



2011  
*Annual Report*

**AKBANK**



## We are connected to Turkey with a love bond

Since the very beginning of Akbank's foundation, our Corporate Social Responsibility activities, as with the entirety of our other operations that have aimed to sustain and enhance the welfare of our stakeholders, have been implemented in accordance with the principle of "creating sustainable values".

We have always believed that our ethical, environmental, social and cultural investments are as important as our financial performance in moving the environment in which we operate, our stakeholders and the Bank forward into the future.

The pioneering Corporate Social Responsibility projects, we have undertaken and supported, set precedents. These investments and commitments make major contributions to social progress, and are shared responsibilities that we continue to embrace on behalf of our future...

It gives us great pleasure to see that our Corporate Social Responsibility activities are not solely limited to the projects carried out by our Bank. Akbankers, on their own initiative, also participate in volunteering efforts that aim to contribute to rectifying social issues. The success of our Bank's Corporate Social Responsibility activities is further reinforced by the efforts of our volunteers, who believe that lasting values are enhanced by mutual commitment, solidarity and sharing, as well as increasing participation in these projects.

In 2011, as Akbank, we continued to undertake efforts that have left a lasting legacy.

Akbank employees, each and every one a volunteer, organized a book collection campaign, aimed at giving more students greater access to reading materials. They delivered thousands of books to young reading enthusiasts, with some recipients located in the remotest corners of Turkey. They visited many elementary and middle schools in various provinces of the country and taught courses on the environment and climate change. By participating in the "audio books for the visually impaired" project, our volunteers helped them open their worlds to new horizons. They visited the Foundation for Children with Leukemia and provided emotional and moral support to the young ones. They assisted the earthquake victims in Van province. Volunteering Akbankers raised money for the Educational Volunteers Foundation of Turkey (TEGV) and the Spinal Cord Paralytics Association of Turkey (TOFD) by running the Eurasia Marathon. Paying a visit to the Dumlupınar Elementary and Middle School in Küçükarmutlu, they helped the students improve their English by giving lectures. They visited our little friends living in pet shelters and shared their love and compassion.

Thanks to our powerful reach encompassing every corner of Turkey and with the support of our employees, we are marching on with determination in our aim to create a more sustainable world. We are proud of our employees - the volunteers of Turkey - who accompany us on this journey.

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## RESOLUTIONS OF THE ORDINARY GENERAL MEETING

### Resolutions of the Ordinary General Meeting of the Bank held on March 30, 2012 are as follows:

#### Resolutions of the Ordinary General Meeting:

- 1- Approval of the reports of the Board of Directors, Statutory Auditors and Independent Auditor,
- 2- Ratification of the Balance Sheet and Profit & Loss Statement for 2011 and the discharge of liability of the Board of Directors and Auditors from the operations and accounts of 2011,
- 3- 2011 net profit 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 2011 net profit of TL 2,394,527.239,39 will be as follows;
  - Gross TL 200,000,000, equal to 5% of the paid-in capital of the Bank as of December 31, 2011 which is TL 4,000,000,000 will be allocated as primary cash gross dividend; and gross TL 218,000,000 will be allocated as secondary cash gross dividend. Total gross dividend of TL 418,000,000, equal to 10.45% of the paid in capital, will be distributed to shareholders,
  - Gross TL 595,684.93 as cash dividend will be paid to the Chairman and Members of the Board, in accordance with the articles of association,
  - Cash dividend payments to start from April 2, 2012,
  - In accordance with the first paragraph clause (e) and (f) of article 5 of the Corporate Tax Law, TL 79,407,645.59 which is exempt from corporate tax to be allocated to a "Special Fund Account" and after allocating TL 79,033,099.07 to Legal Reserves, the remaining profit to be retained under Extraordinary Reserves,
- 4- In accordance with the first paragraph clause (e) of article 5 of the Corporate Tax Law, TL 17,592,993.24 accounted under Extraordinary Reserves, which is exempt from corporate tax to be transferred to a "Special Fund Account",
- 5- The approval of Özen GÖKSEL and Aziz Aykut DEMİRAY that are appointed to vacant seats on the Board for the remaining period,
- 6- The appointment of M. Nedim Bozfakioğlu and Mevlüt Aydemir, as Statutory Auditors for a period of three years, with a gross monthly remuneration of TL 2,500,
- 7- 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,
- 8- Amendment of the 9<sup>th</sup> article of the Bank's Articles of Association according to suggestions of the Board of Directors and permission of related authorities,
- 9- 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 10<sup>th</sup> item of the Agenda, Shareholders have been informed that TL 285,285.28 has been donated to foundations and other charity organizations in 2011.

## FINANCIAL HIGHLIGHTS IN 2011

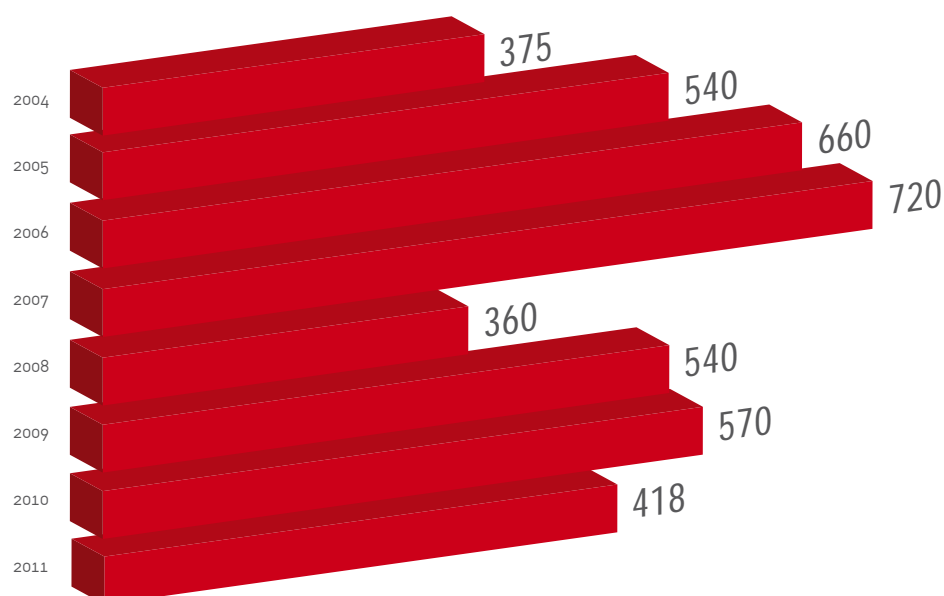
### KEY FINANCIAL FIGURES (TL MILLIONS)

	CONSOLIDATED	UNCONSOLIDATED
TOTAL ASSETS	139,907	133,552
LOANS	74,356	70,306
DEPOSITS	80,771	76,814
SHAREHOLDERS' EQUITY	18,131	17,554
NET PROFIT	2,535	2,395

### KEY FINANCIAL RATIOS (%)

LOANS/TOTAL ASSETS	53.1	52.6
DEPOSITS/TOTAL ASSETS	57.7	57.5
RETURN ON EQUITY (ROE)	14.3	13.8
RETURN ON ASSETS (ROA)	2.0	1.9
NON-PERFORMING LOANS RATIO	1.7	1.8
CAPITAL ADEQUACY RATIO	16.8	17.0
EARNINGS PER SHARE (TL)	0.63	0.60

### DIVIDEND DISTRIBUTION (TL MILLIONS)



Note: The financial information and data presented in this Annual Report are obtained from the consolidated and unconsolidated financial statements prepared in accordance with the Turkish Accounting Standards, Turkish Financial Reporting Standards and the related regulations of the Banking Regulation and Supervision Agency of Turkey.

## AKBANK IN BRIEF AND MILESTONES

With a strong and extensive domestic distribution network of 926 branches and more than 15,000 employees, Akbank operates from its Head Office in Istanbul and 20 regional directorates across Turkey.

### AKBANK IN BRIEF AND MILESTONES

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 Depository 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 Germany (Akbank AG), the Netherlands (Akbank NV) and Dubai (Akbank Dubai Limited) as well as a branch in Malta. As part of the initiative to restructure its overseas subsidiaries, Akbank decided to consolidate Akbank AG and Akbank NV under the corporate umbrella of Akbank AG; the merger is currently underway.

In addition to its core banking activities, Akbank offers a wide range of consumer, commercial and SME, corporate and private banking services as well as foreign trade financing. The Bank's subsidiaries provide non-banking financial services alongside capital markets and investment services. Equipped with state-of-the-art IT systems and a staff of experienced professionals, Akbank strives to provide top quality services to an extensive portfolio of consumer and corporate banking customers.

With a strong and extensive domestic distribution network of 926 branches and more than 15,000 employees, Akbank operates from its Head Office in Istanbul and 20 regional directorates across Turkey. In addition to offering services through branches, the Bank's traditional delivery channel, Akbank also serves customers through its Consumer and Corporate Internet Branches, the Telephone Banking Center, 3,695 ATMs and more than 288,000 POS terminals as well as other high-tech channels.

Citigroup has held a 20% strategic equity stake in Akbank since January 2007. This strategic partnership has enhanced Consumer Banking activities with joint ATM usage and credit card applications such as Citi Axxess and Citi Wings; additionally, it has aided in creating joint corporate banking and project finance business opportunities. These activities continue apace within a strong cooperative framework.

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

Harvard University Kennedy School of Government (Harvard KSG) has turned Akbank's transformation story and growth strategy in the aftermath of the 2001 crisis into a case study. The Bank adopted the "New Horizons Restructuring Program" in response to the Turkish economic crisis of 2001, when the country's economy and banking industry were struggling to deal with the impact of the crisis. The management, change and growth strategy which the Bank implemented not only positioned Akbank to grow during the crisis years but also turned the Bank's Program into a lecture topic and a reference success story on how to manage and achieve growth during a sharp economic downturn.

Beyond monitoring and adopting global banking trends, Akbank's ability to develop new customized products and channels, has turned the Bank's idea of being "Turkey's innovative power" into reality through concrete examples. The Bank has introduced many trailblazing practices in Turkey including the "Big Red House" mortgage loan-only branches and "Credit Express" consumer loan-only branches. Akbank also broke new ground globally with the Loan Machine and Mobile Loan innovations which allow customers to obtain loans without having to visit a bank branch. Akbank continues to diversify its product and service portfolio, expand its distribution channels, broaden its customer base and adhere to a risk-management approach while providing the best banking experience for its clients.

As a result of highly successful applications and effective long-term strategic management, Akbank received the "CRM Excellence-Integrated Marketing" award from Gartner in 2011 for its

"Atom" customer relations management system which launched in 2010. Akbank became the first Turkish bank to win this award, granted for the entire Europe, Middle East, Africa, Asia-Pacific and China (EMEA/APAC) region.

The "Hall of Fame" awards distributed by the Palladium Group Europe which carries out an assessment on companies that successfully implement strategy focused organizational models in the Middle East and Africa Regions (EMEA) named Akbank as "The Most Successful Organization of the EMEA Region". Akbank was the first Turkish bank to receive this award in the organizational management area, which is one of the most prestigious awards given on an international platform.

With an assessed brand value of US\$ 1.58 billion, Akbank was named the "Most Valuable Banking Brand in Turkey," by Brand Finance in the "Brand Finance Banking 500" report. In addition, Akbank ranked 96<sup>th</sup>, globally, in the Top 500 Most Valuable Banking Brands list.

As one of the most committed supporters of contemporary art in Turkey and with the aim of being present in all areas of art, Akbank's arts and culture initiatives span a wide range of fields. In addition to providing banking services, Akbank's expansive vision include investments ranging from arts events geared toward social progress such as jazz, theatre and contemporary arts to environmental protection practices such as the Carbon Disclosure Project.

With its robust capital base, reliable deposit structure, ability to raise foreign financing on favorable terms and solid asset quality, Akbank maintains its leading position in the Turkish banking sector. As of the end of 2011, Akbank reported a consolidated net profit of TL 2,535 million (approximately US\$ 1,342 million) and total consolidated assets of approximately TL 140 billion (approximately US\$ 74 billion). The Bank's consolidated capital adequacy ratio of 16.8% is among the highest in the sector.

31.0% 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\$ 12.7 billion as of December 31, 2011.

## AWARDS AND ACCOMPLISHMENTS IN 2011

### BRAND FINANCE

BRAND FINANCE "WORLD'S TOP 500 MOST VALUABLE BANKING BRANDS" RANKING-WITH A BRAND VALUE OF US\$ 1 BILLION 582 MILLION, AKBANK IS THE "MOST VALUABLE BANKING BRAND IN TURKEY"  
AKBANK RANKS 96<sup>TH</sup> AMONG WORLD'S TOP 500 BANKING BRANDS

### EUROMONEY

OVERALL BEST PRIVATE BANKING SERVICES OF TURKEY

### GLOBAL FINANCE

BEST FOREIGN EXCHANGE PROVIDER IN TURKEY  
BEST EUROPEAN BANK IN SOCIAL MEDIA

### GLOBAL BANKING AND FINANCE REVIEW

BEST BANK IN TURKEY

### EMEA FINANCE

EUROPE, MIDDLE EAST AND AFRICA (EMEA) REGION-BEST FINANCIAL INSTITUTION BORROWER  
AKBANK AUGUST 2011 SYNDICATION LOAN-EUROPE, MIDDLE EAST AND AFRICA (EMEA) REGION-BEST FINANCIAL INSTITUTION LOAN

### PALLADIUM GROUP

HALL OF FAME AWARD-THE MOST SUCCESSFUL ORGANIZATION OF EMEA REGION IN STRATEGIC AND PERFORMANCE MANAGEMENT

### GARTNER

AKBANK CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM-CRM EXCELLENCE AWARD

### FINANCIAL WORLD INNOVATION AWARDS

AKBANK SMS LOAN FOR SMALL BUSINESSES APPLICATION-EXCELLENCE IN SME CUSTOMER SERVICE

### STEVIE AWARDS

AKBANK CHILDREN'S THEATER-BEST COMMUNICATIONS CAMPAIGN IN BANKING CATEGORY  
AKBANK 2010 "FOR YOU" COMMUNICATIONS CAMPAIGN-DISTINGUISHED HONOREE IN THE BEST COMMUNICATIONS CAMPAIGN  
AKBANK 2010 ANNUAL REPORT-DISTINGUISHED HONOREE IN BEST ANNUAL REPORT CATEGORY

### IMI TRAINING MANAGEMENT AND ORGANIZATION-2011 ISTANBUL CALL CENTER AWARDS

"MOST COMMENDABLE CUSTOMER EXPERIENCE", "MOST COMMENDABLE TEAM LEADER" AND "MOST COMMENDABLE CALL CENTER AGENT OUTBOUND" AWARDS

### TURKISH PUBLIC RELATIONS ASSOCIATION-GOLDEN COMPASS AWARDS

AKBANK 20<sup>TH</sup> JAZZ FESTIVAL-JURY'S DISTINGUISHED HONOREE IN THE CULTURE & ARTS CATEGORY  
RUN TO THE RED-JURY'S DISTINGUISHED HONOREE IN THE MARKETING COMMUNICATIONS AND INTEGRATED MARKETING PROJECTS CATEGORY

### LACP (LEAGUE OF AMERICAN COMMUNICATIONS PROFESSIONALS)

AKBANK 2010 ANNUAL REPORT-"BEST ANNUAL REPORT IN AMERICAS (NORTH AMERICA AND SOUTH AMERICA) & EMEA REGION (EUROPE, MIDDLE EAST AND AFRICA)" AWARD

### INTERACTIVE MEDIA AWARDS

AKBANK BÜYÜK KIRMIZI EV (BIG RED HOUSE) WEBSITE-OUTSTANDING ACHIEVEMENT AWARD

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

### > VISION

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

### > MISSION

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



## STRONG FOUNDATIONS

- TURKEY'S MOST VALUABLE BANK BRAND,
- ONE OF TURKEY'S MOST VALUABLE COMPANIES,
- LONG-TERM STRATEGIC MANAGEMENT WITH SUCCESSFUL IMPLEMENTATIONS,
- 926 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 16.8%,
- SUPERIOR ASSET QUALITY WITH A LOW NON-PERFORMING LOANS RATIO OF 1.7%,
- HIGH LEVEL OF EFFICIENCY WITH AN OPERATIONAL COSTS/ASSETS RATIO OF 1.9%,
- 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 RETURN ON EQUITY OF AT LEAST 16-18%,
- 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.

# AKBANK IN 2011

## JANUARY

**Akbank July Eurobond Issue was Recognized as the "Best Financial Institution Deal of the Year"**  
Euroweek recognized Akbank's US\$ 1 billion, July 2010 Eurobond issue as the "Best Financial Institution Deal of the Year- Emerging Markets Category" in its 2010 "Best Financial Transactions" survey.

## FEBRUARY

**Euromoney Voted Akbank Private Banking "Overall Best Private Bank of Turkey" for the fourth time**

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

**Akbank is the Best Bank of the EMEA Region in Foreign Borrowing and Syndication Loan**

EMEA Finance named Akbank as the "Best Financial Institution Borrower" in EMEA Region for its successful foreign borrowing transactions in 2010 and selected the Bank's August 2010, € 1 billion syndication loan as the "Best Financial Institution Loan" in the magazine's "2010 Achievement Awards" survey.

**Akbank Brought Together Entrepreneurs and Business Leaders.**

The founders and senior executives of 250 start-up companies with high growth potential convened at the iyiGirişim (Good Venture) summit held at the Sabancı Center with Akbank's sponsorship.

**The Legendary Cirque du Soleil Visits Turkey with Akbank's Support**

Cirque du Soleil, the world's distinguished entertainment group, performed in Turkey for the first time with Akbank's support. The group performed 16 exclusive shows at Istanbul Abdi İpekçi Arena.

## MARCH

**Akbank Becomes the First Turkish Bank to win "CRM Excellence" Award.**

Akbank won Gartner's "CRM Excellence in Integrated Marketing" award with its customer relationship management system, launched in 2010. Akbank became the first Turkish bank to receive the award that is granted for the entire EMEA/APAC region comprising Europe, Middle East, Africa, Asia-Pacific and China.

**Akbank Pioneered the Sector in Lowering Borrowing Costs with its US\$ 1.3 Billion Syndicated Loan.**

Akbank secured a US\$ 1.3 billion syndicated loan facility in a deal participated by the world's leading banks. Total cost of the loan, structured in two tranches of € 652 million and US\$ 406 million with one-year maturity, was EURIBOR+1.10% and LIBOR+1.10%, respectively. With this syndication loan Akbank renewed its March 2010, US\$ 1.2 billion syndication loan with a roll-over rate of over 100%.

## APRIL

**Akbank Offers Yuan-Denominated Banking Services with China.**

Following the agreement signed between Akbank and China Development Bank in December 2010, Akbank began offering Yuan-denominated banking services as of April 2011.

**Istanbul Film Festival**

Akbank sponsored the Istanbul Film Festival, organized by Istanbul Foundation for Culture and Arts (İKSV), for the seventh year in 2011.

## MAY

**Akbank Receives EMEA Finance's the "Best Bank in Turkey" Award for the Third Consecutive Year**  
EMEA Finance named Akbank as the "Best Bank in Turkey" in its survey of the CEE and CIS regions' best banks and financial institutions awards.

**Akbank Launches Four New Funds Offering the Opportunity to Invest in Four Continents**

Akbank launched "Akbank T.A.Ş. Franklin Templeton Umbrella Funds" offering Turkish investors the opportunity to invest in four continents (Asia, Europe, North America and South America).

**Akbank and Citi Launched a Benchmark Partnership and Product with their New Project**

In the fifth year of their partnership, Akbank and Citi unveiled another new project. As a result of this partnership between the two banks, Wings' advantages were expanded by the addition of Citi's four new global features while Citibank announced its plan to launch Citi Wings card in June for its clients in Turkey.

**Akbank Supports Sakıp Sabancı Museum's Education Programs**

Akbank established a partnership with Sabancı University's Sakıp Sabancı Museum to support the museum's education workshops and programs as its education sponsor.

**Akbank Launches a Breakthrough Application in Money Transfers: Money Transfer in Just 20 Seconds**

Akbank developed a new mobile banking application, "Send Money" that allows its customers to transfer money conveniently to an account, a credit card or to an Akbank ATM through all GSM operators in just 20 seconds.

## JUNE

**A First in Europe by Akbank Payment Systems: "Akbank Cepten Öde (Akbank Mobile Payment)"**

The application launched by Akbank and Visa Europe partnership integrates payment systems with the mobile world. The new application allows customers to make all payment transactions under TL 35 via their cell phones. Thanks to this application-a first in payments systems in European markets-cell phones can be used as "a change purse".

**"SMS Loan For Small Business" from Akbank**

Akbank provides opportunity to sole proprietorship company owners with a commercial activity and tax registration certificate to apply for commercial loan using their cell phones without the need to visit a bank branch.

**Akbank's Success in Strategic and Performance Management was Honored with Prestigious "Hall of Fame" Award**

Palladium Group named Akbank the "Most Successful Organization of EMEA Region" for its "Hall of Fame" award after evaluating the organizations that successfully implement "Strategy Focused Organization Model". Akbank became the first Turkish bank to have received this award, which is among the most prestigious international management awards.

## JULY

**Global Banking and Finance Review Names Akbank the "Best Bank in Turkey".**

Akbank was recognized as the "Best Bank in Turkey" by Global Banking and Finance Review in its "2011 Banking Awards".

**Akbank 2010 Annual Report was Voted the Best Banking Annual Report of the Year**

Akbank 2010 Annual Report with sustainability theme received the "Best Annual Report of North America, South America, Europe, the Middle East and Africa Regions" award in the "2010 Vision Awards Annual Reports Competition" held by the world's distinguished public relations platform, the League of American Communications Professionals (LACP).

## AUGUST

### Akbank Won Three Prizes at the International Stevie Awards.

"Akbank Children's Theatre" communications campaign was selected as the "Best Banking Communication Campaign" at the International Stevie Awards, organized for the eighth time in 2011. Akbank received distinguished honoree award with the "Akbank 2010 For You" communications campaign in the same category. Akbank 2010 Annual Report was also awarded with distinguished honoree mention in the "Best Annual Report" category.

### Akbank Secured a New, US\$ 200 Million Securitization Loan

As part of its securitization program backed by overseas money transfer flows, Akbank secured a new long-term funding facility from the international capital markets with a US\$ 200 million transaction. This US\$ 200 million facility with a maturity of seven years was extended to Akbank by European Bank for Reconstruction and Development (EBRD) and Sumitomo Mitsui Banking Corporation (SMBC), Brussels.

### Akbank Secured a US\$ 1.45 Billion Syndicated Loan Facility

The total cost of this dual currency term loan facility, comprising 2 tranches of € 708.5 million and US\$ 422 million with a one-year maturity, was Euribor+1.00% and Libor+1.00%, respectively. With this syndication, Akbank renewed the one-year-maturity tranche of its August 2010, US\$ 1 billion syndication loan with a roll-over rate of 130%.

## SEPTEMBER

### Akbank Advanced as the First Turkish Company To Be Listed in the CDP Global 500 Report for Two Consecutive Years.

Akbank-one of the pioneering Turkish companies to report its greenhouse gas emissions in compliance with the international standards-was also listed in the CDP 2011 Global 500 Report. Akbank became the first and only Turkish company included in this prestigious report for two consecutive years and continued to rank among the world leaders in the carbon disclosure rankings.

## OCTOBER

### Akbank Signed An Agreement with Qatar-Based Doha Bank for Funds Remittance to Turkey

Akbank and Doha Bank launched a new remittance system with an agreement signed in Doha, Qatar's capital. With this new remittance scheme, Akbank provides Turkish customers in Qatar opportunity to transfer money to Turkey in a fast and secure manner with advantageous commissions.

### Investors and Business Leaders Convened at İyi Yatırım (Angel Investing) Summit.

İyi Yatırım (Angel Investing) Summit, held at the Sabancı Center and sponsored by Akbank, brought together leading Turkish and international investors, entrepreneurs, academics and top executives. During the two-day summit, attendees discussed the "Angel Investor" model, which aims to support entrepreneurship and enhance entrepreneurial activity by providing knowledge, mentoring and networking opportunities to entrepreneurs, along with funding support.

### Akbank Jazz Festival Celebrated Its 21<sup>st</sup> Anniversary.

Akbank Jazz Festival, one of the longest-running festivals in Turkey, celebrated its 21st anniversary this year with the participation of world-renowned jazz musicians. A key activity of the festival, Jazz on Campus, reached university students and jazz lovers in Istanbul as well as in eight Anatolian cities.

## NOVEMBER

### Akbank Hosted Chatham House in Istanbul for the Second Time.

The second meeting of the Chatham House Turkey Project was held at the Sabancı Center and Sakıp Sabancı Museum, hosted by Akbank. The meetings addressed potential opportunities and challenges presented by the recent events and political changes in the Middle East and North Africa known as the Arab Spring. Minister for EU Affairs and Chief Negotiator Egemen Bağış and President Abdullah Gül delivered keynote speeches on the first and second day of the meetings, organized with the support of Akbank.

### Akbank Completed the Largest TL-Denominated Long-Term Corporate Bond Issue to Date in Turkey

Akbank's two-year bond issuance with a nominal value of TL 500 million for investors and customers represents the largest domestic long-term TL-denominated bond issue aside from the bond issuances of the Turkish Treasury as of the transaction date. The two-year corporate bond with a quarterly floating rate coupon payment issued by Akbank was 1.4 times oversubscribed.

### Akbank Became the Only Turkish Bank to Be a Signatory of the Durban Communiqué as a Member of the Climate Change Leaders Group of Turkey.

The Durban Communiqué, drafted by the Prince of Wales's Corporate Leaders Group on Climate Change, was released prior to the United Nations Climate Change Summit held in Durban, South Africa. Akbank became the only Turkish bank to participate in the development of and to be a signatory of the Durban Communiqué as a member of the Climate Change Leaders Group of Turkey.

### Akbank Was Named "Turkey's Best FX Bank" for the Eighth Time.

Global Finance named Akbank "Turkey's Best FX Bank" for the eighth time in its "Best Foreign Exchange Providers 2012" survey, conducted in 97 countries.

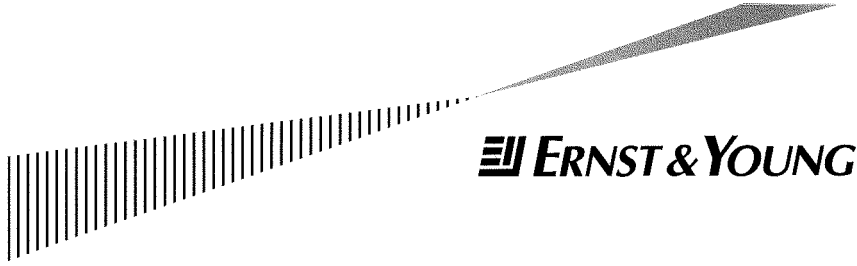
### Akbank Call Center Wins Awards in Three Categories

At the "2011 Istanbul Call Center Awards" organized by IMI Conferences, Akbank Call Center won awards in "Most Commendable Customer Experience", "Most Commendable Team Leader" and "Most Commendable Call Center Agent (Outbound)" categories.

## DECEMBER

### Akbank Communication Projects Enters the LACP Spotlight Awards "Global Top 100".

At the 2011 Spotlight Awards Global Communications Competition organized annually by the League of American Communications Professionals (LACP), Akbank received awards in eight categories and ranked in the "Global Top 100 Communications Projects" list with all of its projects submitted to the competition. Akbank accomplished a first in the competition's history since 2002 and became the only Turkish company to rank in the "Global Top 100" list with its projects. Akbank also achieved the highest ranking ever by a Turkish bank in this competition with the Akbank 2010 Interactive Online Annual Report that ranked 18th in the Global Top 100.



**Güney Bağımsız Denetim ve SMMM AŞ**

Büyükdere Cad. Beytem Plaza  
No:22 K:9-10, 34381 - Şişli  
İstanbul - Turkey

Tel: +90 212 315 30 00  
Fax: +90 212 230 82 91  
www.ey.com

CONVENIENCE TRANSLATION OF  
THE REPORT ON COMPLIANCE OF ANNUAL REPORT  
ORIGINALLY PREPARED AND ISSUED IN TURKISH

To the General Assembly of Shareholders of Akbank T.A.Ş.:

We have audited the compliance and consistency of the financial information included in the Annual Report of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries as of December 31, 2011 with the audited financial statements. The Annual Report is the responsibility of the Bank's management; our responsibility, as independent auditors, is to express an opinion about the report that we have audited.

We have conducted our audit in accordance with principles and procedures set out by the regulations on preparation and issuance of annual reports in the Banking Law No. 5411 and independent auditing principles. Those regulations require that we plan and perform the audit to obtain reasonable assurance whether the financial information included in an annual report is free from material errors. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information presented in the accompanying Annual Report accurately reflects, in all material respects, the information regarding the financial position of Akbank T.A.Ş. as of December 31, 2011 in accordance with the principles and procedures set out by the regulations in conformity with Article 40 of the Banking Law No. 5411. It includes a summary of the Board of Directors' report and the independent auditor's report originally issued by us in Turkish; it is consistent with the audited financial statements originally issued in Turkish.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
A member firm of Ernst&Young Global Limited

Fatma Ebru Yücel  
SMMM Partner

February 28, 2012  
İstanbul

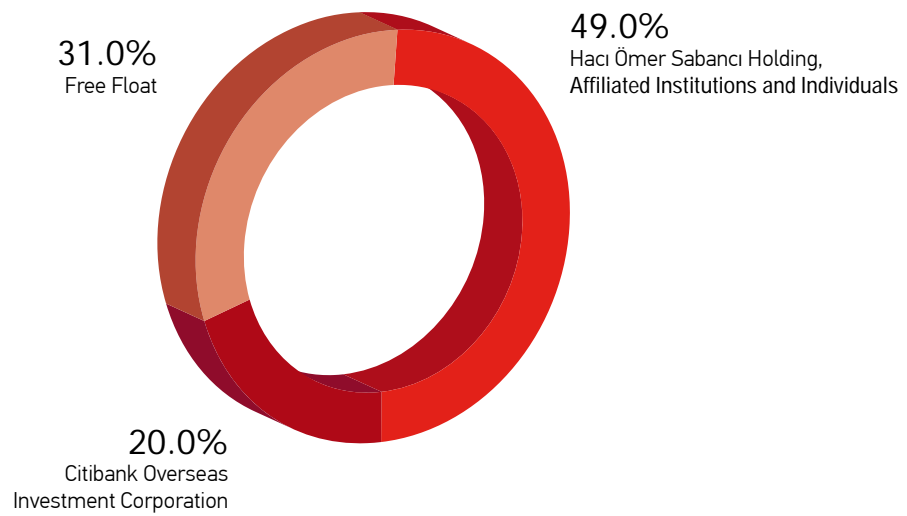
## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

## CAPITAL AND SHAREHOLDER STRUCTURE

Akbank's issued capital is TL 4,000,000,000.

As of December 31, 2011 Chairman of the Board of Directors, Suzan Sabancı Dinçer, holds 0.63% of Akbank's outstanding shares.



## BANKING FOCUSED ON GROWTH AND SUSTAINABLE PROFITABILITY...

Akbank has always been able to maintain confidence during uncertain and challenging times thanks to its solid risk management policies. The constant emphasis on corporate governance, transparency and accountability helps further reinforce Akbank's position with each passing day.

### EFFECTIVE RISK MANAGEMENT

#### MAINTAINING CONFIDENCE DURING UNCERTAIN AND CHALLENGING TIMES...

In the current environment where trust has gained the utmost importance, Akbank continues to move forward with confidence thanks to its effective risk management practices. Akbank closely monitors economic and financial developments in global markets, Basel III principles and other international regulations as well as the developments in the risk management field; it constantly improves its existing 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 thanks to its solid risk management policies. The constant emphasis on corporate governance, transparency and accountability helps further reinforce Akbank's position with each passing day.

### ROBUST CAPITAL STRUCTURE

#### CAPITAL ADEQUACY RATIO OF 16.8%

The global crisis has once again proved the importance of robust equity capital. At US\$ 9.1 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 16.8%.

### ASSET QUALITY

#### NON-PERFORMING LOAN RATIO OF 1.7%

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 2.6%, this ratio stands at 1.7% for Akbank. Furthermore Akbank is currently setting aside 157% provisioning against non-performing loans when general loan loss provisions are taken into consideration.

### HIGH GROWTH POTENTIAL

#### LOW LEVERAGE RATIO OF 7.7X

High level of liquidity, low leverage ratio (7.7%) and low loan-to-deposit ratio (92%) are Akbank's primary strengths that also support its sustainable profitable growth.

## INTERNATIONAL REPUTATION

### STRONG AND LONG-STANDING INTERNATIONAL RELATIONSHIPS...

With the transactions completed in 2011, 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 2011.

Breaking even more new ground with its syndication, securitization and overseas bond market transactions in 2011, Akbank continued to pave the way for the sector in foreign borrowing.

## 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.

## AKBANK'S RATINGS BY INTERNATIONAL RATING AGENCIES

As a result of its meticulously executed effective risk management policies and successful 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 in 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

## MESSAGE FROM THE CHAIRMAN

As one of Turkey's leading institutions, we believe that since the day of our founding, our ethical, environmental, social and economic priorities are as important as our sustainable profitability in moving us forward into the future.



Focusing on sustainable profitability and creating value for the Turkish economy while maintaining a strong financial performance and asset quality, Akbank reported successful results in 2011 with solid earnings and balance sheet growth.

The world economy and global financial markets witnessed fluctuations in 2011 due to growing uncertainties stemming from the high debt burdens of developed economies. Risk appetite in the markets fell especially in Europe, where the sovereign debt crisis spread to consume large economies including Italy and Spain. Uncertainties continued to linger due to the lack of a credible solution to the crisis.

While impacted by these external systemic problems and risks to a certain extent, the Turkish economy maintained its strong growth momentum and recorded growth of 8% in 2011 despite the European debt crisis and lackluster economic growth in the United States. Turkey's GNP growth is projected to slow to 4% in the coming year due to the expected slowdown in the world economy.

The Turkish economy has maintained its growth momentum and posted a strong performance thanks in large part to the low level of public debt, compared to countries with sovereign debt problems, along with continued fiscal discipline and economic stability.

The Turkish banking industry is more resilient and stronger against crises as a result of effective regulation, oversight and strict risk management. This differentiates our banking sector from its counterparts in both the developed and developing worlds as they face major headwinds.

Even in this challenging environment which began in 2008 and continues today, the Turkish banking industry provides funding to the economy and the real sector while supporting Turkey's economic growth. The banking sector's non-performing loan ratio, which had surged to 5.4% during the 2009 crisis, declined to 2.7% as of year-end 2011 due in part to a growing loan portfolio.



Since household debt denominated in foreign currencies is negligible, the Turkish consumer's sensitivity to forex fluctuations is relatively low. The banking sector's capital adequacy ratio, which stands at 16.4%, is significantly above legal thresholds and targets. In addition, the Turkish banking industry is more resilient to risks compared to those in developed economies thanks to low leverage and high liquidity ratios.

The country's regulatory authorities, the Central Bank of Turkey and the Banking Regulation and Supervision Agency in particular, also foresaw the developments threatening global stability and their potential impacts. These authorities implemented precautionary measures to curb credit growth in an attempt to keep indebtedness and the current account deficit at sustainable levels in the interest of financial stability. As a result of these macroeconomic measures, credit expansion began to slow noticeably: consumer loan growth declined from more than 40% down to the 30s.

Throughout this process, the Turkish banking sector maintained its robust capital structure, asset quality and profitability in 2011. The continuation of the low-interest environment kept domestic demand buoyant and was also a boon for the banking sector.

Combining strong and steady profitability with balance sheet growth, Akbank focuses on achieving sustainable profitability and creating value for the Turkish economy. In 2011, the Bank further diversified its product and service portfolio, expanded its distribution channels, broadened its customer base and adhered to a risk-management approach while providing the best banking experience to its clients.

As one of Turkey's leading institutions, we believe that, since the day of our founding, our ethical, environmental, social and economic priorities are as important as our sustainable profitability in moving us forward into the future. We continue to be a leader in corporate social responsibility with our banking operations and business processes as well as with the projects we undertake and support in education, entrepreneurship, arts & culture and the environment.

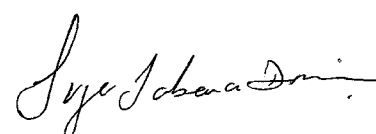
We strive to create sustainable value in all of our activities, from our community involvement and environmental initiatives, to the responsibility we embrace while developing our products and services, to our human resources policy. Our focus on sustainability, which shifted into high gear when Akbank became a signatory to the United Nations Global Compact, reached new heights with the release of the Bank's second Sustainability Report. A first among deposit banks, our Sustainability Report was developed in accordance with the widely recognized GRI (Global Reporting Initiative) standards used by many large corporations around the world.

Akbank ranked among global leaders as the first Turkish company that was included in the CDP Global 500 report-the most prestigious global climate change project-two years in a row.

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 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, Consultant to the Board and 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 18, 2010 and was appointed Chairman of the Audit Committee and Executive Risk Committee on January 17, 2011. Having joined Akbank as an Executive Vice President in 1990, Çulhacı 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. Çulhacı holds a BA degree in Economics from Ankara University, Faculty of Political Sciences and an MBA degree from Northeastern University in the USA. Hayri Çulhacı is a Member of the Board of Trustees of Sabancı Foundation and a Member of the Board of Trustees of Sabancı University, a Board Member of Aksigorta A.Ş., and AvivaSA A.Ş.

### ÖZEN GÖKSEL

**Executive Board Member**  
Özen Göksel started working at Akbank in 1964 as an Assistant Internal Auditor and after serving in various positions, was appointed as Executive Vice President in 1981. From 1994 until November 2000, Özen Göksel served as a Member of Akbank's Board of Directors and as CEO of the Bank. From November 2000 until October 2007, Özen Göksel served as Executive Board Member and from April 2011 to December 2011 he served as a Board Member. A graduate of the Faculty of Economics at Istanbul University, Özen Göksel serves as an Executive Board Member since December 15, 2011.

### 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.

### 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. A columnist at Milliyet Newspaper, Yaman Törüner is a Member of the Board of Trustees of T.C. Istanbul Aydın University and a Member of the Board of Directors of Dr. F. Frik İlaç Sanayi ve Ticaret A.Ş.

### BÜLENT ADANIR

**Board Member**  
Bülent Adanır served on the Akbank Board of Directors as an Executive Board Member from November 2007 until December 2011 and continues to serve as a Board Member. Prior to joining Akbank, Bülent Adanır spent 26 years at Citigroup holding numerous international responsibilities, with the last 10 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 holds a graduate degree in applied economics from Rutgers State University.

### AYKUT DEMİRAY

**Board Member**  
Aykut Demiray joined Akbank as a Member of the Board of Directors on March 1, 2012. Aykut Demiray began his career in 1979 at T. İşbank as an Assistant Internal Auditor and undertook various duties in several units and branches, finally serving as Deputy Chief Executive between 1998 and 2011. A graduate of the Business Administration Department of the Faculty of Administrative Sciences from Middle East Technical University, Aykut Demiray is a Founding Partner of his consulting company, serves as a Member of the Board of Trustees at Istanbul Culture University and is a Member of the Turkish Industry and Business Association (TUSIAD).

### HAKAN BİNBAŞGİL

**Board Member and CEO**  
Hakan Binbaşgil joined Akbank as the Executive Vice President in charge of Change Management in October 2002. He initiated the Bank's "Restructuring Programme" which has transformed Akbank into one of Turkey's most customer-focused, modern and innovative financial institutions. Hakan Binbaşgil was appointed Executive Vice President in charge of Retail Banking in November 2003, Deputy CEO in May 2008, and since January 2012 as Board Member and Chief Executive Officer of the Bank. Prior to joining Akbank, Binbaşgil worked as a Management Consultant in the London and Istanbul offices of Accenture, and as Executive Vice President in a different private sector bank. Binbaşgil also served on the Boards of Directors of numerous local and foreign companies. Currently, in addition to his position as CEO at Akbank, Binbaşgil is also the Chairman of AKAssetManagement, AKInvestment, AKLease, Akbank N.V., Akbank AG and Akbank (Dubai) Ltd. After attending Robert College, Hakan Binbaşgil graduated from Bosphorus University, Faculty of Mechanical Engineering. Binbaşgil also holds MBA and MS degrees in Finance from Louisiana State University-Baton Rouge, USA.

## INTERNAL AUDITORS

### 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

**Auditors**  
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 a number of Group companies. Nedim Bozfakioğlu is a graduate of Istanbul University, Faculty of Economics.

### MEVLÜT AYDEMİR

#### Auditors

Serving in various positions at H.Ö. Sabancı Holding since 1981, Mevlüt Aydemir was 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 DERViŞ

#### 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.

### JEAN PISANI-FERRY

#### Member

Jean Pisani-Ferry has been Director of BRUEGEL (Brussels European and Global Economic Laboratory) since January 2005. He is also a professor of economics at the 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 center 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. Between 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 Master 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, Olayan joined the International Advisory Board of Rolls Royce.

### RODRIGO DE RATO

#### Member

Chairman of Caja Madrid since January 2010, Rodrigo de Rato served as the Managing Director of the International Monetary Fund between 2004-2007. From 1996 until 2004, he was Vice-President of Economic Affairs and Finance Minister for the Government of Spain. During his time as Minister of Finance, he represented Spain in the meetings of the IMF, the World Bank, the European Investment Bank and the European Bank for Reconstruction and Development. He holds a law degree from the Universidad Complutense in Madrid, an MBA degree from the University of California, and a doctorate degree 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 "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

### HAKAN BINBAŞGİL

#### Member

## MESSAGE FROM THE CEO

Thanks to initiatives in alternative distribution channels, we generate fast, flexible and practical solutions for ever-changing customer needs while increasing our operational efficiency.



2011 was a challenging year marked by sustained volatility in the global economy. In 2011, we witnessed Turkey's growing prominence in international politics and in the global economy, especially as the problems experienced by developed countries prevailed. Turkey has set its vision to rank among the 10 largest economies in the world by 2023. In order to accomplish this target, it is of critical importance that the country uses its economic resources effectively and creates employment opportunities. Akbank continues to support the Turkish economy and the real sector at a growing pace in 2011 with its robust financial structure, customer-oriented approach, and innovative products and services.

The Bank announced an unconsolidated gross profit of TL 3,001 million as of year-end 2011, corresponding to a net profit of TL 2,395 million after provisioning TL 606 million for taxes. Akbank's year-end 2011 consolidated net profit stood at TL 2,535 million.

Our Bank's unconsolidated total assets at year-end stood at approximately TL 134 billion and our consolidated total assets stood at TL 140 billion. The average return on equity (ROE) and return on assets (ROA) for 2011 were 14.3% and 2.0%.

Conducting its operations with the awareness of its responsibility to create value for the Turkish economy, Akbank's consolidated loans reached TL 74 billion with an annual increase of 29% in 2011. This represents a 10.1% market share in total loans during the same period. The Bank's loan portfolio is composed of 39% corporate, 27% SME and 34% consumer loans. Thanks to effective risk management policies, Akbank's non-performing loan ratio dropped to 1.7% in 2011, down from 2.2% a year earlier, and stands below the sector average.

Akbank's total consolidated deposits reached TL 81 billion at year-end, with an annual increase of 13%. The Bank was able to maintain its wide and robust deposit structure in 2011 thanks to its extensive branch network and broad customer base.

In addition, Akbank boasts a robust capital adequacy ratio of 16.8%. Our strong capital adequacy ratio and low leverage, highly liquid structure and effective risk management policy further strengthen the Bank's asset quality while supporting its sustainable profitability.

Efficiency benchmarks gain even greater importance in low-inflation environments. Already one of the most efficient banks in the industry, Akbank further bolstered its operational efficiency during this period. Akbank's operating costs to total assets ratio fell to 1.9% in 2011, from 2.2% a year ago.

We continue to invest in our infrastructure and technology in order to produce more efficient solutions for customers, increase our operational speed and further enhance our efficiency. Two-thirds of Akbank's banking transactions are conducted over alternative distribution channels. Thanks to initiatives in alternative distribution channels, we generate fast, flexible and practical solutions for ever-changing customer needs while increasing the Bank's operational efficiency.

