(\*) Fee and commission income from cash loans is included.

2. Information on interest income on banks:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From the CBRT	77.587	-	123.011	-
From Domestic Banks	34.624	154	22.427	643
From Foreign Banks	44	8.663	16	18.518
From Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>112.255</b>	<b>8.817</b>	<b>145.454</b>	<b>19.161</b>

3. Information on interest income on marketable securities:

	<b>Current Period 31 December 2010</b>		<b>Prior Period 31 December 2009</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Trading Financial Assets	27.377	5.746	17.340	6.756
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	3.414.698	190.048	1.678.780	123.612
From Held-to-Maturity Investments	730.215	133.596	2.071.117	322.573
<b>Total</b>	<b>4.172.290</b>	<b>329.390</b>	<b>3.767.237</b>	<b>452.941</b>

4. Information on interest income received from associates and subsidiaries: None.

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**b. Information on interest expense:**

1. Information of interest expense on borrowings: (\*)

	Current Period 31 December 2010		Prior Period 30 September 2009	
	TL	FC	TL	FC
Banks	30.835	184.197	39.197	264.347
The CBRT	-	-	-	-
Domestic Banks	17.657	1.603	32.852	1.443
Foreign Banks	13.178	182.594	6.345	262.904
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	4.123	-	3.393
<b>Total</b>	<b>30.835</b>	<b>188.320</b>	<b>39.197</b>	<b>267.740</b>

(\*) Fee and commission expense from cash loans is included.

2. Information on interest expense given to associates and subsidiaries : None.
3. Information on interest expense given to securities issued :

	Current Period 31 December 2010		Prior Period 30 September 2009	
	TL	FC	TL	FC
Interest expense on securities issued	3.224	34.625	-	-

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4. Maturity structure of the interest expense on deposits :

There are no deposits with 7-days notification and accumulative deposits.

	Demand Deposits	Time Deposit					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	-	45.152	58.838	1.353	227	-	105.570
Saving Deposits	256	764.314	1.060.818	37.448	12.725	3.041	1.878.602
Public Sector Deposits	-	253	224	59	32	2	570
Commercial Deposits	15.831	311.607	629.065	8.228	6.445	41	971.217
Other Deposits	1.149	8.329	91.463	838	72	217	102.068
Total	17.236	1.129.655	1.840.408	47.926	19.501	3.301	3.058.027
FC							
Foreign Currency Deposits	8.710	184.852	203.516	27.016	35.076	55.503	514.673
Bank Deposits	-	22.100	37.466	7.551	4.342	842	72.301
Precious Metals Deposits	-	-	-	-	-	-	-
Total	8.710	206.952	240.982	34.567	39.418	56.345	586.974
Grand Total	25.946	1.336.607	2.081.390	82.493	58.919	59.646	3.645.001

c. Explanations on dividend income:

	Current Period 31 December 2010	Prior Period 31 December 2009
From Trading Financial Assets	866	1.154
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-Sale Financial Assets	-	-
Other (*)	193	237
<b>Total</b>	<b>1.059</b>	<b>1.391</b>

(\*)Discloses the dividend income received from non consolidated investments in associates and subsidiaries.

d. Information on trading profit/loss (Net):

	Current Period 31 December 2010	Prior Period 31 December 2009
<b>Profit</b>	<b>30.569.521</b>	<b>26.354.399</b>
Income From Capital Market Transactions	509.565	288.309
Income From Derivative Financial Transactions	847.072	300.872
Foreign Exchange Gains	29.212.884	25.765.218
<b>Loss (-)</b>	<b>30.489.205</b>	<b>26.241.060</b>
Loss from Capital Market Transactions	38.275	25.317
Loss from Derivative Financial Transactions	1.283.612	526.904
Foreign Exchange Loss	29.167.318	25.688.839
<b>Total (Net)</b>	<b>80.316</b>	<b>113.339</b>

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The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 16.380 (31 December 2009: TL 20.778).

**e. Explanations on other operating income:**

"Other Operating Income" in the Income Statement mainly consists of collections from receivables for which provisions were provided in prior periods.