As part of our "For You" philosophy, we continuously strive to raise our customer service quality. We focus on further increasing customer satisfaction by closely monitoring the service and quality levels of the branches and alternative distribution channels - the Bank's contact points with customers - while offering structured products and financial solutions tailored to specific needs of the clients and their sectors. We create difference by changing conventional business practices thanks to our nation-wide branch network, diversified product portfolio, information services and partnerships. Due to these investments and initiatives, we achieved significant increases in our cross-selling ratios and raised our branch efficiency in 2011.

We place great importance on SMEs, the primary source of innovation and entrepreneurship. Funding facilities extended to SMEs need to be increased in order to sustain Turkey's strong growth performance and to create employment opportunities. As Akbank, we are committed to assisting SMEs in growing their R&D activities and expanding their production and client portfolios.

The financing support provided by Akbank via SME and corporate loans, to the companies that play key role in terms of job creation and sustainable economic growth, grew to TL 49 billion with a 30% increase in 2011.

Thanks to an excellent reputation in international financial markets as well as deep-rooted relationships established on the basis of trust over the years, Akbank secured foreign loans totaling US\$ 10.6 billion as at year-end 2011. In addition, we continue to pioneer creating new funding sources for the Turkish economy by issuing diverse debt instruments, tapping domestic capital markets for commercial paper and corporate bond issues. We place importance in using a diverse set of borrowing instruments to deepen the financial markets, to diversify financial products and to help allocate more resources for the Turkish economy.

We continue to create sustainable value for our stakeholders thanks to an expanding customer base achieved without compromising on asset quality or risk-oriented policies, the growing number of technology-based banking solutions in our product portfolio and our Corporate Social Responsibility projects we undertake and support.

Looking ahead, I firmly believe that, 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; the most important asset of the Akbank brand, for making a difference with their excellent performance. I would also like to recognise our valued customers who make their confidence in the Bank felt at every opportunity, our shareholders and all other stakeholders.

**HAKAN BİNBAŞGİL**  
CEO





## EXECUTIVE MANAGEMENT



**HAKAN BİNBAŞGİL (1)**  
Board Member and CEO

**ZEKİ TUNÇAY (2)**  
Executive Vice President-Credit Follow-Up and Support Services

**SEVİLAY ÖZSÖZ (3)**  
Executive Vice President-Operations

**AHMET FUAT AYLA (4)**  
Executive Vice President-Credits

**HÜLYA KEFELİ (5)**  
Executive Vice President-International Banking

**K. ATIL ÖZUS (6)**  
Executive Vice President-CFO

**A. GALİP TÖZGE (7)**  
Executive Vice President-Consumer Banking

**TUNÇ AKYURT (8)**  
Executive Vice President-Strategy

**BADE SİPAHİOĞLU IŞIK (9)**  
Executive Vice President-Human Resources

**MEHMET SİNDEL (10)**  
Executive Vice President-Payment Systems

**KERİM ROTA (11)**  
Executive Vice President-Treasury

**KAAN GÜR (12)**  
Executive Vice President-Commercial and SME Banking

**ALPER HAKAN YÜKSEL (13)**  
Executive Vice President-Corporate Banking

**SALTİK GALATALI (14)**  
Executive Vice President-Private Banking

**TURGUT GÜNEY (15)**  
Executive Vice President-Information Technology



## SUBSIDIARIES

**K. BANU ÖZCAN (16)**  
Akbank N.V. Senior General Manager

**KARL-FRIEDRICH RIEGER\***  
Akbank AG Senior General Manager

**BÜLENT MENEMENCI\***  
Akbank AG General Manager

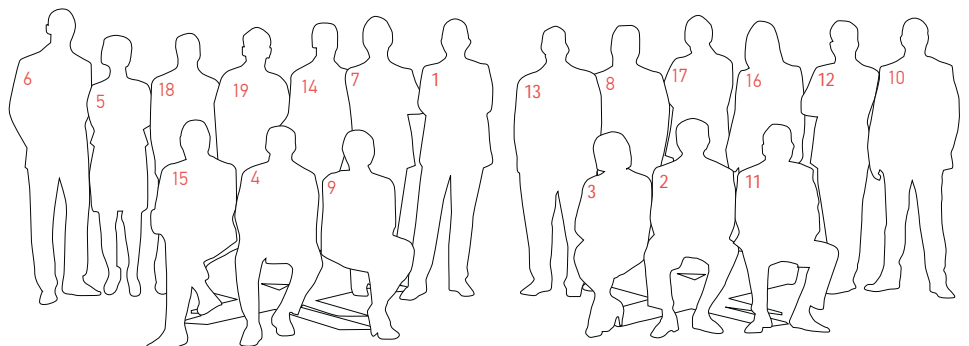
**S. TUNCER MUTLUCAN (17)**  
AKLease General Manager

**ATTILA PENBEÇİ (18)**  
AKInvestment General Manager

**ALP KELER (19)**  
AKAssetManagement General Manager

**YAŞAR AKKOYUNLU\***  
Ak Type-B Investment Trust General Manager

**CEM ATAÇ\***  
Akbank (Dubai) Ltd. General Manager



\* The staff who aren't found in the photograph.

## EXECUTIVE MANAGEMENT

### HAKAN BINBAŞGİL

#### Board Member and CEO

Hakan Binbaşgil joined Akbank as the Executive Vice President in charge of Change Management in October 2002. He initiated the Bank's "Restructuring Programme" which has transformed Akbank into one of Turkey's most customer-focused, modern and innovative financial institutions. Hakan Binbaşgil was appointed Executive Vice President in charge of Retail Banking in November 2003, Deputy CEO in May 2008, and since January 2012 as Board Member and Chief Executive Officer of the Bank.

Prior to joining Akbank, Binbaşgil worked as a Management Consultant in the London and Istanbul offices of Accenture, and as Executive Vice President in a different private sector bank. Binbaşgil also served on the Boards of Directors of numerous local and foreign companies.

Currently, in addition to his position as CEO at Akbank, Binbaşgil is also the Chairman of AKAssetManagement, AKInvestment, AKLease, Akbank N.V., Akbank AG and Akbank (Dubai) Ltd.

After attending Robert College Hakan Binbaşgil graduated from Bosphorus University, Faculty of Mechanical Engineering. Binbaşgil also holds MBA and MS degrees in Finance from Louisiana State University-Baton Rouge, USA.

### ZEKİ TUNÇAY

#### 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. A graduate of the Academy of Economics and Commercial Sciences in Ankara, Zeki Tunçay continues to serve as Executive Vice President in charge of Credit Follow-Up and Support Services.

### SEVİLAY ÖZSÖZ

#### Executive Vice President-Operations

Sevilay Özsoz 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 Özsoz held various managerial positions at private sector banks. She is a graduate of Istanbul University, Faculty of Economics.

### 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 SME loans. Before joining Akbank, Ahmet Fuat Ayla held various managerial positions at different private sector banks. 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 held various positions in the Foreign Relations and International Banking Divisions of Akbank since 1983 before being appointed as Executive Vice President in charge of International Banking in 2007. Kefeli is also a Member on the Board of Directors of Akbank (Dubai) Limited and AKLease. After attending Robert College, Hülya Kefeli graduated from Istanbul Technical University, Faculty of Business Administration Department of Management Engineering.

### K. ATIL ÖZUS

#### Executive Vice President-CFO

Atıl Özus joined Akbank in November 2000 as Vice President of Financial Control and Risk Management, and later became 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. A graduate of Boğaziçi University, Department of Business Administration, Atıl Özus is a Board Member on all of Akbank's subsidiaries.

### 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 a different private sector bank. 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 has been serving as Executive Vice President in charge of Strategy, CRM, Product & Channel Development, Economic Research and Bancassurance since February 2010. A graduate of the Industrial Engineering Department at Boğaziçi University Tunç Akyurt holds a masters degree in Management Systems Engineering from Virginia Tech University. Before joining Akbank, Akyurt worked at various financial institutions locally and abroad and at McKinsey & Company in Turkey 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. Prior to joining Akbank, Bade Sipahioğlu Işık held various positions in the field of human resources at Intertech, Humanitas and other private sector banks. A graduate of Marmara University, Department of Public Relations Bade Sipahioğlu Işık has a masters degree in business management from Institut Des Etudes Politiques in Paris.

### MEHMET SINDEL

#### Executive Vice President-Payment Systems

Mehmet Sindel joined Akbank in November, 2010 as Executive Vice President in charge of Payment Systems. Prior to joining Akbank, he held various managerial positions at different private sector banks. 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 various different private sector banks. Kerim Rota is a graduate of Gazi University, Faculty of Engineering. Rota also received a masters degree in operational management from Bilgi University.

### KAAN GÜR

#### Executive Vice President-Commercial and SME Banking

Kaan Gür joined Akbank as Executive Vice President of Commercial and SME Banking on January 14, 2011. Prior to joining Akbank, he held various managerial positions at different private sector banks. A graduate of Gazi University, Department of Banking and Insurance, Gür is also a Member of the Foreign Economic Relations Board (DEİK) and the Turkish Industrialists and Businessmen Association (TUSİAD).



**ALPER HAKAN YÜKSEL**

Executive Vice President-Corporate Banking  
Alper Hakan Yüksel joined Akbank in March 2011 as Executive Vice President in charge of Corporate Banking. Prior to joining Akbank, Yüksel held various managerial positions at different financial institutions locally and abroad. Alper Hakan Yüksel holds a B.S. in Industrial Engineering from Middle East Technical University.

**SALTİK GALATALI**

Executive Vice President-Private Banking  
Saltık Galatalı joined Akbank in November 2009 as Senior Vice President in charge of Private Banking Investment and Strategy and was appointed as Executive Vice President in charge of Private Banking in July 2011. Saltık Galatalı began his career at the Istanbul Stock Exchange and before joining Akbank, he held various managerial positions at different financial institutions. A graduate of Istanbul University, Department of Economics, Saltık Galatalı holds an MBA degree in Investment Management and Banking from Adelphi University in the US.

**TURGUT GÜNEY**

Executive Vice President-Information Technology  
Turgut Güney joined Akbank in October 2011 as Executive Vice President in charge of Information Technology. Prior to joining Akbank, Güney served as a senior advisor at Computer Task Group and Oracle Consulting in the U.S. and held various managerial positions at different banks, locally. Turgut Güney is a graduate of Hacettepe University, Department of Computer Engineering and holds a masters degree from Southern Illinois University, Faculty of Engineering, Department of Computer Engineering.

**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 other financial institutions abroad. A graduate of Ludwig-Maximilians University, Department of Business Administration, K. Banu Özcan also serves as Vice Chairman 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 at various different banks abroad. 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 a different financial institution abroad 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 worked in a different private sector bank in various positions. In addition, he served as General Manager and a Member of the Executive Committee of Netherlands-based Akbank N.V. Mutlucan is a graduate of Boğaziçi University, Department of Civil Engineering.

**ATTILA PENBEÇİ**

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. 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. Prior to joining AKAssetManagement, Alp Keler held managerial positions at various financial institutions. A graduate of Middle East Technical University, Department of Civil Engineering, he holds an MBA degree 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 as General Manager in 2008. Yaşar Akkoyunlu is a graduate of Ankara University, Faculty of Political Sciences.

**CEM ATAÇ**

Akbank (Dubai) Ltd. General Manager  
Cem Ataç joined the Akbank Group in 2009 and was appointed General Manager and Member of the Board of Directors of the Dubai office following its establishment. Prior to joining Akbank, Ataç held various managerial positions and served as CEO at various foreign banks. After graduating from Galatasaray High School, Ataç received his undergraduate and master's degrees from the Sorbonne University, Department of Business Management as well as a master's degree in Economic Policy and Planning from Northeastern University in Boston, USA.

**İlhan Gümüş >**

SME Banking Customer  
Relationship Manager  
Bahabey Caddesi Branch  
Çorum



After voluntary training sessions  
from REC Turkey\* on climate change, **our**  
**SME Banking Customer Relationship Manager**

**İlhan Gümüş**

explained Aybala  
why it is so important for the

apple tree

to blossom in the spring.

**Aybala Gök >**  
Student

23 Nisan Elementary School  
Çorum



The "No Time To Waste" project implemented in partnership with REC Turkey aims to document areas under risk due to climate change in Turkey and raise awareness with the involvement of Akbank volunteers. 60 Akbankers from 11 different cities volunteered for the Project. Akbank volunteers provided training to around 7,500 students in 94 schools to foster awareness for environmental and climate change issues.

\* Regional Environment Center-REC Turkey

## REVIEW OF OPERATIONS IN 2011

Akbank, once again, announced successful results in 2011 with strong balance sheet growth and sustainable profitability while remaining steadfast to its corporate governance approach and financial performance.

Akbank's consolidated pre-tax profit reached TL 3,205 million with a consolidated net profit of TL 2,535 million.



## ECONOMIC DEVELOPMENTS

The recovery that began in the markets and the global economy in 2009 and 2010 following the financial crisis of 2008, started to lose steam in 2011. The gradual contagion of the problems experienced by European countries with high sovereign debt burdens played a major role in this slowdown. As the credit ratings of Southern European countries were lowered one after the other, the increase in their borrowing costs as well as the austerity measures they implemented to reduce their debt burden, had a negative impact on their growth.

In addition, as a result of the slow political decision-making process in resolving the situation, the crisis deepened and spread to larger countries such as Italy and Spain. More recently France, one of the core economies in Europe, saw its bond yields rise and it was stripped of its AAA credit rating by S&P. While the economic outlook in the United States was better, the federal debt ceiling still had to be raised. There was also gridlock in the United States on budget cuts and the measures to be implemented for reducing the debt; consequently the credit rating of the United States was lowered below the AAA level by S&P in August for the first time in its history. The earthquake and the resulting tsunami in Japan adversely impacted the global economy in 2011 by disrupting international supply chains.

These negative developments and uncertainties also had their impacts on the capital markets as risk asset prices pulled back in 2011. While developed country stocks lost ground, led by European shares, growth-based commodity prices also dropped. Due to the supply concerns stemming from the Arab Spring sweeping through the Middle East, oil prices hovered at lofty levels throughout the year and, despite the recent pullback, diverged from other growth-oriented commodities.

As a result of capital outflow from emerging markets due to decreasing risk-taking appetite in 2011, these countries saw their currencies lose value and stock markets decline.

With a strong growth performance that began in mid-2009 and continued through 2010 and 2011, Turkey maintained its place among the fastest growing economies in the aftermath of the crisis. As increasing domestic demand drove growth, uncertainties continue to linger in the developed economies, particularly in Europe. This stands out as a negative factor for Turkey in terms of the contribution of exports to growth. While we expect growth to come in above 8% for 2011, the 4% economic growth forecast for 2012 seems reasonable given the fact that the global crisis is not yet completely over and recession is anticipated in many countries.

As a consequence of the large current account deficit and the global propensity for risk avoidance, the Turkish lira declined by 20% against the currency basket in 2011. This development began to have a favorable impact on the current account deficit from the last quarter

of the year by curbing imports, while at the same time, boosting exports by increasing Turkey's competitiveness in the export markets.

However, owing largely to the high energy prices, the current account deficit at year-end 2011 will stand at the elevated level of 10% of national income.

As a result of the uncertainties in Europe, the Central Bank of Turkey, with its primary mandate of price stability, is pursuing a policy mix that also targets financial stability and uses unconventional policy tools. In this respect, macroprudential monetary policy measures were implemented to curb excessive credit growth and current account deficit in the first half of the year. In the closing months of 2011, the Central Bank of Turkey started to tighten its monetary policy in an attempt to prevent the slide in the Turkish lira from causing deterioration in the inflation outlook and expectations.

## SUMMARY RESULTS FOR 2011

Akbank maintained its leading position in the Turkish banking industry thanks to its robust balance sheet, transparent corporate governance approach and strong long-standing international relationships.

In 2011, Akbank's consolidated total assets grew by 16.5% over the previous year to TL 140 billion. Over the same period, consolidated total cash loans surged by 28.8% to TL 74 billion while total deposits increased by 12.6% to approximately TL 81 billion. As of year-end 2011, Akbank's market share in loans and deposits stood at 10.1% and 10.5%, respectively.

Akbank's overall loan book as of year-end 2011 is made up of 39% corporate loans, 27% SME loans and 34% consumer loans. Over the same period, consumer loans, excluding credit card loans, were up by 18.7% reaching TL 15.6 billion with a market share of 11.3%, while general purpose loans increased by 17.8% to TL 7.3 billion, mortgage loans by 21.2% to TL 7.5 billion and car loans by 7.7% to TL 0.9 billion. Akbank's credit card lending surged 44.3% on the previous year to reach TL 9.6 billion in 2011.

Thanks to its uncompromising risk-oriented management approach, Akbank's non-performing loan ratio declined from 2.2% at year-end 2010 to 1.7% in 2011 on a consolidated basis. Akbank, whose non-performing loan ratio hovers below the sector average, is currently setting aside 157% provisioning against non-performing loans when general loan loss provisions are taken into consideration.

By the end of 2011, the Bank reported a consolidated net profit of TL 2,535 million (approximately US\$ 1,342 million) and unconsolidated net profit of TL 2,395 million (approximately US\$ 1,268 million).

The consolidated capital adequacy ratio of Akbank, standing at 16.8%, 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 in 2011. 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 which were then monitored closely to ensure their thorough, timely and effective implementation.

The Strategy Department positioned within the Strategy Business Unit registered major gains for Akbank in accordance with the Bank's strategic priorities in 2011 in many significant areas including customer satisfaction, management and optimization of service channels, deepening of the relationships with existing customers, increasing sales activity, regional market share gains and bancassurance.

The Economic Research Department, positioned within the Strategy Business Unit, closely monitored the global and domestic economic environment and market development, ensured fast and effective information flow to all units of the Bank and opined on their potential consequences. Thanks to such efforts, Akbank employees were well-informed and properly equipped with a constant flow of up-to-date information about the developments that steer the economy and the markets. They stood ready and prepared to answer any questions from customers. In addition, the Economic Research Department created macroeconomic and sector forecasts for Head Office business units and assisted in developing the Bank's strategy and budgets of the business units. Further, the Department provided periodic reports on the prevailing economic outlook and market data to the Board of Directors, foreign investors and customers.

## CRM APPLICATIONS

The CRM Department 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 advanced in-house customer analytics and improving the Bank's effectiveness at all points of contact with the customer via integrated channels.

ATOM, the customer relations management application launched in 2010 that enables simultaneous sales and marketing at all branches and alternative channels, was honored with the "CRM Excellence" award by GARTNER in 2011. Akbank became the first bank in Turkey to win this award in the EMEA-APAC Region.

Akbank's focus in 2011 was on enriching the analytical infrastructure. As part of this effort, a marketing optimization infrastructure was developed to underscore efficiency in keeping with today's competitive environment. In an attempt to put the emphasis on achieving a major increase in efficiency and continuity in sales and marketing, Akbank conducts its optimization work on a long-term basis and focuses on the most appropriate audience in its cross-selling and customer retention activities.

In addition, Akbank developed the GEOCODING infrastructure within the scope of its vision to marry analytical approaches with geographic applications. This has made major contributions to Akbank toward increasing the efficiency of the service network as well as in focusing on specializing sales and marketing operations in geographic micro markets. Akbank plans to continue developing such sophisticated customer relations management infrastructures, with the emphasis on customer systems, marketing programs and social-CRM approaches.

#### PRODUCT AND CHANNEL DEVELOPMENT APPLICATIONS

The Product and Channel Development Department positioned within the Strategy Business Unit conducted its activities in 2011 in accordance with the strategy of expanding the Bank's product range so as to increase the benefits provided to the customers and to enhance Akbank's competitive position, as well as increasing the reach and diversity of the channels through which these products are offered.

Working in coordination with the related marketing business units in 2011, the Department began planning work on projects geared toward meeting various segment and customer needs. Of these projects, the products with completed development such as Parent Banking were unveiled and implemented. The Product Development Unit is primarily working on developing a series of projects for the consumer, micro and small business banking segments as well as undertaking scoping work for new ventures.

In accordance with the responsibility to utilize resources efficiently and perform accurate return/risk assessments for the Bank's new product and service development processes, the New Product and Service Committee was established in 2011 to ensure corporate integrity and create inter-departmental synergy.

As a result of the channel optimization project administered by the Channel Development Unit in 2011, progress was made toward assessing the Bank's overall channel strategy, reaching customers using the correct channel and service

model and action planning within the main strategy toward potential areas of improvement and development.

In an effort to be close to customers wherever they may be and to serve them with different branch models based on their needs Akbank expanded its branch network to 926 branches in 2011. As a bank that boasts one of the most extensive branch and ATM networks in Turkey, the Bank continued its policy of rapidly growing its ATM network and thus maintained its position as the second largest ATM network in Turkey.

The Product and Channel Development Department monitors global financial, social and technology trends, innovative products within and outside the banking industry, new channel developments and potential business partnerships. Researching international best practices to create value for Akbank, the Department operates with a laser-sharp focus on innovation geared toward creating new openings for the Bank's customer-oriented approach.

#### BANCASSURANCE

Akbank's growth in bancassurance in recent years continued in 2011. As a result of this growth, the share of insurance in total fee and commission income went up. More than 1.5 million customers chose Akbank for their insurance needs in 2011. Bancassurance commission income increased by 30% over the previous year and reached 6% of Akbank's overall net fee and commission income.

Generating solutions to meet all financial needs of its customers, Akbank gives priority to designing insurance products according to customer requirements. In this vein, Akbank identified the risk customers may potentially be exposed to at different stages of life and developed insurance products for their assets, health, careers, payments and savings.

In an effort to deliver insurance products to customers through every distribution channel, Akbank actively uses its branches and alternative distribution channels in insurance policy sales. Products marketed to customers via the Call Center constitute a major share of Akbank's insurance activities. In 2011 Akbank Call Center carried out sales of the Emergency Health Coverage, Life Support Insurance, Body Card Protection Insurance, Credit Card Unemployment Insurance and Personal Accident Insurance products. New products were added to the ones offered in the branches such as Merchandise Insurance and Vip Life Insurance while the number of products sold at the ATMs also increased.

In addition to the consumer banking segment, Akbank made major strides toward launching insurance product offerings to SME, Commercial and Corporate segment clients in 2011. POS Insurance and Workplace Insurance, which were developed exclusively for the SME segment customers, protect merchant POS devices against all kinds of breakdown or malfunction while providing coverage for basic risk in the workplace.

The Bank's goals for its bancassurance business in 2012 are to maintain the growth momentum of recent years and grow at an accelerating pace and to become the first choice for customers shopping for insurance products.

#### 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 customers are monitored closely and certified twice a year. Action is taken regarding 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 which was established for this purpose involves 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 139 "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

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 pro-active 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 1,800 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 business area with customer-oriented service and a sustainable growth approach, the Corporate Banking team maintains an effective loan-risk balance thanks to constant risk monitoring and appropriate collateralization practices.

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 2011 while remaining steadfast to its effective risk management and prudent lending policies.

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, among the largest infrastructure projects undertaken in Turkey and assigned as the financial configuration bank of Emaar Libadiye project, one of Turkey’s largest mixed real-estate projects.

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 2011 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 2011.

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

## COMMERCIAL AND SME BANKING

Akbank supports its clients with banking products as well as practices and applications that will contribute to their development and growth.

### COMMERCIAL BANKING

Akbank's Commercial Banking Department aims to create value for its clients and to ensure their profitable and sustainable growth. Akbank supports its clients with banking products as well as practices and applications that will contribute to their development and growth.

Within this scope, Akbank identifies financial and non-financial needs of clients proactively on an individual customer basis, develops solutions and helps its clients enhance their competitive edges.

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.

Akbank Commercial Banking continues to offer customized solutions that meet the needs of companies doing business in international markets, from their purchasing decisions to production and to the collection of their sales receivables. Leveraging its extensive correspondent network to intermediate the foreign trade transactions of companies with many different locations in the world, Akbank strives to support the success of its customers in overseas markets.

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, and 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.

In 2011, 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, which was 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.

Akbank Commercial Banking took part as a Supporting Company in Istanbul Chamber of Industry's Environment-Friendly Products and Practices Awards. These awards honor member initiatives that set an example for other companies and organizations for effective use of raw materials and energy, environmental management, waste reduction, recycling, raising environmental awareness and environmental education in compliance with the environmental laws and regulations. As part of this role, Akbank offers banking transactions to the award-winning companies at advantageous terms.

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 2011, Akbank joined with Deloitte Turkey to organize informational meetings entitled "Are You Prepared for the Future" in an effort to share all of the aspects of the New Turkish Commercial Code with firms and to assist them in completing their preparations for the new era until the new law takes effect.

Akbank Commercial Banking was one of the sponsors of the Industry Congress and Innovation Exhibition organized by the Istanbul Chamber of Industry to enhance and sustain the competitiveness of Turkish industry, since 2002.

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.



## SME BANKING

Akbank SME Banking undertakes its SME-oriented initiatives in accordance with long-term objectives to create value for SMEs and to support their sustainable development. Generating various projects for SMEs, which are seen as the Bank's business partners, via more than 1,000 specialized Customer Relationship Managers who focus exclusively on SME clients, the SME Banking Department has made a difference thanks to its far-reaching branch network, product diversity, information services and partnerships. As a result, it is changing business-as-usual in the SME Banking sector.

Continuing to offer packages that serve all banking transactions of its customers from many segments, industries and regions, Akbank SME Banking unveiled the "Foreign Trade Support Package" according to the changing needs of importer and exporter SMEs based on new market conditions. In addition, the "Tourism Support Package" for SMEs in the tourism industry and the "Wholesaler Support Package" for wholesaler SMEs have been overhauled. These packages feature special products and services geared toward the specific needs of SMEs in related segments, with a particular emphasis on credit products designed in sync with the cash flow patterns, as well as many advantages in banking transactions. Akbank SME Banking took part in the Greater Anatolia Guarantee Facility launched by European Investment Bank and European Investment Fund, providing yet another source of funding for the SMEs. SMEs located in the 43 developing provinces of Turkey including Kastamonu, Samsun, Kars and Van, which host 25% of the SMEs in Turkey but receive only 10% of the SME loans, are eligible to take advantage of this loan under special terms and conditions.

Akbank signed the Emergency Support Loan Protocol for businesses impacted by natural disasters, general strikes, fires and the like. Additionally, the Van Province Emergency Support Loan Protocol was signed with the Small and Medium Industry Development Organization (KOSGEB) to assist those affected by the earthquake in the Erciş borough of Van province. Under this arrangement, all of the interest was paid by KOSGEB while Akbank provided long-term financing support to the SMEs.

A protocol was signed with the Turkish Grain Board (TMO) to extend loans to farmers against warehouse receipts issued by TMO in exchange for placing wheat, corn and rice harvests in TMO warehouses.

Akbank partnered with Ak Insurance to add two new products to its insurance product portfolio. "POS Plus Insurance" was developed for SMEs to cover certain specific risks of member businesses in addition to their POS devices. Akbank also began offering "Workplace Insurance" for Akbank-customer business owners, which provides coverage, up to a specified limit, for their basic workplace risks, at a fixed price.

Akbank SME Banking's services to SMEs are not limited to just providing financial support. The Department also endows the SMEs with the necessary information to help them reach this source of funding, encourages their development and growth and provides advisory and guidance services.

Akbank believes in the necessity of spreading the entrepreneurship culture, producing more entrepreneurs and increasing opportunities for them. As part of this vision, Akbank SME Banking supported the "Global Undergraduate Student Entrepreneur Competition", held for the first time in Turkey which was organized by the Global Student Entrepreneur Awards (GSEA) to inspire students around the world to adopt entrepreneurial endeavors.

As part of its partnership with Endeavor Foundation, the international non-governmental organization that supports active entrepreneurs in the developing world, Akbank organized the "İyiYatırım (Good Investment)" and "İyiGirişim (Good Venture)" summits. The "İyiYatırım" Summit focused on the "Angel Investor" model that provides entrepreneurs with know-how, mentoring and networking support in addition to seed capital to encourage and further develop entrepreneurial spirit in Turkey. Talks and workshops on leadership, management and entrepreneurial finance were held at the "İyiGirişim" Summit, which brought together speakers from among thought leaders and start-up companies with explosive growth potential.

Akbank launched the "www.kobilersizininicin.com" website to allow SMEs to easily access information they might need. In addition to financial and industry analyses and news featured on the site, SMEs can send questions to experts on many subjects such as foreign trade, entrepreneurship and branding. There are also many videos that will be beneficial for businesses on SME TV that broadcast through the website. SMEs can also share their needs in many areas such as new clients, employees, raw materials, machinery & equipment with other firms via the classifieds section of the website. The www.kobilersizininicin.com website was honored with the Outstanding Achievement award in the Financial Services category at the Interactive Media Awards, one of the most reputable competitions for the interactive world.

Akbank SME Banking supported the "Global Undergraduate Student Entrepreneur Competition", held for the first time in Turkey, which was organized by the Global Student Entrepreneur Awards (GSEA) to inspire students around the world to adopt entrepreneurial endeavors.

## COMMERCIAL AND SME BANKING

Akbank SME Banking's services to SMEs are not limited to just providing financial support. The Department also endows SMEs with the necessary information to help them reach this source of funding, encourages their development and growth and provides advisory and guidance services.

Known for its pioneering practices, in 2011, Akbank SME Banking launched Build & Manage, a virtual game developed exclusively for SMEs. Ranked among the featured projects on the most prestigious international platforms with the largest numbers of users, the game also won one of the world's most prestigious web awards at the League of American Communications Professionals (LACP) and MerComm Innova Awards 2011. The "Build & Manage" game, where SMEs create growth models for the virtual companies they build using Akbank products and services, was played 90,000 times by participants while it reached 622,000 friend invitations on Facebook as well as 1.4 million page visits.

In an effort to provide new and alternative opportunities to SMEs that want to grow, Akbank SME Banking partnered with the Istanbul Stock Exchange's Emerging Companies Market and Small and Medium Industry Development Organization (KOSGEB) to organize meetings entitled New Opportunity for SMEs-SME Public Offerings. The meetings were used as a platform to inform businesses of the advantages to being a publicly-traded company, listing requirements and business flows as well as the listing incentives offered to SMEs by KOSGEB.

Akbank continued the SME Export School-First Step in Exports project which was launched jointly with the Foreign Economic Relations Board of Turkey (DEİK) with meetings organized in major Anatolian provinces under the themes of Export Opportunities, New Sectors, Markets, Business Models and Incentives. As a result, Akbank reached SMEs that currently do not export or are very new in the exporting business. They were briefed about new markets, business opportunities, and government incentives for exports along with other practical matters to facilitate exporting practices.

In addition, Akbank began organizing a series of iftar dinner get-togethers called "Meetings with Sectors" with the business world in 2011. Attended by leading institutions from each province such as the Chambers of Industry, Commerce, KOSGEB, Development Agency, Union of Chambers of Craftsmen and Tradesmen, these meetings served as forums to hear the needs of businessmen and industrialists, assess the province's potential and convey solutions developed to serve their unique needs.

Akbank's SME Banking Department also provides sole proprietorships and small-scale clients with a rich portfolio of products and services.

Akbank launched two new applications, Small Business SMS Loan and SmallBusiness Web Loan, to provide the most expedited and innovative solutions catering to the demands and needs of artisan clients. With these two new application channels, sole proprietorship company owners that have a commercial activity and tax registration certificate can make installment commercial loan applications via SMS message or on the Internet without the need to visit a bank branch. Thanks to these products which became instant hits in the industry, Akbank SME Banking was deemed worthy of the Excellence in SME Customer Service award at the Financial World Innovation Awards where innovative products from many banks round the world competed.

Akbank SME Banking, which also worked on developing packages for the unique needs of tradesmen and small-scale clients operating in various sectors, unveiled the "Pharmacy Support Package" to offer special products and advantages to pharmacist customers.

Akbank SME Banking acted as a financial intermediary for the foreign-sourced loans secured from the German Development Bank (KfW), meeting the credit needs of tradesmen and small-scale clients under special terms and conditions. The loans were extended to tradesmen and small-scale clients located in 49 priority provinces for development including Trabzon, Afyon, Samsun, Kars and Van as part of the SELP II program.

## TRANSACTION BANKING

Elevating the classical “Cash Management” approach to a whole new level under the name of “Transaction Banking” for the first time in the industry in 2005, Akbank continued being a solution-partner for its clients. Offering a rich array of products and services in 2011, the Bank was the first choice for its customers. This was accomplished due in large part to customized products and services designed following consultation with customers as well as offering payment and collection transactions through new and more numerous channels.

Products and services rolled out in 2011

**Inventory Finance:** Akbank launched the Inventory Finance system with Turkey's leading car manufacturer in which the Bank provided the financing for vehicles transferred to car dealer inventories. The application, which is completely a web-based service, was expanded to cover the financing of dealer replacement parts purchases.

**Supplier Finance:** Akbank worked with manufacturer clients in various sectors as well as large retail chains as part of the Supplier Finance product that offers Internet-based early collection to suppliers. The Bank achieved a bill discounting volume of TL 300 million during 2011.

**Direct Debit:** Number of suppliers and companies affiliated with the Bank's Direct Debit system increased while loans extended to dealers were up by 80%. Akbank achieved major volumes from specific clients as their exclusive direct debit bank.

**Cash Collection Systems:** Akbank served the cash collection needs of its clients through its branches as well as non-branch channels in 2011. With the application that allows GSM bill payments and automatic bill pay orders at Akbank POS devices, Akbank offered customers the opportunity to pay their bills via a diverse set of channels.

With the Direct Cash Payment System, a first in the industry, payments were made to many people who don't have an Akbank account for producer payments, insurance companies' claim payments and payments for one-time services in the service sector such as tourism and fair organizations.

Establishing a major partnership with the Union of Chambers of Certified Public Accountants and Sworn-in Certified Public Accountants of Turkey (TÜRMOB), Akbank launched an application that performs automatic accounting for TÜRMOB members' bank account activities through “Luca”, a web-based accounting software.

Thanks to the software team positioned within the Transaction Banking Department, Akbank is leaving its rivals in the rear-view mirror in terms of achieving fast integration with the accounting systems of clients and offering company-specific solutions. Akbank registered 40% increase on the previous year in the number of transactions on the platform that provides collection and payment service to customers.

Akbank achieved major gains in collection and payment product volumes compared to the previous year:

- 59% growth in Direct Debit volume,
- 350% growth in Supplier Finance volume,
- 74% growth in Special Money Transfer collection volume,
- 71% growth in Collective Payment FX money transfers, 72% growth in TL money transfers.
- Market share rose to 12.3% in tax collections and to 11.3% in SGK (Social Security) premium collections.

Akbank Transaction Banking intends to increase its number of partnerships and meet with its clients in different platforms in 2012. The priority objective of the Transaction Banking Department is to enrich the channels and products through which it serves its clients and to facilitate and financially support commerce between its customers.

Akbank continued with its philosophy of being a solution-partner for its clients with a rich array of products and services in 2011; it became the Bank of first choice for its customers.



< **Sibel Bakakoğlu**  
Retail Banking Customer  
Relationship Manager  
Sirkeci Branch  
Istanbul



**Our Retail Banking Customer Relationship Manager  
Sibel Bakakoğlu**

read and recorded an audio book to support

Bosphorus University GETEM

# Technology and Education Laboratory for the Visually Impaired

Internet library.

**Mustafa Tezcan**

enjoyed listening to this audio book.

**Mustafa Tezcan >**  
GETEM Member, Officer  
Bosphorus University



## CONSUMER BANKING

Akbank develops its products based on the needs of its customers, and strives to be the leading bank for Consumer Banking via its innovative products offered in accordance with its “For You” vision.

In 2011, 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 nine 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 926 branches, nearly 8,100 specialized branch employees and a 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, develops its products based on the needs of its customers and strives to be the leading bank for Consumer Banking via its innovative products offered in accordance with its “For You” vision. Akbank is aware that the only way to consistently provide the highest service quality 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 2,100 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

Akbank continues to provide advantageous banking services to young people between the ages of 18 and 26 under its exi26 youth banking concept. These advantages include free incoming money transfers and commission-free outgoing money transfers performed via the Alternative Distribution Channels (ADC). In addition, youth banking customers can choose their neo exi26 debit card from a catalog designed exclusively for them.

In addition, the Axess exi26 credit card, offered exclusively to young adults, provides convenient shopping opportunities in the most distinctive stores thanks to its member merchant network of nearly 250,000 businesses. Customers can redeem the chip-money they accumulated from previous purchases for instantaneous free shopping at Axess member merchants. Axess exi26, which provides installment opportunities as well as special advantages unique to the cardholder as well as the assistance services, is offered without an annual fee for the first year.

### 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 more than 200 branches provided priority service to 190,000 customers during 2011. 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 30,000 new customers joined the One-to-One Banking family in 2011. These customers 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. In 2011, 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.

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.

#### AKBANK: A LARGE SCALE BANK FOR SMALL SAVINGS

Turkey's innovative power Akbank continued to expand its customer base and deposit volume in 2011 as the Bank's consolidated total deposits reached TL 81 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 continued to solidify its steering role in the industry in 2011 thanks to the proactive pricing policy it followed throughout the volatile period in the money markets.

The Bank provides superior service quality on a consistent basis as a result of its customer satisfaction-oriented approach. Continuing to deliver its experience in savings to customers using all channels and technological innovations, Akbank carried on with its campaigns geared toward small savings at full speed in 2011. Leveraging the advantage of its far-reaching branch network, the Bank continued to conduct effective deposit marketing activities in all corners of Turkey emphasizing opportunities presented by local conditions. Continuing to encourage self-service transactions, Akbank offered higher interest rates on savings accounts opened via Internet/telephone banking compared to the branches.

Akbank Accumulated Deposit Account, rolled out in December 2010 and designed exclusively for customers wanting to save more or accumulate funds for a specific purpose, registered explosive growth and reached 160,000 depositors in 2011.

In an effort to help the new generation adopt the good habits of the past, Akbank gifted 500,000 piggy banks in the shape of a ladybug to families who want to ingrain savings awareness in their children and open savings accounts on their behalf. This campaign led to a major increase in the Bank's savings deposit customer numbers.

#### GROWING PRODUCT PORTFOLIO IN MUTUAL FUNDS: OPPORTUNITY TO INVEST IN EVERY CORNER OF THE WORLD

Offering investors a rich product portfolio consisting of 13 Type-B and three Type-A mutual funds in 2011, Akbank pursued a policy of growth via specialty funds and ended the year with a 12.8% market share.

Launching 19 new capital protected funds in 2011, Akbank maintained its market leadership as well as the first place in rankings in the capital protected fund market with a 24.4% market share and a TL 884 million sales volume.

In 2011, Akbank focused on offering mutual funds that invest in alternative investment vehicles to investors seeking alternatives in the low interest rate environment. The Bank expanded its partnership with Templeton Asset Management Ltd., a leading global asset management company, which began with the BRIC fund. Akbank offered investors the opportunity to invest in all corners of the world; United States, Europe, Latin America and Asia mutual funds that were recently added to the FT family of funds. In addition and for the first time in Turkey, Akbank launched the Type-B Composite Commodity Fund that allows investors to gain exposure to commodity markets with a single investment fund. The gold fund, which reached TL 480 million in assets under management last year, became the largest investment fund in the specialty fund market.

#### CONTINUING TO FOCUS ON ALTERNATIVE CHANNELS IN EQUITIES

At the beginning of 2011, Akbank transitioned to a sliding-scale commission model for trades executed on Alternative Distribution Channels where investors pay declining commission rates with higher trading volume. This allows the Bank to build longer-lasting relationships with clients, increase the utilization of alternative distribution channels and create synergy with other transaction channels. The application was supported with a constant stream of campaigns geared to customer acquisitions throughout the year. As a result, the number of active customers and commission income were up by 7% and 10%, respectively, over the previous year.

"Real Time Quotes" screens were developed for investors who execute equity trades via the Retail Internet Branch, allowing them to place trades quickly and seamlessly. The new Retail Internet Branch offers customers the opportunity to trade equities and TurkDEX contracts from a single screen utilizing the Real Time Quotes screens.

Akbank continued to solidify its leading role in the industry in 2011 thanks to the proactive pricing policy it utilized in money markets throughout the volatile period.

## CONSUMER BANKING

Akbank aims to offer the most suitable solutions that meet the financial needs of its customers at the most convenient locations with excellent customer experiences through the Alternative distribution Channels (ADC).

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 IN THE TURKDEX MARKET

In 2011, 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. The Real Time Quotes screen was overhauled to facilitate instantaneous, real-time execution of TurkDEX trades. A new application was launched on the Akbank website that allows customers to submit a request to open a TurkDEX account. 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. Akbank plans to continue to conduct a constant stream of new customer acquisition campaigns throughout the year in 2012, for the Bank's customers as well as its employees.

#### LOW-INTEREST MORTGAGE OPPORTUNITIES SWEETENED BY REWARDS AND SPECIAL DISCOUNTS ON BRAND

In 2011, Akbank continued its reward campaigns initially launched in 2010. Pioneering the sector as the first bank to lower mortgage rates in 2009, Akbank continued these low mortgage rates in 2011. In addition to rewards and attractive rates, Akbank offered all of its mortgage customers discounts ranging from decorations and home renovations to transportation and security under the roof of the My Big Red House as well as providing advantages to these customers in banking services. My Big Red House services aim to give customers their dream homes while offering advantages in banking services to increase customer satisfaction and cross-selling.

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 real estate, real estate office chains and residential projects, Akbank's mortgage loans surged by 21% to reach TL 7.5 billion in 2011. 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 consumer loans market leading banks, focused on profitable and healthy growth in 2011 and pursued a strategy of putting together a high-quality loan book to achieve that objective.

Akbank conducted general purpose loan marketing throughout the year by targeting creditworthy, high-quality customers and took actions to increase customer loyalty as well as customer penetration. In an effort to deepen relationships with customers, general purpose loan sales were made to potential customers with predefined limit campaigns. This strategy brought about an increase in interest and commission income as well as a healthy growth in the Bank's loan portfolio. Various new applications and measures geared toward achieving increased loan commissions were implemented in accordance with Akbank's profitability targets, which in turn increased product profitability.

In a similar vein, the Bank targeted a healthy loan portfolio for car loans and pursued a strategy of focusing on selected brands. Within this scope, agreements were entered into with selected business partners as the number of affiliated brands rose to six. As of year-end 2011, Akbank's car loan business partners hold a market share of approximately 20%. Akbank aims to reach high levels of penetration with its business partners and enrich its loan book with high-quality customers.

#### ALTERNATIVE SOLUTIONS IN BANKING: ALTERNATIVE DISTRIBUTION CHANNELS

Akbank aims to offer the most suitable solutions that meet the financial needs of its customers at the most convenient locations with excellent customer experiences through the Alternative distribution Channels (ADC). In today's marketplace where technology is advancing rapidly and customers are more demanding than ever, Akbank meets customer needs without time or place limitations; in the process, pioneering the adoption of new technology in Turkey. The products and services rendered through the ADC 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 six million customers receive their banking services through ADC annually. More than two million customers each month perform their banking transactions through the ADC without the need to visit a branch.

Akbank has one of the most extensive ATM networks in Turkey with 3,695 ATMs as of year-end 2011. Following a major increase in the number of Akbank ATMs as a result of focusing on its policy of expanding its ATM network during 2010, Akbank continued this policy in 2011. Akbank is ranked second in the sector among private banks in terms of the ATM market share as well as second in joint ATM commission market share. ATMs account for 88% of all cash withdrawals and 65% of all cash deposit transactions at Akbank. Akbank ATMs 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 Retail Internet Branch, overhauled in June 2011 in collaboration with internationally renowned companies, began setting global standards in design and user experience in Internet banking. Serving 13% of active Internet banking users in Turkey, Akbank Internet Banking has a nearly 1% market share of the stock trading on the Istanbul Stock Exchange. Akbank is positioning Internet banking as an online service and sales platform where frequent contact with customers is being converted into product and service sales.