**f. Provision expenses related to loans and other receivables of the Group:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Specific Provisions for Loans and Other Receivables	348.175	993.679
III. Group Loans and Receivables	80.790	926.443
IV. Group Loans and Receivables	151.787	54.250
V. Group Loans and Receivables	115.598	12.986
General Provision Expenses	120.282	-
Provision Expense for Possible Risks	25.000	110.000
Marketable Securities Impairment Expense	2.605	320
Financial Assets at Fair Value through Profit or Loss	702	260
Available-for-sale Financial Assets	1.903	60
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	22.713	12.929
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	22.713	12.929
Other	6.017	7.341
<b>Total</b>	<b>524.792</b>	<b>1.124.269</b>

**g. Information related to other operating expenses:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Personnel Expenses	916.506	857.490
Reserve for Employee Termination Benefits	10.783	2.914
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	105.948	105.850
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	22.113	15.784
Impairment Expenses of Equity Participations for Which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	157	294
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.109.900	991.681
Operational Leasing Expenses	79.179	69.917
Maintenance Expenses	22.068	13.953
Advertisement Expenses	120.488	97.084
Other Expenses	888.165	810.727
Loss on Sales of Assets	701	48
Other	317.119	287.282
<b>Total</b>	<b>2.483.227</b>	<b>2.261.343</b>

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**h. Profit/Loss of minority interest:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Profit/Loss of Minority Interest	1.541	40

**i. Information on profit/(loss) from continued and discontinued operations before tax:**

The Bank's income before tax consists of net interest income amounting to TL 4.430.918, net fees and commission income amounting to TL 1.358.036 and the amount of other operating expense is TL 2.483.227.

The Group has no discontinued operations.

**j. Information on tax provision of continued and discontinued operations:**

As of 31 December 2010, the Group has a current tax expense of TL 664.138 and deferred tax expense of TL 90.034.

The amount of deferred tax income that occurred due to the temporary differences is TL14.457 and deferred tax expense is TL 30.967; the amounts of deferred tax income and deferred tax expense that occurred due to the closing of temporary differences are TL 5.212 and TL 78.736 respectively.

The Group has no discontinued operations.

**k. Explanation on current period net profit and loss of continued and discontinued operations:**

Net profit of the Group is TL 3.008.809.

The Group has no discontinued operations.

**l. Explanation on current period net profit and loss:**

1. Explanation on the quality, amount and frequency of the figures of the income and expense stemming from ordinary banking operations, if necessary to understand the performance of the Bank for the current period: None.
2. Explanation on the changes in the estimations regarding the figures on the financial statements, if there exists a possibility that the profit and loss for the current or the following periods will be impacted: None.

**m. Other figures on profit and loss statement:**

"Other Fee and Commission Income" in the Income Statement mainly consists of commissions received from credit card, mutual fund and common stock transactions.

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**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS**

**a. Explanations on off-balance sheet commitments:**

1. Type and amount of irrevocable commitments:

TL 1.659.998 asset purchase commitments (31 December 2009: TL 774.678), TL 12.591.257 commitment for credit card limits (31 December 2009: TL 11.161.549) and TL 3.945.886 commitments for cheque books (31 December 2009: TL 1.598.706).

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

The Group has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments".

- 2 (i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Bank Acceptance Loans	69.764	59.050
Letters of Credit	2.746.362	1.683.684
Other Commitments and Contingencies	963.390	525.207
<b>Total</b>	<b>3.779.516</b>	<b>2.267.941</b>

- 2 (ii). Revocable, irrevocable guarantees and other similar commitments and contingencies:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Revocable Letters of Guarantee	313.186	205.730
Irrevocable Letters of Guarantee	3.731.755	3.547.097
Letters of Guarantee Given in Advance	1.028.940	672.001
Guarantees Given to Customs	420.185	312.989
Other Letters of Guarantee	1.068.320	729.395
<b>Total</b>	<b>6.562.386</b>	<b>5.467.212</b>

3. (i) Total amount of non-cash loans:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
Non-cash Loans Given against Cash Loans	252.683	189.622
With Original Maturity of 1 Year or Less Than 1 Year	199.745	122.022
With Original Maturity of More Than 1 Year	52.938	67.600
Other Non-cash Loans	10.089.219	7.545.531
<b>Total</b>	<b>10.341.902</b>	<b>7.735.153</b>