Akbank serves in mobile banking, a rapidly growing Alternative Distribution Channel (ADC) through its SMS Branch, Mobile Phone Branch and the wap.akbank.com.tr platform as well as innovative and functional mobile applications. 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 perform other banking transactions while reducing the operational load these transactions impose on conventional channels. Akbank's Mobile Phone Branch and iPad Branch allow the Bank's customers to perform many banking transactions including money transfers, information and balance retrieval, foreign exchange transactions, payment transactions and investment transactions at any time and location. The Bank launched the first groundbreaking applications in the sector for iPad and iPhone users, whether or not they are Akbank customers, via such

applications as Wings Traveler, iPad Investor, No Panic, Credit, iPhone Investor and Akbank Art Center. The Send Money application, launched in May 2011, allows money transfers via an application downloaded to mobile phones for the first time in Turkey. Akbank's mobile applications that offer solutions in various and numerous different areas of need were downloaded more than 250,000 times. 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, was honored as the Most Commendable designation in the "Best Customer Experience", "Best Call Center Agent" and "Best Call Center Team Leader" categories at the 2011 IMI Istanbul Call Center Awards. Akbank Call Center receives approximately three million calls every month and serves nearly five million customers annually. Combining frequent contact with customers with its ever-increasing ratio of calls that lead to a sale, Akbank Call Center makes 40.8% 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's corporate website [www.akbank.com](http://www.akbank.com) was re-launched in June 2011 with a new design that allows its customers to reach what they need in a more user-friendly way. Visited by nearly three million people each month, [www.akbank.com](http://www.akbank.com) is a channel where Akbank's products and campaigns are promoted and plays a critical role in directing customers to purchasing products.

Due to the increasing Internet penetration and use over the recent years and the resulting change in user habits, corporations began to pay attention to the concept of social media. The use of social channels is growing rapidly particularly in the banking industry. Akbank began using social channels in August 2010 with the launch of the Akbank Facebook page. Administering seven Facebook, seven Twitter, one Youtube and one Google+ accounts for a total of 16 social media accounts, Akbank has nearly 900,000 followers in social channels. At the "Global Finance 2011 World's Best Internet Banks" awards that were announced in July, Akbank won the "Best in Social Media" award in Europe.

**Akbank Telephone Banking, one of the largest call centers in the sector, was honored with the Most Commendable designation in the "Best Customer Experience", "Best Call Center Agent" and "Best Call Center Team Leader" categories at the 2011 IMI Istanbul Call Center Awards.**

## CREDIT CARDS

**Akbank credit cards broke new ground in the sector in 2011 and launched Credit Card Tariffs based on customer needs.**

With 5.4 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 2011.

As of year-end 2011, Akbank's credit card lending surged by 44% compared to December 2010 to reach TL 9.6 billion.

### AXESS, WINGS AND FISH

Akbank's 5.4 million-strong credit card portfolio consists of the Axess, Wings and Fish brands. With its large 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 during 2011, Akbank focused on deepening business relations with existing customers in addition to new customer acquisitions. Serving the wide-ranging financial needs of its credit card customers via services that were unveiled previously, such as: Fast Cash (Hızlı Para), Installment Request (Taksit İste), Balance Transfer and SMS Cash (SMS Para), Akbank's card portfolio performed much better than the overall sector in terms of both shopping turnover and cash-based expenditures. Akbank credit cards broke new ground in the sector in 2011 and launched Credit Card Tariffs based on customer needs. As part of this initiative, cardholders were given the opportunity to choose, in exchange for a spending commitment, the tariff that fits their needs from among the options including Chip-money Reward up to TL 200, No Annual Fee and Half-Off Interest. The world of tariffs, evolving in accordance with customer demands and needs, increases customer options.

Raising its total issuing volume market share from 13.7% in December 2010 to 14.9% in December 2011, Akbank registered the highest growth in the industry.

Akbank increased its cash advance market share from 9.3% in 2010 to 15.1% in 2011 for the highest growth rate in the sector.

Akbank ended 2011 with a 28% increase in issuing volume and 30% increase in number of cards. Three customer satisfaction-enhancing projects were launched in 2011. These projects are:

- Rewarding Wings Cardholders With Strong Business Relations with Akbank

In an effort to reward customers with strong business relations with the Bank, Akbank began rewarding Wings customers who have total

assets and/or mortgage loan originations with the Bank above certain amounts with 1.25 Mile Points for each TL 1 of purchase as of April 2011.

- Wings Global Features

Wings cardholders began taking advantage of various privileges worldwide as a result of Akbank's joint initiative with Citibank. These privileges are as follows:

- Wings cardholders can withdraw a cash advance from overseas Citibank ATMs without paying a cash advance fee.
- Under the Citi Mile Transfer Program, Wings Mile Points can be transferred to Singapore Airlines' KrisFlyer and British Airways' Executive Club Programs and the flight miles of the program can be combined.
- Under the Citi World Privileges Program, special discounts, privileges and many opportunities in more than 4,000 overseas locations are offered to Wings cardholders.
- Cardholders can subscribe to the Wings Globeshopper website free of charge using their Wings cards and ensure delivery of their purchases from online shopping websites in the United States to Turkey.
- Allowing Use of Wings Mile Points at Wings Style Merchants

Wings Mile Points which are used to get free plane tickets are available for use at Wings Style member merchants as of December 2011. The new application offers Wings cardholders the opportunity to pay with Wings Mile Points at the Wings Style member merchant network consisting of various cafes, restaurants, hotels, fitness centers and spas.

Akbank made new point of service additions to the Wings Style concept; Wings clients continued to enjoy privileged service at 57 Wings Gourmet, 43 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. Standing out in the social media with its innovativeness in 2011, Fish organized the Dream Competition, the largest prize contest in the social media. One person won a world tour dream worth TL 100,000 in the Dream Competition held on the Facebook/Fishcard page.

Another important project rolled out by Fish in 2011 was Hayal Dükkanı (Dream Store). With the Hayal Dükkanı project, Fish began to actualize dreams in the virtual world as well. Launched in September, the [www.hayaldukkani.com](http://www.hayaldukkani.com) website is designed for those who achieve personal dreams and who want to add extraordinary moments to their lives. In addition to dreams exclusively for Fish cardholders, the website offers the privilege of six installments and up to 20% discount opportunities for Fish users.

Carrefour Axxess, 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.

2011 has been a year of revitalized online shopping via Virtualcards as well as new partnerships and projects for Akbank Credit Cards. Additional 3/5 installments and 10% seasonal discounts for online purchases were offered throughout the year for the Virtualcard alternative of Axxess, Wings, Fish and Carrefour Axxess products. In addition, Akbank entered into exclusive agreements with Private Shopping websites for all of its cards, giving cardholders privileged shopping opportunities.

The number of Akbank's virtual cards in circulation soared by 497% to 165,000 at year-end 2011 from 27,500 in December 2010.

Akbank's market share in e-commerce rose from 12.90% in December 2010 to 13.2% as of the end of 2011.

Another subject regarding which Akbank was on the move throughout 2011 is overseas shopping. Akbank made major strides in becoming the first card of choice for overseas purchases thanks to special deals including discounts at restaurants abroad, ten times the chip-money and five installments for overseas purchases were offered during all Turkish public holidays during the year.

Akbank reached a monthly average overseas issuing volume of TL 60 million in 2011, up 42% on the TL 42 million during 2010. Raising its market share in overseas issuing volume from 12.2% in 2010 to 13.1% in 2011, Akbank recorded the highest growth in the market.

Closely following technology trends and offering innovative products to its customers, Akbank integrated payment systems with the mobile world thanks to the mobile wallet application that

was rolled out in 2011. As a result of the project undertaken jointly with MasterCard and Turkcell, Axxess cardholders can now load their credit cards on their mobile phones and make fast contactless payments.

Thanks to this SIM card-based solution, independent of the cell phone models, Axxess cardholders now have an alternative product to use the NFC technology, one of the latest developments in the card world.

## NEO

Akbank continued to support industry efforts to create an awareness for using debit cards for purchases and to minimize the use of cash while shopping in Turkey via communication and campaign initiatives throughout the year. These initiatives were aimed at channeling consumers who use cash to pay for their purchases to using debit cards, another form of payment. A new slogan, called the "Limit-Conscious Shopping Card," was adopted for Neo; shopping campaigns targeting the intended audience were carried out. Increases were registered in the number and volume of purchases made by debit cards. Raising the number of Neo cards in circulation to 5.9 million in 2011 with a net increase of 680,000 in number of cards, Akbank also achieved 35% growth in terms of the use of Neo in shopping.

Neo was enhanced with Online Shopping and Automatic Bill Payment features in 2011. Akbank continued to meet the prepaid card needs of its corporate clients under the Neo Rewards brand in 2011 while corporate segment clients were able to give bonuses and gifts to their employees, business partners, dealers and customers in various formats using preloaded Neo Rewards cards.

Launching the Neo Super product under the Parent Banking concept, Akbank provided a new product for the 6 to 16 age group. Establishing close communication with future customers, Akbank aims to ingrain the habit of paying by card rather than by cash in the Neo Super holders.

## COMMERCIAL CARDS

Striving to meet all needs of its customers in consumer banking as well as in the corporate segment, Akbank continued to undertake major initiatives in 2011 in commercial credit cards, which serve as payment system products. With its more than 60,000 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.

2011 has been a year of revitalized online shopping via Virtualcards as well as new partnerships and projects for Akbank Credit Cards.

## CREDIT CARDS

Acquiring 66,000 new member merchants in 2011, Akbank reached a total of 223,000 member merchants and 288,000 POS terminals by year-end 2011 and continued its successful performance in this segment.

#### AXESS BUSINESS AND WINGS BUSINESS

Akbank is active in the commercial cards market with its Axess Business and Wings Business brands.

Axess Business combines many desirable features including installment opportunities at hundreds of thousands of locations, company credit card functions, supply features and loyalty program. In 2011, Akbank registered a 117% growth rate in the issuing volume of Axess Business credit cards, which offers various advantages to companies for their bill payments and gasoline purchases as well as purchases made in many other different sectors, especially bulk food purchases. In 2011, the Social Security Institute of Turkey premium payments were able to be made with both Axess Business and Wings Business; customers were able to enter automatic bill payment instructions for these payments directly on the card-a great convenience for the clients with regard to monitoring their payments.

#### MEMBER MERCHANT ACTIVITIES

Akbank continued to solidify its standing as one of the sector's leading banks for member merchant activities in 2011.

Akbank's member merchant sales turnover in 2011 registered a growth rate of 26%, above that of the overall market. Acquiring 66,000 new member merchants in 2011, Akbank reached a total of 223,000 member merchants and 288,000 POS terminals by year-end 2011 and continued its successful performance in this segment. Akbank continued its shared POS terminal initiatives in 2011 to reach more than 125,000 shared POS terminals, 40,000 of which are owned by Akbank.

Akbank has further strengthened its market position by broadening its member merchant network via agreements with leading companies in the sector and running consumer-oriented campaigns. As of year-end 2011, 168,000 member merchants offer installment and reward benefits to Axess cardholders. Axess sales turnover at member merchants increased by 32% in 2011 compared to the previous year thanks to the sector and brand-specific campaigns.

Akbank made improvements in the application, approval and updating flows by undertaking member merchant package infrastructure initiatives resulting in better and faster service provision to member merchants. Contactless POS devices were deployed at a frantic pace while the number of member merchants capable of contactless transactions surpassed 5,000. Actualizing the project to use debit cards in Virtual POS devices, Akbank began conducting e-commerce with debit cards as well.

Organizing exclusive campaigns for Akbank cardholders in 20 provinces throughout 2011, Akbank undertook initiatives to acquire new member merchants and activate existing member merchants. These campaigns resulted in 41,000 new credit card sales, 2,000 new member merchant acquisitions and 32% increase in sales turnover.

## PRIVATE BANKING

Akbank Private Banking strives to generate the fastest and most suitable solutions for both the financial and non-financial needs and expectations of clients. It offers banking services through nine dedicated Private Banking branches, five in Istanbul and one each in Ankara, Izmir, Bursa and Adana.

Aiming to provide privileged service to clients, assist them with their investment decisions and generate custom solutions tailored to specific clients as needed, Akbank Private Banking serves individuals with assets exceeding TL 500,000.

In an attempt to render the best and highest quality service for clients' pension, insurance and leasing demands in addition to their investment needs and all other needs with a one-stop shop approach, Akbank Private Banking pays particular attention to establishing cooperation with Group companies and maintaining the vibrant intra-Group synergy. Client 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 at the branches.

Based on the results of the annual external client satisfaction survey, Akbank Private Banking identifies areas of improvement as well as strengths to be sustained and takes the necessary actions. Akbank Private Banking is the market leader in the private banking segment, according to the 2011 survey results.

Total assets under management reached TL 24.5 billion, up 24.4% from year-end 2010.

**Akbank Private Banking strives to generate the fastest and most suitable solutions for both the financial and non-financial needs and expectations of clients.**

## INTERNATIONAL BANKING

Akbank paved the way for the Turkish banking industry in the syndication, bond and securitization markets in 2011 and maintained its position as the institution that sets the terms for foreign borrowing.

Akbank had a very successful year in 2011 in international banking area as well. The Bank's International Banking Business Unit has long-standing relationships based on mutual trust with its correspondent banks in 148 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 syndication, bond and securitization markets in 2011 and maintained its position as the institution that sets the terms for foreign borrowing. As part of its sustainable foreign borrowing strategy, the Bank undertook new transactions in accordance with its objective of tapping a broad investor base using a diverse set of instruments. Akbank was awarded the EMEA Finance Magazine's "Best Financial Institution Borrower in Europe, Middle East and Africa (EMEA) Region" award which once again confirmed its position as the leader in foreign borrowing.

On March 23, 2011, Akbank secured a one-year syndicated loan facility comprised of two tranches of US\$ 406 million and € 652 million in a deal participated in by 42 banks. Secured at a cost of Libor+1.10% and Euribor+1.10%, respectively, this loan represents a roll-over rate of over 100%. Akbank once again pioneered the sector in lowering borrowing costs in the syndication market with this facility.

On August 17, 2011, Akbank signed an agreement for a new US\$ 1.45 billion syndication loan, which also has the distinction of being the lowest cost syndication loan secured by a Turkish bank in 2011. This loan consists of two tranches of € 708.5 million and US\$ 422 million, participated by 44 leading global banks, the syndication loan comes with a cost of Libor/Euribor+1.00% for the one-year portion.

Pulling down borrowing costs in syndicated loans yet again thanks to its solid balance sheet and strong correspondent relations, Akbank pioneered the reduction from Libor/Euribor+1.30% levels at year-end 2010 to the current levels of Libor/Euribor+1.00%.

On March 9, 2011, Akbank issued a seven-year, US\$-denominated, US\$ 500 million bond in the international market. Breaking new ground yet again with this deal, Akbank became the first Turkish private sector corporation to directly issue a seven-year bond in the capital markets. With this issuance, the long-term funding secured by Akbank from the Eurobond market in two years reached US\$ 1.5 billion.

This US\$ 500 million bond issue was oversubscribed twice thanks to robust demand from more than 100 institutional investors from 20 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.

Furthermore, on August 4, 2011, as part of its securitization program backed by foreign export receivables, check receivables and foreign exchange-denominated money transfers; Akbank completed a US\$ 200 million financing transaction. This seven-year facility was extended to Akbank by European Bank for Reconstruction and Development (EBRD) and the Sumitomo Mitsui Banking Corporation (SMBC), Brussels Branch. Akbank used the US\$ 100 million tranche of the loan secured from European Bank for Reconstruction and Development (EBRD) to offer a new line of financing that, in accordance with its corporate social responsibility approach and principles, conforms to international social and environmental standards and aims at creating sustainable value. This loan was extended to SMEs and businesses that intend to increase investments in energy efficiency and renewable energy sources. With this deal, total funding secured by Akbank from international markets as part of its securitization programs reached nearly US\$ 5 billion. Akbank's securitization program backed by overseas money transfer flows launched in 1999 is among the longest-running programs in the world and has been the recipient of many awards.



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 in January 2011, allowing its customers who enter into export or import deals with China to conduct yuan-denominated transactions.

Expanding its international network and product range by entering into new partnerships, Akbank's International Banking Department continued to support and facilitate international transactions of its corporate and commercial segment customers in 2011. The Bank signed an agreement to join CONNECTOR, one of the largest cash management and banking systems in the world, becoming a member in February 2011. Admitting a single bank from each country and comprised of 14 international banks, CONNECTOR, with a network consisting of 47 countries and 63,656 branches, allows corporate and commercial segment customers of member banks to perform core banking transactions such as opening accounts overseas and processing payments quickly at specific standards.

The International Business Development Unit formed by Akbank in 2010 to increase its presence and reinforce its position in the international arena visited target countries in 2011 and gathered information regarding macroeconomic and political situation, market dynamics and conditions and information about industries. The Unit's objective was to gain a competitive edge for the Bank by capturing the business potential on location in these regions. In addition, the Unit's aim included monitoring the needs of its customers more closely and in-depth, generating customized solution offerings and increasing the Bank's market share in trade, investment, merger and acquisition deals with the target countries. Within this scope, in 2011 Akbank entered into agreements with some correspondents' subsidiaries located in North Africa and CIS countries, to gain company referrals and cooperation in commercial transactions. These agreements were signed to perform transactions for Akbank's corporate and commercial segment customers in these countries, preferably through these correspondents. This in turn will entice clients to choose Akbank as their international banking business partner and lead to new customer acquisitions while increasing the transaction volume for the Bank.

## DUBAI

In 2011, Akbank Dubai had a very successful year with regard to the International Banking segment. The relationships established with the leading public and private organizations in the region were activated further. Securing financing from almost all major banks in the region using a diverse set of debt instruments including reciprocal credit agreements, murabaha and post-financing while strictly adhering to Akbank's international borrowing criteria, it assisted Akbank in diversifying its borrowing sources and tapping a new investor base.

In October 2011, Akbank signed a remittance deal with Doha Bank, one of the leading banks in Qatar. With this new agreement Akbank aims for new customer acquisition and transaction volume growth by having Turkish nationals living and working in Qatar to make their money transfers to Turkey via Akbank.

**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.**

**Erhan Güler >**  
Akbank Banking Center  
Administrative  
Affairs Manager  
Çayırova  
Kocaeli

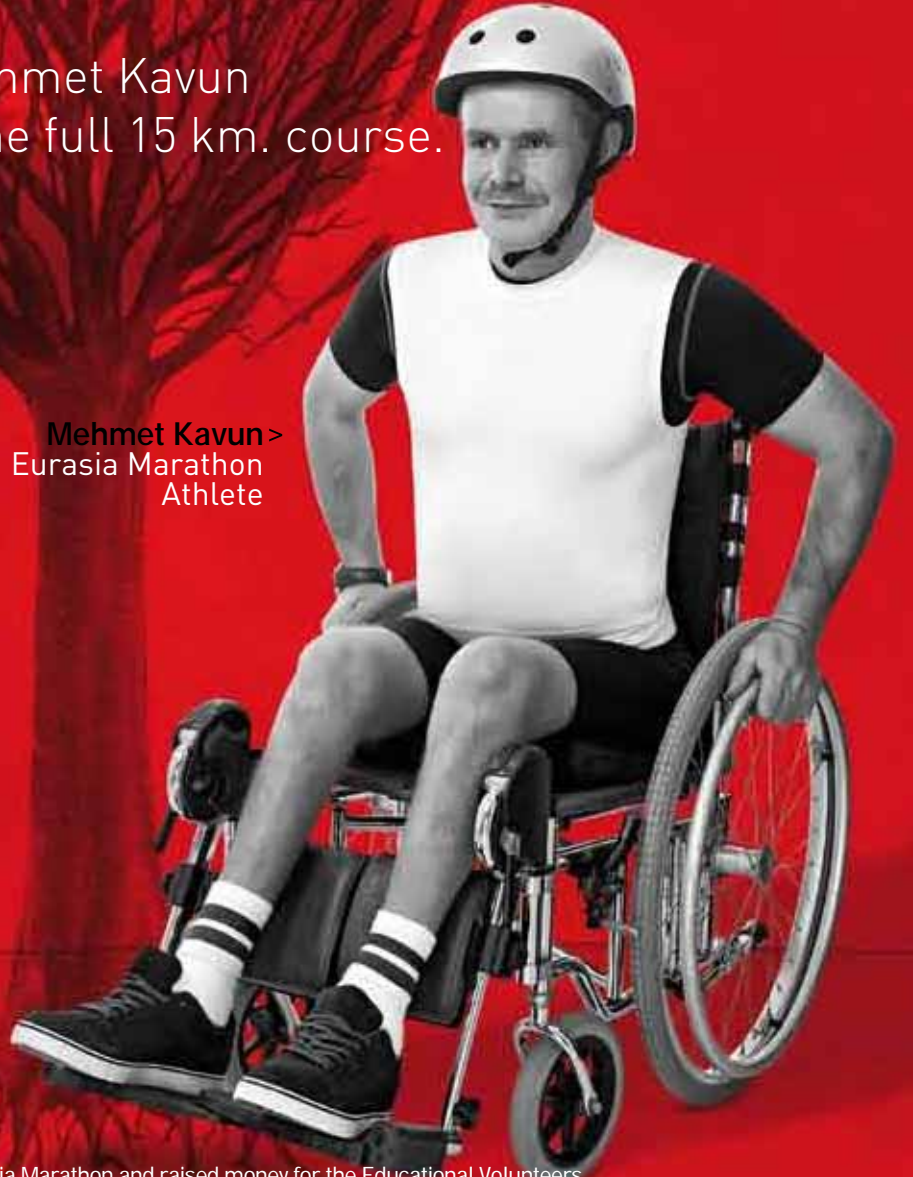


**Our Administrative Affairs Manager  
Erhan Güler**

ran the  
**Eurasia Marathon**

with Mehmet Kavun  
and completed the full 15 km. course.

**Mehmet Kavun >**  
Eurasia Marathon  
Athlete



Akbank volunteers ran the Eurasia Marathon and raised money for the Educational Volunteers  
Foundation of Turkey (TEGV) and the Spinal Cord Paralytics Association of Turkey (TOFD)

## TREASURY MANAGEMENT

**Akbank Treasury Management is responsible for managing liquidity, exchange rate and interest rate risk in addition to market activities utilizing its many years of experience, dynamic structure and successful balance sheet management practices.**

Assuming extremely critical functions in all economic environments, Akbank Treasury Management is responsible for managing liquidity, exchange rate and interest rate risk in addition to market activities utilizing its many years of experience, 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 an active participant in the primary and secondary markets. As of year-end 2011, Akbank was ranked first for secondary market bond and bill trading volume. Further increasing its presence in the fixed-income securities market in 2011, Akbank maintained its leadership in this area by taking a 37% share of the Istanbul Stock Exchange and over-the-counter (OTC) trading volume and increased its lead over its closest rival by 12% points. 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 Treasury Marketing 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 distribution 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.

### CAPITAL MARKETS DEPARTMENT

The Capital Markets Department is comprised of two units: Product Management responsible for the development and sales strategies of equities, derivatives and warrants at the Bank and the Akbank Investor Center responsible for selling these products to customers through dealers. The Department's objective is to establish and develop the appropriate service model to increase the Bank's commission income from the sale of 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 Akbank Investor Center, an effective sales channel for the Bank, along with qualified investors who generate high trading volume in domestic and international markets serve the needs of investors seeking specialist support.

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

## 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 17 investment funds for Akbank and AKInvestment Trust, 19 Capital Protected Investment Funds of Akbank, 17 pension investment funds for AvivaSA Pension and Life Insurance Company, one Akbank SICAV fund and the portfolio of AK Type-B Investment 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 8.0 billion at year-end 2010 to TL 8.4 billion as of year-end 2011, corresponding to 5% growth for the year. AKAssetManagement ranked second in terms of assets under management (AUM) and fourth in terms of portfolio size, among large mutual fund management companies in Turkey. Total AUM of mutual fund portfolios managed by the Company stands at TL 3.8 billion as of year-end 2011, corresponding to a market share of 12.7%.

AKAssetManagement is the market leader in the Turkish pension investment fund management sector in terms of assets under management with a market share of 20.6%. Total AUM of the pension investment fund portfolios managed by the Company continued to grow steadily and reached TL 2.958 billion as of year-end 2011.

Established in 2006 and growing rapidly, Akbank's Discretionary Portfolio Management business line reached TL 1,434 billion assets under management as of year-end 2011 and became the market leader with a 27.2% market share.

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



AKAssetManagement continued to be the pioneer in the asset management market in many areas with its performance and innovative product design. In this respect, AKAssetManagement established itself as the sector leader with the gold and precious metals investment fund, BRIC countries mutual fund, capital protected investment funds, composite commodity fund basket mutual fund, a first in Turkey and the Akbank Franklin Templeton umbrella fund investing in different regions of the globe. All are issued by Akbank and managed by AKAssetManagement.

AKAssetManagement was honored with the "Best Investment Management" and "Best ESG Asset Manager" awards that were handed out by World Finance for the first time in Turkey in 2011. They left behind their rivals in terms of risk management, investment processes, new product development and sustainable performance criteria that the Company implements at international standards.

#### 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 seventh and fourth, in terms of issued capital and assets under management, respectively, among 26 investment trusts in Turkey as of year-end 2011. With a 6.18% market share, 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

A company with long-term experience in the leasing industry, AKLease has been providing creative and quick leasing solutions to SME, commercial and corporate segment customers since 1988.

Known for undertaking innovative initiatives in the market, the Company continued to roll out groundbreaking services in the industry with the mortgage application in 2011, once again demonstrated that it is a pioneering leasing company. As the "first" company to launch lease

purchase mortgage applications for individuals to become homeowners, AKLease also continued to carry out initiatives in the energy industry. Maintaining its leadership in the aviation category, AKLease developed custom leasing solutions in accordance with the needs of SMEs as well as Corporate and Commercial segment customers and carried out large-scale projects.

AKLease continued to execute its strategy of long-term, sustainable, profitable and healthy growth without losing any asset quality during 2011. The Company was rewarded for its strategy by ranking among the leaders in terms of profitability and asset quality among other companies in its category.

AKLease continues to differentiate itself from the competition with its high asset quality; it reached TL 1.7 billion in total assets in 2011. AKLease's leasing receivables surged by 41% over the previous year to total TL 1.5 billion.

Redesigning its credit appraisal processes completely from scratch in an effort to make quicker and more effective decisions, the Company also overhauled its IT infrastructure with an internet-based technology on the basis of customer focus and flexibility.

In 2011, the international rating agency Fitch Ratings affirmed AKLease's long-term Turkish lira and long-term foreign currency ratings as BBB-, an investment-grade rating; its long-term national rating was AAA, the highest rating possible.

The Company increased its long-term and low-cost, broad-based funding facilities and continued making these available to its customers in 2011.

In an environment where Europe-based uncertainties and the risk to which companies are exposed keeps growing, AKLease made major strides in risk management and began undertaking efforts to implement a risk management package, which will be a first in the industry when completed and will be fully integrated with the IT infrastructure.

In the last quarter of 2011, AKLease moved its head office to the Sabancı Center, one of the important symbols of the business world.

AKLease is becoming stronger each day with its ethical, sharing, initiative-taking, experienced and specialized human resource that puts people first.

**AKLease increased its long-term, low-cost, broad-based funding facilities and continued to make these available to its customers in 2011.**



< **Cenk Göksan**  
Investor Relations and  
Sustainability  
Senior Vice President  
Sabancı Center  
Istanbul

**Our Investor Relations and Sustainability  
Senior Vice President Cenk Göksan**

visited Dumlupınar Elementary School and

# taught English.

Tuğba and Eren can hardly wait for the  
next class.

✓ **Tuğba Avcı**  
Student  
Dumlupınar  
Elementary School  
Küçükarmutlu  
Sarıyer

**Eren Yılmaz >**  
Student  
Dumlupınar Elementary School  
Küçükarmutlu  
Sarıyer



30 Akbankers have volunteered for the English Speaking Club. As part of this project that we launched in December, three volunteers are taking two hours off three days a week to visit **Dumlupınar Elementary School to converse with the students in English in a subject of their interest.** They contribute to improving the students' English.

## SUPPORT SERVICES

With major modifications made in the business intelligence and reporting systems infrastructure during 2011, Akbank increased efficiency and speed while creating platforms that allow business processes and decision support systems to be used more effectively.

### INFORMATION TECHNOLOGY

Providing the convenience of state-of-the-art technology to its customers and employees in accordance with its strategies and objectives, Akbank successfully launched many new projects in 2011. Boasting one of the most extensive branch, ATM/BTM and POS networks in Turkey, Akbank continued to work with system integrators and solution providers during the course of the production of its new projects.

In 2011, Akbank made major strides by directing its efforts in accordance with its "Turkey's Innovative Powerhouse" approach; prioritizing the needs of its customers along with the demands of its business units in compliance with legal requirements.

- New features, including a simpler menu structure, quick access and personalization, as part of the Retail Internet Branch's interface redesign project for a more user-friendly experience for customers,
- 24/7 money transfers via the "Send Money" application, credit card payment transactions and Turkish lira loading opportunities in Mobile Banking,
- Enabling mobile phones of a broad customer group to also serve as a credit card with the "Mobile Wallet" project that Akbank implemented with its business partners,
- Capability to trade options on commodities such as gold, silver and oil and the resulting competitive edge for customers with the Treasury Commodity Markets transactions project,
- Automation of many processes and the resulting increase in operational efficiency with the Credit Cards Member Merchant system,
- The Credit Card Viewing Internet branch service where credit card customers can access information about their cards via the Internet without going through an application process,
- Increased operational efficiency as a result of the complete overhaul of the Bank's accounting infrastructure.

In 2011, Akbank continued to undertake intensive CRM infrastructure initiatives which it had begun in recent years. The CRM infrastructure that already automates sales and marketing processes and integrates branches and Alternative Distribution Channels simultaneously, was enhanced with the addition of major projects such as the Credit Card Customer Winback System and Marketing Optimization.

With major modifications made in the Business Intelligence and Reporting Systems infrastructure, Akbank achieved increased efficiency and speed while creating platforms that allow business processes and decision support systems to be used more effectively. The reporting platform used by the Head Office in previous years was also deployed to the Bank's extensive branch network.

Akbank's CRM platform, which is capable of managing contacts with customers through all channels under a single structure and determining the best available action for the customers at each point in time by combining analytical customer data with real-time customer data, won the first-place award in the Integrated Marketing category for the Europe, Middle East and Africa Region at the 2011 Gartner CRM Excellence awards.

In addition, the Bank's New Internet Banking product made it to the shortlist at the Banking Technology Awards 2011 and won the second-place prize in the Best Use of IT in Retail Banking category.

The Small Business SMS Loan project that allows Akbank's micro segment customers the opportunity to acquire a loan by simply sending an SMS was honored with the first-place award in the Excellence in SME Customer Service category at the Financial World Innovation Awards competition.

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). In 2011, Akbank continued to successfully maintain the infrastructure that allows the continuous development of IT processes.

### OPERATIONS

Akbank established a comprehensive operations infrastructure to set up and manage the required business flows to achieve 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 2,400 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 4,600 service points across the country, the Operations Center boasts a centralization ratio of 100%, 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 make up 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,
- Distribution channel operations,
- 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.

Akbank Operations Center provides the full range of operational services to nearly 5,400 corporate and commercial segment customers directly.

#### The Akbank Operations Center

##### • Is innovative and modern.

Akbank Call Center, positioned within the Akbank Operations Center is among the pioneers of change in the industry, provides customer-oriented and difference-making innovative applications to its customers. Always aspiring to render the most innovative service with superior banking experience, Akbank Call Center has had a decade of excellent service since its establishment.

Akbank Call Center created in 2011 with its solution-oriented service model, supports all points of contact with the customer, from the ATM and the internet to mobile services. It was deemed worthy of the Most Commendable designation in the Best Customer Experience, Best Call Center Agent and Best Call Center Team Leader categories at the 2011 IMI Istanbul Call Center Awards. 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. In addition, Akbank Call Center created value for Akbank and for the customers thanks to its professional and specialized services rendered in many areas, particularly in the mortgage products.

With the new member merchant package project that was launched as a result of the investments that continued in 2011, the member merchant system was upgraded to ensure that customer expectations and demands are satisfied at a high level. Consequently, Akbank created a system that ensures healthier operational processes that can be measured and monitored.

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

Thanks to efforts to centralize and rationalize operational tasks at the branches in 2011, the percentage of branch employees in direct contact with customers has reached 85% while the average waiting time at branch services for nearly six million active customers was below 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 58.7 million incoming and outgoing calls as well as 128 million transactions with a staff of more than 1,000. Incoming calls from more than 5 million unique customers were answered.

Akbank achieved an average straight-through processing accuracy ratio of almost 100% for international transfers in 2010. 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 major correspondent banks of Akbank.

**Akbank Operations Center provides the full range of operational services to nearly 5,400 corporate and commercial segment customers directly.**

## SUPPORT SERVICES

Efforts to model and publish all of the Bank's business processes in conformity with process management standards will be completed in the first quarter of 2012.

Aiming to conduct activities effectively in all areas, the Bank adopted the Business Process Management (BPM) approach to administer its business processes. Within this framework, efforts to model and publish all of the Bank's business processes in conformity with process management standards will be completed in the first quarter of 2012. In addition, the Process Performance Management system for systematically measuring the effectiveness of the Personal Mortgage Loan process from the customers' viewpoint was also rolled out.

A new organizational structure based on the Lean Six Sigma methodology was launched to constantly improve all critical business processes in accordance with customer expectations. As part of this approach, all elements of the Bank's operations are assessed as a whole with a special emphasis on information technology, data, organization and product aiming to meet customer needs effectively and quickly. It increases the effectiveness of channels that come in direct contact with the customer as well as the efficiency of related operational processes. Development activities geared toward enhancing customer experience and increasing the efficiency of operational business processes and efforts for structuring the process architecture in conformity with the Bank's strategies will continue in 2012.

• **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.

• **Is customer-oriented.**

Akbank Operations Center maintained its customer-oriented approach in 2011 and in that scope undertook the following major efforts:

- 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.
- Operations Center has adopted a proactive approach in its monitoring activities. With a system implemented in 2011. Customers unable to complete transactions under various circumstances are informed by the Bank with an SMS message.
- Akbank Call Center offers the most suitable products and services for customer needs thanks to the solid CRM infrastructure. Call Center has become one of the Bank's major sales channels with two million product sales in 2011.
- Technological solutions are closely monitored to make customer transactions easier. Purchases made via the POS terminals located at the Bank's member merchants can now be paid for by contactless transaction using mobile phones.

## OPERATIONS CENTER TRANSACTIONS\*

	2007	2008	2009	2010	2011
NUMBER OF ANNUAL TRANSACTIONS (MILLION)	173	184	190	193	206
CENTRALIZATION RATIO (%)	94	97	99	99	100
AVERAGE MONTHLY TRANSACTION (MILLION)	14	15	16	16	17

\* Excluding Call Center transactions and gross transactions of the Treasury.



## BUSINESS INTELLIGENCE APPLICATIONS- ARGUS

Akbank delivers an effective, fast and analytical decision-making experience to users thanks to its management reporting system ARGUS. The information, gathered from the Bank's data, that will create added value to the business results, is presented in a prompt and easily-accessible manner in accordance with the users' preferences.

Administered to ensure data integrity, quality and security at Akbank, data management processes were implemented. A centralized management reporting process and flexible, effective and fast information management and decision support system in conformity with the prevailing standards were developed.

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.

As part of this effort, the analyses and data contained in the system were diversified so the information needs of more users are met automatically, quickly and with higher-quality data.

The necessary infrastructure was created and work began for all management reports to be developed centrally, presented through ARGUS screens and accessed from a single environment as part of Central Reporting. Major efficiency gains were recorded as a result of these initiatives.

## CORPORATE PERFORMANCE SYSTEM

Launched with the purpose of ensuring interactivity between strategy, operational applications and budgeting processes, the Balanced Scorecard project following the approval of the successful implementation, won the "Balanced Scorecard Hall of Fame for Executing Strategy" award in 2011. As a result of an evaluation conducted by Palladium Group, one of the world's leading strategy and technology advisory, training and licensing organizations, Akbank became the first bank in Turkey to earn the Hall of Fame Award, one of the world's most prestigious strategy and performance management awards for the Europe, Middle East and Africa (EMEA) region.

Palladium Group's evaluation focuses on the most successful organizations that successfully execute the "Strategy-Focused Organization Model" developed by Harvard University professors Robert Kaplan and David Norton who are among the world's 50 most important management and strategy advisors and that combine the execution with breakthrough performance results that create a difference in competition.

Akbank implemented internal data governance processes to ensure data integrity, quality and security.

## SUPPORT SERVICES

Within the scope of Akbank's new targeting project launched in 2011 in order to manage budget projects more effectively and efficiently; the Bank, business units and branch level budget processes have been integrated into the branch organization targeting process.

#### 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 2011.

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,
- Segment profitability,
- 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 have begun to be utilized at various points to perfect the services provided to customers at branches.

#### 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 launched a new targeting project in 2011 to manage the budget project more effectively and efficiently. With this newly initiated project, the process of budgeting performed on the Bank, business units and branch levels were integrated with the branch organization targeting process. The project made the following contributions to the budget process:

- **Analytical:** More accurate and fair targeting based on data envelopment method taking into consideration the micro market potential
- **Regular Reporting:** Daily target-realization reporting through the ARGUS System
- **Efficient:** A more effective and faster management thanks to the integration of budgeting with the targeting process
- **Dynamic:** Automatic reassignment of targets based on customer and organization movements
- **Transparent:** A systematic, monitorable, transparent and controlled process

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 increase information security, new internal policies were devised and implemented. Security categorization of the Bank's data was performed jointly with the business units. Bank employees were administered training sessions on a regular basis to increase information security awareness and a survey was conducted to measure the level of information security.

## 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.

The 21<sup>st</sup> Akbank Jazz Festival brought world-renowned jazz musicians together with jazz enthusiasts between October 13 and November 3, 2011. The theme of the Festival, "The City in the State of Jazz", offered nearly 50 concerts in nine different provinces and featured more than 250 musicians. In addition to the rich menu of concerts, the Festival hosted various workshops, panels, competitions and brunches accompanied by jazz music as well as Jazz on Campus concerts. The Festival started with an opening concert by Arild Andersen, one of the leading contrabass musicians in Europe. Other featured names in the Festival included the Charles Lloyd New Quartet, Avishai Cohen Seven Seas, the Arild Andersen Trio, the Maffay Sextet, the Dusko Goykovich Quartet, the Ray Gelato Giants and ZAZ. The JAmZZ Young Talents Competition, organized as part of the Festival for the first time this year, drew heavy interest from all corners of Turkey. The competition gave young amateur talents the opportunity to be a part of the Festival and take stage together with professional musicians for a jam session. Jazz on Campus, one of the most significant events of the 21<sup>st</sup> Akbank Jazz Festival, gave 13 concerts in nine provinces including Eskişehir, Ankara, Trabzon, Erzurum, Adana, Kayseri, Konya, Bursa, in addition to Istanbul, between October 17 and November 3.

The seventh Akbank Short Film Festival, an effective platform for short films in Turkey, strives to support new ideas and contribute to the short film culture. It was held between March 7 and March 17. The Festival hosted audiences for 10 days with an extensive program, offering broad selections, workshops and talks. 92 films from 21 countries were screened in categories that included Non-Competitive, International, Animated Short Films, From Short to Long Feature, Special Screening and Experiences as part of the Festival. Following the Festival, award-winning fiction and documentary films were screened at 30 universities.

During 2011, the following exhibitions were organized at the Akbank Art Gallery: Tobias Rehberger, Minor Problems in a Major City; Mounir Fatmi, Megalopolis; Société Réaliste, The City amidst the Buildings; Ayşe Erkmen-Fusun Onur and Seza Paker, Continuous Variations, the 30<sup>th</sup> Contemporary Artists Istanbul Exhibit; Bruno Serralongue, Time Capsule; and Johan Tahon, White Seeders. Group exhibitions held at Akbank Art Gallery 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 with art enthusiasts during events entitled "Piano Days", "Guitar Days" and "Baroque Music" Days. Concerts were performed and authors, poets and critics from literary and art circles participated in panels and seminars.

The Zeynep Tanbay Dance Project (ZTDP) took the stage at the Cemal Reşit Rey Concert Hall with the Vivaldi Stravinsky performance in celebration of its tenth anniversary.

Akbank Art Center's Dance Atelier registered many international achievements, organized workshops with internationally-acclaimed choreographers and dance instructors and continued dance lessons for children and adults during 2011.

Akbank Art Center hosted the children's play: "Who Is the Happiest?" in addition to various other theatre performances during the year.

As part of Akbank's strategy of providing youth new opportunities in culture & arts projects and reaching wider audiences by making these projects more accessible in Anatolia, the Turkish National Youth Philharmonic Orchestra, conducted by Cem Mansur, gave concerts in Turkey and abroad with the leading sponsorship of Akbank.

At Contemporary Istanbul 2011 held with the sponsorship of Akbank Private Banking, Akbank Art Center organized the exhibition of Deviation (Déviation) by Claude Lévêque, a distinguished artist in the field of plastic arts.

Akbank Art Center reaches out to art enthusiasts by organizing an extensive variety of activities including exhibitions, workshops, dance, theater, concerts and movie screenings.



< **Metin Kaba**  
Akbank Banking Center  
Corporate Portal Manager  
Çayırova  
Kocaeli

**Our Corporate Portal Manager  
Metin Kaba**

visited Fatih Municipality

# Yedikule Animal Shelter

with his family on a Sunday evening.

Everyone enjoyed this visit,  
Nisan more than the others.

**Nisan >**  
Yedikule Animal  
Shelter Resident



Nearly 60 Akbank volunteers joined this visit and donated food and supplies for the animals at the shelter.



## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

Established as a Board of Directors Committee, the Executive Risk Committee is responsible for setting the policies and procedures regarding the identification, measurement, monitoring, reporting and controlling of risk.

### 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 and 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 16 of the Annual Report for detailed information.

#### Executive Management and their Background Information

Please see pages 22-23 of the Annual Report for detailed information.

#### Statutory Auditors and their Background Information

Please see page 16 of the Annual Report for detailed information.

### EXECUTIVE MANAGEMENT COMMITTEE

The Committee 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)

Özen Göksel, Member (Executive Board Member)

**Hakan Binbaşgil**, 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 created under the 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 16 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 16 of the Annual Report for his background information.

**Eyüp Engin**, Head of Internal Audit  
Please see page 16 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 three 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 are cleared by the Head Office 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)  
**Özen Göksel**, Member (Executive Board Member)  
**Hakan Binbaşgil**, Member (Board Member and CEO)

#### Appraisal Subcommittee

**Ahmet Fuat Ayla**, Member (Executive Vice President-Credits)  
**Kaan Gür**, Member (Executive Vice President-Commercial and SME Banking)  
**Alper Hakan Yüksel**, Member (Executive Vice President-Corporate 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)

Özen Göksel, Member (Executive Board Member)

**Hakan Binbaşgil**, Member (Board Member and CEO)

**CORPORATE GOVERNANCE, REMUNERATION AND SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Governance, Remuneration and Social Responsibility Committee was established 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)

**Hakan Binbaşgil**, Member (Board Member and CEO)

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

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

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

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

Board Members, **Hayri Çulhacı** and Hikmet Bayar are also members of the Remuneration Committee.

**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.

**Hakan Binbaşgil**, Chairman (CEO)

**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-Commercial and SME Banking)

Alper Hakan Yüksel, Member (Executive Vice President-Corporate 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 2011

Internal audit, internal control and risk management operations, duties and responsibilities are separate and organizationally independent from one another yet function in coordination with the Board of Internal Auditors, the Internal Control Center and the Risk Management Department.

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 have made 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 2011, no significant failures or weaknesses have been identified that could impair the Bank's operations or its ability to meet its obligations. It has been 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 was formed to ensure that the internal control system keeps the Bank's credit and operational risk at minimum levels. The functional duty separations that make up the system's components, information systems that are consistent with the Bank's activities and products, the communication structure that allows for the necessary information to be shared with all units and personnel and the control activities that encompass this entire structure serve the purposes of minimum credit and operational risk and effective and efficient operations.

Responsible for overseeing the effective functioning of the internal control system, the Internal Control Center conducts its activities via a sufficient number of control personnel assigned to and positioned at 40 different points within the Bank and where the Bank units performing the internal controls are situated. The control personnel are competent and experienced in their own fields.

The result of the operations of the Internal Control Center are monitored and evaluated regularly by the Audit Committee as well as by the Board of Directors. The results of control activities are reviewed at the quarterly committee meetings as well as in weekly meetings; potential risks are kept under watchful eyes while they are still at the probability stage. The assessments performed revealed that the activities of the Bank's Internal Control Center are adequately effective and efficient; they are successful in identifying and preventing risks.

As a result, the Bank's level of operational risk continued declining in 2011. The favorable outcome was also helped significantly by proactively developed preventative controls against risk that is inherent in the Bank's operations.

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 2011, 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

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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 2011. In 2011, Akbank's consolidated gross profit reached TL 3,205 million while consolidated net profit increased to TL 2,535 million.

In 2011, Akbank's total consolidated assets reached TL 140 billion with a 17% annual increase, while lending surged by 29% to TL 74 billion and deposits leaped 13% during the year to reach TL 81 billion.

Thanks to its effective risk management policies, Akbank's non-performing loan ratio declined from 2.2% to 1.7% in 2011, significantly below the sector average of 2.6%.

With its capital adequacy ratio of 16.8%, Akbank stood over the recommended ratio of 12% in the Turkish banking industry.

Efficiency benchmarks gain an even greater importance in low-inflation economic environments. Already one of the most efficient banks in the industry, Akbank further bolstered its operational efficiency during this period. In 2011, the ratio of Akbank's operating costs to total assets declined from 2.2% to 1.9%.

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

Highly-qualified human resources that are focused on constant self-improvement are the most valuable asset and a strategic partner for the sustainable growth vision of Akbank. Consequently, Akbank provides its employees, the architects of success for its past accomplishments as well as the pillar of its future achievements, with support and equipment via various applications, an effective communication structure and a wide variety of training choices.

Relying on its competent staff, the Bank aims to distinguish itself on a continuous basis and provide the best banking experience in Turkey while creating value for its stakeholders.

Within this framework, Human Resources at Akbank, consists of formulating human resources strategies compatible with the Bank's mission and goals. It constantly improves its employees development with innovations brought about by globalization in accordance with the needs of the sector and the evolving market, technology and customer expectations.

In accordance with this policy, Akbank focuses on the following key subjects and areas:

- recruiting qualified candidates with high potential for the Bank and maintaining their loyalty,
- 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 with a rewarding mechanism that incentivizes and encourages superior performance,
- effective communication.

Success in these subjects reinforces Akbank's standing among companies in which qualified and confident people prefer to work.

### Employee Satisfaction: A Guarantee for Success and Making a Difference

Akbank acknowledges the relationship between content employees and high performance and the value employee satisfaction creates, therefore it believes in the importance of raising employee loyalty.

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 feedback about subjects such as satisfaction and loyalty (recommendation, feeling of belonging, motivation) and gauging the results. 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.

### Being the Company Where the Best Professionals Work, Supporting Superior Performance

Akbank accomplishes its corporate goals by moving forward with its highly competent and skilled employees. It supports its employees toward this objective with new applications and advanced systems.

Akbank employs a Performance Management System based on concrete and measurable goals where corporate goals are translated into personal goals and thus every employee works to achieve a common objective. In this system, which allows for the contribution of each employee to the Bank's success and encourages open communication between the employee and his/her supervisor, measurement and evaluation are performed according to goals and competencies. Compensation and rewards within the Performance Management System provide periodic input into career development and training applications.

### A Constantly Improving and Learning Organization

The basis for the Human Resources policy is to support the development of all employees and increase their motivation and job satisfaction through the training system. With its human resources applications, Akbank prepares a suitable environment for employees to improve themselves according to their potentials and choices and plans various tasks and responsibilities for them, within the organization.

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

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.

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

Furthermore, they have ensured trainer capabilities for specialized and highly experienced employees in their relevant fields of duties and have created "Internal Trainer Teams". The training requirements in the relevant fields are provided within the entity efficiency is ensured in terms of sharing experiences and development.

Every employee who is constantly improving himself/herself make horizontal or vertical career moves at Akbank, where career paths are defined transparently.

As of 31.12.2011, Akbank invested TL 5.4 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 with the aim 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 31.12.2011, Akbank has 15,339 employees, including security personnel.

The average age of the staff is 32.6 and excluding the security personnel, 92.7% are university graduates.

Monetary rights and other administrative relationships for Akbank employees who are Banking and Insurance Workers Labor Union (Banksis) members are determined by collective agreements made between the Bank and the unionized employees. The rights of the employees not included in the coverage are arranged by the Bank.

### Performance-Based Bonus Payments and Incentive Compensation

In 2011, Akbank provisioned TL 40 million for employee performance bonus payments. The performance bonus system helps Akbank increase the efficacy of its personnel in accomplishing corporate goals, ensuring continuity of their performance, emphasizing personal performance, differentiating successful employees and rewarding employees who create value for the organization.

### 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 2011.

The highlights of the operations in 2011 are as follows:

- Total assets of the Trust have reached TL 947.3 million.
- The number of retired members with allocated pensions rose to 11,583.
- TL 165.5 million was paid out to pensioners, the disabled, widows and orphans.
- Healthcare assistance increased from TL 80.7 million in 2010 to TL 83.8 million in 2011.

### 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 on 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, 2011. In addition, the aforementioned information can be found in Note VII of Section 5 in the Consolidated Financial Statements, Notes to these Financial Statements and Independent Auditor's Report.

### OUTSOURCED SERVICES

Akbank procures support services from various organizations and is currently undertaking compliance with the provisions of the Regulation on Bank Procurement of Support Services, published in Issue No. 28106 of the Official Gazette of Republic of Turkey and dated November 5, 2011.

### NUMBER OF EMPLOYEES IN DOMESTIC BRANCHES

	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL	6,092	6,972	7,606	8,103	9,088	8,653	8,817	8,969



## DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Akbank established the Corporate Governance, Remuneration and Social Responsibility Committee 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 the information deemed a commercial secret, the Bank informs the customers and the public at large thoroughly, accurately and promptly.

#### Pursuing Public Interest and Respect for the Environment

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 instituted a Financial

Accounting and Shareholder Transactions Division to facilitate shareholder engagement and execution of shareholder rights.

#### Financial Accounting and Shareholder Transactions Division

hissedarislemeleri@akbank.com  
Telephone: +90 (212) 385 54 45 +90 (212) 385 54 04  
Osman Sezginer, Vice President  
osman.sezginer@akbank.com  
Ertan Büyüksaatçı, Manager  
ertan.buyuksaatci@akbank.com  
Birol Dursun, Manager  
birol.dursun@akbank.com

#### Investor Relations and Sustainability Department

investor.relations@akbank.com  
Telephone: +90 (212) 385 51 13 +90 (212) 385 51 08  
A. Cenk Göksan, Senior Vice President  
cenk.goksan@akbank.com  
Arbil Öztözlü, Vice President  
arbil.oztozlu@akbank.com  
Ayşe Aldırmaz, Manager  
ayse.aldirmaz@akbank.com  
Merve Demet Gürpınar-Assistant Manager  
merve.gurpinar@akbank.com

Primary duties of the Financial Accounting and Shareholder Transactions Division 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 and Sustainability Department are;

- Administering the relationships with 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.

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

The Investors Relations and Sustainability 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 and Sustainability Department joined the Executive Management, partaking in 20 domestic and overseas investor conferences in 2011 and met with approximately 300 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 Financial Accounting and Shareholder Transactions Division and the Investor Relations and Sustainability 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 an investor relations website in Turkish and in English.

The addresses for access to the websites are: <http://www.akbank.com/yatirimci-iliskileri/yatirimci-iliskileri.aspx> for Turkish and <http://www.akbank.com/investor-relations.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, 2011 - December 31, 2011), one Ordinary General Assembly Meeting was held. Participation ratio in the Ordinary General Assembly Meeting was 80% 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. Akbank's dividend policy takes place in the Articles of Association and was publicly announced. 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.

The 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, the 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 Financial Accounting and Shareholder Transactions Division and the Investor Relations and Sustainability Department, jointly serving as the Investor Relations Division under the Financial Coordination business unit and the Corporate Communication Department, to monitor and oversee all matters pertaining to public disclosure.

Persons responsible for administering the Information Disclosure Policy are:

**Hakan Binbaşgil**, CEO

**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 73 material disclosures in 2011. 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>. 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
- 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. Public Disclosure of Persons with Access to Insider Information

Pursuant to the Communiqué on Principles Governing Public Disclosure of Material Circumstances (Series VIII, No: 54) of the Capital Markets Board of Turkey (CMB), Akbank generated the list of individuals who have access to insider information; it updates the list when a change occurs. In accordance with the related legislation, the list and updates to the list will be transmitted to the CMB and to the Stock Exchange on request; therefore they are not announced to the public.

## 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 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 during the course of 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 is present 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.

An Ethics Line was established to enable 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 Ethical Principles and shared it with all employees on the corporate portal.

### 14. Participation of Stakeholders in Management

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. There they are evaluated carefully and rewarded. In an effort to establish effective and efficient labor relations and create a team spirit, the Bank is constantly undertaking social responsibility activities that increase personnel communication as well as initiatives that facilitate teamwork.

### 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, 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 Business Unit acts as the strategic partner of business units and employees in all human resources issues and lends them the necessary support.

There is also Banksis-Banks and Insurance Workers Labor Union to maintain relationships with employees. The monetary and other administrative rights of employees covered under the collective labor agreements are signed every two years and governed between the Bank and the Union.

## MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

### 16. Information about Relationships with Customers and Suppliers

Relationships with customers have been addressed as a separate section in the Ethical Principles and published on the Bank's website.

Akbank has ongoing efforts to continue to improve and progress the quality of service in accordance with its customer-oriented service approach. Regularly monitoring the level of customer satisfaction via periodic surveys and keeping track of social channels, Akbank creates action plans and implements them on an expedited basis in improvement-prone areas based on customer opinions and suggestions.

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

### 17. Corporate Social Responsibility

Akbank showed its continued commitment and support to universal principles of human rights, working conditions, environment and anti-corruption by signing the UN Global Compact in 2007. In this framework, Akbank became the first company in the Turkish banking industry to publish Communication on Progress (COP) Report in 2009.

After publishing its Sustainability Report in accordance with the Global Reporting Initiative (GRI) reporting standard as a first among Turkish deposit banks in 2010, Akbank released its second Sustainability Report in 2011.

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

Akbank, which also reports climate change management activities and its environmental footprint to the CDP, is listed alongside the world's most reputable organizations as a member of the CDP.

Akbank became part of the champions' league by becoming the first and only organization from Turkey to be included for two straight years in the CDP Global 500 Report, which admits only 500 companies from the countries in which the Carbon Disclosure Project is administered.

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 ethical principles 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.

Another action taken by the Bank this year, on an international scale, is the "Durban Communiqué" for the climate change summit. Akbank, a signatory of the statement drafted for the summit held in South Africa following the Cancun Summit Communiqué proved its determination one again by declaring the necessity for action to help prevent climate change.

In an attempt to internalize sustainability initiatives and support the transition to sustainable business conduct, the Bank began administering Sustainability Approach training, as classroom-based and e-learning courses. In addition, Akbank launched a classroom training project to reach its entire branch network about sustainability as part of Project Boomerang.

Further, many volunteering activities were carried out with the participation of Bank personnel.

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. 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.

## 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, Consultant to the Board and Board Member

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

**Özen Göksel**, Executive Board Member

**William J. Mills**, Board Member

**Hikmet Bayar**, Board Member

**Yaman Törüner**, Board Member

**Bülent Adanır**, Board Member

**Aykut Demiray**, Board Member

**Hakan Binbaşgil**, 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 five non-executive members on the Board of Directors.

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

The Members of the Board of Directors possess the qualifications stipulated in Article 23 of the Bank Law.

### 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 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 65 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.

## 23. Operating Principles of the Board of Directors

A secretariat is present to inform and communicate with the members of the Board of Directors. The Board of Directors meets at least 12 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.

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 2011.

## 25. Rules of Ethics

The Ethical Principles was drafted by the Bank based on the seven fundamental principles of corporate culture and governance (integrity, reliability, impartiality, compliance, transparency and observing social benefit and respect for the environment) as a separate document and 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, Remuneration and Social Responsibility Committee was established 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 three members of the Board of Directors. The Credit Committee is the ultimate executive body to ratify lending decisions assessing loan proposals processed by the Head Office to ensure that they conform to legislation, banking principles and objectives and the Bank's 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.





< **Aylin Aksu**  
SME Banking Customer  
Relationship Manager  
Pendik E5 Branch  
Istanbul



**Our SME Banking Customer Relationship Manager**

**Aylin Aksu**

**sent her favorite book  
to Rize.**

And this book became Serdar's favorite.

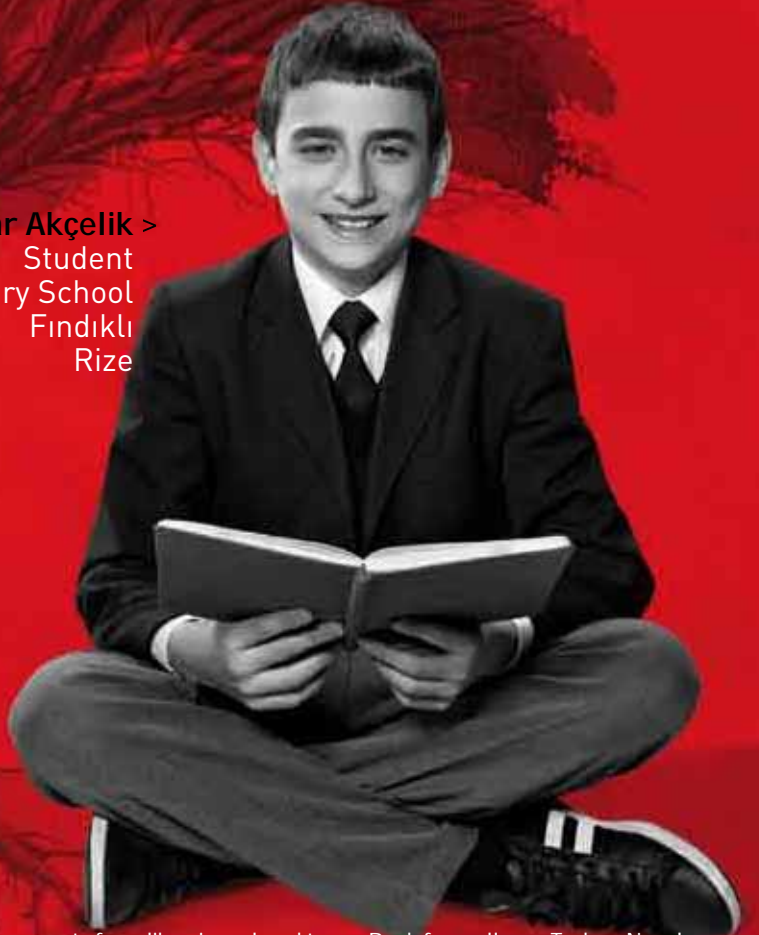
**Serdar Akçelik >**

**Student**

**Sümer Elementary School**

**Fındıklı**

**Rize**



The book donation campaign was organized as a response to the requests from libraries relayed to our Bank from all over Turkey. Nearly 7,000 books were collected. Books were sent to 22 elementary schools and high schools, located in different provinces from Van to Rize.

## FINANCIAL INFORMATION AND RISK MANAGEMENT

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 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 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:

The Bank continued to revise and improve its lending policies and system/process applications for Corporate and SME loans in 2011. Akbank focused on proactive risk management and conducted frequent company and sector visits to closely follow related developments. Loan Analysis Managers were recruited and positioned within Corporate and Commercial branches in proximity to clients. In addition, Akbank continued its early warning initiatives through regular quick portfolio review (QPR) efforts. The entire Corporate and SME loan book was reviewed and a classification structure was adopted in accordance with the criteria set by the Bank.

Thanks to monitoring and lending functions of the Regional Credit Directorates established in 20 regions, Akbank continued to pursue credit process management in proximity to the field and the customers with the aim of achieving a broad-based risk management approach.

### STRONG CAPITAL ADEQUACY (AS OF DECEMBER 31, 2011)

	LEGAL THRESHOLD	
	(BASEL I)	(BASEL II )
MARKET RISK	STANDARD	STANDARD
CREDIT RISK	STANDARD	STANDARD
OPERATIONAL RISK	BASIC	BASIC
CAPITAL ADEQUACY RATIO		
UNCONSOLIDATED (%)	16.98	17.08
CONSOLIDATED (%)	16.79	16.70

Continuing to conduct training programs administered for improving loan approval processes and the risk approach, the Bank completed certification programs for Branch Managers and Customer Relationship Managers.

Akbank launched the Strategy Management System in an attempt to expedite the processes and to be efficient in SME and Micro Loans and created centralized automatic lending processes for the Bank's existing credit customers.

#### 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.

The infrastructure work, geared toward upgrading decision support systems used for assessing consumer loans and credit card applications with new-generation applications to increase their efficiency and effectiveness, began. It is expected to be rolled out in 2012. As part of this initiative, the Bank will also start using advanced decision support models in micro loan applications. Characteristics and values of all properties in real estate appraisal reports are stored in an electronic environment and the entire process can be monitored via the system. The required infrastructure to create a valuation index is in place; it can be reported and analyzed by region and by feature. All reports are generated by appraisal firms authorized by the Capital Markets Board and/or Banking Regulation and Supervision Agency.

With amendments made to the regulations as part of monitoring activities in 2011, Akbank supported its customers primarily in the micro and consumer segments with loan restructuring. In addition, making progress in analytical modeling efforts geared toward improving loan collection activities, Akbank transitioned to advanced-stage methods to increase collection efficiency. The infrastructure work to establish a system that will differentiate collection policies based on customer profiles has been completed and the application implemented. The Bank initiated proactive monitoring/steering efforts for the segments and units that flash early warning signals in loan book monitoring reports.

#### 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 2011 is presented on page 65 of this Annual Report.

#### The Importance of Countering Laundering of Criminal Proceeds and Financing of Terrorism

Akbank has an effective strategy for countering the laundering of criminal proceeds and the financing of terrorism that complies with national and international legislation.

As part of this strategy, Akbank outlined the Company Policy and Procedure Regarding Countering Laundering of Criminal Proceeds and Financing of Terrorism and developed implementation principles with regard to customer acceptance. In addition, Akbank also conforms to the Know Your Customer Policy and Principles Regarding Countering Laundering of Criminal Proceeds and Financing of Terrorism prepared in accordance with the principles, regulations and standards put forth by official bodies. In this regard, Akbank follows contemporary developments to comply with the methodologies pertaining to the implementation of standards published by the United Nations Security Council and the Financial Action Task Force (FATF).

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)

	2007	2008	2009	2010	2011
TOTAL ASSETS	72,103	93,093	102,833	120,070	139,907
DEPOSITS	43,635	57,575	60,954	71,708	80,771
LOANS	39,882	49,054	44,604	57,733	74,356
SHAREHOLDERS' EQUITY	10,632	11,331	14,447	17,948	18,131
NET PROFIT	2,041	1,782	2,723	3,010	2,535

### FIVE-YEAR SUMMARY UNCONSOLIDATED FINANCIAL STATISTICS (TL MILLIONS)

	2007	2008	2009	2010	2011
TOTAL ASSETS	68,205	85,655	95,309	113,183	133,552
DEPOSITS	41,044	52,182	55,851	67,167	76,814
LOANS	37,016	44,374	39,718	52,896	70,306
SHAREHOLDERS' EQUITY	10,601	11,208	14,191	17,565	17,554
NET PROFIT	1,994	1,705	2,726	2,857	2,395

## 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 2011 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 Bozfakioğlu**



Statutory Auditor  
**Mevlüt Aydemir**





**AKBANK T.A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES  
AT 31 DECEMBER 2011 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)**

**(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 2011 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 2011 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.

**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 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, 10 February 2012

**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 2011**

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 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.

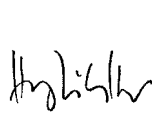
- **Section One** - GENERAL INFORMATION ABOUT THE BANK
- **Section Two** - UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- **Section Five** - 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.

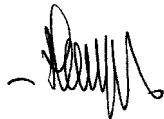
10 February 2012



Suzan SABANCI DİNÇER  
Chairman of the  
Board of Directors



Hayri ÇULHACI  
Head of the  
Audit Committee



M. Hikmet BAYAR  
Member of the  
Audit  
Committee



S. Hakan Binbaşgil  
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 2011**

(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 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 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 2011, approximately 31% of the shares are publicly traded, including the ADRs (31 December 2010: 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 Board Member, Consultant:</b>	Erol SABANCI	Honorary Chairman, Board Member and Consultant	Undergraduate
<b>Board of Directors:</b>	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	Özen GÖKSEL	Executive Board Member	Undergraduate
	Bülent ADANIR	Board Member	Graduate
	M. Hikmet BAYAR	Board Member	Graduate
	Ş. Yaman TÖRÜNER	Board Member	Undergraduate
	William J. MILLS	Board Member	Undergraduate
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
<b>President and CEO:</b>	S. Hakan BİNBAŞGİL	CEO	Graduate
<b>Director of Internal Audit:</b>	Eyüp ENGİN	Head of Internal Audit	Undergraduate

**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 2011**

**(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
	Sevilay ÖZSÖZ	Operation	Undergraduate
	Ahmet Fuat AYLA	Loans	Undergraduate
	Hülya KEFELİ	International Banking	Undergraduate
	K. Atıl ÖZUS	Financial Coordination	Undergraduate
	A. Galip TÖZGE	Consumer Banking	Graduate
	Tunç AKYURT	Strategy	Graduate
	Bade SİPAHİOĞLU IŞIK	Human Resources	Graduate
	O. Mehmet SİNDEL	Payment Systems	Undergraduate
	Kerim ROTA	Treasury	Undergraduate
	C. Kaan GÜR	Commercial and SME Banking	Undergraduate
	Alper Hakan YÜKSEL	Corporate Banking	Undergraduate
	O. Saltık GALATALI	Private Banking	Graduate
	Turgut GÜNEY	Information Technologies	Graduate
<b>Internal Audit Committee:</b>	Hayri ÇULHACI	Head of the Audit Committee	Graduate
	M. Hikmet BAYAR	Member of the Audit Committee	Graduate
<b>Auditors:</b>	Mevlüt AYDEMİR	Auditor	Undergraduate
	M. Nedim BOZFAKIOĞLU	Auditor	Undergraduate

The shares of the above individuals are insignificant in the Bank.

Ferda Besli, Executive Vice Presidents in charge of SME Banking, has resigned as of 7 January 2011. In accordance with the decision taken in the Board of Directors Meeting, Cenk Kaan Gür has been appointed to the position vacated by Ferda Besli effective from 14 January 2011.

According to 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 as Head of the Audit Committee in lieu of Bülent Adanır, Executive Board Member.

Cem Mengi, Executive Vice President in charge of Corporate Banking, has resigned as of 31 January 2011. In accordance with the decision taken in the Board of Directors Meeting Alper Hakan Yüksel has been appointed to the position vacated by Cem Mengi effective from 14 March 2011.

According to the Board of Director's decision dated 22 April 2011, Özen Göksel has been appointed as Board Member subject to the approval of next General Assembly.

Emre Derman, member of Board of Directors, has resigned as of 20 June 2011.

M. Fikret Önder, Executive Vice President in charge of Private Banking, has resigned as of 29 July 2011. Osman Saltık Galatalı has been appointed to the position with the Board of Directors decision.

Alpaslan Özlü, Executive Vice President in charge of Information Technologies, has resigned as of 31 August 2011. In accordance with the decision taken in the Board of Directors Meeting, Turgut Güney has been appointed to the position vacated by Alpaslan Özlü effective from 3 October 2011.

According to the Board of Director's decision dated 21 November 2011, Bülent Adanır, Executive Board Member, has resigned as of 31 December 2011 and continued to take the role of being Member of Board of Directors. Özen Göksel has been appointed as Executive Board Member in lieu of Bülent Adanır effective from 15 December 2011.

Ziya Akkurt, member of Board of Directors and CEO, has resigned as of 5 January 2012. In accordance with the decision taken by the Board of Directors, S. Hakan Binbaşgil, President Deputy, has been appointed to the position vacated by Ziya Akkurt.

**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 2011**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**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 BANK'S SERVICE TYPES AND FIELDS OF OPERATION:**

The Bank's core business activities include retail banking, Commercial and 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 2011, the Bank has 926 branches dispersed throughout the country and 1 branch operating abroad (31 December 2010: 912 branches and 1 branch operating abroad). As of 31 December 2011, the Bank employed 15.339 people (31 December 2010: 15.330).

**AKBANK T.A.Ş.**  
**I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2011 (STATEMENT OF FINANCIAL POSITION)**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2011)			PRIOR PERIOD (31/12/2010)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>	<b>(I-a)</b>	<b>4.829.684</b>	<b>9.046.742</b>	<b>13.876.426</b>	<b>2.255.059</b>	<b>3.840.922</b>	<b>6.095.981</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	<b>(I-b)</b>	<b>558.060</b>	<b>402.195</b>	<b>960.255</b>	<b>781.985</b>	<b>249.762</b>	<b>1.031.747</b>
2.1 Trading Financial Assets		558.060	402.195	960.255	781.985	249.762	1.031.747
2.1.1 Government Debt Securities		103.754	29.193	132.947	461.863	102.588	564.451
2.1.2 Share Certificates		44	-	44	-	-	-
2.1.3 Trading Derivative Financial Assets		454.262	373.002	827.264	320.122	147.174	467.296
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>2.150</b>	<b>2.816.623</b>	<b>2.818.773</b>	<b>10.062</b>	<b>1.773.789</b>	<b>1.783.851</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>32.678.920</b>	<b>5.193.034</b>	<b>37.871.954</b>	<b>38.284.147</b>	<b>3.937.187</b>	<b>42.221.334</b>
5.1 Share Certificates		5.543	161	5.704	4.543	25.735	30.278
5.2 Government Debt Securities		32.591.200	4.523.305	37.114.505	38.225.182	3.852.859	42.078.041
5.3 Other Marketable Securities		82.177	669.568	751.745	54.422	58.593	113.015
<b>VI. LOANS AND RECEIVABLES</b>	<b>(I-e)</b>	<b>41.973.763</b>	<b>28.332.310</b>	<b>70.306.073</b>	<b>32.004.190</b>	<b>20.891.342</b>	<b>52.895.532</b>
6.1 Loans and Receivables		41.880.913	28.332.310	70.213.223	32.004.190	20.891.342	52.895.532
6.1.1 Loans to Bank's Risk Group	<b>(VII)</b>	578.204	1.321.366	1.899.570	337.616	841.987	1.179.603
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		41.302.709	27.010.944	68.313.653	31.666.574	20.049.355	51.715.929
6.2 Loans under Follow-up		1.262.539	-	1.262.539	1.279.533	-	1.279.533
6.3 Specific Provisions (-)		1.169.689	-	1.169.689	1.279.533	-	1.279.533
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>(I-f)</b>	<b>3.807.538</b>	<b>1.015.839</b>	<b>4.823.377</b>	<b>5.358.663</b>	<b>1.267.566</b>	<b>6.626.229</b>
8.1 Government Debt Securities		3.807.538	1.015.839	4.823.377	5.358.663	1.267.566	6.626.229
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>(I-g)</b>	<b>3.923</b>	-	<b>3.923</b>	<b>3.125</b>	-	<b>3.125</b>
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		3.923	-	3.923	3.125	-	3.125
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3.923	-	3.923	3.125	-	3.125
<b>X. SUBSIDIARIES (Net)</b>	<b>(I-h)</b>	<b>201.461</b>	<b>812.433</b>	<b>1.013.894</b>	<b>210.664</b>	<b>682.252</b>	<b>892.916</b>
10.1 Financial Subsidiaries		201.461	812.433	1.013.894	210.664	682.252	892.916
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>	-	-	-	-	-	-
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>	-	-	-	-	-	-
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>784.046</b>	<b>1.844</b>	<b>785.890</b>	<b>886.291</b>	<b>1.868</b>	<b>888.159</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>(I-l)</b>	<b>100.431</b>	<b>131</b>	<b>100.562</b>	<b>92.533</b>	<b>211</b>	<b>92.744</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		100.431	131	100.562	92.533	211	92.744
<b>XVI. INVESTMENT PROPERTY (Net)</b>	<b>(I-m)</b>	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>		<b>99.166</b>	-	<b>99.166</b>	<b>70.888</b>	-	<b>70.888</b>
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	<b>(I-n)</b>	99.166	-	99.166	70.888	-	70.888
<b>XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>2.129</b>	-	<b>2.129</b>	<b>3.225</b>	-	<b>3.225</b>
18.1 Held for Sale Purpose		2.129	-	2.129	3.225	-	3.225
18.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>(I-p)</b>	<b>823.429</b>	<b>65.982</b>	<b>889.411</b>	<b>553.133</b>	<b>23.750</b>	<b>576.883</b>
<b>TOTAL ASSETS</b>		<b>85.864.700</b>	<b>47.687.133</b>	<b>133.551.833</b>	<b>80.513.965</b>	<b>32.668.649</b>	<b>113.182.614</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 2011 (STATEMENT OF FINANCIAL POSITION)**

(Amounts are expressed in thousands of Turkish Lira (TL).)

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2011)			PRIOR PERIOD (31/12/2010)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>43.641.755</b>	<b>33.172.502</b>	<b>76.814.257</b>	<b>42.038.408</b>	<b>25.128.490</b>	<b>67.166.898</b>
1.1 Deposits of Bank's Risk Group	(VII)	1.308.603	2.255.506	3.564.109	1.247.138	1.337.406	2.584.544
1.2 Other		42.333.152	30.916.996	73.250.148	40.791.270	23.791.084	64.582.354
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b)</b>	<b>199.994</b>	<b>350.779</b>	<b>550.775</b>	<b>181.212</b>	<b>209.291</b>	<b>390.503</b>
<b>III. BORROWINGS</b>	<b>(II-c)</b>	<b>308.585</b>	<b>16.461.570</b>	<b>16.770.155</b>	<b>261.739</b>	<b>10.113.594</b>	<b>10.375.333</b>
<b>IV. MONEY MARKETS</b>		<b>5.472.594</b>	<b>7.312.246</b>	<b>12.784.840</b>	<b>10.594.978</b>	<b>615.748</b>	<b>11.210.726</b>
4.1 Funds from Interbank Money Market		-	549.703	549.703	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		5.472.594	6.762.543	12.235.137	10.594.978	615.748	11.210.726
<b>V. SECURITIES ISSUED (Net)</b>	<b>(II-d)</b>	<b>1.808.071</b>	<b>2.695.846</b>	<b>4.503.917</b>	<b>966.804</b>	<b>1.555.457</b>	<b>2.522.261</b>
5.1 Bills		1.081.912	-	1.081.912	966.804	-	966.804
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		726.159	2.695.846	3.422.005	-	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>2.077.371</b>	<b>181.007</b>	<b>2.258.378</b>	<b>1.508.221</b>	<b>67.970</b>	<b>1.576.191</b>
<b>VIII. OTHER LIABILITIES</b>	<b>(II-e)</b>	<b>563.590</b>	<b>129.416</b>	<b>693.006</b>	<b>664.100</b>	<b>137.506</b>	<b>801.606</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>86.659</b>	<b>-</b>	<b>86.659</b>	<b>69.320</b>	<b>-</b>	<b>69.320</b>
10.1 Financial Lease Payables		113.035	-	113.035	90.610	-	90.610
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses ( - )		26.376	-	26.376	21.290	-	21.290
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-g)</b>	<b>111.480</b>	<b>108.371</b>	<b>219.851</b>	<b>309.429</b>	<b>-</b>	<b>309.429</b>
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		111.480	108.371	219.851	309.429	-	309.429
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>(II-h)</b>	<b>769.254</b>	<b>307.920</b>	<b>1.077.174</b>	<b>614.399</b>	<b>207.306</b>	<b>821.705</b>
12.1 General Loan Loss Provision		484.162	307.685	791.847	282.522	207.047	489.569
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		75.412	-	75.412	70.036	-	70.036
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		209.680	235	209.915	261.841	259	262.100
<b>XIII. TAX LIABILITY</b>	<b>(II-i)</b>	<b>237.767</b>	<b>794</b>	<b>238.561</b>	<b>367.827</b>	<b>5.680</b>	<b>373.507</b>
13.1 Current Tax Liability		237.767	794	238.561	367.827	5.680	373.507
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE</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>17.684.727</b>	<b>(130.467)</b>	<b>17.554.260</b>	<b>17.533.237</b>	<b>31.898</b>	<b>17.565.135</b>
16.1 Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2 Capital Reserves		2.943.458	(130.467)	2.812.991	4.571.688	31.898	4.603.586
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	(II-k)	(106.126)	(78.181)	(184.307)	1.724.886	61.718	1.786.604
16.2.4 Property and Equipment Revaluation Differences		47.106	-	47.106	2.919	-	2.919
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		236	-	236	-	-	-
16.2.8 Hedging Funds (Effective portion)		(103.650)	(52.286)	(155.936)	(262.009)	(29.820)	(291.829)
16.2.9 Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.405.892	-	1.405.892	1.405.892	-	1.405.892
16.3 Profit Reserves		8.346.742	-	8.346.742	6.105.020	-	6.105.020
16.3.1 Legal Reserves		1.102.219	-	1.102.219	922.330	-	922.330
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		7.244.523	-	7.244.523	5.182.690	-	5.182.690
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		2.394.527	-	2.394.527	2.856.529	-	2.856.529
16.4.1 Prior Years' Income or (Loss)		-	-	-	-	-	-
16.4.2 Current Year Income or (Loss)		2.394.527	-	2.394.527	2.856.529	-	2.856.529
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>72.961.849</b>	<b>60.589.984</b>	<b>133.551.833</b>	<b>75.109.674</b>	<b>38.072.940</b>	<b>113.182.614</b>

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

**AKBANK T.A.Ş.****II. UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2011**

(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>(01/01-31/12/2011)</b>	<b>(01/01-31/12/2010)</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(III-a)</b>	<b>9.101.405</b>	<b>8.635.705</b>
1.1	Interest on loans	<b>(III-a-1)</b>	5.062.567	4.093.105
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks	<b>(III-a-2)</b>	8.257	85.353
1.4	Interest Received from Money Market Transactions		8.523	-
1.5	Interest Received from Marketable Securities Portfolio	<b>(III-a-3)</b>	4.017.477	4.452.383
1.5.1	Trading Financial Assets		164.417	31.229
1.5.2	Financial Assets at Fair Value Through Profit or (loss)		-	-
1.5.3	Available-for-sale Financial Assets		3.318.475	3.557.343
1.5.4	Held to maturity Investments		534.585	863.811
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		4.581	4.864
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(III-b)</b>	<b>5.108.510</b>	<b>4.358.889</b>
2.1	Interest on Deposits	<b>(III-b-4)</b>	3.924.421	3.529.259
2.2	Interest on Funds Borrowed	<b>(III-b-1)</b>	258.080	191.736
2.3	Interest Expense on Money Market Transactions		660.801	590.763
2.4	Interest on Securities Issued	<b>(III-b-3)</b>	246.168	37.849
2.5	Other Interest Expenses		19.040	9.282
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>3.992.895</b>	<b>4.276.816</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>1.578.520</b>	<b>1.309.097</b>
4.1	Fees and Commissions Received		1.864.232	1.529.163
4.1.1	Non-cash Loans		66.786	57.196
4.1.2	Other		1.797.446	1.471.967
4.2	Fees and Commissions Paid		285.712	220.066
4.2.1	Non-cash Loans		345	418
4.2.2	Other		285.367	219.648
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(III-c)</b>	<b>50.479</b>	<b>27.287</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>(III-d)</b>	<b>(119.182)</b>	<b>32.928</b>
6.1	Trading Gains / (Losses) on Securities		431.464	425.802
6.2	Gains / (Losses) on Derivative Financial Transactions		(191.259)	(437.907)
6.3	Foreign Exchange Gains / (Losses)		(359.387)	45.033
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(III-e)</b>	<b>580.743</b>	<b>863.502</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>6.083.455</b>	<b>6.509.630</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(III-f)</b>	<b>648.075</b>	<b>518.775</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(III-g)</b>	<b>2.434.173</b>	<b>2.416.825</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>3.001.207</b>	<b>3.574.030</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>3.001.207</b>	<b>3.574.030</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(III-i)</b>	<b>606.680</b>	<b>717.501</b>
16.1	Current Tax Provision		587.072	619.470
16.2	Deferred Tax Provision		19.608	98.031
<b>XVII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)</b>		<b>2.394.527</b>	<b>2.856.529</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>2.394.527</b>	<b>2.856.529</b>
Earnings/(Loss) per share (in TL full)			0,00599	0,00714

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



## AKBANK T.A.S.

## III. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2011

(Amounts are expressed in thousands of Turkish Lira (TL).)

	Note (Section Five)	CURRENT PERIOD (31/12/2011)			PRIOR PERIOD (31/12/2010)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>150.530.284</b>	<b>70.138.063</b>	<b>220.668.347</b>	<b>40.129.768</b>	<b>38.693.720</b>	<b>78.823.488</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(IV-a-2,3)</b>	<b>5.507.730</b>	<b>9.127.316</b>	<b>14.635.046</b>	<b>4.596.622</b>	<b>5.768.289</b>	<b>10.364.911</b>
1.1 Letters of Guarantee		4.859.047	4.197.218	9.056.265	4.052.798	2.515.823	6.568.621
1.1.1 Guarantees Subject to State Tender Law		171.069	-	-	160.158	712.676	872.834
1.1.2 Guarantees Given for Foreign Trade Operations		-	606.678	606.678	-	311.468	311.468
1.1.3 Other Letters of Guarantee		4.687.978	2.766.518	7.454.496	3.892.640	1.491.679	5.384.319
1.2 Bank Acceptances		15	120.736	120.751	1.727	68.481	70.208
1.2.1 Import Letter of Acceptance		15	120.736	120.751	1.727	68.481	70.208
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		2.229	4.164.071	4.166.300	13.105	2.749.586	2.762.691
1.3.1 Documentary Letters of Credit		2.229	3.515.243	3.517.472	13.105	2.556.730	2.569.835
1.3.2 Other Letters of Credit		-	648.828	648.828	-	192.856	192.856
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		-	13.384	13.384	-	7.923	7.923
1.8 Other Guarantees		8.082	624.373	632.455	18.817	420.086	438.903
1.9 Other Collaterals		638.357	7.534	645.891	510.175	6.390	516.565
<b>II. COMMITMENTS</b>	<b>(IV-a-1)</b>	<b>121.580.284</b>	<b>6.062.760</b>	<b>127.643.044</b>	<b>22.501.895</b>	<b>4.417.506</b>	<b>26.919.401</b>
2.1 Irrevocable Commitments		26.537.015	6.062.760	32.599.775	22.501.895	4.417.506	26.919.401
2.1.1 Asset Purchase Commitments		2.236.712	2.763.942	5.000.654	717.446	942.552	1.659.998
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		1.000	-	1.000	2.000	-	2.000
2.1.4 Loan Granting Commitments		1.227.899	1.488.873	2.716.772	790.865	2.310.515	3.101.380
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		4.291.376	-	4.291.376	3.945.886	-	3.945.886
2.1.8 Tax and Fund Liabilities from Export Commitments		726	-	726	1.584	-	1.584
2.1.9 Commitments for Credit Card Limits		13.718.870	-	13.718.870	12.591.257	-	12.591.257
2.1.10 Promotion Commitments for Credit Cards and Banking Services		76.093	-	76.093	56.049	-	56.049
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		4.984.339	1.809.945	6.794.284	4.396.808	1.164.439	5.561.247
2.2 Revocable Commitments		95.043.269	-	95.043.269	-	-	-
2.2.1 Revocable Loan Granting Commitments		95.043.269	-	95.043.269	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(IV-b)</b>	<b>23.442.270</b>	<b>54.947.987</b>	<b>78.390.257</b>	<b>13.031.251</b>	<b>28.507.925</b>	<b>41.539.176</b>
3.1 Hedging Derivative Financial Instruments		3.330.000	1.227.785	4.557.785	5.090.000	-	5.090.000
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		3.330.000	1.227.785	4.557.785	5.090.000	-	5.090.000
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		20.112.270	53.720.202	73.832.472	7.941.251	28.507.925	36.449.176
3.2.1 Forward Foreign Currency Buy/Sell Transactions		1.298.873	3.204.836	4.503.709	618.363	2.261.691	2.880.054
3.2.1.1 Forward Foreign Currency Transactions-Buy		589.840	1.653.545	2.243.385	159.184	1.285.715	1.444.899
3.2.1.2 Forward Foreign Currency Transactions-Sell		709.033	1.551.291	2.260.324	459.179	975.976	1.435.155
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		13.263.549	37.747.648	51.011.197	4.476.776	19.488.256	23.965.032
3.2.2.1 Foreign Currency Swap-Buy		347.780	16.285.524	16.633.304	195.939	5.980.420	6.176.359
3.2.2.2 Foreign Currency Swap-Sell		11.756.603	4.661.330	16.417.933	4.081.671	1.862.328	5.943.999
3.2.2.3 Interest Rate Swap-Buy		579.583	8.400.397	8.979.980	99.583	5.822.754	5.922.337
3.2.2.4 Interest Rate Swap-Sell		579.583	8.400.397	8.979.980	99.583	5.822.754	5.922.337
3.2.3 Foreign Currency, Interest rate and Securities Options		2.988.723	11.720.918	14.709.641	2.706.603	6.732.919	9.439.522
3.2.3.1 Foreign Currency Options-Buy		1.379.671	2.056.402	3.436.073	1.371.402	2.217.292	3.588.694
3.2.3.2 Foreign Currency Options-Sell		1.482.974	1.960.110	3.443.084	1.333.261	2.252.913	3.586.174
3.2.3.3 Interest Rate Options-Buy		-	3.852.203	3.852.203	-	1.131.357	1.131.357
3.2.3.4 Interest Rate Options-Sell		-	3.852.203	3.852.203	-	1.131.357	1.131.357
3.2.3.5 Securities Options-Buy		63.039	-	63.039	970	-	970
3.2.3.6 Securities Options-Sell		63.039	-	63.039	970	-	970
3.2.4 Foreign Currency Futures		-	-	-	989	1.015	2.004
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	1.015	1.015
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	989	-	989
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		2.561.125	1.046.800	3.607.925	138.520	24.044	162.564
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>212.236.927</b>	<b>80.129.509</b>	<b>292.366.436</b>	<b>61.125.005</b>	<b>19.739.111</b>	<b>80.864.116</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>26.597.287</b>	<b>4.867.397</b>	<b>31.464.684</b>	<b>22.556.988</b>	<b>2.790.551</b>	<b>25.347.539</b>
4.1 Customer Fund and Portfolio Balances		3.705.987	-	3.705.987	4.010.359	-	4.010.359
4.2 Investment Securities Held in Custody		16.836.024	930.711	17.766.735	14.470.629	342.431	14.813.060
4.3 Cheques Received for Collection		4.435.889	1.481	4.437.370	2.922.165	24.384	2.946.549
4.4 Commercial Notes Received for Collection		1.410.912	738.022	2.148.934	945.579	506.078	1.451.657
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		208.475	3.197.183	3.405.658	208.256	1.916.918	2.125.174
4.8 Custodians		-	-	-	-	740	740
<b>V. PLEDGES RECEIVED</b>		<b>49.232.746</b>	<b>28.558.151</b>	<b>77.790.897</b>	<b>35.231.822</b>	<b>16.819.085</b>	<b>52.050.907</b>
5.1 Marketable Securities		2.481.082	1.734.421	4.215.503	697.868	291.543	989.411
5.2 Guarantee Notes		699.951	10.470	710.421	436.885	28.400	465.285
5.3 Commodity		-	12.752	12.752	-	8.098	8.098
5.4 Warranty		-	-	-	15	-	15
5.5 Immovable		25.007.171	21.302.531	46.309.702	21.425.680	13.207.943	34.633.623
5.6 Other Pledged Items		21.044.542	5.497.977	26.542.519	12.671.374	3.283.101	15.954.475
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>136.406.894</b>	<b>46.703.961</b>	<b>183.110.855</b>	<b>3.336.195</b>	<b>129.475</b>	<b>3.465.670</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>362.767.211</b>	<b>150.267.572</b>	<b>513.034.783</b>	<b>101.254.773</b>	<b>58.432.831</b>	<b>159.687.604</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 2011**

(Amounts are expressed in thousands of Turkish Lira (TL).)

<b>INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>	<b>CURRENT PERIOD (31/12/2011)</b>	<b>PRIOR PERIOD (31/12/2010)</b>
<b>I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>(2.094.480)</b>	<b>1.608.521</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>-</b>	<b>-</b>
<b>V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	<b>150.399</b>	<b>60.000</b>
<b>VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	<b>-</b>	<b>-</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>388.816</b>	<b>(333.704)</b>
<b>X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	<b>(1.555.265)</b>	<b>1.334.817</b>
<b>XI. CURRENT YEAR INCOME / LOSS</b>	<b>(279.753)</b>	<b>(276.451)</b>
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	(296.037)	(313.707)
1.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	15.574	16.309
1.3 Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4 Other	710	20.947
<b>XII. TOTAL ACCOUNTED INCOME/LOSS RELATED TO CURRENT PERIOD (X+XI)</b>	<b>(1.835.018)</b>	<b>1.058.366</b>

İlişikteki açıklama ve dipnotlar bu finansal tabloların tamamlayıcı bir parçasıdır.