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3 (ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2010				Prior Period 31 December 2009			
	TP	(%)	YP	(%)	TP	(%)	YP	(%)
Agricultural	18.013	0,39	14.673	0,25	8.549	0,28	913	0,02
Farming and Raising Livestock	8.951	0,19	14.644	0,25	1.810	0,06	330	0,01
Forestry	9.030	0,20	29	0,00	6.697	0,22	583	0,01
Fishing	32	0,00	-	-	42	0,00	-	-
Manufacturing	1.450.490	31,57	3.234.527	56,28	1.024.497	33,65	2.504.352	53,40
Mining	9.100	0,20	8.440	0,15	6.854	0,23	20.414	0,44
Production	1.190.055	25,90	2.859.367	49,75	932.064	30,61	1.693.675	36,11
Electric, Gas and Water	251.335	5,47	366.720	6,38	85.579	2,81	790.263	16,85
Construction	667.401	14,53	601.354	10,46	264.018	8,67	318.642	6,79
Services	2.119.148	46,13	1.329.102	23,11	1.528.268	50,19	1.227.233	26,16
Wholesale and Retail Trade	1.301.479	28,33	346.856	6,03	940.437	30,88	370.902	7,91
Hotel, Food and Beverage	20.006	0,44	8.736	0,15	16.033	0,53	5.088	0,11
Transportation and								
Telecommunication	141.392	3,08	169.448	2,95	67.600	2,22	80.836	1,72
Financial Institutions	560.068	12,19	765.226	13,31	461.858	15,17	719.548	15,34
Real Estate and Leasing								
Services	633	0,01	1.544	0,03	111	0,00	17	0,00
Self-Employment Services	8.440	0,18	1.999	0,03	6.139	0,20	1.723	0,04
Education Services	6.245	0,14	152	0,00	3.861	0,13	223	0,00
Health and Social Services	80.885	1,76	35.141	0,61	32.229	1,06	48.896	1,04
Other	339.082	7,38	568.112	9,90	219.718	7,21	638.963	13,63
<b>Total</b>	<b>4.594.134</b>	<b>100,00</b>	<b>5.747.768</b>	<b>100,00</b>	<b>3.045.050</b>	<b>100,00</b>	<b>4.690.103</b>	<b>100,00</b>

3 (iii). Information on the non-cash loans classified in Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans</b>	<b>4.571.817</b>	<b>5.741.877</b>	<b>22.317</b>	<b>5.891</b>
Letters of Guarantee	4.027.998	2.506.184	22.313	5.891
Bank Acceptances	1.727	68.037	-	-
Letters of Credit	13.105	2.733.257	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	7.923	-	-
Other Commitments and Contingencies	528.987	426.476	4	-

4. Mutual Funds

As of 31 December 2010, the Group is the founder of 33 mutual funds (31 December 2009: 18) with a total fund value of TL 4.110.062 (31 December 2009: TL 3.683.043). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Istanbul Stock Exchange Settlement and Custody Bank, Inc.

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**b. Information on derivative transactions:**

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Types of Trading Transactions</b>		
Foreign Currency Related Derivative Transactions (I)	27.677.776	15.226.807
FC Trading Forward Transactions	2.892.072	1.078.100
Trading Swap Transactions	17.608.832	8.604.312
Futures Transactions	2.004	18.188
Trading Option Transactions	7.174.868	5.526.207
Interest Related Derivative Transactions (II)	14.596.144	11.364.864
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	12.333.430	9.967.510
Interest Rate Options	2.262.714	1.397.354
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	164.504	178.691
A. Total Trading Derivative Transactions (I+II+III)	42.438.424	26.770.362
<b>Types of Hedging Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	5.090.000	5.090.000
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	5.090.000	5.090.000
<b>Total Derivative Transactions (A+B)</b>	<b>47.528.424</b>	<b>31.860.362</b>

**c. Explanations on contingent assets and liabilities:**

**1. Contingent Liabilities**

The Group has accounted a provision amounting to TL 27.920 (31 December 2009: TL 1.947) for the contingent liabilities with a high probability of realization about continuing opposing trials.