**AKBANK A.Ş.**  
**V. UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2011**  
(Amounts are expressed in thousands of Turkish Lira (TL))

PERIOD PERIOD (31/12/2010)																	
I.	II.	2.1	2.2	III.	IV.	V.	VI.	7.1	7.2	8.1	8.2	9.1	9.2	10.1	10.2	11.1	11.2
Period Opening Balance	Changes in Accounting Policies according to TAS 8	Effects of errors	Effects of changes in Accounting Policies	New Balance (IV)	Changes in the period	Increase/Decrease due to the Merger	Marketable Securities Valuation Differences	Foreign Investment Hedge	Property and Equipment Revaluation Differences	Intangible Fixed Assets Revaluation Differences	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	Foreign Exchange Differences	Changes due to the disposal of assets	Changes due to the reclassification of assets	Effects of changes in equity of investments in associates	Capital Increase	Cash Increase
781.504	-	-	-	781.504	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-																	

(\*) 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 PERIOD ENDED 31 DECEMBER 2011**

(Amounts are expressed in thousands of Turkish Lira (TL)).

	Note (Section Five)	CURRENT PERIOD (31/12/2011)	PRIOR PERIOD (31/12/2010)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	Operating Profit before changes in operating assets and liabilities	2.131.243	3.105.722
<b>1.1.1</b>	Interest received	7.992.871	7.975.719
<b>1.1.2</b>	Interest paid	(4.965.390)	(4.406.599)
<b>1.1.3</b>	Dividend received	50.479	27.287
<b>1.1.4</b>	Fees and commissions received	1.861.630	1.525.473
<b>1.1.5</b>	Other income	40.509	292.003
<b>1.1.6</b>	Collections from previously written-off loans and other receivables	359.594	580.868
<b>1.1.7</b>	Payments to personnel and service suppliers	(960.371)	(877.517)
<b>1.1.8</b>	Taxes paid	(307.606)	(788.393)
<b>1.1.9</b>	Other	(1.940.473)	(1.223.119)
	<b>(VI-b)</b>		
<b>1.2</b>	Changes in operating assets and liabilities	(7.056.457)	(3.554.319)
<b>1.2.1</b>	Net decrease in trading securities	771.882	(708.290)
<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	(8.005.289)	(1.189.549)
<b>1.2.4</b>	Net (increase) / decrease in loans	(17.727.641)	(13.620.615)
<b>1.2.5</b>	Net (increase) / decrease in other assets	(386.731)	40.476
<b>1.2.6</b>	Net increase / (decrease) in bank deposits	2.885.965	3.813.340
<b>1.2.7</b>	Net increase / (decrease) in other deposits	6.645.768	7.529.614
<b>1.2.8</b>	Net increase / (decrease) in funds borrowed	7.941.176	22.969
<b>1.2.9</b>	Net increase / (decrease) in payables	-	-
<b>1.2.10</b>	Net increase / (decrease) in other liabilities	818.413	557.736
	<b>(VI-b)</b>		
<b>I.</b>	Net cash provided from banking operations	(4.925.214)	(448.597)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	Net cash provided from investing activities	4.474.030	(2.506.040)
<b>2.1</b>	Cash paid for acquisition of investments, associates and subsidiaries	-	(259)
<b>2.2</b>	Cash obtained from disposal of investments, associates and subsidiaries	-	-
<b>2.3</b>	Purchases of property and equipment	(115.677)	(311.072)
<b>2.4</b>	Disposals of property and equipments	101.633	139.707
<b>2.5</b>	Cash paid for purchase of investments available-for-sale	(36.045.839)	(15.836.739)
<b>2.6</b>	Cash obtained from sale of investments available-for-sale	38.831.187	5.075.488
<b>2.7</b>	Cash paid for purchase of investment securities	-	-
<b>2.8</b>	Cash obtained from sale of investment securities	1.996.980	9.245.463
<b>2.9</b>	Other	(294.254)	(818.628)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	Net cash provided from financing activities	1.350.694	1.925.832
<b>3.1</b>	Cash obtained from funds borrowed and securities issued	1.934.960	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	(570.620)	(540.600)
<b>3.5</b>	Payments for finance leases	(13.646)	(21.707)
<b>3.6</b>	Other	-	-
<b>IV.</b>	Effect of change in foreign exchange rate on cash and cash equivalents	286.660	31.822
	<b>(VI-b)</b>		
<b>V.</b>	Net increase in cash and cash equivalents (I+II+III+IV)	1.186.170	(996.983)
<b>VI.</b>	Cash and cash equivalents at beginning of the year	1.870.380	2.867.363
<b>VII.</b>	Cash and cash equivalents at end of the year	3.056.550	1.870.380
	<b>(VI-a)</b>		

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 (31/12/2011)	PRIOR PERIOD (31/12/2010)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	3.001.207	3.574.030
1.2 TAXES AND DUTIES PAYABLE	606.680	717.501
1.2.1 Corporate Tax (Income Tax)	587.072	619.470
1.2.2 Income Withholding Tax	-	-
1.2.3 Other taxes and duties	19.608	98.031
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>2.394.527</b>	<b>2.856.529</b>
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	142.826
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>2.394.527</b>	<b>2.713.703</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	200.000
1.6.1 To Owners of Ordinary Shares	-	200.000
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 (-)	-	620
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	370.000
1.9.1 To Owners of Ordinary Shares	-	370.000
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 (-)	-	37.062
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	2.061.833
1.13 OTHER RESERVES	-	44.187
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	0,006	0,007
3.2 TO OWNERS OF ORDINARY SHARES ( % )	0,6	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	-	0,001
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	0,1
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 numbered 5411 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. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

Effective from 1 January 2011, amendments in the TAS/TFRS (TFRIC 14 (amendment), "Minimum Funding Requirements"; TAS 32 (Amendment), "Financial Instruments; Presentation", TFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments"; TAS 24 (New Arrangement) Related Party Disclosures) and improvements in TFRS do not have any impact on the financial position or performance of the Bank.

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 Bank. The Bank 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.



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**c. Accounting policies and valuation principles applied in the presentation of unconsolidated financial statements:**

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements are determined and applied in accordance with TAS. These accounting policies and valuation principles are explained in Notes II to XXVIII below.

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS IN FOREIGN CURRENCY TRANSACTIONS:**

The Bank's core business activities include retail banking, Commercial and 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 accounted with acquisition cost method, are translated with the foreign exchange rates prevailing at the acquisition date.

As of 31 December 2011, foreign currency denominated balances are translated into TL using the exchange rates of TL 1,8889, TL 2,4439 and TL 2,4385 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"). Although certain derivative transactions provide effective economic hedges under the Bank's risk management position, in accordance with TAS 39 they 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.

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 Bank ceases accruing interest income on non-performing loans and reverses any interest income accrued from such loans. No income is accounted until the collection is made according to the related regulation.

**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:**

Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest method" according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received 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 Bank 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 are financial assets included in a portfolio aimed at short-term profit making.

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 remeasured at their fair value after recognition. 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.

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**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.

After the recognition, financial assets available-for-sale are remeasured at fair value. Interest income arising from available-for-sale calculated with "Effective interest method" and dividend income from 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 collectability 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 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 on Amendment to be made on 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 28 May 2011, No.27119, the general loan provision ratio for loans with extended payment plans has been raised from 1% for standard loans (%2 for close monitoring loans) to minimum 5%. In accordance with "Communiqué on Amendment to be made on 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 30 December,2011; No.28158, additional general loan provision may not recorded for the loans if those loans are short-term, have low credit risk and no interest payment delinquency, and are repaid within one year.

In accordance with the "Communiqué on Amendment to be made on 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 18 June 2011, No. 27968, in the case the portion of retail loans in total loans exceeds 20%, the general loan provision ratio for retail loans -except for mortgage and automotive loans- has been raised to 4% from 1% for the standart loans and to 8% from 2% for the close monitoring loans.

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**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. Held to maturity financial assets are initially recognised at acquisition cost including the transaction costs which reflects the fair value of the those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from held to maturity financial assets is accounted in income statement.

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 under available-for-sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates together with the changes in the CPI references between the issuance date and calculated index considering the estimated inflation rate based on CPI. Market values are used to for the fair value calculation of these securities under available for sale portfolio. Used estimated inflation rate is to be updated when necessary during the year.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:**

It is assessed 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 an objective evidence of impairment.

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 Bank 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 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 Bank has no securities lending transactions.

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**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-sale 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 2011, 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 three to 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 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 its costs.

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**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 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 Bank arising from this liability.



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**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.

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 had 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. The Constitution Court has dismissed the appeal with the decision taken in the meeting dated 30 March 2011. The reasoned decision has been published in the Official Gazette dated 28 December 2011 and numbered 28156.

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a 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. Accordingly the transfer required by the New Law was to be completed until 8 May 2011. According to the decision of the Council of Ministers published on the Official Gazette dated 9 April 2011 no. 27900, the time frame for related transfer has been extended for two years. The transfer should be completed until 8 May 2013.

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.

With respect to that, according to the technical balance sheet report as at 31 December 2011 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.

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.

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**XVIII. EXPLANATIONS ON TAXATION:**

**a. Current tax:**

In Turkey, corporate tax rate is 20%. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses, tax-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 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 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 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.

Deferred tax assets and liabilities are presented as net 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:**

Derivative financials 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:**

There is no security issuance as of 31 December 2011.

**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 2011 and 31 December 2010, 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 XI 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.

The Ordinary General Assembly Meeting of the Bank was held on 21 March 2011. In the Ordinary General Assembly, it was decided to distribute a TL 570.620 cash dividend over the TL 2.856.529 net income from 2010 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 44.187 to property and equipment revaluation differences, to allocate TL 179.889 as legal and TL 2.061.833 as extraordinary reserves.

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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 2011</b>	<b>Prior Period 31 December 2010</b>
Net Profit for the Year	2.394.527	2.856.529
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,00599</b>	<b>0,00714</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.

No any bonus shares issued in 2011 (2010: 100.000.000.000).

**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:**

None.

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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 16.98% (31 December 2010: 20,61%). These rates are considerably above the minimum rate specified by the related regulation.
- b.** The capital adequacy ratio has been calculated in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks and the Regulation on Equity of Banks published in the Official Gazette No. 26333 dated November 01, 2006. For the calculation of the capital adequacy ratio, the Bank calculates the risk weighted assets and non-cash loans according to the risk weights defined by the regulations and calculates "Total Risk Weighted Assets" by adding "Market Risk" calculated with "Standard Method" and "Operational Risk" calculated with "Basic Indicator Method". 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:**

	<b>Risk Weights</b>					
	<b>0%</b>	<b>20%</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>
<b>Amount Subject to Credit Risk</b>						
Balance Sheet Items (Net)	58.402.780	2.160.613	-	69.505.354	1.951.427	1.379.585
Cash	1.040.549	34	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	1.819	-	-	-	-	-
Domestic, Foreign Banks, Foreign Head Offices and Branches	-	1.631.626	-	1.186.852	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repurchase Transactions	-	-	-	-	-	-
Reserve Requirements with the Central Bank of the Republic of Turkey	12.834.024	-	-	-	-	-
Loans	1.335.105	31.919	-	64.683.239	1.951.427	1.379.585
Non-Performing Receivables (Net)	-	-	-	92.850	-	-
Lease Receivables	-	-	-	-	-	-
Available-for-sale Financial Assets	35.664.462	-	-	5.704	-	-
Held-to-maturity Investments	4.610.405	-	-	-	-	-
Receivables From the Disposal of Assets	-	-	-	-	-	-
Miscellaneous Receivables	253.198	-	-	235.543	-	-
Interest and Income Accruals	2.427.298	497.034	-	1.140.041	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (Net)	-	-	-	1.017.817	-	-
Fixed Assets	-	-	-	740.395	-	-
Other Assets	235.920	-	-	402.913	-	-
Off Balance Sheet Items	519.331	1.971.394	-	16.034.127	-	-
Non-cash Loans and Commitments	519.331	708.179	-	15.636.320	-	-
Derivative Financial Instruments	-	1.263.215	-	397.807	-	-
Non-risk Weighted Accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>58.922.111</b>	<b>4.132.007</b>	<b>-</b>	<b>85.539.481</b>	<b>1.951.427</b>	<b>1.379.585</b>

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**d. Summary information related to capital adequacy ratio:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Amount Subject to Credit Risk ("ASCR")	92.052.193	68.374.093
Amount Subject to Market Risk ("ASMR")	6.006.313	5.229.950
Amount Subject to Operational Risk ("ASOR")	10.020.961	9.430.736
Shareholders' Equity	18.349.969	17.115.134
Shareholders' Equity/(ASCR+ASMR+ASOR) *100	16,98	20,61

**e. Information about shareholders' equity items:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>CORE CAPITAL</b>		
Paid-in capital	4.000.000	4.000.000
Nominal Capital	4.000.000	4.000.000
Capital Commitments (-)	-	-
Inflation Adjustment to Share Capital	1.405.892	1.405.892
Share Premium	1.700.000	1.700.000
Share Cancellation Profits	-	-
Legal Reserves	1.102.219	922.330
First Legal Reserve (Turkish Commercial Code 466/1)	742.827	600.000
Second Legal Reserve (Turkish Commercial Code 466/2)	359.392	322.330
Other Legal Reserves per Special Legislation	-	-
Status Reserves	-	-
Extraordinary Reserves	7.244.523	5.182.690
Reserves Allocated by the General Assembly	7.244.523	5.182.690
Retained Earnings	-	-
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference(*)	-	-
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	2.394.527	2.856.529
Net Income for the Period	2.394.527	2.856.529
Prior Period Profit	-	-
Provisions for Possible Risks up to 25% of Core Capital	-	25.000
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Share Capital	47.106	2.919
Primary Subordinated Loans up to 15% of Core Capital.	-	-
Uncovered Portion of Loss with Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-)	46.548	46.127
Prepaid Expenses (-) (*)	-	133.500
Intangible Assets (-)	100.562	92.744
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>17.747.157</b>	<b>15.822.989</b>



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	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	791.847	489.569
45% of the Movables Revaluation Fund	-	-
45% of the Immovables Revaluation Fund	-	-
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	236	-
Primary Subordinated Loans That are not Considered in the Calculation of Core Capital	-	-
Secondary Subordinated Loans	-	-
45% Of Marketable Securities Valuation Fund	(184.307)	803.972
From Investments in Associates And Subsidiaries	(6.730)	1.113
From Available-for-Sale Financial Assets	(177.577)	802.859
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>607.776</b>	<b>1.293.541</b>
<b>TIER III CAPITAL (Minority Rights included, if exists)</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>18.354.933</b>	<b>17.116.530</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>4.964</b>	<b>1.396</b>
Shares in Unconsolidated Banks and Financial Institutions	-	-
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	1.076	1.396
Other	3.888	-
<b>Total Shareholders' Equity</b>	<b>18.349.969</b>	<b>17.115.134</b>

(\*) Prepaid expenses are no longer deducted from core capital according to the "Regulation for Changes in the regulation of Bank's Equity" published on the Official Gazette dated 10 March 2011 no. 27870.

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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 overdue 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 1,8% (31 December 2010: 2,4%) and 100% provision has been provided.

- f.** 1. The proportion of the Bank's top 100 cash loan balances in total cash loans is 33% (31 December 2010: 35%).
2. The proportion of the Bank's top 100 non-cash loan balances in total non-cash loans is 63% (31 December 2010: 58%).
3. The proportion of the 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 2010: 20%).
- g.** The Bank provided a general loan loss provision amounting to TL 791.847 (31 December 2010: TL 489.569 ).

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**h. Information on loan types and provisions:**

<b>Current Period - 31 December 2011</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	44.217.688	14.996.158	9.741.317	<b>68.955.163</b>
Close Monitoring Loans	480.203	594.801	183.056	<b>1.258.060</b>
Loans Under Follow-up	642.219	307.183	313.137	<b>1.262.539</b>
Specific Provision [-]	549.369	307.183	313.137	<b>1.169.689</b>
<b>Total</b>	<b>44.790.741</b>	<b>15.590.959</b>	<b>9.924.373</b>	<b>70.306.073</b>

<b>Prior 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>

As of 31 December 2011, the Bank has set 100% specific provision amounting to TL 41 million after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 million.

**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 2011</b>	<b>629.901</b>	<b>329.763</b>	<b>319.869</b>	<b>1.279.533</b>
Transferred during the period	119.522	120.790	142.394	<b>382.706</b>
Collection	(152.011)	(114.082)	(93.501)	<b>(359.594)</b>
Write off	(48.043)	(29.288)	(55.625)	<b>(132.956)</b>
<b>31 December 2011</b>	<b>549.369</b>	<b>307.183</b>	<b>313.137</b>	<b>1.169.689</b>

	<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>

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**j. Information on debt securities, treasury bills and other eligible bills:**

<b>Current Period - 31 December 2011</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	-	9.857	-	<b>9.857</b>
A1, A2, A3	-	-	-	<b>-</b>
Baa1, Baa2, Baa3	-	174	-	<b>174</b>
Ba1	-	-	-	<b>-</b>
Ba2	132.947	37.670.203	4.823.377	<b>42.626.527</b>
<b>Total</b>	<b>132.947</b>	<b>37.680.234</b>	<b>4.823.377</b>	<b>42.636.558</b>

<b>Prior 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	-	-	-	<b>-</b>
A1, A2, A3	-	-	-	<b>-</b>
Baa1, Baa2, Baa3	-	-	-	<b>-</b>
Ba1	-	-	-	<b>-</b>
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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**k. Information on maximum exposure to credit risk:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Credit risk exposures relating to on-balance sheet assets:</b>	<b>117.476.815</b>	<b>104.912.331</b>
Loans and advances to banks	2.818.773	1.783.851
Loans and advances to customers	70.306.073	52.895.532
-Corporate	44.790.741	32.981.203
-Consumer	15.590.959	13.129.871
-Credit Cards	9.924.373	6.784.458
Trading assets	960.211	1.031.747
-Government bonds	132.947	564.451
-Trading derivative financial assets	827.264	467.296
- Other marketable securities	-	-
Investment Securities	37.866.250	42.191.056
-Government bonds	37.114.505	42.078.041
-Other marketable securities	751.745	113.015
Held-to-maturity financial assets	4.823.377	6.626.229
Financial lease receivables	-	-
Other assets	702.131	383.916
<b>Credit risk exposures relating to off-balance sheet items:</b>	<b>35.362.064</b>	<b>30.003.434</b>
Letters of guarantees	9.056.265	6.568.621
Other guarantees and commitments	5.578.781	3.796.290
Credit granting commitments	2.716.772	3.101.380
Check payment commitments	4.291.376	3.945.886
Credit card limit commitments	13.718.870	12.591.257
<b>Total</b>	<b>152.838.879</b>	<b>134.915.765</b>

As of 31 December 2011 and 2010, the Bank'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 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Industry Sectors</b>								
Private Sector	40.267.951	29.907.842	3.367.590	1.959.557	755.248	113.015	30.672.868	22.386.192
Public Sector	1.363.510	1.184.568	40.522	48.998	42.067.531	49.268.721	1.587.400	874.712
Banks	-	-	32.503	46.028	-	-	37.458.909	19.760.098
Individual Customers	25.141.147	19.748.539	-	-	-	-	18.437.459	16.910.036
Share Certificates	-	-	-	-	5.543	30.278	-	-
<b>Total</b>	<b>66.772.608</b>	<b>50.840.949</b>	<b>3.440.615</b>	<b>2.054.583</b>	<b>42.828.322</b>	<b>49.412.014</b>	<b>88.156.636</b>	<b>59.931.038</b>
<b>Geographical Sectors</b>								
Domestic	66.197.293	49.764.935	2.797.114	1.953.935	42.680.356	49.327.686	52.790.247	40.301.135
European Union Countries	474.276	873.414	596.166	100.648	147.966	58.754	31.931.381	17.789.922
OECD Countries(***)	-	-	-	-	-	-	2.847.137	903.013
Off-shore Banking Regions	15.564	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	25.574	534.537	932.375
Other Countries	85.475	202.600	47.335	-	-	-	53.334	4.593
<b>Total</b>	<b>66.772.608</b>	<b>50.840.949</b>	<b>3.440.615</b>	<b>2.054.583</b>	<b>42.828.322</b>	<b>49.412.014</b>	<b>88.156.636</b>	<b>59.931.038</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</b>	<b>Assets</b>	<b>Net Profit</b>
<b>Current Period - 31 December 2011</b>					
Domestic	128.014.329	82.630.288	14.635.046	146.662	2.365.879
European Union Countries	3.756.509	21.776.638	-	-	-
OECD Countries (*)	63.955	8.542.601	-	-	-
Off-Shore Banking Regions	15.249	-	-	-	28.648
USA, Canada	390.684	1.438.528	-	-	-
Other Countries	146.628	1.609.518	-	-	-
Subsidiaries, Investment in Associates and Joint Ventures (Net)	1.017.817	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
<b>Total</b>	<b>133.405.171</b>	<b>115.997.573</b>	<b>14.635.046</b>	<b>146.662</b>	<b>2.394.527</b>
<b>Prior 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>

(\*) 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 2011				Prior Period 31 December 2010			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	103.680	0,24	9.650	0,03	87.685	0,28	1.758	0,01
Farming and Raising								
Livestock	68.165	0,16	8.299	0,03	66.364	0,21	-	-
Forestry	35.416	0,08	1.351	0,00	21.233	0,07	1.758	0,01
Fishing	99	0,00	-	-	88	0,00	-	-
Manufacturing	5.764.225	13,76	11.487.311	40,54	3.622.154	11,32	8.456.124	40,47
Mining	72.567	0,17	124.567	0,44	60.152	0,19	46.893	0,22
Production	5.425.951	12,96	7.344.315	25,92	3.352.123	10,47	5.731.097	27,43
Electric, Gas and Water	265.707	0,63	4.018.429	14,18	209.879	0,66	2.678.134	12,82
Construction	1.268.586	3,03	3.042.001	10,74	1.200.297	3,75	2.213.408	10,59
Services	8.337.494	19,92	11.567.472	40,82	6.335.025	19,79	8.335.686	39,90
Wholesale and Retail Trade	5.130.560	12,25	2.805.221	9,90	3.713.452	11,60	1.919.298	9,19
Hotel, Food and Beverage								
Services	380.199	0,91	996.226	3,52	345.639	1,08	1.065.887	5,10
Transportation and								
Telecommunication	548.802	1,31	2.155.835	7,61	411.068	1,28	1.850.947	8,86
Financial Institutions	1.442.897	3,45	1.997.718	7,05	910.980	2,85	1.143.603	5,47
Real Estate and Leasing								
Services	71.509	0,17	133.959	0,47	39.259	0,12	73.590	0,35
Professional Services	32.427	0,08	123.217	0,43	22.874	0,07	91.473	0,44
Education Services	100.646	0,24	3.554	0,01	73.192	0,23	7.790	0,04
Health and Social Services	630.454	1,51	3.351.742	11,83	818.561	2,56	2.183.098	10,45
Other	26.406.928	63,05	2.225.876	7,87	20.759.029	64,86	1.884.366	9,03
<b>Total</b>	<b>41.880.913</b>	<b>100,00</b>	<b>28.332.310</b>	<b>100,00</b>	<b>32.004.190</b>	<b>100,00</b>	<b>20.891.342</b>	<b>100,00</b>

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**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 99% confidence interval and 10 days retention period. VaR analyses are performed daily and reported to senior management. VaR analyses are also used as risk and limit management instrument for trading transactions. 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.

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 2011 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	361.269
(II) Capital to be Employed for Specific Risk - Standard Method	18.357
(III) Capital to be Employed for Currency Risk - Standard Method	73.059
(IV) Capital to be Employed for Commodity Risk - Standard Method	27.820
(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)	480.505(*)
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	6.006.313(*)

(\*) Of the "Amount subject to market risk", only TL 480.505 which is 8 % of TL 6.006.313 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 480.505 is the minimum amount of capital that can mitigate the mentioned risk.

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**b. Average Market Risk Table of Calculated Market Risk for Period Ends:**

	Current Period 31 December 2011			Prior Period 31 December 2010		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	373.470	396.407	335.707	335.240	391.763	292.136
Share Certificates Risk	10.842	15.727	6.323	10.027	9.380	15.854
Currency Risk	74.971	100.063	63.228	14.768	16.167	8.910
Commodity Risk	5.385	27.663	1.105	793	1.086	892
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
<b>Total Amount Subject to Risk</b>	<b>464.668</b>	<b>539.860</b>	<b>406.363</b>	<b>360.828</b>	<b>418.396</b>	<b>317.792</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 2010, 2009, and 2008 in accordance with part 4 "Calculation of the Amount Subject to Operational Risk" of 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 10.020.961; capital liability of operational risk is TL 801.677.

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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	TL 1,8889	TL 2,4439	TL 2,4385
1.Day bid rate	TL 1,8650	TL 2,4118	TL 2,3990
2.Day bid rate	TL 1,8650	TL 2,4155	TL 2,3950
3.Day bid rate	TL 1,8400	TL 2,4052	TL 2,3620
4.Day bid rate	TL 1,8450	TL 2,4086	TL 2,3660
5.Day bid rate	TL 1,8350	TL 2,4020	TL 2,3514

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	: TL 1,8198
Euro	: TL 2,4058
Yen	: TL 2,3416

As of 31 December 2010;

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	TL 1,5376	TL 2,0552	TL 1,8906

**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 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 2011</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	186.650	8.366.903	894	492.295	<b>9.046.742</b>
Banks	988.802	1.764.906	22.309	40.606	<b>2.816.623</b>
Financial Assets at Fair Value through Profit or Loss (Net)	9.556	19.637	-	-	<b>29.193</b>
Interbank Money Market Placements	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	1.514.971	3.678.063	-	-	<b>5.193.034</b>
Loans	8.535.383	21.111.552	1.163	93.855	<b>29.741.953</b>
Investments in Associates, Subsidiaries and Joint Ventures	810.190	2.243	-	-	<b>812.433</b>
Held-to-maturity Investments (Net)	707.417	308.422	-	-	<b>1.015.839</b>
Hedging Derivative Financial Assets	-	-	-	-	<b>-</b>
Tangible Assets (Net)	-	1.844	-	-	<b>1.844</b>
Intangible Assets (Net)	-	131	-	-	<b>131</b>
Other Assets	814	41.035	5	292	<b>42.146</b>
<b>Total Assets</b>	<b>12.753.783</b>	<b>35.294.736</b>	<b>24.371</b>	<b>627.048</b>	<b>48.699.938</b>
<b>Liabilities</b>					
Bank Deposit	2.246.025	5.821.357	173	374.664	<b>8.442.219</b>
Foreign Currency Deposits	7.844.446	15.764.201	48.194	1.073.442	<b>24.730.283</b>
Funds from Interbank Money Market	48.894	7.263.352	-	-	<b>7.312.246</b>
Borrowings	4.543.028	11.892.820	8.575	17.147	<b>16.461.570</b>
Marketable Securities Issued (Net)	-	2.695.846	-	-	<b>2.695.846</b>
Miscellaneous Payables	152.604	19.659	122	8.622	<b>181.007</b>
Hedging Derivative Financial Liabilities	-	-	-	-	<b>-</b>
Other Liabilities	87.682	35.048	5.653	2.062	<b>130.445</b>
<b>Total Liabilities</b>	<b>14.922.679</b>	<b>43.492.283</b>	<b>62.717</b>	<b>1.475.937</b>	<b>59.953.616</b>
<b>Net on Balance Sheet Position</b>	<b>(2.168.896)</b>	<b>(8.197.547)</b>	<b>(38.346)</b>	<b>(848.889)</b>	<b>(11.253.678)</b>
<b>Net off-Balance Sheet Position (**)</b>	<b>2.011.721</b>	<b>8.362.326</b>	<b>38.085</b>	<b>850.394</b>	<b>11.262.526</b>
Financial Derivative Assets	4.125.135	15.583.036	162.784	1.448.463	<b>21.319.418</b>
Financial Derivative Liabilities	2.113.414	7.220.710	124.699	598.069	<b>10.056.892</b>
Non-cash Loans	2.156.054	6.662.753	221.646	86.863	<b>9.127.316</b>
<b>Prior Period - 31 December 2010</b>					
Total Assets	11.873.740	21.145.033	50.685	149.500	<b>33.218.958</b>
Total Liabilities	11.859.989	24.396.931	50.670	1.317.114	<b>37.624.704</b>
Net on-Balance Sheet Position	13.751	(3.251.898)	15	(1.167.614)	<b>(4.405.746)</b>
Net off-Balance Sheet Position (**)	11.222	3.254.090	2.898	1.172.136	<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>

(\*) Of the "Other FC" total assets amounting to TL 627.048 (31 December 2010: TL 149.500), TL 49.284 is in English Pounds (31 December 2010: TL 45.239), and TL 59.974 in Swiss Francs (31 December 2010: TL 51.942). Of the total liabilities amounting to TL 1.475.937 (31 December 2010: TL 1.317.114) TL 805.735 is in English Pounds (31 December 2010: TL 818.581) and TL 412.469 is in Swiss Francs (31 December 2010: TL 304.034).

(\*\*) 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 Bank'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 Bank'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 asset and liability items of both on and off balance sheets of the Group. The EMRC sets limits for the interest rate sensitivity of on and off-balance sheet items and the sensitivity is closely monitored and reported weekly. In the case of high market fluctuations, daily transaction based reporting and analyses 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 2011</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	-	-	-	-	-	13.876.426	<b>13.876.426</b>
Banks	1.183.777	189.592	2.110	-	-	1.443.294	<b>2.818.773</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	230.378	245.285	328.004	138.906	17.638	44	<b>960.255</b>
Interbank Money Market Placements	-	-	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	2.611.178	6.053.989	13.061.042	12.945.960	3.008.065	191.720	<b>37.871.954</b>
Loans	21.977.727	12.653.270	20.458.153	12.930.846	2.193.227	92.850	<b>70.306.073</b>
Held-to-maturity Investments (Net)	-	3.602.813	204.725	-	1.015.839	-	<b>4.823.377</b>
Other Assets	480.321	-	-	-	-	2.414.654	<b>2.894.975</b>
<b>Total Assets</b>	<b>26.483.381</b>	<b>22.744.949</b>	<b>34.054.034</b>	<b>26.015.712</b>	<b>6.234.769</b>	<b>18.018.988</b>	<b>133.551.833</b>
<b>Liabilities</b>							
Bank Deposits	7.720.416	1.793.251	373.879	-	-	387.564	<b>10.275.110</b>
Other Deposits	43.938.649	9.494.138	3.571.878	262.613	-	9.271.869	<b>66.539.147</b>
Funds from Interbank Money Market	10.416.496	390	1.454.361	472.682	440.911	-	<b>12.784.840</b>
Miscellaneous Payables	-	-	-	-	-	2.258.378	<b>2.258.378</b>
Marketable Securities Issued (Net)	437.249	714.949	655.873	1.797.231	898.615	-	<b>4.503.917</b>
Borrowings	7.446.572	4.574.753	4.225.450	523.380	-	-	<b>16.770.155</b>
Other Liabilities (*)	111.538	242.134	502.836	107.962	47.805	19.408.011	<b>20.420.286</b>
<b>Total Liabilities</b>	<b>70.070.920</b>	<b>16.819.615</b>	<b>10.784.277</b>	<b>3.163.868</b>	<b>1.387.331</b>	<b>31.325.822</b>	<b>133.551.833</b>
Balance Sheet Long Position	-	5.925.334	23.269.757	22.851.844	4.847.438	-	<b>56.894.373</b>
Balance Sheet Short Position	(43.587.539)	-	-	-	-	(13.306.834)	<b>(56.894.373)</b>
Off-balance Sheet Long Position	1.198.747	1.284.066	884.392	-	-	-	<b>3.367.205</b>
Off-balance Sheet Short Position	-	-	-	(2.275.530)	(911.452)	-	<b>(3.186.982)</b>
<b>Total Position</b>	<b>(42.388.792)</b>	<b>7.209.400</b>	<b>24.154.149</b>	<b>20.576.314</b>	<b>3.935.986</b>	<b>(13.306.834)</b>	<b>180.223</b>

(\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".



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Prior 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	-	-	-	-	6.092.251	<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".

**Interest Rate Sensitivity Analysis:**

	Current Period - 31 December 2011		Prior Period - 31 December 2010	
Change in interest rates	Effect on income statement	Effect on equity	Effect on income statement	Effect on equity
<b>(+) 1%</b>	(222.880)	(502.044)	(129.152)	(577.430)
<b>(-) 1%</b>	230.418	524.870	127.769	595.726

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.

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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 2011</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	0,16	0,09	-	8,82
Financial Assets at Fair Value Through Profit or Loss (Net)	4,46	5,09	-	9,81
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	4,94	4,16	-	10,15
Loans	5,26	4,72	5,45	13,04
Held-to-maturity Investments (Net)	7,34	7,05	-	11,11
<b>Liabilities</b>				
Bank Deposits	2,77	2,92	-	8,77
Other Deposits	3,03	3,64	0,32	8,84
Funds from Interbank Money Market	1,51	2,29	-	10,06
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	5,69	-	10,21
Borrowings	1,82	1,81	-	7,06

<b>Prior 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)	-	5,26	-	7,28
Borrowings	1,75	1,82	0,67	7,42

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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 2011 and 31 December 2010 are presented below:

<b>Current Period</b> <b>31 December 2011</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>	164,5	184,5	95,3	115,8
<b>Maximum (%)</b>	228,3	241,1	106,5	129,0
<b>Minimum (%)</b>	98,2	151,7	86,7	104,8

<b>Prior 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

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**Breakdown of assets and liabilities according to their outstanding maturities:**

<b>Current Period – 31 December 2011</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	13.876.426	-	-	-	-	-	-	<b>13.876.426</b>
Banks	1.443.294	1.183.777	189.592	2.110	-	-	-	<b>2.818.773</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	44	163.446	203.448	143.344	237.495	212.478	-	<b>960.255</b>
Interbank Money Market Placements	-	-	-	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	191.720	681.714	760.040	1.541.225	29.034.056	5.663.199	-	<b>37.871.954</b>
Loans	-	14.744.004	8.819.016	14.796.976	22.874.089	8.979.138	92.850	<b>70.306.073</b>
Held-to-maturity Investments (Net)	-	-	169.335	123	3.638.080	1.015.839	-	<b>4.823.377</b>
Other Assets	90.020	693.710	1.278	-	99.167	-	2.010.800	<b>2.894.975</b>
<b>Total Assets</b>	<b>15.601.504</b>	<b>17.466.651</b>	<b>10.142.709</b>	<b>16.483.778</b>	<b>55.882.887</b>	<b>15.870.654</b>	<b>2.103.650</b>	<b>133.551.833</b>
<b>Liabilities</b>								
Bank Deposits	387.564	7.720.416	1.793.251	373.879	-	-	-	<b>10.275.110</b>
Other Deposits	9.271.869	43.938.649	9.494.138	3.571.878	262.613	-	-	<b>66.539.147</b>
Borrowings	-	1.454.285	3.407.488	7.527.916	3.848.558	531.908	-	<b>16.770.155</b>
Funds from Interbank Money Market	-	10.416.496	390	1.454.361	472.682	440.911	-	<b>12.784.840</b>
Marketable Securities Issued (Net)	-	437.249	-	655.873	2.512.180	898.615	-	<b>4.503.917</b>
Miscellaneous Payables	-	1.362.691	895.687	-	-	-	-	<b>2.258.378</b>
Other Liabilities (**)	-	728.372	299.804	339.671	1.122.484	375.695	17.554.260	<b>20.420.286</b>
<b>Total Liabilities</b>	<b>9.659.433</b>	<b>66.058.158</b>	<b>15.890.758</b>	<b>13.923.578</b>	<b>8.218.517</b>	<b>2.247.129</b>	<b>17.554.260</b>	<b>133.551.833</b>
<b>Net Liquidity Gap</b>	<b>5.942.071</b>	<b>(48.591.507)</b>	<b>(5.748.049)</b>	<b>2.560.200</b>	<b>47.664.370</b>	<b>13.623.525</b>	<b>(15.450.610)</b>	<b>-</b>
<b>Prior Period - 31 December 2010</b>								
Total Assets	7.356.202	13.003.153	6.423.353	20.287.883	52.000.326	12.094.590	2.017.107	<b>113.182.614</b>
Total Liabilities	8.676.949	55.805.402	17.643.867	6.344.709	6.051.969	1.094.583	17.565.135	<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>

(\*) 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 2011</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	61.383.014	11.413.708	4.123.502	264.628	686	<b>77.185.538</b>
Funds borrowed from other financial institutions	1.464.511	3.426.738	7.714.146	4.091.762	532.778	<b>17.229.935</b>
Funds from interbank money market	10.434.791	392	1.477.853	501.310	498.409	<b>12.912.755</b>
Marketable Securities Issued (Net)	467.104	49.333	839.791	3.046.141	997.914	<b>5.400.283</b>
Non-cash loans	6.994	1.325.393	2.951.603	4.186.639	6.164.417	<b>14.635.046</b>
<b>Prior 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>

(\*) Balances of letter of guarantees, which have demand nature due to their callable status are shown according to the contractual maturities.

**Breakdown of derivative instruments according to their remaining contractual maturities:**

<b>Current Period - 31 December 2011</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>					
Foreign exchange derivatives:					
- Inflow	11.248.954	6.351.340	2.986.679	85.915	-
- Outflow	10.124.565	5.864.387	2.974.835	1.476.517	79.596
Interest rate derivatives:					
- Inflow	7.762	12.103	132.935	255.019	118.087
- Outflow	15.430	9.453	209.028	434.797	106.586
<b>Derivatives held for hedging</b>					
Foreign exchange derivatives:					
- Inflow	-	-	-	-	-
- Outflow	-	-	-	-	-
Interest rate derivatives:					
- Inflow	11.229	16.560	96.261	261.894	48.271
- Outflow	32.750	53.696	220.448	554.056	91.100
<b>Total Inflow</b>	<b>11.267.945</b>	<b>6.380.003</b>	<b>3.215.875</b>	<b>602.828</b>	<b>166.358</b>
<b>Total Outflow</b>	<b>10.172.745</b>	<b>5.927.536</b>	<b>3.404.311</b>	<b>2.465.370</b>	<b>277.282</b>

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<b>Prior 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>					
Foreign exchange derivatives:					
- 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:					
- 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>					
Foreign exchange derivatives:					
- Inflow	-	-	-	-	-
- Outflow	-	-	-	-	-
Interest rate derivatives:					
- 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>

**VIII. EXPLANATIONS ON THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:**

**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 2011	Prior Period 31 December 2010	Current Period 31 December 2011	Prior Period 31 December 2010
<b>Financial Assets</b>	<b>115.820.177</b>	<b>103.526.946</b>	<b>115.849.008</b>	<b>105.655.387</b>
Interbank Money Market Placements	-	-	-	-
Banks	2.818.773	1.783.851	2.818.773	1.783.851
Available-for-Sale Financial Assets (Net)	37.871.954	42.221.334	37.871.954	42.221.334
Held-to-Maturity Investments (Net)	4.823.377	6.626.229	4.995.394	7.042.957
Loans	70.306.073	52.895.532	70.162.887	54.607.245
<b>Financial Liabilities</b>	<b>100.346.707</b>	<b>81.640.683</b>	<b>99.945.543</b>	<b>81.515.810</b>
Bank Deposits	10.275.110	7.378.267	10.298.084	7.392.410
Other Deposits	66.539.147	59.788.631	66.454.511	59.792.433
Borrowings	16.770.155	10.375.333	16.414.100	10.193.067
Marketable Securities Issued (Net)	4.503.917	2.522.261	4.520.470	2.561.709
Miscellaneous Payables	2.258.378	1.576.191	2.258.378	1.576.191

**b. Fair value hierarchy:**

IFRS 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 2011</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	185.243	775.012	-	960.255
- Government Debt Securities	130.630	2.317	-	132.947
- Share Certificates	44	-	-	44
- Trading Derivative Financial Assets	54.569	772.695	-	827.264
Available For Sale Financial Assets	35.805.394	2.060.856	-	37.866.250
- Government Debt Securities	35.619.204	1.495.301	-	37.114.505
- Share Certificates	-	-	-	-
- Other Marketable Securities	186.190	565.555	-	751.745
<b>Total Assets</b>	<b>35.990.637</b>	<b>2.835.868</b>	<b>-</b>	<b>38.826.505</b>
- Trading Derivative Financial Liabilities	35.946	514.829	-	550.775
- Hedging Derivative Financial Liabilities	-	219.851	-	219.851
<b>Total Liabilities</b>	<b>35.946</b>	<b>734.680</b>	<b>-</b>	<b>770.626</b>
<b>Prior 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>

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 HEDGE TRANSACTIONS:**

Prospective tests are performed regularly at the inception of the hedge relationship and both prospective and retrospective tests are performed at each reporting period-end regularly. In this method, changes in the fair value of the hedged item and changes in the fair value of the hedging instruments between the designation date and each reporting period-end are compared and effectiveness ratio is calculated. In the determination of the fair values of hedging instruments and hedged item, market yield curves are used. Hedge accounting principles are applied by assessing the calculated effectiveness ratio within the scope of TAS 39.

The Bank hedges its 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. Ineffective portion of the fair value changes of the hedging instrument is recognized in the income statement. If 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.

The Bank uses net investment hedges to hedge the foreign currency translation risk on its net investment in foreign subsidiaries. Effective portion of the fair value changes of the hedging instrument is recognized under "Hedging reserves" within equity. Ineffective portion of the of the fair value changes of the hedging instrument is recognized in the income statement.

**1. Explanations on Net Investment Hedges:**

The Bank uses net investment hedges to hedge the consolidated foreign currency translation risk for the paid-in-capital and capital premium which is amounting to EUR 335 million of its direct subsidiary Akbank N.V.. Syndicated borrowings amounting to EUR 335 million are used as the hedging instrument.

**2. Explanations on Cash Flow Hedges:**

a) Breakdown of the derivative transactions used in cash flow hedges:

	<b>Current Period</b>			<b>Prior Period</b>		
	<b>31 December 2011</b>			<b>31 December 2010</b>		
	<b>Notional</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Notional</b>	<b>Assets</b>	<b>Liabilities</b>
Interest rate swaps	4.557.785	-	219.851	5.090.000	-	309.429
-TL	3.330.000	-	111.480	5.090.000	-	309.429
-FC	1.227.785	-	108.371	-	-	-
<b>Total</b>	<b>4.557.785</b>	<b>-</b>	<b>219.851</b>	<b>5.090.000</b>	<b>-</b>	<b>309.429</b>

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b) Explanations on derivative transactions used in cash flow hedges:

**Current Period – 31.12.2011:**

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss ) recognized in OCI during the period	Net gain(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
TL Interest rate swap	TL Repos Portfolio	Cash flow risk due to the changes in the interest rates of funds from repo transactions	-	111.480	(12.565)	(210.514)	-
FC Interest rate swap	FC Securitization Borrowing	Cash flow risk due to the changes in the interest rates of funds from securitization borrowing	-	108.371	(62.247)	(14.697)	-

The amount of ceased hedge transactions which is recycled to the income statement from other comprehensive income (OCI) is TL (19.448) and profit/loss recognized in OCI is TL (-).

**Prior Period – 31.12.2010:**

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss ) recognized in OCI during the period	Net gain(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
TL Interest rate swap	TL Repos Portfolio	Cash flow risk due to the changes in the interest rates of funds from repo transactions	-	309.429	(181.827)	(262.858)	-

The amount of ceased hedge transactions which is recycled to the income statement from OCI is TL (20.386) and profit/loss recognized in OCI is TL (21.031).

c) Contractual maturity analysis of the derivative transactions subject to cash flow hedges:

Maturity analysis of the derivative transactions subject to cash flow hedges is provided in the Note VII of Section Four.

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**XI. 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 2011 and 31 December 2010 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 2011</b>							
Operating Income	2.442.909	1.568.634	1.742.720	170.479	51.448	56.786	6.032.976
Profit from Operating Activities	563.258	839.641	1.471.107	125.914	33.614	(82.806)	2.950.728
Income from Subsidiaries						50.479	50.479
Profit before Tax	563.258	839.641	1.471.107	125.914	33.614	(32.327)	3.001.207
Corporate Tax						(606.680)	(606.680)
Net Profit for the Period	563.258	839.641	1.471.107	125.914	33.614	(639.007)	2.394.527
Segment Assets	30.947.491	48.104.112	46.507.952	1.040.028	2.954.609	-	129.554.192
Investments in Associates.	-	-	-	-	-	-	1.017.817
Undistributed Assets	-	-	-	-	-	-	2.979.824
Total Assets	-	-	-	-	-	-	133.551.833
Segment Liabilities	43.476.316	19.594.606	27.408.275	12.761.209	9.147.620	-	112.388.026
Undistributed Liabilities	-	-	-	-	-	-	3.609.547
Shareholders' Equity	-	-	-	-	-	-	17.554.260
Total Liabilities	-	-	-	-	-	-	133.551.833
Other Segment Items							
Capital Investment	80.919	1.913	5.805	669	-	57.356	146.662
Amortization	(80.157)	(5.431)	(904)	(904)	(276)	(51.920)	(139.592)
Non-cash Other Income-Expense	(182.583)	(305.541)	(152.318)	(2.545)	(6.899)	(1.073)	(650.959)
Restructuring Costs	-	-	-	-	-	-	-

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	Retail Banking	Corporate Banking and SME Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Bank's Total Activities
<b>Prior 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)
Minority Rights	699.407	808.214	2.055.969	103.774	57.444	(868.279)	2.856.529
Net Profit for the Period							
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	-	-	-	-	-	-	-

Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

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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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash/Foreign Currency	602.009	436.762	463.296	334.468
The CBRT	4.226.011	8.609.832	1.784.020	3.499.797
Other(*)	1.664	148	7.743	6.657
<b>Total</b>	<b>4.829.684</b>	<b>9.046.742</b>	<b>2.255.059</b>	<b>3.840.922</b>

(\*) As of 31 December 2011, precious metal account amounts to TL 114 (31 December 2010: TL 6.459).

2. Information related to the account of the CBRT:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Demand Unrestricted Account	1.819	-	5.108	-
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	4.224.192	8.609.832	1.778.912	3.499.797
<b>Total</b>	<b>4.226.011</b>	<b>8.609.832</b>	<b>1.784.020</b>	<b>3.499.797</b>

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2005/1", banks operating in Turkey are required to maintain reserves in CBRT in TL for TL liabilities and in USD or Euro for foreign currency liabilities. With the changes made in the "Communiqué Regarding the Reserve Requirements" up to 10% of the reserve requirement for TL liabilities can be held as foreign currency, the reserve requirement for precious metal account in foreign currency liabilities can be held as standard gold and up to 10% of the reserve requirement for foreign currency liabilities can be held as standard gold.

The reserve rates for TL liabilities vary between 5% and 11% for TL deposits and other liabilities according to their maturities as of 31 December 2011 (31 December 2010: 6% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 6% and 11% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2011 (31 December 2010: 11% for all foreign currency liabilities).



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The lawsuit opened against CBRT regarding a judgemental difference between the Bank and the CBRT with respect to the reserve requirements for syndication loans borrowed by Malta Branch has been dismissed by Ankara 10th Administrative Court. According to this decision, Bank has been required to maintain additional reserves at CBRT amounting to USD 742 million on average for approximately 3,5 years. This reserve has been started to be maintained at CBRT and it will have no material effect on the financial statements and operations of the Bank. The law suit for the cancellation of the Central Bank's said decision was filed with a motion for stay of execution, while the Administrative Court 10<sup>th</sup> Division has rejected the motion for stay of execution, it is continuing to hear the case on the merits.

**b. Information on financial assets at fair value through profit or loss:**

- As of 31 December 2011, financial assets at fair value through profit or loss given as collettare/blocked amount to TL 7.673 (31 December 2010: TL (-)); and those subject to repo transactions amount to TL (-). (31 December 2010: TL (-)).
- Positive differences table related to trading derivative financial assets:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	52.651	-	29.890	-
Swap Transactions	346.967	301.508	245.503	115.323
Futures Transactions	51.285	3.284	39.907	2.688
Options	3.359	68.210	4.822	29.163
Other	-	-	-	-
<b>Total</b>	<b>454.262</b>	<b>373.002</b>	<b>320.122</b>	<b>147.174</b>

**c. Information on banks and foreign banks account:**

- Information on banks account:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	2.150	2.816.623	10.062	1.773.789
Domestic	2.150	289.005	10.062	46.141
Foreign	-	2.527.618	-	1.727.648
Head Quarters and Branches				
Abroad	-	-	-	-
<b>Total</b>	<b>2.150</b>	<b>2.816.623</b>	<b>10.062</b>	<b>1.773.789</b>

- Information on foreign banks account:

	<b>Unrestricted Amount</b>		<b>Restricted Amount (**)</b>	
	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
European Union Countries	1.146.723	637.239	942.746	543.124
USA, Canada	159.300	318.623	231.378	186.787
OECD Countries (*)	34.406	40.809	-	-
Off-Shore Banking Regions	-	-	-	-
Other	13.065	1.066	-	-
<b>Total</b>	<b>1.353.494</b>	<b>997.737</b>	<b>1.174.124</b>	<b>729.911</b>

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

(\*\*) Restricted amounts which are mainly consisting of the collaterals related to the borrowings, are kept in several banks.

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**d. Information on available-for-sale financial assets, net values:**

- As of 31 December 2011, available-for-sale financial assets subject to repurchase agreements amount to TL 13.043.441 (31 December 2010: TL 10.745.151); and those given as collateral/blocked amounting to TL 4.704.531 (31 December 2010: TL 5.454.938).

- Information on available-for-sale financial assets:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Debt Securities	38.163.919	42.199.375
Quoted to Stock Exchange	37.598.364	42.199.375
Not Quoted to Stock Exchange	565.555	-
Share Certificates	5.704	30.278
Quoted to Stock Exchange	-	25.574
Not Quoted to Stock Exchange	5.704	4.704
Impairment Provision (-)	297.669	8.319
<b>Total</b>	<b>37.871.954</b>	<b>42.221.334</b>

**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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Direct Loans Granted to Shareholders	-	250	-	250
Corporate Shareholders	-	250	-	250
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	1.549.379	454.614	926.506	380.541
Loans Granted to Employees	72.650	-	75.462	-
<b>Total</b>	<b>1.622.029</b>	<b>454.864</b>	<b>1.001.968</b>	<b>380.791</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	68.955.163	-	1.257.421	639
Discount And Purchase Notes	122.151	-	-	-
Export Loans	4.676.355	-	4.286	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	1.499.745	-	-	-
Foreign Loans	1.218.816	-	-	-
Consumer Loans (Including Overdraft Loans)	14.996.158	-	594.587	214
Credit Cards	9.741.317	-	183.054	2
Precious Metal Loans	17.150	-	-	-
Other	36.683.471	-	475.494	423
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>68.955.163</b>	<b>-</b>	<b>1.257.421</b>	<b>639</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	21.818.651	-	1.257.421	639
Non-Specialized Loans	21.818.651	-	1.257.421	639
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	47.136.512	-	-	-
Non-Specialized Loans	47.136.512	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-

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

**Current Period – 31.12.2011**

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>186.980</b>	<b>14.933.111</b>	<b>15.120.091</b>
Mortgage Loans	12.788	7.373.151	7.385.939
Automotive Loans	17.429	847.931	865.360
Consumer Loans	150.549	6.112.330	6.262.879
Other	6.214	599.699	605.913
<b>Consumer Loans- Indexed to FC</b>	<b>1.069</b>	<b>83.094</b>	<b>84.163</b>
Mortgage Loans	1.067	82.661	83.728
Automotive Loans	2	268	270
Consumer Loans	-	165	165
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>8.508.781</b>	<b>991.176</b>	<b>9.499.957</b>
With Installment	4.024.731	991.176	5.015.907
Without Installment	4.484.050	-	4.484.050
<b>Consumer Credit Cards-FC</b>	<b>14.958</b>	<b>-</b>	<b>14.958</b>
With Installment	8.150	-	8.150
Without Installment	6.808	-	6.808
<b>Personnel Loans-TL</b>	<b>1.849</b>	<b>35.324</b>	<b>37.173</b>
Mortgage Loans	-	1.275	1.275
Automotive Loans	1	274	275
Consumer Loans	1.848	33.775	35.623
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>11</b>	<b>193</b>	<b>204</b>
Mortgage Loans	-	6	6
Automotive Loans	-	1	1
Consumer Loans	11	186	197
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>33.118</b>	<b>1.946</b>	<b>35.064</b>
With Installment	16.040	1.946	17.986
Without Installment	17.078	-	17.078
<b>Personnel Credit Cards-FC</b>	<b>209</b>	<b>-</b>	<b>209</b>
With Installment	124	-	124
Without Installment	85	-	85
<b>Credit Deposit Account-TL (Real Person)</b>	<b>349.328</b>	<b>-</b>	<b>349.328</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>9.096.303</b>	<b>16.044.844</b>	<b>25.141.147</b>

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	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<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:

**Current period – 31.12.2011**

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>1.068.484</b>	<b>4.319.011</b>	<b>5.387.495</b>
Mortgage Loans	748	383.256	384.004
Automotive Loans	14.128	777.303	791.431
Consumer Loans	1.052.762	3.090.158	4.142.920
Other	846	68.294	69.140
<b>FC Indexed Commercial Installment Loans</b>	<b>29.435</b>	<b>280.572</b>	<b>310.007</b>
Mortgage Loans	46	22.307	22.353
Automotive Loans	523	113.414	113.937
Consumer Loans	27.414	134.504	161.918
Other	1.452	10.347	11.799
<b>Commercial Installment Loans-FC</b>	<b>6.373</b>	<b>203.871</b>	<b>210.244</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	6.373	203.871	210.244
<b>Corporate Credit Cards-TL</b>	<b>371.131</b>	<b>2.378</b>	<b>373.509</b>
With Installment	158.545	2.378	160.923
Without Installment	212.586	-	212.586
<b>Corporate Credit Cards-FC</b>	<b>676</b>	<b>-</b>	<b>676</b>
With Installment	82	-	82
Without Installment	594	-	594
<b>Credited Deposit Account-TL (Legal Person)</b>	<b>255.981</b>	<b>-</b>	<b>255.981</b>
<b>Credited Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1.732.080</b>	<b>4.805.832</b>	<b>6.537.912</b>

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<b>Prior period – 31.12.2010</b>			
	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<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:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Public	1.404.032	1.233.566
Private	68.809.191	51.661.966
<b>Total</b>	<b>70.213.223</b>	<b>52.895.532</b>

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

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Domestic Loans	68.994.407	51.718.870
Foreign Loans	1.218.816	1.176.662
<b>Total</b>	<b>70.213.223</b>	<b>52.895.532</b>



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8. Loans granted to investments in associates and subsidiaries:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Direct Loans Granted to Investments in Associates and Subsidiaries	350.191	250.670
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
<b>Total</b>	<b>350.191</b>	<b>250.670</b>

9. Specific provisions accounted for loans:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Loans and Receivables with Limited Collectibility	131.026	80.196
Loans and Receivables with Doubtful Collectibility	107.978	146.470
Uncollectible Loans and Receivables	930.685	1.052.867
<b>Total</b>	<b>1.169.689</b>	<b>1.279.533</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 2011</b>			
(Gross Amounts Before Specific Provisions)	8.576	8.395	35.902
Restructured Loans and Other Receivables	8.136	7.797	24.614
Rescheduled Loans and Other Receivables	440	598	11.288
<b>Prior 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

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10(ii). Information on the movement of total non-performing 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>Prior Period End Balance: 31 December 2010</b>	<b>80.196</b>	<b>146.470</b>	<b>1.052.867</b>
Additions (+)	450.048	9.593	15.915
Transfers from Other Categories of Non-performing Loans (+)	-	257.984	231.021
Transfers to Other Categories of Non-Performing Loans (-)	257.984	231.021	-
Collections (-)	48.061	65.802	245.731
Write-offs (-)	323	9.246	123.387
Corporate and Commercial Loans	139	436	47.468
Retail Loans	45	2.197	27.046
Credit Cards	139	6.613	48.873
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>223.876</b>	<b>107.978</b>	<b>930.685</b>
Specific Provisions (-)	131.026	107.978	930.685
<b>Net Balance</b>	<b>92.850</b>	<b>-</b>	<b>-</b>

As explained in Note II-h Section Four, as of 31 December 2011, the Bank has set 100% specific provision amounting to TL 41 million after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 million.

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 2011</b>			
Balance at the End of the Period	140.388	3.315	47.249
Specific Provisions (-)	140.388	3.315	47.249
Net Balance on Balance Sheet	-	-	-
<b>Prior 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
<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 2011</b>			
Loans granted to corporate entities and real persons (Gross)	223.876	107.978	930.685
Specific Provisions Amount (-)	131.026	107.978	930.685
Loans granted to corporate entities and real persons (Net)	92.850	-	-
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 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)	-	-	-

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:

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</b>		<b>Prior Period</b>	
	<b>31 December 2011</b>		<b>31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Given as collateral/blocked	3.035.404	678.044	490.918	382.581
Subject to repurchase agreements	556.969	192.443	620.700	195.970
<b>Total</b>	<b>3.592.373</b>	<b>870.487</b>	<b>1.111.618</b>	<b>578.551</b>

2. Information on Held-to-maturity government debt securities:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2011</b>	<b>31 December 2010</b>
Government Bonds	4.823.377	6.626.229
Treasury Bills	-	-
Other Government Debt Securities	-	-
<b>Total</b>	<b>4.823.377</b>	<b>6.626.229</b>

3. Information on Held-to-maturity investments:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2011</b>	<b>31 December 2010</b>
Debt Securities	4.855.944	6.648.942
Quoted to Stock Exchange	4.855.944	6.648.942
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	32.567	22.713
<b>Total</b>	<b>4.823.377</b>	<b>6.626.229</b>

4. The movement of investment securities Held-to-maturity:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2011</b>	<b>31 December 2010</b>
Beginning Balance	6.626.229	15.839.572
Foreign Currency Differences on Monetary Assets	172.732	(2.968)
Purchases During Year	-	-
Disposals Through Sales and Redemptions	1.996.980	9.245.463
Impairment Provision (-)	32.567	22.713
Change in Amortized Cost	53.963	57.801
<b>Balance at the End of the Period</b>	<b>4.823.377</b>	<b>6.626.229</b>

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**g. Information on investments in associates (Net):**

1. Information about investments in 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

2. 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 30 September 2011.

	<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	22.629	19.044	6.401	686	-	3.179	2.525	-
2	33.294	28.668	3.163	1.804	-	12.969	9.899	-

3. Movement schedule of investments in associates:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Balance at the Beginning of the Period	3.125	3.125
Movements During the Period	-	-
Purchases	-	-
Bonus Shares and Contributions to Capital	798	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	-	-
Balance at the End of the Period	3.923	3.125
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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**h. Information on subsidiaries (Net):**

1. Accounting method used for the valuation of subsidiaries: Disclosed in Note III of Section Three.
2. Information on subsidiaries:

<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 Ak Finansal Kiralama A.Ş.	İstanbul/Turkey	99.99	99.99
2 Ak Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99.80	99.80
3 Ak Portföy Yönetimi A.Ş.	İstanbul/Turkey	99.99	99.99
4 Akbank N.V.	Amsterdam/Netherlands	100.00	100.00
5 Akbank AG	Frankfurt/Germany	100.00	100.00
6 Ak B Tipi Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	70.04	70.04
7 Akbank (Dubai) Limited	Dubai/The United Arab Emirates	100.00	100.00

3. 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 2011.

	<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	1.708.140	303.386	3.598	110.015	-	43.045	49.691	-
2	258.788	133.992	1.508	38.465	(381)	67.921	17.206	-
3	25.923	20.594	181	1.401	188	11.616	8.918	-
4	3.694.478	1.054.626	1.921	173.280	33.597	17.025	27.276	-
5	3.380.349	594.332	694	90.620	17.683	27.844	21.945	-
6	40.115	38.555	60	572	(1.839)	(4.643)	4.961	15.381
7	3.899	3.684	20	-	-	2.089	(638)	-

(\*)Fair values are disclosed when the shares of the Companies are publicly traded.

Ak Global Funding B.V., the non-operating subsidiary founded in Netherlands, has been liquidated on 14 October 2011.

Based on restructuring of Bank's foreign subsidiaries, Akbank NV and Akbank AG will be merged in Akbank AG. Following the completion of the merger, Akbank AG will be converted to a 100% direct subsidiary of Akbank.

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4. Movement schedule of subsidiaries:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Balance at the Beginning of the Period	892.916	918.561
Movements During the Period		
Purchases	-	259
Bonus Shares and Contributions to Capital	-	731
Dividends from Current Year Income	-	-
Sales/Liquidation	(34)	-
Revaluation Increase	-	-
Revaluation/Impairment	(9.203)	2.644
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	130.215	(29.279)
Balance at the End of the Period	1.013.894	892.916
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

5. Sectoral information on financial subsidiaries and the related carrying amounts:

<b>Subsidiaries</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Banks	810.190	679.975
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	121.088	121.088
Finance Companies	-	-
Other Financial Subsidiaries	82.616	91.853

6. Subsidiaries quoted on a stock Exchange :

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Subsidiaries quoted on domestic stock exchange	15.381	24.584
Subsidiaries quoted on foreign stock exchange	-	-

**i. Information on finance lease receivables (Net):** None.

**j. Information on the Hedging Derivative Financial Assets:** None.



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**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 2010</b>				
Cost	895.307	757.565	1.375	1.654.247
Accumulated Depreciation(-)	247.594	518.494	-	766.088
Net Book Value	<b>647.713</b>	<b>239.071</b>	<b>1.375</b>	<b>888.159</b>
<b>Current Period End: 31 December 2011</b>				
Net Book Value at the Beginning of the Period	647.713	239.071	1.375	888.159
Additions	16.673	90.931	1.393	108.997
Disposals(-), net	98.516	566	2.551	101.633
Depreciation (-)	24.229	85.404	-	109.633
Impairment	-	-	-	-
Cost at Period End	793.718	793.491	217	1.587.426
Accumulated Depreciation at Period End (-)	252.077	549.459	-	801.536
<b>Closing Net Book Value</b>	<b>541.641</b>	<b>244.032</b>	<b>217</b>	<b>785.890</b>

	<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	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>

As of 31 December 2011, net book value of the tangible fixed assets obtained by financial leasing is TL 137.919 [31 December 2010: TL 110.639].

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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 2011</b>	<b>Prior Period 31 December 2010</b>
Book Values (Gross)	220.390	182.717
Accumulated Amortization (-)	119.828	89.973
Net Book Value	100.562	92.744

2. Reconciliation of movements for the current period and prior period:

	<b>Cari Dönem 31 Aralık 2011</b>	<b>Önceki Dönem 31 Aralık 2010</b>
Cost	220.390	182.717
Accumulated Depreciation (-)	119.828	89.973
<b>Net Book Value</b>	<b>100.562</b>	<b>92.744</b>
Opening Balance	92.744	64.904
Additions	37.665	49.646
Disposals (-), net	-	-
Depreciation (-)	29.847	21.806
<b>Closing Net Book Value</b>	<b>100.562</b>	<b>92.744</b>

**m. Information on the investment properties:** None.

**n. Information on deferred tax asset :**

As of 31 December 2011 deferred tax asset of the Bank is TL 99.166 (31 December 2010: TL 70.888). Provisional differences subject to deferred tax calculation result from mainly the differences 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. There are no carry forward tax losses that can be used as deductions for the tax calculation. 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 2011</b>	<b>31 December 2010</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Employee benefits	75.412	70.036	15.082	14.007
Differences between fair value and book value of financial assets	576.038	546.434	115.208	109.287
Other	145.996	199.135	29.199	39.827
<b>Deferred tax asset</b>			<b>159.489</b>	<b>163.121</b>
Differences between book value and tax base of property, plant and equipment	88.785	112.569	(17.757)	(22.514)
Differences between book value and tax base of financial assets	212.829	348.597	(42.566)	(69.719)
<b>Deferred tax liability</b>			<b>(60.323)</b>	<b>(92.233)</b>
<b>Deferred tax asset/(liability), net</b>			<b>99.166</b>	<b>70.888</b>

**o. Information on property and equipment held for sale and related to discontinued operations:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Cost	2.417	3.845
Accumulated Depreciation (-)	288	620
<b>Net Book Value</b>	<b>2.129</b>	<b>3.225</b>

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Opening Balance	3.225	3.298
Additions	753	440
Disposals (-), net	1.737	356
Depreciation (-)	112	157
<b>Closing Net Book Value</b>	<b>2.129</b>	<b>3.225</b>

**p. Information on other assets:**

Other assets amount to TL 889.411 (31 December 2010: TL 576.883) 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 seven-day notification deposits.

1(i). Current Period – 31 December 2011:

	<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	2.534.267	4.327.204	18.232.086	1.764.520	269.179	213.615	39.595	27.380.466
Foreign Currency Deposits	3.268.752	8.060.431	10.145.479	961.855	1.394.827	897.496	1.443	24.730.283
Residents in Turkey	3.197.953	7.972.904	9.606.990	870.310	633.301	588.038	1.397	22.870.893
Residents Abroad	70.799	87.527	538.489	91.545	761.526	309.458	46	1.859.390
Public Sector Deposits	115.947	14.884	5.055	5.002	107	1	-	140.996
Commercial Deposits	3.247.440	4.309.625	2.368.767	2.345.932	506.951	399.339	-	13.178.054
Other Institutions Deposits	105.463	124.544	400.880	471.230	6.649	582	-	1.109.348
Gold Vault	-	-	-	-	-	-	-	-
Bank Deposits	387.564	1.420.833	7.441.987	613.044	393.674	18.008	-	10.275.110
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	12.379	1.302.300	-	26.116	-	2.005	-	1.342.800
Foreign Banks	88.829	118.533	7.441.987	586.928	393.674	16.003	-	8.645.954
Special Finance Institutions	286.356	-	-	-	-	-	-	286.356
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9.659.433</b>	<b>18.257.521</b>	<b>38.594.254</b>	<b>6.161.583</b>	<b>2.571.387</b>	<b>1.529.041</b>	<b>41.038</b>	<b>76.814.257</b>

1(ii). Prior 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
Gold Vault	-	-	-	-	-	-	-	-
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>

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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 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Saving Deposits	10.778.167	10.478.261	16.602.299	14.562.998
Foreign Currency Saving Deposits	3.395.702	3.501.587	12.468.407	10.015.308
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 2011</b>	<b>Prior Period 31 December 2010</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	875.303	768.897
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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	58.523	-	12.911	-
Swap Transactions	109.166	271.036	134.364	174.263
Futures Transactions	29.000	6.946	29.251	5.672
Options	3.307	72.797	4.686	29.356
Other	-	-	-	-
<b>Total</b>	<b>199.996</b>	<b>350.779</b>	<b>181.212</b>	<b>209.291</b>

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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	173.565	122.588	145.937	80.827
From Foreign Banks, Institutions and Funds	135.020	16.338.982	115.802	10.032.767
<b>Total</b>	<b>308.585</b>	<b>16.461.570</b>	<b>261.739</b>	<b>10.113.594</b>

2. Information on maturity structure of borrowings:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term	216.594	8.745.220	186.246	5.109.077
Medium and Long-Term	91.991	7.716.350	75.493	5.004.517
<b>Total</b>	<b>308.585</b>	<b>16.461.570</b>	<b>261.739</b>	<b>10.113.594</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. 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. There is no risk concentration in any of the funding sources of the Bank.

**d. Information on securities issued (Net):**

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TP</b>	<b>FC</b>	<b>TP</b>	<b>FC</b>
Bank bills	1.081.912	-	966.804	-
Bonds	726.159	2.695.846	-	1.555.457
<b>Total</b>	<b>1.808.071</b>	<b>2.695.846</b>	<b>966.804</b>	<b>1.555.457</b>

**e. Information on other foreign liabilities:**

Other foreign liabilities amount to TL 693.006 (31 December 2010: TL 801.606) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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**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.

Liabilities incurred due to financial leasing agreements:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	Gross	Net	Gross	Net
Less Than 1 Year	78.055	58.818	57.315	41.613
Between 1-4 Years	34.980	27.841	33.295	27.707
More Than 4 Years	-	-	-	-
<b>Total</b>	<b>113.035</b>	<b>86.659</b>	<b>90.610</b>	<b>69.320</b>

**g. Information on the hedging derivative financial liabilities:**

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
Fair value Hedge	-	-	-	-
Cash Flow Hedge	111.480	108.371	309.429	-
Net investment Hedge	-	-	-	-
<b>Total</b>	<b>111.480</b>	<b>108.371</b>	<b>309.429</b>	<b>-</b>

**h. Information on provisions:**

1. Information on general provisions:

	Current Period 31 December 2011	Prior Period 31 December 2010
<b>General Provisions</b>	<b>791.847</b>	<b>489.569</b>
Provisions for Group I. Loans and Receivables	641.961	383.586
Provisions for Group II. Loans and Receivables	22.604	20.705
Provisions for Non-cash Loans	72.020	56.660
Other	55.262	28.618

In accordance with the "Communiqué on Amendment to be made on 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 28 May 2011, No.27947 and Official Gazette dated 30 December 2011, No.28158, loans with extended payment plans up to 1 year and over 1 year are amounting to TL 688.578 and TL 209.660, respectively. The Bank provided additional general provision amounting to TL 34.730 for such loans.



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2. Information on reserve for employment termination benefits:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Balance Sheet Obligations for:</b>		
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	41.819	38.935
- Reserve for unused vacation	33.593	31.101
<b>Total</b>	<b>75.412</b>	<b>70.036</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 for the years ended 2011 and 2010.

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Income Statement Charge for:</b>		
- Post-employment benefits (pension and medical)	(99.060)	(87.125)
- Reserve for employment termination benefits	(15.067)	(8.951)
- Reserve for unused vacation	(2.492)	(3.951)
<b>Toplam</b>	<b>(116.619)</b>	<b>(100.027)</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 99.060 (31 December 2010 : TL 87.125) 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 2.731,85 (in full TL amount) (31 December 2010: TL 2.517 (in full TL amount)) for each year of service. This liability is legally not founded and 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 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Discount Rate (%)	4,70	4,66
Rate for the Probability of Retirement (%)	93,57	93,46

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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 2.805,04 (1 January 2011: TL 2.623,23) effective from 1 January 2012 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 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Balance at the Beginning of the Period</b>	<b>38.935</b>	<b>30.135</b>
Provisions Recognized During the Period	15.067	18.095
Paid During the Period	(12.183)	(9.295)
<b>Balance at the End of the Period</b>	<b>41.819</b>	<b>38.935</b>

As of 31 December 2011, the Bank has accounted provision for unused vacation rights amounting to TL 33.593 (31 December 2010: TL 31.101).

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 157.674 (31 December 2010: TL 85.337), the surplus of the Fund amounts to TL 322.392 as of 31 December 2011 (31 December 2010: TL 462.242).

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Present value of funded obligations	(604.794)	(424.002)
- Pension benefits transferrable to SSI	(854.018)	(760.219)
- Post-employment medical benefits transferrable to SSI	406.898	421.554
- Other non-transferrable benefits	(157.674)	(85.337)
Fair value of plan assets	927.186	886.244
<b>Surplus</b>	<b>322.392</b>	<b>462.242</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>Discount rate</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</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	4,16 %	4,66 %

For the year 2011, It is representing the average rate calculated by considering each individuals remaining retirement year.

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**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 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Prior period end</b>	<b>886.244</b>	<b>854.181</b>
Actual return on plan assets	106.249	98.310
Employer contributions	99.060	87.125
Employee contributions	85.010	76.612
Benefits paid	(249.377)	(229.984)
<b>Period end</b>	<b>927.186</b>	<b>886.244</b>

Plan assets are comprised as follows:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
Bank placements	652.018	70 %	793.085	89 %
Premises and equipment	30.580	3 %	31.288	4 %
Marketable securities and share certificates	222.516	24 %	52.981	6 %
Other	22.072	3 %	8.890	1 %
<b>Period end</b>	<b>927.186</b>	<b>100 %</b>	<b>886.244</b>	<b>100 %</b>

3. Information on provisions related with foreign currency difference of foreign indexed loans:

As of 31 December 2011, the provision related to foreign currency differences of foreign indexed loans amounts to TL 3.470 (31 December 2010: TL 1.770), 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 2011 is amounting to TL 78.460 (31 December 2010: TL 89.269)

5. Information on other provisions:

5 (i). Information on general reserves for possible risks: None (31 December 2010: TL 25.000).

5 (ii). Information on provisions for banking services promotion:

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 128.141 (31 December 2010: TL 119.834).

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**i. Explanations on tax liability :**

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVIII of Section Three. As of 31 December 2011, the corporate tax liability after the deduction of temporary taxes paid is TL 92.392 (31 December 2010: TL 255.467).

1(i). Information on taxes payable:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Corporate Taxes Payable	92.392	255.467
Taxation on Marketable Securities	78.388	60.785
Property Tax	1.048	869
Banking Insurance Transaction Tax (BITT)	38.225	25.627
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	1.928	2.598
Other	23.423	26.453
<b>Total</b>	<b>235.404</b>	<b>371.799</b>

1(iii). Information on premium payables:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Social Security Premiums – Employee	-	-
Social Security Premiums – Employer	1	1
Bank Social Aid Pension Fund Premium- Employee	3	6
Bank Social Aid Pension Fund Premium – Employer	3	8
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	1.043	564
Unemployment Insurance – Employer	2.087	1.129
Other	20	-
<b>Total</b>	<b>3.157</b>	<b>1.708</b>

2. Information on deferred tax liability:

As of 31 December 2011, the deferred tax liability of the Bank amounts to TL (-) (31 December 2010: TL (-)). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

**j. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Common Stock	4.000.000	4.000.000
Preferred Stock	-	-

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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: None.
4. Information on share capital increases from capital reserves during the current period: None.
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 possible effects of these future assumptions on the Groups's equity due to uncertainties at these indicators;

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 investment such as associates and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and 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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	(6.730)	-	2.473	-
Valuation Difference	(99.396)	(78.181)	1.722.413	61.718
Foreign Currency Differences	-	-	-	-
<b>Total</b>	<b>(106.126)</b>	<b>(78.181)</b>	<b>1.724.886</b>	<b>61.718</b>

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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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term Loans	1.676.433	111.094	1.435.106	69.731
Medium and Long-term Loans	2.288.894	942.886	1.876.011	668.069
Interest on Loans Under Follow-Up	43.260	-	44.133	55
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>4.008.587</b>	<b>1.053.980</b>	<b>3.355.250</b>	<b>737.855</b>

(\*) Fee and commission income from cash loans is included.

2. Information on interest income on banks:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From the CBRT	-	-	77.587	-
From Domestic Banks	162	1.294	71	145
From Foreign Banks	-	6.801	-	7.550
From Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>162</b>	<b>8.095</b>	<b>77.658</b>	<b>7.695</b>

3. Information on interest income on marketable securities:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Trading Financial Assets	143.333	21.084	25.483	5.746
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	3.165.775	152.700	3.414.698	142.645
From Held-to-Maturity Investments	458.959	75.626	730.215	133.596
<b>Total</b>	<b>3.768.067</b>	<b>249.410</b>	<b>4.170.396</b>	<b>281.987</b>

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available-for-sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. Starting from 1 January 2011, estimated inflation rate based on CPI has been used for the valuation of these marketable securities. Estimated inflation rate is updated when necessary during the year. As of 31 December 2011, the valuation of these securities is made by considering the real coupon rates together with the changes in the CPI references between the issuance date and balance sheet date.

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4. Information on interest income received from investments in associates and subsidiaries:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Interests Received From Investments in Associates and Subsidiaries	14.987	11.853

**b. Information on interest expense:**

1. Information of interest expense on borrowings [\*] :

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	18.230	233.519	11.419	176.194
The CBRT	-	-	-	-
Domestic Banks	11.864	2.609	8.947	1.603
Foreign Banks	6.366	230.910	2.472	174.591
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	6.331	-	4.123
<b>Total</b>	<b>18.230</b>	<b>239.850</b>	<b>11.419</b>	<b>180.317</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 2011</b>	<b>Prior Period 31 December 2010</b>
To Associates and Subsidiaries	12.285	6.413

3. Information on interest expense given to securities issued :

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Interest expense on securities issued	119.575	126.593	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 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	-	18.571	129.125	12.679	1.695	207	162.277
Saving Deposits	640	310.384	1.516.185	112.252	21.611	12.002	1.973.074
Public Sector Deposits	4	242	641	229	5	1	1.122
Commercial Deposits	772	194.768	473.460	148.814	83.850	2.075	903.739
Other Deposits	24	6.259	74.489	15.771	101	485	97.129
Total	1.440	530.224	2.193.900	289.745	107.262	14.770	3.137.341
FC							
Foreign Currency Deposits	603	148.214	375.536	30.135	39.321	18.986	612.795
Bank Deposits	-	10.216	150.177	8.132	5.175	585	174.285
Precious Metals Deposits	-	-	-	-	-	-	-
Total	603	158.430	525.713	38.267	44.496	19.571	787.080
Grand Total	2.043	688.654	2.719.613	328.012	151.758	34.341	3.924.421

c. Explanations on dividend income:

	Current Period 31 December 2011	Prior Period 31 December 2010
From Trading Financial Assets	1	214
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-Sale Financial Assets	176	-
Other (*)	50.302	27.073
<b>Total</b>	<b>50.479</b>	<b>27.287</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 2011	Prior Period 31 December 2010
<b>Profit</b>	<b>226.621.196</b>	<b>30.238.601</b>
Income From Capital Market Transactions	812.145	459.999
Income From Derivative Financial Transactions	1.528.674	846.762
Foreign Exchange Gains	224.280.377	28.931.840
<b>Loss (-)</b>	<b>226.740.378</b>	<b>30.205.673</b>
Loss from Capital Market Transactions	380.681	34.197
Loss from Derivative Financial Transactions	1.719.933	1.284.669
Foreign Exchange Loss	224.639.764	28.886.807
<b>Total (Net)</b>	<b>(119.182)</b>	<b>32.928</b>

The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 397.722 (31 December 2010: TL 16.380).



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**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 and from profit on property sales. The profit on property sales amounts to TL 84.192 for the period 1 January-31 December 2011 (31 December 2010: TL 8.417).

**f. Provision expenses related to loans and other receivables of the Bank:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Specific Provisions for Loans and Other Receivables	302.011	348.175
III. Group Loans and Receivables	175.306	80.790
IV. Group Loans and Receivables	101.324	151.787
V. Group Loans and Receivables	25.381	115.598
General Provision Expenses	302.278	120.282
Provision Expense for Possible Risks	-	25.000
Marketable Securities Impairment Expense	11.219	2.605
Financial Assets at Fair Value through Profit or Loss	954	702
Available-for-sale Financial Assets	10.265	1.903
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	32.567	22.713
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	32.567	22.713
Other	-	-
<b>Total</b>	<b>648.075</b>	<b>518.775</b>

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**g. Information related to other operating expenses:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Personnel Expenses	960.371	877.517
Reserve for Employee Termination Benefits	2.884	10.551
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	109.633	103.601
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	29.847	21.806
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	112	157
Impairment Expenses of Fixed Assets Held for Resale	-	-
Other Operating Expenses	1.022.397	1.089.241
Operational Leasing Expenses	97.905	76.963
Maintenance Expenses	20.108	21.312
Advertisement Expenses	85.818	120.008
Other Expenses	818.566	870.958
Loss on Sales of Assets	341	701
Other	308.588	313.251
<b>Total</b>	<b>2.434.173</b>	<b>2.416.825</b>

**h. 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 3.992.895, net fees and commission income amounting to TL 1.578.520 and the amount of other operating expense is TL 2.434.173.

The Bank has no discontinued operations.

**i. Information on tax provision of continued and discontinued operations:**

As of 31 December 2011, the Bank has a current tax expense of TL 587.072 and deferred tax expense of TL 19.608. The amount of deferred tax income that occurred due to the temporary differences is TL 19.990 and deferred tax expense is TL 37.713; the amounts of deferred tax income and deferred tax expense that occurred due to the closing of temporary differences are TL 36.691 and TL 38.576 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 2.394.527.

The Bank has no discontinued operations.

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**k. 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: Explained in Note III-a-3 of Section Five.

**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 5.000.654 asset purchase commitments (31 December 2010: TL 1.659.998). TL 13.718.870 commitment for credit card limits (31 December 2010: TL 12.591.257). TL 4.291.376 commitments for cheque books (31 December 2010: TL 3.945.886)

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 letter of credits:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Bank Acceptance Loans	120.751	70.208
Letters of Credit	4.166.300	2.762.691
Other Commitments and Contingencies	1.291.730	963.391
<b>Total</b>	<b>5.578.781</b>	<b>3.796.290</b>

- 2 (ii). Revocable, irrevocable guarantees and other similar commitments and contingencies:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Revocable Letters of Guarantee	426.999	313.186
Irrevocable Letters of Guarantee	5.348.664	3.731.755
Letters of Guarantee Given in Advance	1.476.137	1.028.940
Guarantees Given to Customs	495.870	420.185
Other Letters of Guarantee	1.308.595	1.074.555
<b>Total</b>	<b>9.056.265</b>	<b>6.568.621</b>

3. Total amount of non-cash loans:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Non-cash Loans Given against Cash Loans	443.162	252.683
With Original Maturity of 1 Year or Less Than 1 Year	386.045	199.745
With Original Maturity of More Than 1 Year	57.117	52.938
Other Non-cash Loans	14.191.884	10.112.228
<b>Total</b>	<b>14.635.046</b>	<b>10.364.911</b>

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3 (ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2011				Prior Period 31 December 2010			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	18.946	0,34	18.160	0,20	18.013	0,39	14.673	0,25
Farming and Raising								
Livestock	6.591	0,12	17.236	0,19	8.951	0,19	14.644	0,25
Forestry	12.318	0,22	924	0,01	9.030	0,20	29	0,00
Fishing	37	0,00	-	-	32	0,00	-	-
Manufacturing	1.650.583	29,97	3.796.962	41,60	1.450.490	31,56	3.231.068	56,02
Mining	13.961	0,25	3.104	0,03	9.100	0,20	8.440	0,15
Production	1.386.651	25,18	3.544.129	38,83	1.190.055	25,89	2.855.908	49,51
Electric, Gas and Water	249.971	4,54	249.729	2,74	251.335	5,47	366.720	6,36
Construction	929.491	16,88	882.050	9,66	667.401	14,52	588.573	10,20
Services	2.544.009	46,18	2.976.066	32,60	2.121.636	46,16	1.390.165	24,09
Wholesale and Retail Trade	1.628.391	29,57	675.097	7,40	1.301.479	28,31	335.357	5,81
Hotel, Food and								
Beverage Services	27.133	0,49	7.739	0,08	20.006	0,44	8.736	0,15
Transportation and								
Telecommunication	116.143	2,11	190.718	2,09	141.392	3,08	165.691	2,87
Financial Institutions	663.890	12,05	2.000.722	21,92	562.556	12,24	841.551	14,59
Real Estate and Leasing								
Services	1.835	0,03	1.908	0,02	633	0,01	1.538	0,03
Self-Employment Services	12.177	0,22	2.220	0,02	8.440	0,18	1.999	0,03
Education Services	12.910	0,23	1.701	0,02	6.245	0,14	152	0,00
Health and Social Services	81.530	1,48	95.961	1,05	80.885	1,76	35.141	0,61
Other	364.701	6,63	1.454.078	15,94	339.082	7,37	543.810	9,44
<b>Total</b>	<b>5.507.730</b>	<b>100,00</b>	<b>9.127.316</b>	<b>100,00</b>	<b>4.596.622</b>	<b>100,00</b>	<b>5.768.289</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>5.487.591</b>	<b>9.078.350</b>	<b>20.139</b>	<b>48.966</b>
Letters of Guarantee	4.838.908	4.148.252	20.139	48.966
Bank Acceptances	15	120.736	-	-
Letters of Credit	2.229	4.164.071	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	13.384	-	-
Other Commitments and Contingencies	646.439	631.907	-	-

4. Mutual Funds :

As of 31 December 2011, the Bank is the founder of 38 mutual funds (31 December 2010: 32) with a total fund value of TL 3.950.103 (31 December 2010: TL 4.100.904). 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 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Types of Trading Transactions</b>		
Foreign Currency Related Derivative Transactions (I)	44.434.103	22.177.284
FC Trading Forward Transactions	4.503.709	2.880.054
Trading Swap Transactions	33.051.237	12.120.358
Futures Transactions	-	2.004
Trading Option Transactions	6.879.157	7.174.868
Interest Related Derivative Transactions (II)	25.664.366	14.107.388
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	17.959.960	11.844.674
Interest Rate Options	7.704.406	2.262.714
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	3.734.003	164.504
A. Total Trading Derivative Transactions (I+II+III)	73.832.472	36.449.176
<b>Types of Hedging Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	4.557.785	5.090.000
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	4.557.785	5.090.000
<b>Total Derivative Transactions (A+B)</b>	<b>78.390.257</b>	<b>41.539.176</b>

**c. Explanations on contingent assets and liabilities:**

**1. Contingent Liabilities:**

The Bank has accounted a provision amounting to TL 3.254 (31 December 2010: 27.920 TL ) for the contingent liabilities with a high probability of realization about continuing opposing trials.

The Competition Board has initiated an investigation in accordance with Law No. 4054 on the Protection of Competition, with its decision dated November 2, 2011 and numbered 11-55/1438 – M, against 12 banks and 2 firms in the financial services industry, including the Bank to determine whether the 4th clause of the aforementioned Law was violated through agreements limiting competition. The investigation is still continuing and the Bank does not foresee any effects on 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 21 March 2011. In the Ordinary General Assembly, it was resolved to distribute a TL 570.620 cash dividend over the TL 2.856.529 net unconsolidated income from 2010 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 44.187 to tangible assets revaluation differences, to allocate TL 179.889 as legal and TL 2.061.833 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 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 2011, the amount directly recognized in equity is (-)TL 155.936.

**c. 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 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 2011</b>	<b>Prior Period 31 December 2010</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.

2. Cash and cash equivalents at the end of period:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Cash</b>	<b>1.501.224</b>	<b>1.297.856</b>
Cash, Foreign Currency and Other	1.040.469	805.706
Demand Deposits in Banks (*)	460.755	492.150
<b>Cash Equivalents</b>	<b>1.555.326</b>	<b>572.524</b>
Interbank Money Market Placements	-	-
Time Deposits in Banks	1.183.593	566.893
Marketable Securities	371.733	5.631
<b>Total Cash and Cash Equivalents</b>	<b>3.056.550</b>	<b>1.870.380</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 1.940.473 (31 December 2010: (-) TL 1.223.119) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 818.413 (31 December 2010: TL 557.736) consists mainly of changes in miscellaneous payables and other liabilities.

The effect of changes in the foreign currency rates on the cash and cash equivalents is calculated approximately as TL 286.660 as of 31 December 2011. (31 December 2010: TL 31.822).



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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 2011:

<b>Bank's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>		<b>Direct and Indirect Shareholders of the Group</b>		<b>Other Real and Legal Persons that have been included in the Risk Group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
Loans and Other Receivables						
Balance at the Beginning of the Period	250.670	84.869	926.506	380.791	2.427	3.022
Balance at the End of the Period	350.191	223.015	1.549.379	454.864	-	-
Interest and Commission Income Received	14.987	179	73.949	1.688	20	8

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 1.809.945 as of 31 December 2011.

2. Prior Period -31 December 2010:

<b>Bank's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>		<b>Direct and Indirect Shareholders of the Group</b>		<b>Other Real and Legal Persons that have been included in the Risk Group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
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

3. Information on deposits of the Bank's risk group:

<b>Bank's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>		<b>Direct and Indirect Shareholders of the Group</b>		<b>Other Real and Legal Persons that have been included in the Risk Group</b>	
	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Deposit</b>						
Balance at the Beginning of the Period	72.643	96.043	1.514.114	1.546.078	997.787	923.675
Balance at the End of the Period	241.625	72.643	2.453.369	1.514.114	869.115	997.787
Interest on Deposits	12.285	6.413	107.600	91.877	53.881	40.009

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(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 Group		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 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	305.710	400.086	2.310.514	1.769.172	58.156	81.284
Balance at the End of the Period	263.679	305.710	2.945.172	2.310.514	1.219.583	58.156
Total Income/Loss	(637)	(3.476)	(4.170)	(28.313)	(2.944)	(713)
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	188.890	-	-	-
Total Income/Loss	-	-	(3.396)	(7.232)	-	-

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 Bank. As of 31 December 2011, the net exposure for investments in associates and subsidiaries is TL 253 (31 December 2010: TL (-) 515), for direct and indirect shareholders of the Bank TL (-) 704 (31 December 2010: TL (-) 248.008) and for other third party or legal person in risk group TL (-) (31 December 2010: TL (-)).