Banks, including Akbank, are subject to investigation started in August 2009 by the Competition Board in accordance with the Law No. 4054 on the Protection of Competition. The investigation, which is related to promotions offered to public and private corporate customers while providing payroll deposit services, is still continuing and there is no issue affecting the financial statements.

**2. Contingent Assets**

None.

**d. Explanations on the activities carried out on behalf and account of other persons:**

The policy is explained on note IX in Section Four.

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**V. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY**

**a. Information on distribution of profit:**

The Ordinary General Assembly Meeting of the Parent Bank was held on 26 March 2010. In the Ordinary General Assembly, it was resolved to distribute a TL 540.600 cash dividend over the TL 2.725.982 net unconsolidated income from 2009 operations to the Bank's shareholders, Chairman and Members of the Board of Directors. It was also resolved in the General Assembly to transfer TL 2.919 to capital reserves, to allocate TL 140.826 as legal and TL 2.041.637 extraordinary reserves.

General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of these financial statements.

**b. Information on capital increase:**

The Bank has increased its paid-in-capital from TL 3.000.000 to TL 4.000.000 within registered capital ceiling amounting to TL 5.000.000 with a total increase of TL 1.000.000 met from extraordinary reserves amounting to TL 482.691, profit of subsidiary sales amounting to TL 16.554, income from property sales amounting to TL 755 and differences from inflation adjustment into share capital under other reserves amounting to TL 500.000. The new capital of the Bank is registered by Istanbul Trade Registry Office on 12 April 2010 and published on Turkish Trade Registry Gazette on 16 April 2010 No.7545.

**c. Information on hedge funds:**

1. Information on cash flow hedge:

The Bank is hedged against cash flow risk arising from local and foreign currency floating rate borrowings through the use of interest rate swaps. In this context, effective portion of the fair value change of the hedging instrument is recognized under "Hedging reserves" within equity. As of 31 December 2010, the amount directly recognized in equity is (-) TL 291.829.

2. Information on net investment hedge:

The Bank is hedged against net investment risk arising from fluctuations in foreign exchange rates through the use of foreign currency denominated financial borrowings. In this context, effective portion of the change in foreign currency denominated financial liabilities resulting from changes in the foreign exchange rates is recognized under "Hedging reserves" within equity. As of 31 December 2010, the amount directly recognized in equity is (-) TL 87.424.

**d. Information on to foreign exchange difference:**

Within the financial statements of the Group's subsidiaries founded abroad, balance sheet items are translated into Turkish Lira with the foreign exchange rates prevailing at the balance sheet date, and income statements items are translated into Turkish Lira with the average foreign exchange rates. Related foreign exchange differences are accounted in the shareholders' equity under "Other profit reserves."

**e. Information on available-for-sale financial assets:**

"Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities value increase fund" account under equity, until the financial assets are sold, disposed or impaired.

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**VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOWS**

**a. Information on cash and cash equivalents:**

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as "Cash"; interbank money market and time deposits in banks with original maturities less than three months are defined as "Cash equivalents".

1. Cash and cash equivalents at the beginning of the period:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Cash</b>	<b>1.039.771</b>	<b>1.068.856</b>
Cash, Foreign Currency and Other	595.685	610.540
Demand Deposits in Banks (*)	444.086	458.316
<b>Cash Equivalents</b>	<b>2.549.896</b>	<b>4.273.767</b>
Interbank Money Market Placements	17.503	1.416
Time Deposits in Banks	2.525.787	4.261.130
Marketable Securities	6.606	11.221
<b>Total Cash and Cash Equivalents</b>	<b>3.589.667</b>	<b>5.342.623</b>

(\*) The restricted demand accounts are not included.