5. Information regarding benefits provided to the Bank's key management:

As of 31 December 2011, benefits provided to the Bank's key management amount to TL 16.606 (31 December 2010: TL 15.752).

**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	Country of Incorporation		Statutory Share Capital
Domestic Branch	926	15.327			
Foreign Representation Office	-	-			
				Total Assets	
Foreign Branch	-	-	-	-	-
Off-shore Banking Region Branches	1	12	Malta	24.015.530	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure: In 2011, the Bank has opened 36 domestic branches and closed up 22 domestic branches.

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PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
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**AKBANK T.A.Ş.**

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**AT 31 DECEMBER 2011**

**(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

**IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

1. According to the Board of Director's meeting dated 16 January 2012, it has been decided to increase the Bank's registered capital ceiling from TL 5.000.000 to TL 8.000.000. In line with this decision, it is decided to make amendment in the 9th clause of the Bank's articles of association and authorize the General Management to make necessary applications by the competent authority.
2. The Bank has signed a financial advisory agreement with Ak Yatırım Menkul Değerler A.Ş., in order to assess the strategic alternatives about the Ak B Tipi Yatırım Ortaklığı A.Ş., 70,04% direct subsidiary of the Bank.
3. The Bank has applied to the Capital Markets Boards of Turkey in order to issue bonds or similar borrowing instruments in foreign markets amounting to USD 1.5 billion in USD and/or other foreign currencies.
4. The Bank has issued 178 day maturity bond with 11,24% simple interest rate amounting to TL 260 million of which the redemption date is 16 July 2012.
5. The Bank has issued 1.116 day maturity bond with quarterly determined floating interest rate, 36 monthly coupon payments and principal payment at maturity amounting to TL 390 million of which the redemption date is 9 February 2015. First, second and third coupon rates of the bond will be 0.96% (each coupon).
6. According to the Board of Director's meeting dated 27 January 2012; it is decided to hold the Bank's General Assembly Meeting at 14:00 on Friday in 30 March 2012 at Sabancı Center 4.Levent/İstanbul.

**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 2011 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 10 February 2012 is presented preceding 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 2011 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)**

**(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 31 December 2011 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 period 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 1 November 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 2011 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.

**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

Istanbul, 10 February 2012

**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 2011**

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.	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.

10 February 2012

					
Suzan SABANCI DİNÇER Chairman of the Board of Directors	Hayri ÇULHACI Head of the Audit Committee	M.Hikmet BAYAR Member of the Audit Committee	S. Hakan BİNBAŞGİL 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  
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 2011**

(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 2011, approximately 31% of the shares are publicly traded, including the ADRs (31 December 2010: 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, Board member, Consultant:</b>	Erol SABANCI	Honorary Chairman, Board Member and Consultant	Undergraduate
<b>Board of Directors:</b>	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	Özen GÖKSEL	Executive Board Member	Undergraduate
	Bülent ADANIR	Board Member	Graduate
	M. Hikmet BAYAR	Board Member	Graduate
	Ş. Yaman TÖRÜNER	Board Member	Undergraduate
	William J. MILLS	Board Member	Undergraduate
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
<b>President and CEO:</b>	S. Hakan BİNBAŞGİL	CEO	Graduate
<b>Director of Internal Audit:</b>	Eyüp ENGİN	Head of Internal Audit	Undergraduate

**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 2011**

(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
	Sevilay ÖZSÖZ	Operation	Undergraduate
	Ahmet Fuat AYLA	Loans	Undergraduate
	Hülya KEFELİ	International Banking	Undergraduate
	K. Atıl ÖZÜS	Financial Coordination	Undergraduate
	A. Galip TÖZGE	Consumer Banking	Graduate
	Tunç AKYURT	Strategy	Graduate
	Bade SİPAHİOĞLU IŞIK	Human Resources	Graduate
	O. Mehmet SİNDEL	Payment Systems	Undergraduate
	Kerim ROTA	Treasury	Undergraduate
	C. Kaan GÜR	Commercial and SME Banking	Undergraduate
	Alper Hakan YÜKSEL	Corporate Banking	Undergraduate
	O. Saltık GALATALI	Private Banking	Graduate
	Turgut GÜNEY	Information Technologies	Graduate
<b>Internal Audit Committee:</b>	Hayri ÇULHACI	Head of the Audit Committee	Graduate
	M. Hikmet BAYAR	Member of the Audit Committee	Graduate
<b>Auditors:</b>	Mevlüt AYDEMİR	Auditor	Undergraduate
	M.Nedim BOZFAKIOĞLU	Auditor	Undergraduate

The shares of the above individuals are insignificant in the Bank.

Ferda Besli, Executive Vice Presidents in charge of SME Banking, has resigned as of 7 January 2011. In accordance with the decision taken in the Board of Directors Meeting Cenk Kaan Gür has been appointed to the position vacated by Ferda Besli effective from 14 January 2011.

According to 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 as Head of the Audit Committee in lieu of Bülent Adanır, Executive Board Member.

Cem Mengi, Executive Vice President in charge of Corporate Banking, has resigned as of 31 January 2011. In accordance with the decision taken in the Board of Directors Meeting Alper Hakan Yüksel has been appointed to the position vacated by Cem Mengi effective from 14 March 2011.

According to the Board of Director's decision dated 22 April 2011, Özen Göksel has been appointed as Board Member subject to the approval of next General Assembly.

Emre Derman, member of Board of Directors, has resigned as of 20 June 2011.

M. Fikret Önder, Executive Vice President in charge of Private Banking, has resigned as of 29 July 2011. Osman Saltık Galatalı has been appointed to the position with the Board of Directors decision.

Alpaslan Özlü, Executive Vice President in charge of Information Technologies, has resigned as of 31 August 2011. In accordance with the decision taken in the Board of Directors Meeting, Turgut Güney has been appointed to the position vacated by Alpaslan Özlü effective from 3 October 2011.

According to the Board of Director's decision dated 21 November 2011, Bülent Adanır, Executive Board Member, has resigned as of 31 December 2011 and continued to take the role of being Member of Board of Directors. Özen Göksel has been appointed as Executive Board Member in lieu of Bülent Adanır effective from 15 December 2011.

Ziya Akkurt, member of Board of Directors and CEO, has resigned as of 5 January 2012. In accordance with the decision taken by the Board of Directors, S. Hakan Binbaşgil, President Deputy, has been appointed to the position vacated by Ziya Akkurt.

**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 2011**

**(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

**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, Commercial and 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 2011, the Bank has 926 branches dispersed throughout the country and 1 branch operating abroad (31 December 2010: 912 branches and 1 branch operating abroad). As of 31 December 2011, the Bank employed 15.339 people (31 December 2010: 15.330).

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., 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 2011, the Group employed 15.548 people (31 December 2010: 15.550).

## AKBANK T.A.Ş.

## I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2011 (STATEMENT OF FINANCIAL POSITION)

(Amounts are expressed in thousands of Turkish Lira (TL)).

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2011)			PRIOR PERIOD (31/12/2010)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>	<b>(I-a)</b>	<b>4.829.685</b>	<b>9.049.004</b>	<b>13.878.689</b>	<b>2.255.059</b>	<b>3.841.762</b>	<b>6.096.821</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	<b>(I-b)</b>	<b>589.632</b>	<b>401.642</b>	<b>991.274</b>	<b>828.136</b>	<b>253.507</b>	<b>1.081.643</b>
2.1 Trading Financial Assets		589.632	401.642	991.274	828.136	253.507	1.081.643
2.1.1 Government Debt Securities		119.144	29.193	148.337	483.282	102.588	585.870
2.1.2 Share Certificates		14.249	-	14.249	24.732	-	24.732
2.1.3 Trading Derivative Financial Assets		454.262	372.449	826.711	320.122	150.919	471.041
2.1.4 Other Marketable Securities		1.977	-	1.977	-	-	-
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>128.913</b>	<b>3.325.880</b>	<b>3.454.793</b>	<b>421.485</b>	<b>1.989.059</b>	<b>2.410.544</b>
<b>IV. MONEY MARKETS</b>		<b>8.210</b>	<b>-</b>	<b>8.210</b>	<b>13.803</b>	<b>-</b>	<b>13.803</b>
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		8.210	-	8.210	13.803	-	13.803
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>(I-d)</b>	<b>32.679.923</b>	<b>6.288.362</b>	<b>38.968.285</b>	<b>38.285.150</b>	<b>5.020.201</b>	<b>43.305.351</b>
5.1 Share Certificates		6.546	161	6.707	5.546	25.735	31.281
5.2 Government Debt Securities		32.591.200	4.753.503	37.344.703	38.225.182	4.176.905	42.402.087
5.3 Other Marketable Securities		82.177	1.534.698	1.616.875	54.422	817.561	871.983
<b>VI. LOANS AND RECEIVABLES</b>	<b>(I-e)</b>	<b>42.000.209</b>	<b>32.355.351</b>	<b>74.355.560</b>	<b>32.035.046</b>	<b>25.697.921</b>	<b>57.732.967</b>
6.1 Loans and Receivables		41.907.359	32.355.351	74.262.710	32.035.046	25.697.921	57.732.967
6.1.1 Loans to Bank's Risk Group	<b>(VII)</b>	578.204	1.062.310	1.640.514	337.537	613.570	951.107
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		41.329.155	31.293.041	72.622.196	31.697.509	25.084.351	56.781.860
6.2 Loans under Follow-up		1.262.539	120	1.262.659	1.279.533	101	1.279.634
6.3 Specific Provisions (-)		1.169.689	120	1.169.809	1.279.533	101	1.279.634
<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>3.808.631</b>	<b>1.015.839</b>	<b>4.824.470</b>	<b>5.359.714</b>	<b>1.267.566</b>	<b>6.627.280</b>
8.1 Government Debt Securities		3.807.724	1.015.839	4.823.563	5.358.854	1.267.566	6.626.420
8.2 Other Marketable Securities		907	-	907	860	-	860
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>(I-g)</b>	<b>3.923</b>	<b>-</b>	<b>3.923</b>	<b>3.125</b>	<b>-</b>	<b>3.125</b>
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		3.923	-	3.923	3.125	-	3.125
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3.923	-	3.923	3.125	-	3.125
<b>X. SUBSIDIARIES (Net)</b>	<b>(I-h)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
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>241.900</b>	<b>1.172.905</b>	<b>1.414.805</b>	<b>153.226</b>	<b>838.051</b>	<b>991.277</b>
12.1 Financial Lease Receivables		288.163	1.330.793	1.618.956	183.319	961.907	1.145.226
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income ( - )		46.263	157.888	204.151	30.093	123.856	153.949
<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>787.064</b>	<b>3.597</b>	<b>790.661</b>	<b>896.449</b>	<b>4.892</b>	<b>901.341</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>(I-l)</b>	<b>101.202</b>	<b>1.013</b>	<b>102.215</b>	<b>92.852</b>	<b>279</b>	<b>93.131</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		101.202	1.013	102.215	92.852	279	93.131
<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>112.829</b>	<b>3.779</b>	<b>116.608</b>	<b>84.744</b>	<b>4.886</b>	<b>89.630</b>
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	<b>(I-n)</b>	112.829	3.779	116.608	84.744	4.886	89.630
<b>XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>3.686</b>	<b>-</b>	<b>3.686</b>	<b>3.225</b>	<b>-</b>	<b>3.225</b>
18.1 Held for Sale Purpose		3.686	-	3.686	3.225	-	3.225
18.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>(I-p)</b>	<b>885.989</b>	<b>107.964</b>	<b>993.953</b>	<b>664.172</b>	<b>55.417</b>	<b>719.589</b>
<b>TOTAL ASSETS</b>		<b>86.181.796</b>	<b>53.725.336</b>	<b>139.907.132</b>	<b>81.096.186</b>	<b>38.973.541</b>	<b>120.069.727</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 2011 (STATEMENT OF FINANCIAL POSITION)**

[Amounts are expressed in thousands of Turkish Lira (TL)].

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2011)			PRIOR PERIOD (31/12/2010)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>43.486.502</b>	<b>37.284.315</b>	<b>80.770.817</b>	<b>42.016.947</b>	<b>29.691.388</b>	<b>71.708.335</b>
1.1 Deposits of Bank's Risk Group	<b>(VII)</b>	1.153.300	2.171.146	3.324.446	1.179.811	1.343.379	2.523.190
1.2 Other		42.333.202	35.113.169	77.446.371	40.837.136	28.348.009	69.185.145
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b)</b>	<b>199.996</b>	<b>473.039</b>	<b>673.035</b>	<b>181.212</b>	<b>259.362</b>	<b>440.574</b>
<b>III. BORROWINGS</b>	<b>(II-c)</b>	<b>349.143</b>	<b>17.696.178</b>	<b>18.045.321</b>	<b>401.858</b>	<b>11.095.306</b>	<b>11.497.164</b>
<b>IV. MONEY MARKETS</b>		<b>5.563.644</b>	<b>7.498.500</b>	<b>13.062.144</b>	<b>10.994.894</b>	<b>802.227</b>	<b>11.797.121</b>
4.1 Funds from Interbank Money Market		91.166	549.703	640.869	400.005	-	400.005
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		5.472.478	6.948.797	12.421.275	10.594.889	802.227	11.397.116
<b>V. SECURITIES ISSUED (Net)</b>	<b>(II-d)</b>	<b>1.807.958</b>	<b>2.695.846</b>	<b>4.503.804</b>	<b>966.804</b>	<b>1.555.457</b>	<b>2.522.261</b>
5.1 Bills		1.081.799	-	1.081.799	966.804	-	966.804
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		726.159	2.695.846	3.422.005	-	1.555.457	1.555.457
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>2.112.282</b>	<b>220.420</b>	<b>2.332.702</b>	<b>1.586.011</b>	<b>124.647</b>	<b>1.710.658</b>
<b>VIII. OTHER LIABILITIES</b>	<b>(II-e)</b>	<b>576.902</b>	<b>169.487</b>	<b>746.389</b>	<b>664.529</b>	<b>163.489</b>	<b>828.018</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>111.480</b>	<b>108.371</b>	<b>219.851</b>	<b>309.429</b>	-	<b>309.429</b>
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		111.480	108.371	219.851	309.429	-	309.429
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>(II-h)</b>	<b>785.490</b>	<b>345.744</b>	<b>1.131.234</b>	<b>632.599</b>	<b>247.360</b>	<b>879.959</b>
12.1 General Loan Loss Provision		491.720	320.718	812.438	294.564	232.556	527.120
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		77.134	477	77.611	71.383	345	71.728
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		216.636	24.549	241.185	266.652	14.459	281.111
<b>XIII. TAX LIABILITY</b>	<b>(II-i)</b>	<b>241.235</b>	<b>49.221</b>	<b>290.456</b>	<b>372.772</b>	<b>55.842</b>	<b>428.614</b>
13.1 Current Tax Liability		241.235	24.464	265.699	372.772	38.940	411.712
13.2 Deferred Tax Liability		-	24.757	24.757	-	16.902	16.902
<b>XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE</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>18.247.580</b>	<b>(116.201)</b>	<b>18.131.379</b>	<b>17.883.521</b>	<b>64.073</b>	<b>17.947.594</b>
16.1 Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2 Capital Reserves		2.763.864	(116.201)	2.647.663	4.487.063	64.073	4.551.136
16.2.1 Share Premium		1.700.030	-	1.700.030	1.700.030	-	1.700.030
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	<b>(II-k)</b>	(99.396)	(63.915)	(163.311)	1.722.413	93.893	1.816.306
16.2.4 Property and Equipment Revaluation Differences		47.106	-	47.106	2.919	-	2.919
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		236	-	236	-	-	-
16.2.8 Hedging Funds (Effective portion)		(295.246)	(52.286)	(347.532)	(349.433)	(29.820)	(379.253)
16.2.9 Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.411.134	-	1.411.134	1.411.134	-	1,411.134
16.3 Profit Reserves		8.728.740	-	8.728.740	6.312.226	-	6,312.226
16.3.1 Legal Reserves		1.131.877	-	1.131.877	946.058	-	946.058
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		7.316.076	-	7.316.076	5.254.243	-	5,254.243
16.3.4 Other Profit Reserves		280.787	-	280.787	111.925	-	111.925
16.4 Income or (Loss)		2.745.214	-	2.745.214	3.071.298	-	3,071.298
16.4.1 Prior Years' Income or (Loss)		208.839	-	208.839	62.489	-	62.489
16.4.2 Current Year Income or (Loss)		2.536.375	-	2.536.375	3.008.809	-	3,008.809
16.5 Minority Interest		9.762	-	9.762	12.934	-	12.934
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>73.482.212</b>	<b>66.424.920</b>	<b>139.907.132</b>	<b>76.010.576</b>	<b>44.059.151</b>	<b>120.069.727</b>

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

**AKBANK T.A.Ş.****II. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2011**

(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>(01/01-31/12/2011)</b>	<b>(01/01-31/12/2010)</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(III-a)</b>	<b>9.473.645</b>	<b>8.994.490</b>
1.1	Interest on loans	<b>(III-a-1)</b>	5.239.287	4.261.211
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks	<b>(III-a-2)</b>	47.438	121.072
1.4	Interest Received from Money Market Transactions		9.234	1.329
1.5	Interest Received from Marketable Securities Portfolio	<b>(III-a-3)</b>	4.057.835	4.501.680
1.5.1	Trading Financial Assets		165.271	33.123
1.5.2	Financial Assets at Fair Value Through Profit or (loss)		-	-
1.5.3	Available-for-sale Financial Assets		3.357.979	3.604.746
1.5.4	Held to maturity Investments		534.585	863.811
1.6	Financial Lease Income		93.198	83.784
1.7	Other Interest Income		26.653	25.414
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(III-b)</b>	<b>5.321.916</b>	<b>4.563.572</b>
2.1	Interest on Deposits	<b>(III-b-4)</b>	4.048.665	3.645.001
2.2	Interest on Funds Borrowed	<b>(III-b-1)</b>	303.724	219.155
2.3	Interest Expense on Money Market Transactions		687.082	616.431
2.4	Interest on Securities Issued	<b>(III-b-3)</b>	246.168	37.849
2.5	Other Interest Expenses		36.277	45.136
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>4.151.729</b>	<b>4.430.918</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>1.631.259</b>	<b>1.358.036</b>
4.1	Fees and Commissions Received		1.905.235	1.571.991
4.1.1	Non-cash Loans		70.491	62.801
4.1.2	Other		1.834.744	1.509.190
4.2	Fees and Commissions Paid		273.976	213.955
4.2.1	Non-cash Loans		1.332	1.002
4.2.2	Other		272.644	212.953
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(III-c)</b>	<b>3.596</b>	<b>1.059</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>(III-d)</b>	<b>(112.355)</b>	<b>80.316</b>
6.1	Trading Gains / (Losses) on Securities		437.329	471.290
6.2	Gains / (Losses) on Derivative Financial Transactions		(193.244)	(436.540)
6.3	Foreign Exchange Gains / (Losses)		(356.440)	45.566
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(III-e)</b>	<b>704.835</b>	<b>902.212</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>6.379.064</b>	<b>6.772.541</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(III-f)</b>	<b>659.125</b>	<b>524.792</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(III-g)</b>	<b>2.514.758</b>	<b>2.483.227</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>3.205.181</b>	<b>3.764.522</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>3.205.181</b>	<b>3.764.522</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(III-j)</b>	<b>670.056</b>	<b>754.172</b>
16.1	Current Tax Provision		642.740	664.138
16.2	Deferred Tax Provision		27.316	90.034
<b>XVII.</b>	<b>CURRENT YEAR PROFIT/LOSS FROM CONTINUED</b>		<b>2.535.125</b>	<b>3.010.350</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>2.535.125</b>	<b>3.010.350</b>
<b>23.1</b>	<b>Income/(Loss) from the Group</b>		<b>2.536.375</b>	<b>3.008.809</b>
23.2	Income/(Loss) from Minority Interest	<b>(III-h)</b>	(1.250)	1.541
	Earnings/(Loss) per share (in TL full)		0,00634	0,00752

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 2011

(Amounts are expressed in thousands of Turkish Lira (TL)).

	Note (Section Five)	CURRENT PERIOD (31/12/2011)			PRIOR PERIOD (31/12/2010)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I-II+III)</b>		<b>150.745.477</b>	<b>73.005.558</b>	<b>223.751.035</b>	<b>40.573.530</b>	<b>43.727.612</b>	<b>84.301.142</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(IV-a-2, 3)</b>	<b>5.510.005</b>	<b>8.937.878</b>	<b>14.447.883</b>	<b>4.594.134</b>	<b>5.747.768</b>	<b>10.341.902</b>
1.1 Letters of Guarantee		4.861.322	4.102.652	8.963.974	4.050.311	2.512.075	6.562.386
1.1.1 Guarantees Subject to State Tender Law		171.069	824.022	995.091	160.158	722.716	882.874
1.1.2 Guarantees Given for Foreign Trade Operations		-	606.678	606.678	-	311.468	311.468
1.1.3 Other Letters of Guarantee		4.690.253	2.671.952	7.362.205	3.890.153	1.477.891	5.368.044
1.2 Bank Acceptances		15	120.736	120.751	1.727	68.037	69.764
1.2.1 Import Letter of Acceptance		15	120.736	120.751	1.727	68.037	69.764
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		2.229	4.069.199	4.071.428	13.105	2.733.257	2.746.362
1.3.1 Documentary Letters of Credit		2.229	3.420.371	3.422.600	13.105	2.507.277	2.520.382
1.3.2 Other Letters of Credit		-	648.828	648.828	-	225.980	225.980
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		-	13.384	13.384	-	7.923	7.923
1.8 Other Guarantees		8.082	624.373	632.455	18.817	420.086	438.903
1.9 Other Collaterals		638.357	7.534	645.891	510.174	6.390	516.564
<b>II. COMMITMENTS</b>	<b>(IV-a-1)</b>	<b>121.727.524</b>	<b>4.490.802</b>	<b>126.218.326</b>	<b>22.927.884</b>	<b>3.502.932</b>	<b>26.430.816</b>
2.1 Irrevocable Commitments		26.684.255	4.490.802	31.175.057	22.927.884	3.502.932	26.430.816
2.1.1 Asset Purchase Commitments		2.236.712	2.763.942	5.000.654	717.446	942.552	1.659.998
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		1.000	-	1.000	2.000	-	2.000
2.1.4 Loan Granting Commitments		1.227.899	1.621.828	2.849.727	790.865	2.455.662	3.246.527
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		4.291.376	-	4.291.376	3.945.886	-	3.945.886
2.1.8 Tax and Fund Liabilities from Export Commitments		726	-	726	1.584	-	1.584
2.1.9 Commitments for Credit Card Limits		13.718.870	-	13.718.870	12.591.257	-	12.591.257
2.1.10 Promotion Commitments for Credit Cards and Banking Services		76.093	-	76.093	56.049	-	56.049
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		5.131.579	105.032	5.236.611	4.822.797	104.718	4.927.515
2.2 Revocable Commitments		95.043.269	-	95.043.269	-	-	-
2.2.1 Revocable Loan Granting Commitments		95.043.269	-	95.043.269	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(IV-b)</b>	<b>23.507.948</b>	<b>59.576.878</b>	<b>83.084.826</b>	<b>13.051.512</b>	<b>34.476.912</b>	<b>47.528.424</b>
3.1 Hedging Derivative Financial Instruments		3.330.000	1.227.785	4.557.785	5.090.000	-	5.090.000
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		3.330.000	1.227.785	4.557.785	5.090.000	-	5.090.000
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		20.177.948	58.349.093	78.527.041	7.961.512	34.476.912	42.438.424
3.2.1 Forward Foreign Currency Buy/Sell Transactions		1.294.551	3.182.838	4.477.389	618.363	2.273.709	2.892.072
3.2.1.1 Forward Foreign Currency Transactions-Buy		589.240	1.640.673	2.229.913	159.184	1.291.659	1.450.843
3.2.1.2 Forward Foreign Currency Transactions-Sell		705.311	1.542.165	2.247.476	459.179	982.050	1.441.229
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		13.333.549	42.398.537	55.732.086	4.497.037	25.445.225	29.942.262
3.2.2.1 Foreign Currency Swap-Buy		347.780	18.188.140	18.535.920	284.185	8.626.984	8.911.169
3.2.2.2 Foreign Currency Swap-Sell		11.826.603	6.598.409	18.425.012	4.013.686	4.683.977	8.697.663
3.2.2.3 Interest Rate Swap-Buy		579.583	8.805.994	9.385.577	99.583	6.067.132	6.166.715
3.2.2.4 Interest Rate Swap-Sell		579.583	8.805.994	9.385.577	99.583	6.067.132	6.166.715
3.2.3 Foreign Currency, Interest rate and Securities Options		2.988.723	11.720.918	14.709.641	2.706.603	6.732.919	9.439.522
3.2.3.1 Foreign Currency Options-Buy		1.379.671	2.056.402	3.436.073	1.371.402	2.217.292	3.588.694
3.2.3.2 Foreign Currency Options-Sell		1.482.974	1.960.110	3.443.084	1.333.261	2.252.913	3.586.174
3.2.3.3 Interest Rate Options-Buy		-	3.852.203	3.852.203	-	1.131.357	1.131.357
3.2.3.4 Interest Rate Options-Sell		-	3.852.203	3.852.203	-	1.131.357	1.131.357
3.2.3.5 Securities Options-Buy		63.039	-	63.039	970	-	970
3.2.3.6 Securities Options-Sell		63.039	-	63.039	970	-	970
3.2.4 Foreign Currency Futures		-	-	-	989	1.015	2.004
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	1.015	1.015
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	989	-	989
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		2.561.125	1.046.800	3.607.925	138.520	24.044	162.564
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>213.184.533</b>	<b>80.790.301</b>	<b>293.974.834</b>	<b>62.065.819</b>	<b>20.255.155</b>	<b>82.320.974</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>27.544.893</b>	<b>4.867.397</b>	<b>32.412.290</b>	<b>23.467.015</b>	<b>2.790.554</b>	<b>26.257.569</b>
4.1 Customer Fund and Portfolio Balances		3.705.987	-	3.705.987	4.010.359	-	4.010.359
4.2 Investment Securities Held in Custody		17.783.630	930.711	18.714.341	15.380.656	342.434	15.723.090
4.3 Cheques Received for Collection		4.435.889	1.481	4.437.370	2.922.165	24.384	2.946.549
4.4 Commercial Notes Received for Collection		1.410.912	738.022	2.148.934	945.579	506.078	1.451.657
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		208.475	3.197.183	3.405.658	208.256	1.916.918	2.125.174
4.8 Custodians		-	-	-	-	740	740
<b>V. PLEDGES RECEIVED</b>		<b>49.232.746</b>	<b>29.218.943</b>	<b>78.451.689</b>	<b>35.262.609</b>	<b>17.335.126</b>	<b>52.597.735</b>
5.1 Marketable Securities		2.481.082	1.734.421	4.215.503	697.868	291.543	989.411
5.2 Guarantee Notes		699.951	26.886	726.837	436.885	40.704	477.589
5.3 Commodity		-	12.752	12.752	-	8.098	8.098
5.4 Warranty		-	325.256	325.256	15	83.821	83.836
5.5 Immovable		25.007.171	21.471.681	46.478.852	21.425.680	13.623.989	35.049.669
5.6 Other Pledged Items		21.044.542	5.647.947	26.692.489	12.702.161	3.286.971	15.989.132
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>136.406.894</b>	<b>46.703.961</b>	<b>183.110.855</b>	<b>3.336.195</b>	<b>129.475</b>	<b>3.465.670</b>
<b>TOTAL OF OFF-BALANCE SHEET COMMITMENT (A+B)</b>		<b>363.930.010</b>	<b>153.795.859</b>	<b>517.725.869</b>	<b>102.639.349</b>	<b>63.982.767</b>	<b>166.622.116</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 2011**

(Amounts are expressed in thousands of Turkish Lira (TL)).

<b>INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>	<b>CURRENT PERIOD (31/12/2011)</b>	<b>PRIOR PERIOD (31/12/2010)</b>
<b>I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>(2.102.052)</b>	<b>1.550.793</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>168.862</b>	<b>(32.263)</b>
<b>V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	<b>150.399</b>	<b>60.000</b>
<b>VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes) (*)</b>	<b>(130.215)</b>	<b>29.280</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>416.374</b>	<b>(328.015)</b>
<b>X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	<b>(1.496.632)</b>	<b>1.279.795</b>
<b>XI. CURRENT YEAR INCOME / LOSS</b>	<b>(282.402)</b>	<b>(276.451)</b>
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	(298.686)	(313.707)
1.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	15.574	16.309
1.3 Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4 Other	710	20.947
<b>XII. TOTAL ACCOUNTED INCOME / LOSS RELATED TO CURRENT PERIOD (X+XI)</b>	<b>(1.779.034)</b>	<b>1.003.344</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 II of Section Three.



[illegible]

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

[\*] The amounts for the current period under "Adjustment to Share Capital" column are presented under "Other Capital Reserves" in the financial statements.

**AKBANK T.A.Ş.****VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2011**

(Amounts are expressed in thousands of Turkish Lira (TL)).

	Note (Section Five)	CURRENT PERIOD (31/12/2011)	PRIOR PERIOD (31/12/2010)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	Operating Profit before changes in operating assets and liabilities	2.552.167	3.203.526
<b>1.1.1</b>	Interest received	8.362.580	8.441.564
<b>1.1.2</b>	Interest paid	(5.177.903)	(4.625.250)
<b>1.1.3</b>	Dividend received	3.596	1.059
<b>1.1.4</b>	Fees and commissions received	1.902.633	1.568.301
<b>1.1.5</b>	Other income	120.876	260.671
<b>1.1.6</b>	Collections from previously written-off loans and other receivables	359.594	580.868
<b>1.1.7</b>	Payments to personnel and service suppliers	(1.001.909)	(916.506)
<b>1.1.8</b>	Taxes paid	(375.363)	(818.927)
<b>1.1.9</b>	Other	(1.641.937)	(1.288.254)
	<b>(VI-b)</b>		
<b>1.2</b>	Changes in operating assets and liabilities	(7.529.523)	(4.084.520)
<b>1.2.1</b>	Net decrease in trading securities	782.163	(667.061)
<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	(8.005.248)	(1.118.563)
<b>1.2.4</b>	Net (increase) / decrease in loans	(16.951.935)	(13.571.622)
<b>1.2.5</b>	Net (increase) / decrease in other assets	(772.095)	(18.120)
<b>1.2.6</b>	Net increase / (decrease) in bank deposits	2.589.686	3.637.978
<b>1.2.7</b>	Net increase / (decrease) in other deposits	6.357.033	7.155.442
<b>1.2.8</b>	Net increase / (decrease) in funds borrowed	7.784.664	(123.250)
<b>1.2.9</b>	Net increase / (decrease) in payables	-	-
<b>1.2.10</b>	Net increase / (decrease) in other liabilities	686.209	620.676
	<b>(VI-b)</b>		
<b>I.</b>	Net cash provided from banking operations	(4.977.356)	(880.994)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	Net cash provided from investing activities	4.413.779	(2.196.250)
<b>2.1</b>	Cash paid for acquisition of investments, associates and subsidiaries	-	(259)
<b>2.2</b>	Cash obtained from disposal of investments, associates and subsidiaries	-	-
<b>2.3</b>	Purchases of property and equipment	(151.897)	(391.797)
<b>2.4</b>	Disposals of property and equipments	111.693	140.170
<b>2.5</b>	Cash paid for purchase of investments available-for-sale	(36.133.128)	(16.202.724)
<b>2.6</b>	Cash obtained from sale of investments available-for-sale	38.884.427	5.832.384
<b>2.7</b>	Cash paid for purchase of investment securities	-	(1.051)
<b>2.8</b>	Cash obtained from sale of investment securities	1.996.980	9.245.663
<b>2.9</b>	Other	(294.296)	(818.636)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	Net cash provided from financing activities	1.362.305	1.945.383
<b>3.1</b>	Cash obtained from funds borrowed and securities issued	1.934.847	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	(572.542)	(542.756)
<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	392.131	53.909
	<b>(VI-b)</b>		
<b>V.</b>	Net increase in cash and cash equivalents (I+II+III+IV)	1.190.859	(1.077.952)
<b>VI.</b>	Cash and cash equivalents at beginning of the year	2.511.715	3.589.667
	<b>(VI-a)</b>		
<b>VII.</b>	Cash and cash equivalents at end of the year	3.702.574	2.511.715
	<b>(VI-a)</b>		

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 (31/12/2011)	PRIOR PERIOD (31/12/2010)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	3.001.207	3.574.030
1.2 TAXES AND DUTIES PAYABLE	606.680	717.501
1.2.1 Corporate Tax (Income Tax)	587.072	619.470
1.2.2 Income Withholding Tax	-	-
1.2.3 Other taxes and duties	19.608	98.031
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>2.394.527</b>	<b>2.856.529</b>
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	142.826
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>2.394.527</b>	<b>2.713.703</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	200.000
1.6.1 To Owners of Ordinary Shares	-	200.000
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 (-)	-	620
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	370.000
1.9.1 To Owners of Ordinary Shares	-	370.000
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 (-)	-	37.062
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	2.061.833
1.13 OTHER RESERVES	-	44.187
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	0,006	0,007
3.2 TO OWNERS OF ORDINARY SHARES ( % )	0,6	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	-	0,001
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	0,1
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.

**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 2011**

**(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. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

Effective from 1 January 2011, amendments in the TAS/TFRS (TFRIC 14 (amendment), "Minimum Funding Requirements"; TAS 32 (Amendment), "Financial Instruments; Presentation", TFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments"; TAS 24 (New Arrangement) Related Party Disclosures) and improvements in TFRS do not have any impact on the financial position or performance of the Bank.

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 consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**CONVENIENCE TRANSLATION OF  
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ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

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**(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

**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.

**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, Commercial and 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".

As of 31 December 2011, foreign currency denominated balances are translated into TL using the exchange rates of TL 1,8889, TL 2,4439 and TL 2,4385 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. 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 of the voting power or somehow having the power of dismissal or appointment of the majority of the members of the board of directors.

**CONVENIENCE TRANSLATION OF  
PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
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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., 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., 100% subsidiary of the Bank, 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.

Based on restructuring of Bank's foreign subsidiaries, Akbank NV and Akbank AG will be merged in Akbank AG. Following the completion of the merger, Akbank AG will be converted to a 100% direct subsidiary of Akbank. With the merger, the Bank will continue to its operations in EU Region with Akbank AG, 100% direct subsidiary of the Bank.

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., the non-operating subsidiary founded in Netherlands, has been liquidated on 14 October 2011.

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.

**CONVENIENCE TRANSLATION OF  
PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2011**

**(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)**

**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"). Although certain derivative transactions provide effective economic hedges under the Bank's risk management position, in accordance with TAS 39 they 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.

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 reverses any interest income accrued from such loans. No income is accounted until the collection is made according to the related regulation.

**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:**

Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest method" according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received 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.

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**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 are financial assets included in a portfolio aimed at short-term profit making.

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 remeasured at their fair value after recognition. 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.

After the recognition, financial assets available-for-sale are remeasured at fair value. Interest income arising from available-for-sale calculated with "Effective interest method" and dividend income from 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 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.



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In accordance with the "Communiqué on Amendment to be made on 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 28 May 2011, No.27119, the general loan provision ratio for loans with extended payment plans has been raised from 1% for standard loans (%2 for close monitoring loans) to minimum 5%. In accordance with "Communiqué on Amendment to be made on 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 30 December 2011; No.28158, additional general loan provision may not be recorded for the loans if those loans are short-term, have low credit risk and no interest payment delinquency, and are repaid within one year.

In accordance with the "Communiqué on Amendment to be made on 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 18 June 2011, No. 27968, in the case the portion of retail loans in total loans exceeds 20%, the general loan provision ratio for retail loans -except for mortgage and automotive loans- has been raised to 4% from 1% for the standart loans and to 8% from 2% for the close monitoring loans.

**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. Held to maturity financial assets are initially recognised at acquisition cost including the transaction costs which reflects the fair value of the those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from held to maturity financial assets is accounted in income statement.

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 Group has Consumer Price Index ("CPI") linked government bonds under available-for-sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates together with the changes in the CPI references between the issuance date and calculated index considering the estimated inflation rate based on CPI. Market values are used to for the fair value calculation of these securities under available for sale portfolio. Used estimated inflation rate is to be updated when necessary during the year.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:**

It is assessed 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 an objective evidence of impairment.

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.

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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 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-sale 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 2011, 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 three to 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 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.

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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 its 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.

**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.

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**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.

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 had 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. The Constitution Court has dismissed the appeal with the decision taken in the meeting dated 30 March 2011. The reasoned decision has been published in the Official Gazette dated 28 December 2011 and numbered 28156.

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a 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. Accordingly the transfer required by the New Law was to be completed until 8 May 2011. According to the decision of the Council of Ministers published on the Official Gazette dated 9 April 2011 no. 27900, the time frame for related transfer has been extended for two years. The transfer should be completed until 8 May 2013.

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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.

With respect to that, according to the technical balance sheet report as at 31 December 2011 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.

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 the above mentioned 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 defined contribution plans.

**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, tax-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.

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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.

**XIX. EXPLANATIONS ON BORROWINGS:**

Derivative financial 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:**

There is no security issuance as of 31 December 2011.

**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 2011 and 31 December 2010, 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 XI 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.

The Ordinary General Assembly Meeting of the Bank was held on 21 March 2011. In the Ordinary General Assembly, it was decided to distribute a TL 570.620 cash dividend over the TL 2.856.529 net income from 2010 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 44.187 to property and equipment revaluation differences, to allocate TL 179.889 as legal and TL 2.061.833 as extraordinary reserves.

**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 2011</b>	<b>Prior Period 31 December 2010</b>
Net Profit for the Year	2.536.375	3.008.809
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,00634</b>	<b>0,00752</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.

No any bonus shares issued in 2011 (2010: 100.000.000.000)

**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:**

None.

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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 16,79 % (31 December 2010: 19,93 %) and 16,98 % (31 December 2010: 20,61 %) respectively. These rates are considerably above the minimum rate specified by the related regulation.
- b. The capital adequacy ratio has been calculated in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks and the Regulation on Equity of Banks published in the Official Gazette No. 26333 dated November 01, 2006. For the calculation of the capital adequacy ratio, the Bank calculates the risk weighted assets and non-cash loans according to the risk weights defined by the regulations and calculates "Total Risk Weighted Assets" by adding "Market Risk" calculated with "Standard Method" and "Operational Risk" calculated with "Basic Indicator Method". 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 consolidated capital adequacy ratio:**

	0%	20%	Risk Weights			
			Consolidated			
	0%	20%	50%	100%	150%	200%
<b>Amount Subject to Credit Risk</b>						
Balance Sheet Items (Net)	60.670.008	2.723.832	256.158	72.770.559	1.951.427	1.379.585
Cash	1.042.812	34	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	1.819	-	-	-	-	-
Domestic, Foreign Banks, Foreign Head Offices and Branches	73.825	2.193.179	-	1.186.852	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repurchase Transactions	8.210	-	-	-	-	-
Reserve Requirements with the Central Bank of the Republic of Turkey	12.834.024	-	-	-	-	-
Loans	2.383.108	31.919	-	67.650.379	1.951.427	1.379.585
Non-Performing Receivables (Net)	-	-	-	92.850	-	-
Lease Receivables	361	-	254.581	1.159.863	-	-
Available-for-sale Financial Assets	36.704.807	-	-	6.707	-	-
Held-to-maturity Investments	4.610.591	-	-	907	-	-
Receivables From the Disposal of Assets	-	-	-	-	-	-
Miscellaneous Receivables	253.198	-	-	299.957	-	-
Interest and Income Accruals	2.488.501	498.700	1.577	1.165.011	-	-
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	3.923	-	-
(Business Partnerships) (Net)	-	-	-	744.887	-	-
Fixed Assets	-	-	-	459.223	-	-
Other Assets	268.752	-	-	-	-	-
Off Balance Sheet Items	519.331	2.119.237	-	16.870.912	-	-
Non-cash Loans and Commitments	519.331	708.179	-	16.473.105	-	-
Derivative Financial Instruments	-	1.411.058	-	397.807	-	-
Non-risk Weighted Accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>61.189.339</b>	<b>4.843.069</b>	<b>256.158</b>	<b>89.641.471</b>	<b>1.951.427</b>	<b>1.379.585</b>



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	<b>Parent Bank</b>					
	<b>0%</b>	<b>20%</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>
<b>Amount Subject to Credit Risk</b>						
Balance Sheet Items (Net)	58.402.780	2.160.613	-	69.505.354	1.951.427	1.379.585
Cash	1.040.549	34	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	1.819	-	-	-	-	-
Domestic, Foreign Banks, Foreign Head Offices and Branches	-	1.631.626	-	1.186.852	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repurchase Transactions	-	-	-	-	-	-
Reserve Requirements with the Central Bank of the Republic of Turkey	12.834.024	-	-	-	-	-
Loans	1.335.105	31.919	-	64.683.239	1.951.427	1.379.585
Non-Performing Receivables (Net)	-	-	-	92.850	-	-
Lease Receivables	-	-	-	-	-	-
Available-for-sale Financial Assets	35.664.462	-	-	5.704	-	-
Held-to-maturity Investments	4.610.405	-	-	-	-	-
Receivables From the Disposal of Assets	-	-	-	-	-	-
Miscellaneous Receivables	253.198	-	-	235.543	-	-
Interest and Income Accruals	2.427.298	497.034	-	1.140.041	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (Net)	-	-	-	1.017.817	-	-
Fixed Assets	-	-	-	740.395	-	-
Other Assets	235.920	-	-	402.913	-	-
Off Balance Sheet Items	519.331	1.971.394	-	16.034.127	-	-
Non-cash Loans and Commitments	519.331	708.179	-	15.636.320	-	-
Derivative Financial Instrument	-	1.263.215	-	397.807	-	-
Non-risk Weighted Accounts	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>58.922.111</b>	<b>4.132.007</b>	<b>-</b>	<b>85.539.481</b>	<b>1.951.427</b>	<b>1.379.585</b>

**d. Summary information related to consolidated capital adequacy ratio:**

	<b>Parent Bank</b>		<b>Consolidated</b>	
	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Amount Subject to Credit Risk ("ASCR")	92.052.193	68.374.093	96.424.475	72.654.302
Amount Subject to Market Risk ("ASMR")	6.006.313	5.229.950	6.026.525	5.513.788
Amount Subject to Operational Risk ("ASOR")	10.020.961	9.430.736	10.366.918	9.710.271
Shareholders' Equity	18.349.969	17.115.134	18.944.190	17.516.500
Shareholders' Equity/(ASCR+ASMR+ASOR) *100	16,98	20,61	16,79	19,93

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**e. Information about consolidated shareholders' equity items:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>CORE CAPITAL</b>		
Paid-in capital	4.000.000	4.000.000
Nominal Capital	4.000.000	4.000.000
Capital Commitments (-)	-	-
Inflation Adjustment to Share Capital	1.411.134	1.411.134
Share Premium	1.700.030	1.700.030
Share Cancellation Profits	-	-
Legal Reserves	1.131.877	946.058
First Legal Reserve (Turkish Commercial Code 466/1)	772.485	623.728
Second Legal Reserve (Turkish Commercial Code 466/2)	359.392	322.330
Other Legal Reserves per Special Legislation	-	-
Status Reserves	-	-
Extraordinary Reserves	7.405.267	5.278.744
Reserves Allocated by the General Assembly	7.316.076	5.254.243
Retained Earnings	-	-
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference(*)	89.191	24.501
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	2.745.214	3.071.298
Net Income for the Period	2.536.375	3.008.809
Prior Period Profit	208.839	62.489
Provisions for Possible Risks up to 25% of Core Capital	-	25.000
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Share Capital	47.106	2.919
Primary Subordinated Loans up to 15% of Core Capital.	-	-
Minority Rights	9.762	12.934
Uncovered Portion of Loss with Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-)	48.384	46.730
Prepaid Expenses (-) (**)	-	134.818
Intangible Assets (-)	102.215	93.131
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>18.299.791</b>	<b>16.173.438</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	812.438	527.120
45% of the Movables Revaluation Fund	-	-
45% of the Immovables Revaluation Fund	-	-
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	236	-
Primary Subordinated Loans That are not Considered in the Calculation of Core Capital	-	-
Secondary Subordinated Loans	-	-
45% Of Marketable Securities Valuation Fund	(163.311)	817.338
From Investments in Associates And Subsidiaries	-	-
From Available-for-Sale Financial Assets	(163.311)	817.338

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	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</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>649.363</b>	<b>1.344.458</b>
<b>TIER III CAPITAL (Minority Rights included, if exists)</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>18.949.154</b>	<b>17.517.896</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>4.964</b>	<b>1.396</b>
Shares in Unconsolidated Banks and Financial Institutions	-	-
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	1.076	1.396
Other	3.888	-
<b>Total Shareholders' Equity</b>	<b>18.944.190</b>	<b>17.516.500</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 X of Section Four is included.