2. Cash and cash equivalents at the end of period:

	<b>Current Period 31 December 2010</b>	<b>Prior Period 31 December 2009</b>
<b>Cash</b>	<b>1.329.742</b>	<b>1.039.771</b>
Cash, Foreign Currency and Other	806.546	595.685
Demand Deposits in Banks (*)	523.196	444.086
<b>Cash Equivalents</b>	<b>1.181.973</b>	<b>2.549.896</b>
Interbank Money Market Placements	13.803	17.503
Time Deposits in Banks	1.162.539	2.525.787
Marketable Securities	5.631	6.606
<b>Total Cash and Cash Equivalents</b>	<b>2.511.715</b>	<b>3.589.667</b>

(\*) The restricted demand accounts are not included.

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**b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:**

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to (-)TL1.288.254 (31 December 2009: (-)TL1.078.617) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expense, foreign exchange gains/losses, depreciation, provisions and bonus shares.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 620.676 (31 December 2009: TL 76.747) 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 calculated approximately as TL 53.909 as of 31 December 2010. (31 December 2009: (-) TL22.408).

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**VII. EXPLANATIONS AND NOTES RELATED TO GROUP'S RISK GROUP**

**Information on the volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit and loss of the period:**

1. Current Period – 31 December 2010:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	235	628.275	742.848	6.960	4.828
Balance at the End of the Period	-	-	948.680	394.240	2.427	3.022
Interest and Commission Income Received	-	2	49.621	20.308	374	26

2. Prior Period -31 December 2009:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	234	868.632	456.327	1.910	3.680
Balance at the End of the Period	-	235	628.275	742.848	6.960	4.828
Interest and Commission Income Received	-	2	42.662	24.783	2.044	33

3. Information on deposits of the Group's risk group:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009
<b>Deposit</b>						
Balance at the Beginning of the Period	-	-	1.561.151	1.561.491	923.675	760.150
Balance at the End of the Period	-	-	1.525.403	1.561.151	997.787	923.675
Interest on Deposits	-	-	91.885	99.002	21.910	23.805

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4. Information on forward and option agreements and other similar agreements made with the Group's risk group:

Group's risk group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009	Current Period 31 December 2010	Prior Period 31 December 2009
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	1.924.187	810.079	81.284	-
Balance at the End of the Period	-	-	2.310.514	1.924.187	58.156	81.284
Total Income/Loss(*)	-	-	(23.767)	(16.247)	(598)	(686)
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	410.886	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

Figures presented in the table above show the total of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Group. As of 31 December 2010 the net exposure for direct and indirect shareholders of the Group is için (-) TL 248.008 (31 December 2009: (-)TL 267.873) and for other third party or legal person in risk group (-) TL (31 December 2009: (-)TL 50.285) .

5. Information regarding benefits provided to the Parent Bank's key management:

As of 31 December 2010 benefits provided to the Parent Bank's key management amount to TL 23.092 (31 December 2009: TL 19.611)

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**VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK**

1. Information on domestic and foreign branches and representative offices of the Bank:

	Number	Number of employees			
Domestic Branch	912	15.320			
			<b>Country of Incorporation</b>		
Foreign Representation Office	-	-	-		
				<b>Total Assets</b>	<b>Statutory Share Capital</b>
Foreign Branch	-	-	-	-	-
Off-shore Banking Region Branches	1	10	Malta	21.248.757	-

2. Information on the Bank's branch or representative office opennings, closings, significant changes in the organizational structure: In 2010, the Bank has opened 79 domestic branches and closed up 44 domestic branches.

**IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

1. The Bank has applied to Capital Market Board of Turkey as of 14 January 2011 for Eurobond issuance in international markets amounting up to USD 1.5 billion.
2. At the meeting of the Board of Directors on 25 January 2011, the Ordinary General Assembly Meeting of the Bank has been decided to be held on 21 March 2011 at 14:00, Sabancı Center, 4.Levent/Istanbul Headquarters.
3. As of 31 January 2011 the Bank has issued a 178 day maturity bond amounting to TL 500 million at an interest rate of 7.56%.



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**SECTION SIX  
OTHER EXPLANATIONS**

**I. OTHER EXPLANATIONS**

None.

**SECTION SEVEN  
EXPLANATIONS ON AUDITOR'S REPORT**

**I. EXPLANATIONS ON AUDITOR'S REPORT**

The consolidated financial statements for the year ended 31 December 2010 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated 11 February 2011 is presented prior to the consolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS**

None.





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