(\*\*) Prepaid expenses are no longer deducted from core capital according to the "Regulation for Changes in the regulation of Bank's Equity" published on the Official Gazette dated 10 March 2011 no. 27870.

**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.

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- d.** Non-cash loans turned into cash loans are included in the same risk group as overdue 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 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 % 1,7 (31 December 2010: % 2,2).

- f.** 1. The proportion of the Parent Bank's top 100 cash loan balances in total cash loans is 31% (31 December 2010: 32%).
2. The proportion of the Parent Bank's top 100 non-cash loan balances in total cash loans is 64% (31 December 2010: 58%).
3. The proportion of the Parent Bank's cash and non-cash loan balances with the first 100 customers comprises of 18% of total cash loans and non-cash loans (31 December 2010: 19%).

- g.** The Group provided a general provision amounting to TL 812.438 (31 December 2010: TL 527.120).

**h. Information on loan types and provisions:**

<b>Current Period – 31 December 2011</b>	<b>Commercial Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	48.267.175	14.996.158	9.741.317	<b>73.004.650</b>
Close Monitoring Loans	480.203	594.801	183.056	<b>1.258.060</b>
Loans Under Follow-up	643.600	305.922	313.137	<b>1.262.659</b>
Specific Provision (-)	550.750	305.922	313.137	<b>1.169.809</b>
<b>Total</b>	<b>48.840.228</b>	<b>15.590.959</b>	<b>9.924.373</b>	<b>74.355.560</b>

<b>Prior 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>

As of 31 December 2011, the Bank has set 100% specific provision amounting to TL 41 million after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 million.

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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 2011</b>	<b>630.002</b>	<b>329.763</b>	<b>319.869</b>	<b>1.279.634</b>
Transferred during the period	119.522	120.790	142.394	<b>382.706</b>
Collection	(152.011)	(114.082)	(93.501)	<b>(359.594)</b>
Write off	(48.043)	(29.288)	(55.625)	<b>(132.956)</b>
Foreign Exchange difference	19	-	-	<b>19</b>
<b>31 December 2011</b>	<b>549.489</b>	<b>307.183</b>	<b>313.137</b>	<b>1.169.809</b>
	<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>

**j. Information on debt securities, treasury bills and other eligible bills:**

<b>Current Period – 31 December 2011</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	-	162.927	-	<b>162.927</b>
A1, A2, A3	-	599.615	-	<b>599.615</b>
Baa1, Baa2, Baa3	-	362.127	-	<b>362.127</b>
Ba1	-	-	-	<b>-</b>
Ba2	150.314	37.650.892	4.824.470	<b>42.625.676</b>
<b>Total</b>	<b>150.314</b>	<b>38.775.561</b>	<b>4.824.470</b>	<b>43.750.345</b>

<b>Prior 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>

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**k. Information on maximum exposure to credit risk:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Credit risk exposures relating to on-balance sheet assets:</b>	<b>124.754.776</b>	<b>112.579.680</b>
Loans and advances to banks	3.454.793	2.410.544
Loans and advances to customers	74.355.560	57.732.967
-Corporate	48.840.228	37.818.638
-Consumer	15.590.959	13.129.871
-Credit Cards	9.924.373	6.784.458
Trading assets	977.025	1.056.911
-Government bonds	148.337	585.870
-Trading derivative financial assets	826.711	471.041
-Other marketable securities	1.977	-
Investments securities	38.961.578	43.274.070
-Government bonds	37.344.703	42.402.087
-Other marketable securities	1.616.875	871.983
Held-to-maturity financial assets	4.824.470	6.627.280
Financial lease receivables	1.414.805	991.277
Other assets	766.545	486.631
<b>Credit risk exposures relating to off-balance sheet items:</b>	<b>35.307.856</b>	<b>30.125.572</b>
Letter of guarantees	8.963.974	6.562.386
Other guarantees and commitments	5.483.909	3.779.516
Credit granting commitments	2.849.727	3.246.527
Check payment commitments	4.291.376	3.945.886
Credit card limit commitments	13.718.870	12.591.257
<b>Total</b>	<b>160.062.632</b>	<b>142.705.252</b>

As of 31 December 2011 and 2010, 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</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
<b>Industry Sectors</b>								
Private Sector	44.018.987	33.380.184	3.362.489	2.057.513	1.350.728	589.013	29.767.543	23.096.201
Public Sector	1.505.726	1.200.216	113.095	75.820	42.316.189	49.614.377	1.587.400	895.399
Banks	-	-	121.266	1.270.695	269.489	283.830	38.733.622	21.338.820
Individual Customers	25.141.147	19.748.539	-	-	-	-	18.437.459	16.910.648
Share Certificates	-	-	-	-	20.912	56.013	-	-
<b>Total</b>	<b>70.665.860</b>	<b>54.328.939</b>	<b>3.596.850</b>	<b>3.404.028</b>	<b>43.957.318</b>	<b>50.543.233</b>	<b>88.526.024</b>	<b>62.241.068</b>
<b>Geographical Sectors</b>								
Domestic	69.239.414	53.150.535	2.884.011	3.119.494	42.694.715	49.714.243	52.725.464	41.083.393
European Union Countries	913.872	899.568	596.166	219.494	1.221.928	769.765	32.264.666	19.137.733
OECD Countries(***)	101.359	34.330	614	-	-	-	2.849.322	932.731
Off-shore Banking Regions	15.564	-	-	-	-	-	-	-
USA, Canada	122.999	-	1.975	-	-	25.574	588.245	1.082.855
Other Countries	272.652	244.506	114.084	65.040	40.675	33.651	98.327	4.356
<b>Total</b>	<b>70.665.860</b>	<b>54.328.939</b>	<b>3.596.850</b>	<b>3.404.028</b>	<b>43.957.318</b>	<b>50.543.233</b>	<b>88.526.024</b>	<b>62.241.068</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 2011</b>					
Domestic	132.879.062	83.566.374	14.440.500	151.608	2.489.976
European Union Countries	5.730.981	26.446.738	7.322	289	10.615
OECD Countries (*)	75.771	8.544.336	-	-	-
Off-shore Banking Regions	15.249	-	-	-	28.617
USA, Canada	646.431	1.444.481	-	-	1.347
Other Countries	403.818	1.773.824	61	-	4.570
Subsidiaries, Investments in Associates and Joint Ventures (Net)	3.923	-	-	-	-
Unallocated Assets/Liabilities(**)	-	-	-	-	-
<b>Total</b>	<b>139.755.235</b>	<b>121.775.753</b>	<b>14.447.883</b>	<b>151.897</b>	<b>2.535.125</b>
<b>Prior 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>

(\*) 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 2011				Prior Period 31 December 2010			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	103.680	0,24	45.046	0,14	87.685	0,28	33.750	0,13
Farming and Raising								
Livestock	68.165	0,16	15.211	0,05	66.364	0,21	31.992	0,12
Forestry	35.416	0,08	29.835	0,09	21.233	0,07	1.758	0,01
Fishing	99	0,00	-	-	88	0,00	-	-
Manufacturing	5.834.724	13,92	12.741.870	39,37	3.622.154	11,31	9.445.394	36,75
Mining	72.567	0,17	124.567	0,38	60.152	0,19	46.893	0,18
Production	5.496.450	13,12	8.494.648	26,25	3.352.123	10,46	6.450.206	25,10
Electric, Gas and Water	265.707	0,63	4.122.655	12,74	209.879	0,66	2.948.295	11,47
Construction	1.268.586	3,03	4.153.891	12,84	1.200.297	3,75	3.331.586	12,96
Services	8.293.441	19,79	12.664.866	39,14	6.365.881	19,87	10.754.657	41,85
Wholesale and Retail Trade	5.130.560	12,24	3.041.202	9,40	3.713.452	11,59	2.095.195	8,15
Hotel, Food and Beverage								
Services	380.199	0,91	1.239.111	3,83	345.639	1,08	1.326.872	5,16
Transportation and								
Telecommunication	548.802	1,31	2.525.844	7,81	442.003	1,38	2.341.154	9,11
Financial Institutions	1.398.844	3,34	2.198.006	6,79	910.901	2,84	2.493.127	9,70
Real Estate and Leasing								
Services	71.509	0,17	181.920	0,56	39.259	0,12	202.593	0,79
Professional Services	32.427	0,08	123.217	0,38	22.874	0,07	91.473	0,36
Education Services	100.646	0,24	3.554	0,01	73.192	0,23	7.790	0,03
Health and Social Services	630.454	1,50	3.352.012	10,36	818.561	2,56	2.196.453	8,55
Other	26.406.928	63,02	2.749.678	8,51	20.759.029	64,79	2.132.534	8,31
<b>Total</b>	<b>41.907.359</b>	<b>100,00</b>	<b>32.355.351</b>	<b>100,00</b>	<b>32.035.046</b>	<b>100,00</b>	<b>25.697.921</b>	<b>100,00</b>

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**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 99% confidence interval and 10 days retention period. VaR analyses are performed daily and reported to senior management. VaR analyses are also used as risk and limit management instrument for trading transactions. 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.

The table below indicates the details of the calculation of market risk as of 31 December 2011 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	373.508
(II) Capital to be Employed for Specific Risk - Standard Method	27.221
(III) Capital to be Employed for Currency Risk - Standard Method	53.573
(IV) Capital to be Employed for Commodity Risk - Standard Method	27.820
(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)]	482.122(*)
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	6.026.525(*)

(\*) Of the "Amount subject to market risk", only TL 482.122 which is 8 % of TL 6.026.526 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 482.122 is the minimum amount of capital that can mitigate the mentioned risk.

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**b. Average Market Risk Table of Calculated Market Risk for Month-ends:**

	<b>Current Period 31 December 2011</b>			<b>Prior Period 31 December 2010</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	386.672	384.553	354.310	370.197	420.064	355.151
Share Certificate Risk	14.301	16.176	10.470	12.679	13.364	2.425
Currency Risk	53.771	53.573	42.805	10.539	6.589	8.906
Commodity Risk	7.382	27.820	1.105	981	1.086	877
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
<b>Total Amount Subject to Risk</b>	<b>462.126</b>	<b>482.122</b>	<b>408.690</b>	<b>394.396</b>	<b>441.103</b>	<b>367.359</b>

(\*) Since the consolidated market risk calculation is done for 3 months periods, consolidated average market risk table represents average of 3 months periods.

**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 2010, 2009, and 2008 in accordance with part 4 "Calculation of the Amount Subject to Operational Risk" of 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 10.366.918; capital liability of operational risk is TL 829.353.

**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.

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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	TL 1,8889	TL 2,4439	TL 2,4385
1.Day bid rate	TL 1,8650	TL 2,4118	TL 2,3990
2.Day bid rate	TL 1,8650	TL 2,4155	TL 2,3950
3.Day bid rate	TL 1,8400	TL 2,4052	TL 2,3620
4.Day bid rate	TL 1,8450	TL 2,4086	TL 2,3660
5.Day bid rate	TL 1,8350	TL 2,4020	TL 2,3514

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 1,8198
Euro	: TL 2,4058
Yen	: TL 2,3416

As of 31 December 2010;

	<b>USD</b>	<b>Euro</b>	<b>Yen</b>
Balance Sheet Evaluation Rate	TL 1,5376	TL 2,0552	TL 1,8906

**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 2011</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	186.665	8.369.150	894	492.295	<b>9.049.004</b>
Banks	1.396.508	1.864.368	22.309	42.695	<b>3.325.880</b>
Financial Assets at Fair Value through Profit or Loss (Net)	9.556	19.637	-	-	<b>29.193</b>
Interbank Money Market Placements	-	-	-	-	<b>-</b>
Available-for-sale Financial Assets (Net)	2.692.857	3.595.505	-	-	<b>6.288.362</b>
Loans	9.734.661	23.925.625	1.163	103.545	<b>33.764.994</b>
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	<b>-</b>
Held-to-maturity Investments (Net)	707.417	308.422	-	-	<b>1.015.839</b>
Hedging Derivative Financial Assets	-	-	-	-	<b>-</b>
Tangible Assets (Net)	1.733	1.864	-	-	<b>3.597</b>
Intangible Assets (Net)	882	131	-	-	<b>1.013</b>
Other Assets	665.218	591.518	5	292	<b>1.257.033</b>
<b>Total Assets</b>	<b>15.395.497</b>	<b>38.676.220</b>	<b>24.371</b>	<b>638.827</b>	<b>54.734.915</b>
<b>Liabilities</b>					
Bank Deposit	2.246.121	5.830.658	173	375.981	<b>8.452.933</b>
Foreign Currency Deposits	10.965.960	16.741.894	48.194	1.075.334	<b>28.831.382</b>
Funds from Interbank Money Market	235.149	7.263.351	-	-	<b>7.498.500</b>
Borrowings	5.388.759	12.274.382	8.575	24.462	<b>17.696.178</b>
Marketable Securities Issued (Net)	-	2.695.846	-	-	<b>2.695.846</b>
Miscellaneous Payables	175.995	35.681	122	8.622	<b>220.420</b>
Hedging Derivative Financial Liabilities	-	-	-	-	<b>-</b>
Other Liabilities	157.004	53.007	5.653	3.313	<b>218.977</b>
<b>Total Liabilities</b>	<b>19.168.988</b>	<b>44.894.819</b>	<b>62.717</b>	<b>1.487.712</b>	<b>65.614.236</b>
<b>Net on Balance Sheet Position</b>	<b>(3.773.491)</b>	<b>(6.218.599)</b>	<b>(38.346)</b>	<b>(848.885)</b>	<b>(10.879.321)</b>
<b>Net off-Balance Sheet Position (**)</b>	<b>3.954.376</b>	<b>6.382.269</b>	<b>38.085</b>	<b>849.589</b>	<b>11.224.319</b>
Financial Derivative Assets	6.041.190	15.556.726	162.784	1.448.463	<b>23.209.163</b>
Financial Derivative Liabilities	2.086.814	9.174.457	124.699	598.874	<b>11.984.844</b>
Non-cash Loans	1.963.795	6.665.574	221.646	86.863	<b>8.937.878</b>
<b>Prior Period - 31 December 2010</b>					
Total Assets	14.061.416	25.245.365	50.732	157.706	<b>39.515.219</b>
Total Liabilities	16.461.436	25.637.016	50.670	1.337.136	<b>43.486.258</b>
Net on-Balance Sheet Position	(2.400.020)	(391.651)	62	(1.179.430)	<b>(3.971.039)</b>
Net off-Balance Sheet Position (**)	2.625.873	452.963	2.898	1.183.397	<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>

(\*) Of the "Other FC" total assets amounting to TL 638.827 (31 December 2010: TL 157.706), TL 60.924 is in English Pounds (31 December 2010: TL 52.397), and TL 59.974 in Swiss Francs (31 December 2010: TL 51.942). Of the total liabilities amounting to TL 1.487.712 (31 December 2010: TL 1.337.136) TL 817.510 is in English Pounds (31 December 2010: TL 838.604) and TL 412.468 is in Swiss Francs (31 December 2010: TL 304.034).

(\*\*) 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 asset and liability items of both on and off balance sheets of the Group. The EMRC sets limits for the interest rate sensitivity of on and off-balance sheet items and the sensitivity is closely monitored and reported weekly. In the case of high market fluctuations, daily transaction based reporting and analyses 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:**

<b>Current Period – 31 December 2011</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	-	-	-	-	-	13.878.689	<b>13.878.689</b>
Banks	1.666.220	306.129	64	2.000	-	1.480.380	<b>3.454.793</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	229.933	245.568	340.167	143.719	17.638	14.249	<b>991.274</b>
Interbank Money Market Placements	8.210	-	-	-	-	-	<b>8.210</b>
Available-for-sale Financial Assets (Net)	2.620.718	6.026.822	13.111.272	13.861.662	3.155.088	192.723	<b>38.968.285</b>
Loans	22.820.028	13.593.006	21.717.553	13.977.748	2.154.375	92.850	<b>74.355.560</b>
Held-to-maturity Investments (Net)	-	3.602.813	205.818	-	1.015.839	-	<b>4.824.470</b>
Other Assets	929.054	67.244	232.041	568.098	135.483	1.493.931	<b>3.425.851</b>
<b>Total Assets</b>	<b>28.274.163</b>	<b>23.841.582</b>	<b>35.606.915</b>	<b>28.553.227</b>	<b>6.478.423</b>	<b>17.152.822</b>	<b>139.907.132</b>
<b>Liabilities</b>							
Bank Deposits	7.722.306	1.797.029	373.879	-	-	392.604	<b>10.285.818</b>
Other Deposits	45.142.250	11.325.120	4.364.620	360.369	20.834	9.271.806	<b>70.484.999</b>
Funds from Interbank Money Market	10.429.100	78.837	1.454.361	544.259	555.587	-	<b>13.062.144</b>
Miscellaneous Payables	42.354	-	-	-	-	2.290.348	<b>2.332.702</b>
Marketable Securities Issued (Net)	437.241	714.949	655.768	1.797.231	898.615	-	<b>4.503.804</b>
Borrowings	7.889.403	4.763.677	4.649.357	696.624	46.260	-	<b>18.045.321</b>
Other Liabilities (*)	171.202	263.924	526.687	115.194	46.026	20.069.311	<b>21.192.344</b>
<b>Total Liabilities</b>	<b>71.833.856</b>	<b>18.943.536</b>	<b>12.024.672</b>	<b>3.513.677</b>	<b>1.567.322</b>	<b>32.024.069</b>	<b>139.907.132</b>
Balance Sheet Long Position	-	4.898.046	23.582.243	25.039.550	4.911.101	-	<b>58.430.940</b>
Balance Sheet Short Position	(43.559.693)	-	-	-	-	(14.871.247)	<b>(58.430.940)</b>
Off-balance Sheet Long Position	1.376.533	1.768.818	651.293	-	-	-	<b>3.796.644</b>
Off-balance Sheet Short Position	-	-	-	(2.809.494)	(912.013)	-	<b>(3.721.507)</b>
<b>Total Position</b>	<b>(42.183.160)</b>	<b>6.666.864</b>	<b>24.233.536</b>	<b>22.230.056</b>	<b>3.999.088</b>	<b>(14.871.247)</b>	<b>75.137</b>

(\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

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<b>Prior 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	-	-	-	-	6.093.091	<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".

**Interest rate sensitivity analysis:**

<b>Change in interest rates</b>	<b>Current period - 31 December 2011</b>		<b>Prior period - 31 December 2010</b>	
	<b>Effect on income statement</b>	<b>Effect on equity</b>	<b>Effect on income statement</b>	<b>Effect on equity</b>
<b>(+) %1</b>	(210.752)	(528.311)	(112.228)	(605.690)
<b>(-) %1</b>	212.386	562.100	108.512	701.592

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.

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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 2011</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	0,45	0,20	-	11,78
Financial Assets at Fair Value Through Profit or Loss (Net)	4,46	5,09	-	11,09
Interbank Money Market Placements	-	-	-	10,76
Available-for-sale Financial Assets (Net)	4,62	4,45	-	10,15
Loans	5,10	4,68	5,45	13,03
Held-to-maturity Investments (Net)	7,34	7,05	-	11,11
<b>Liabilities</b>				
Bank Deposits	2,77	2,92	-	8,77
Other Deposits	2,90	3,79	0,32	8,84
Funds from Interbank Money Market	2,88	2,29	-	10,08
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	5,69	-	10,21
Borrowings	1,99	1,89	-	7,62

<b>Prior 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)	-	5,26	-	7,28
Borrowings	1,83	1,87	0,67	7,14



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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 2011 and 31 December 2010 are presented below:

<b>Current Period</b> <b>31 December 2011</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>	164,5	184,5	95,3	115,8
<b>Maximum (%)</b>	228,3	241,1	106,5	129,0
<b>Minimum (%)</b>	98,2	151,7	86,7	104,8

<b>Prior 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

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**Breakdown of assets and liabilities according to their outstanding maturities:**

<b>Current Period – 31 December 2011</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	13.878.689	-	-	-	-	-	-	<b>13.878.689</b>
Banks	1.480.380	1.666.220	306.129	64	2.000	-	-	<b>3.454.793</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	14.249	163.001	203.731	155.507	242.308	212.478	-	<b>991.274</b>
Interbank Money Market Placements	-	8.210	-	-	-	-	-	<b>8.210</b>
Available-for-sale Financial Assets (Net)	192.723	681.714	932.596	1.591.455	29.759.575	5.810.222	-	<b>38.968.285</b>
Loans	-	14.835.268	9.490.875	16.581.475	24.646.547	8.708.545	92.850	<b>74.355.560</b>
Held-to-maturity Investments (Net)	-	-	169.335	1.216	3.638.080	1.015.839	-	<b>4.824.470</b>
Other Assets	120.926	778.234	60.225	240.255	744.413	422.629	1.059.169	<b>3.425.851</b>
<b>Total Assets</b>	<b>15.686.967</b>	<b>18.132.647</b>	<b>11.162.891</b>	<b>18.569.972</b>	<b>59.032.923</b>	<b>16.169.713</b>	<b>1.152.019</b>	<b>139.907.132</b>
<b>Liabilities</b>								
Bank Deposits	392.604	7.722.306	1.797.029	373.879	-	-	-	<b>10.285.818</b>
Other Deposits	9.271.806	45.025.850	11.374.720	4.431.421	360.370	20.832	-	<b>70.484.999</b>
Borrowings	-	1.853.151	3.753.888	7.994.270	3.865.844	578.168	-	<b>18.045.321</b>
Funds from Interbank Money Market	-	10.429.100	78.836	1.454.361	544.259	555.588	-	<b>13.062.144</b>
Marketable Securities Issued (Net)	-	437.241	-	655.768	2.512.180	898.615	-	<b>4.503.804</b>
Miscellaneous Payables	31.970	1.405.045	895.687	-	-	-	-	<b>2.332.702</b>
Other Liabilities (**)	86.473	785.616	320.144	363.649	1.131.167	373.916	18.131.379	<b>21.192.344</b>
<b>Total Liabilities</b>	<b>9.782.853</b>	<b>67.658.309</b>	<b>18.220.304</b>	<b>15.273.348</b>	<b>8.413.820</b>	<b>2.427.119</b>	<b>18.131.379</b>	<b>139.907.132</b>
<b>Net Liquidity Gap</b>	<b>5.904.114</b>	<b>(49.525.662)</b>	<b>(7.057.413)</b>	<b>3.296.624</b>	<b>50.619.103</b>	<b>13.742.594</b>	<b>(16.979.360)</b>	<b>-</b>
<b>Prior Period - 31 December 2010</b>								
Total Assets	7.489.564	14.022.704	7.347.662	21.695.445	55.947.338	12.376.735	1.190.279	<b>120.069.727</b>
Total Liabilities	8.829.283	58.785.034	18.271.968	7.465.005	7.483.471	1.287.372	17.947.594	<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>

(\*) 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 2011</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	62.556.979	13.445.187	5.006.373	395.067	25.660	<b>81.429.266</b>
Funds borrowed from other financial institutions	1.921.350	3.835.241	8.297.560	4.444.860	616.872	<b>19.115.883</b>
Funds from interbank money market	10.448.856	80.476	1.482.163	594.106	627.229	<b>13.232.830</b>
Marketable Securities Issued (Net)	467.104	49.333	839.791	3.046.141	997.914	<b>5.400.283</b>
Non-cash Loans	7.361	1.327.047	2.964.776	4.106.717	6.041.982	<b>14.447.883</b>
<b>Prior 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>

(\*) Balances of letter of guarantees, which have demand nature due to their callable status are shown according to the contractual maturities.

**Breakdown of derivative instruments according to their remaining contractual maturities:**

<b>Current Period – 31 December 2011</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>					
Foreign exchange derivatives:					
– Inflow	11.419.950	6.910.623	3.800.448	261.419	134.078
– Outflow	10.288.888	6.421.163	3.863.530	1.701.262	220.689
Interest rate derivatives:					
– Inflow	9.235	13.066	152.183	689.108	118.285
– Outflow	17.206	14.154	229.614	884.745	108.173
<b>Derivatives held for hedging</b>					
Foreign exchange derivatives:					
– Inflow	-	-	-	-	-
– Outflow	-	-	-	-	-
Interest rate derivatives:					
– Inflow	11.229	16.560	96.261	261.894	48.271
– Outflow	32.750	53.696	220.448	554.056	91.100
<b>Total Inflow</b>	<b>11.440.414</b>	<b>6.940.249</b>	<b>4.048.892</b>	<b>1.212.421</b>	<b>300.634</b>
<b>Total Outflow</b>	<b>10.338.844</b>	<b>6.489.013</b>	<b>4.313.592</b>	<b>3.140.063</b>	<b>419.962</b>

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<b>Prior 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>					
Foreign exchange derivatives:					
– 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:					
– 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>					
Foreign exchange derivatives:					
– Inflow	-	-	-	-	-
– Outflow	-	-	-	-	-
Interest rate derivatives:					
– 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>

**VIII. EXPLANATIONS ON THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:**

**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 2011	Prior Period 31 December 2010	Current Period 31 December 2011	Prior Period 31 December 2010
<b>Financial Assets</b>	<b>121.611.318</b>	<b>110.089.945</b>	<b>121.696.883</b>	<b>112.312.234</b>
Interbank Money Market Placements	8.210	13.803	8.210	13.803
Banks	3.454.793	2.410.544	3.454.793	2.410.544
Available-for-Sale Financial Assets (Net)	38.968.285	43.305.351	38.968.285	43.305.351
Held-to-Maturity Investments (Net)	4.824.470	6.627.280	4.995.394	7.042.957
Loans	74.355.560	57.732.967	74.270.201	59.539.579
<b>Financial Liabilities</b>	<b>105.652.644</b>	<b>87.438.418</b>	<b>105.285.069</b>	<b>87.411.974</b>
Bank Deposits	10.285.818	7.685.754	10.308.792	7.699.897
Other Deposits	70.484.999	64.022.581	70.444.150	64.135.452
Borrowings	18.045.321	11.497.164	17.678.955	11.304.258
Marketable Securities Issued (Net)	4.503.804	2.522.261	4.520.470	2.561.709
Miscellaneous Payables	2.332.702	1.710.658	2.332.702	1.710.658

**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 Group carried at fair value according to the foregoing principles is given in the table below:

<b>Current Period - 31 December 2011</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	216.815	774.459	-	991.274
- Government Debt Securities	146.020	2.317	-	148.337
- Share Certificates	14.249	-	-	14.249
- Trading Derivative Financial Assets	54.569	772.142	-	826.711
- Other Marketable Securities	1.977	-	-	1.977
Available For Sale Financial Assets	37.167.532	1.794.046	-	38.961.578
- Government Debt Securities	35.849.402	1.495.301	-	37.344.703
- Share Certificates	-	-	-	-
- Other Marketable Securities	1.318.130	298.745	-	1.616.875
<b>Total Assets</b>	<b>37.384.347</b>	<b>2.568.505</b>	<b>-</b>	<b>39.952.852</b>
Trading Derivative Financial Liabilities	35.946	637.089	-	673.035
Hedging Derivative Financial Liabilities	-	219.851	-	219.851
<b>Total Liabilities</b>	<b>35.946</b>	<b>856.940</b>	<b>-</b>	<b>892.886</b>
<b>Prior 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	653.197	428.446	-	1.081.643
- Government Debt Securities	585.870	-	-	585.870
- Share Certificates	24.732	-	-	24.732
- Trading Derivative Financial Assets	42.595	428.446	-	471.041
- Other Marketable Securities	-	-	-	-
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>

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 HEDGE TRANSACTIONS:**

Prospective tests are performed regularly at the inception of the hedge relationship and both prospective and retrospective tests are performed at each reporting period-end regularly. In this method, changes in the fair value of the hedged item and changes in the fair value of the hedging instruments between the designation date and each reporting period-end are compared and effectiveness ratio is calculated. In the determination of the fair values of hedging instruments and hedged item, market yield curves are used. Hedge accounting principles are applied by assessing the calculated effectiveness ratio within the scope of TAS 39.

The Parent Bank hedges its 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. Ineffective portion of the fair value changes of the hedging instrument is recognized in the income statement. If 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.

The Group uses net investment hedges to hedge the currency risk on its net investment in foreign subsidiaries. Effective portion of the fair value changes of the hedging instrument is recognized in "Hedging reserves" under equity. Ineffective portion of the of the fair value changes of the hedging instrument is recognized in the income statement.

**1. Explanations on Net Investment Hedges:**

The Group uses net investment hedges to hedge the consolidated currency risk for the paid-in-capital and capital premium which is amounting to EUR 335 million of its direct subsidiary Akbank N.V.. Syndicated borrowings amounting to EUR 335 million are used as the hedging instrument.

**2. Explanations on Cash Flow Hedges:**

a) Breakdown of the derivative transactions used in cash flow hedges:

	<b>Current Period</b>			<b>Prior Period</b>		
	<b>31 December 2011</b>			<b>31 December 2010</b>		
	<b>Notional</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Notional</b>	<b>Assets</b>	<b>Liabilities</b>
Interest rate swaps	4.557.785	-	219.851	5.090.000	-	309.429
-TL	3.330.000	-	111.480	5.090.000	-	309.429
-FC	1.227.785	-	108.371	-	-	-
<b>Total</b>	<b>4.557.785</b>	<b>-</b>	<b>219.851</b>	<b>5.090.000</b>	<b>-</b>	<b>309.429</b>

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b) Explanations on derivative transactions used in cash flow hedges:

Current Period – 31.12.2011:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss ) recognized in OCI during the period	Net gain(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
TL Interest rate swap	TL Repo Portfolio	Cash flow risk due to the changes in the interest rates of funds from repo transactions	-	111.480	(12.565)	(210.514)	-
FC Interest rate swap	FC Securitization Borrowing	Cash flow risk due to the changes in the interest rates of funds from securitization borrowing	-	108.371	(62.247)	(14.697)	-

The amount of ceased hedge transactions which is recycled to the income statement from other comprehensive income (OCI) is TL (19.448) and profit/loss recognized in OCI is TL (-).

Prior Period – 31.12.2010:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss ) recognized in OCI during the period	Net gain(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
TL Interest rate swap	TL repo Portfolio	Cash flow risk due to the changes in the interest rates of funds from repo transactions	-	309.429	(181.827)	(262.858)	-

The amount of ceased hedge transactions which is recycled to the income statement from OCI is TL (20.386) and profit/loss recognized in OCI is TL (21.031).

c) Contractual maturity analysis of the derivative transactions subject to cash flow hedges:

Maturity analysis of the derivative transactions subject to cash flow hedges is provided in the Note VII of Section Four.



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**XI. 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 2011 and 31 December 2010 are presented on the following tables:

	<b>Retail Banking</b>	<b>Corporate Banking and Commercial and 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 2011</b>							
Operating Income	2.417.513	1.695.582	1.907.831	170.479	52.104	131.959	6.375.468
Operating Profit	554.203	920.504	1.585.629	125.914	34.008	(18.673)	3.201.585
Income from Subsidiaries						3.596	3.596
Profit before Tax	554.203	920.504	1.585.629	125.914	34.008	(15.077)	3.205.181
Corporate Tax						(670.056)	(670.056)
Minority Rights						1.250	1.250
Net Profit for the Period	554.203	920.504	1.585.629	125.914	34.008	(683.883)	2.536.375
Segment Assets	30.947.490	52.153.599	48.295.678	1.040.028	2.954.609	1.502.949	136.894.353
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)	-	-	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	-	-	3.008.856
Total Assets	-	-	-	-	-	-	139.907.132
Segment Liabilities	45.112.237	22.152.471	27.621.482	12.761.209	9.471.893	1.054.643	118.173.935
Undistributed Liabilities	-	-	-	-	-	-	3.601.818
Shareholders' Equity	-	-	-	-	-	-	18.131.379
Total Liabilities	-	-	-	-	-	-	139.907.132
Other Segment Items							
Capital Investment	83.820	1.982	6.013	669	-	59.413	151.897
Amortization	(81.330)	(5.510)	(931)	(904)	(280)	(52.957)	(141.912)
Non-cash Other Income-Expense	(182.645)	(305.545)	(152.318)	(2.545)	(6.900)	(12.162)	(662.115)
Restructuring Costs	-	-	-	-	-	-	-

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	<b>Retail Banking</b>	<b>Corporate Banking and Commercial and 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>Prior 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	-	-	-	-	-	-	-

Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

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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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash/Foreign Currency	602.010	439.024	463.296	335.308
The CBRT	4.226.011	8.609.832	1.784.020	3.499.797
Other(*)	1.664	148	7.743	6.657
<b>Total</b>	<b>4.829.685</b>	<b>9.049.004</b>	<b>2.255.059</b>	<b>3.841.762</b>

(\*) As of 31 December 2011, precious metal account amounts to TL 114 (31 December 2010: TL 6.459).

2. Information related to the account of the CBRT:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Demand Unrestricted Account	1.819	-	5.108	-
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	4.224.192	8.609.832	1.778.912	3.499.797
<b>Total</b>	<b>4.226.011</b>	<b>8.609.832</b>	<b>1.784.020</b>	<b>3.499.797</b>

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2005/1", banks operating in Turkey are required to maintain reserves in CBRT in TL for TL liabilities and in USD or Euro for foreign currency liabilities. With the changes made in the "Communiqué Regarding the Reserve Requirements" on 12 September 2011, up to 10% of the reserve requirement for TL liabilities can be held as foreign currency, the reserve requirement for precious metal account in foreign currency liabilities can be held as standard gold and up to 10% of the reserve requirement for foreign currency liabilities can be held as standard gold.

The reserve rates for TL liabilities vary between 5% and 11% for TL deposits and other liabilities according to their maturities as of 31 December 2011 (31 December 2010: 6% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 6% and 11% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2011 (31 December 2010: 11% for all foreign currency liabilities).

The lawsuit opened against CBRT regarding a judgemental difference between the Bank and the CBRT with respect to the reserve requirements for syndication loans borrowed by Malta Branch has been dismissed by Ankara 10th Administrative Court. According to this decision, Bank has been required to maintain additional reserves at CBRT amounting to USD 742 million on average for approximately 3,5 years. This reserve has been started to be maintained at CBRT and it will have no material effect on the financial statements and operations of the Bank. The law suit for the cancellation of the Central Bank's said decision was filed with a motion for stay of execution, while

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the Administrative Court 10th Division has rejected the motion for stay of execution, it is continuing to hear the case on the merits.

**b. Information on financial assets at fair value through profit or loss:**

1. As of 31 December 2011, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 8.609 (31 December 2010: TL 892); and those subject to repo transactions amount to TL (-). (31 December 2010: TL (-)).

2. Positive differences table related to trading derivative financial assets:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	52.651	-	29.890	-
Swap Transactions	346.967	300.955	245.503	119.068
Futures Transactions	51.285	3.284	39.907	2.688
Options	3.359	68.210	4.822	29.163
Other	-	-	-	-
<b>Total</b>	<b>454.262</b>	<b>372.449</b>	<b>320.122</b>	<b>150.919</b>

**c. Information on banks and foreign banks account:**

1. Information on banks:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	128.913	3.325.880	421.485	1.989.059
Domestic	128.913	317.410	421.485	46.646
Foreign	-	3.008.470	-	1.942.413
Head Quarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>128.913</b>	<b>3.325.880</b>	<b>421.485</b>	<b>1.989.059</b>

2. Information on foreign banks account:

	<b>Unrestricted Amount</b>		<b>Restricted Amount (**)</b>	
	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
European Union Countries	1.571.690	757.377	942.746	543.124
USA, Canada	213.000	413.154	231.378	186.787
OECD Countries (*)	36.591	40.906	-	-
Off-shore Banking Regions	-	-	-	-
Other	13.065	1.065	-	-
<b>Total</b>	<b>1.834.346</b>	<b>1.212.502</b>	<b>1.174.124</b>	<b>729.911</b>

(\*) OECD Countries except EU countries, USA and Canada.

(\*\*) Restricted amounts which are mainly consisting of the collaterals related to the borrowings, are kept in several banks.

**d. Information on available-for-sale financial assets, net values:**

1. As of 31 December 2011, available-for-sale financial assets subjehict to repurchase agreements amount to TL 13.258.228 (31 December 2010: TL 11.320.252); and those given as collateral/blocked amount to TL 5.398.650 (31 December 2010: TL 5.813.064).

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2. Information on available-for-sale financial assets:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Debt Securities	39.259.247	43.282.389
Quoted to Stock Exchange	38.960.502	43.282.389
Not Quoted to Stock Exchange	298.745	-
Share Certificates	6.707	31.281
Quoted to Stock Exchange	-	25.574
Not Quoted to Stock Exchange	6.707	5.707
Impairment Provision (-)	297.669	8.319
<b>Total</b>	<b>38.968.285</b>	<b>43.305.351</b>

**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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Direct Loans Granted to Shareholders	-	250	-	250
Corporate Shareholders	-	250	-	250
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	1.640.514	455.728	948.680	393.990
Loans Granted to Employees	72.650	-	75.462	-
<b>Total</b>	<b>1.713.164</b>	<b>455.978</b>	<b>1.024.142</b>	<b>394.240</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	73.004.650	-	1.257.421	639
Discount And Purchase Notes	236.695	-	-	-
Export Loans	4.993.243	-	4.286	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	1.606.307	-	-	-
Foreign Loans	2.139.285	-	-	-
Consumer Loans (Including Overdraft Loans)	14.996.158	-	594.587	214
Credit Cards	9.741.317	-	183.054	2
Precious Metal Loans	17.150	-	-	-
Other	39.274.495	-	475.494	423
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>73.004.650</b>	<b>-</b>	<b>1.257.421</b>	<b>639</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	22.510.523	-	1.257.421	639
Non-Specialized Loans	22.510.523	-	1.257.421	639
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	50.494.127	-	-	-
Non-Specialized Loans	50.494.127	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-

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

**Current Period – 31.12.2011**

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>186.980</b>	<b>14.933.111</b>	<b>15.120.091</b>
Mortgage Loans	12.788	7.373.151	7.385.939
Automotive Loans	17.429	847.931	865.360
Consumer Loans	150.549	6.112.330	6.262.879
Other	6.214	599.699	605.913
<b>Consumer Loans- Indexed to FC</b>	<b>1.069</b>	<b>83.094</b>	<b>84.163</b>
Mortgage Loans	1.067	82.661	83.728
Automotive Loans	2	268	270
Consumer Loans	-	165	165
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>8.508.781</b>	<b>991.176</b>	<b>9.499.957</b>
With Installment	4.024.731	991.176	5.015.907
Without Installment	4.484.050	-	4.484.050
<b>Consumer Credit Cards-FC</b>	<b>14.958</b>	<b>-</b>	<b>14.958</b>
With Installment	8.150	-	8.150
Without Installment	6.808	-	6.808
<b>Personnel Loans-TL</b>	<b>1.849</b>	<b>35.324</b>	<b>37.173</b>
Mortgage Loans	-	1.275	1.275
Automotive Loans	1	274	275
Consumer Loans	1.848	33.775	35.623
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>11</b>	<b>193</b>	<b>204</b>
Mortgage Loans	-	6	6
Automotive Loans	-	1	1
Consumer Loans	11	186	197
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>33.118</b>	<b>1.946</b>	<b>35.064</b>
With Installment	16.040	1.946	17.986
Without Installment	17.078	-	17.078
<b>Personnel Credit Cards-FC</b>	<b>209</b>	<b>-</b>	<b>209</b>
With Installment	124	-	124
Without Installment	85	-	85
<b>Credit Deposit Account-TL (Real Person)</b>	<b>349.328</b>	<b>-</b>	<b>349.328</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>9.096.303</b>	<b>16.044.844</b>	<b>25.141.147</b>



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<b>Prior Period – 31.12.2010</b>			
	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<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:

**Current Period – 31.12.2011**

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>1.068.484</b>	<b>4.319.011</b>	<b>5.387.495</b>
Mortgage Loans	748	383.256	384.004
Automotive Loans	14.128	777.303	791.431
Consumer Loans	1.052.762	3.090.158	4.142.920
Other	846	68.294	69.140
<b>FC Indexed Commercial Installment Loans</b>	<b>29.435</b>	<b>280.572</b>	<b>310.007</b>
Mortgage Loans	46	22.307	22.353
Automotive Loans	523	113.414	113.937
Consumer Loans	27.414	134.504	161.918
Other	1.452	10.347	11.799
<b>Commercial Installment Loans-FC</b>	<b>6.373</b>	<b>203.871</b>	<b>210.244</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	6.373	203.871	210.244
<b>Corporate Credit Cards-TL</b>	<b>371.131</b>	<b>2.378</b>	<b>373.509</b>
With Installment	158.545	2.378	160.923
Without Installment	212.586	-	212.586
<b>Corporate Credit Cards-FC</b>	<b>676</b>	<b>-</b>	<b>676</b>
With Installment	82	-	82
Without Installment	594	-	594
<b>Credited Deposit Account-TL (Legal Person)</b>	<b>255.981</b>	<b>-</b>	<b>255.981</b>
<b>Credited Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1.732.080</b>	<b>4.805.832</b>	<b>6.537.912</b>

**Prior Period – 31.12.2010**

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<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>

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6. Loans according to types of borrowers:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Public	1.618.821	1.276.036
Private	72.643.889	56.456.931
<b>Total</b>	<b>74.262.710</b>	<b>57.732.967</b>

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

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Domestic Loans	72.123.425	56.270.029
Foreign Loans	2.139.285	1.462.938
<b>Total</b>	<b>74.262.710</b>	<b>57.732.967</b>

8. Loans granted to investments in associates and subsidiaries: None

9. Specific provisions accounted for loans:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Loans and Receivables with Limited Collectibility	131.026	80.196
Loans and Receivables with Doubtful Collectibility	108.098	146.571
Uncollectible Loans and Receivables	930.685	1.052.867
<b>Total</b>	<b>1.169.809</b>	<b>1.279.634</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 2011</b>			
(Gross Amounts Before Specific Provisions)	8.576	8.395	35.902
Restructured Loans and Other Receivables	8.136	7.797	24.614
Rescheduled Loans and Other Receivables	440	598	11.288
<b>Prior 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

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10(ii). Information on the movement of total non-performing 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>Prior Period End Balance: 31 December 2010</b>	<b>80.196</b>	<b>146.571</b>	<b>1.052.867</b>
Additions (+)	450.048	9.593	15.915
Transfers from Other Categories of Non-performing Loans (+)	-	257.984	231.021
Transfers to Other Categories of Non-Performing Loans (-)	257.984	231.021	-
Collections (-)	48.061	65.802	245.731
Net FC Differences from Subsidiaries Abroad	-	19	-
Write-offs (-)	323	9.246	123.387
Corporate and Commercial Loans	139	436	47.468
Retail Loans	45	2.197	27.046
Credit Cards	139	6.613	48.873
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>223.876</b>	<b>108.098</b>	<b>930.685</b>
Specific Provisions (-)	131.026	108.098	930.685
<b>Net Balance</b>	<b>92.850</b>	<b>-</b>	<b>-</b>

As explained in Note II-h Section Four, as of 31 December 2011, the Bank has set 100% specific provision amounting to TL 41 million after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 million.

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 2011</b>			
Balance at the End of the Period	140.388	3.435	47.249
Specific Provisions (-)	140.388	3.435	47.249
Net Balance on Balance Sheet	-	-	-
<b>Prior 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
<b>Net Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

In Parent Bank, 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 2011</b>			
Loans granted to corporate entities and real persons (Gross)	223.876	108.098	930.685
Specific Provisions Amount(-)	131.026	108.098	930.685
Loans granted to corporate entities and real persons (Net)	92.850	-	-
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 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)	-	-	-

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:

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:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
Given as collateral/blocked	3.035.590	678.044	491.109	382.581
Subject to repurchase agreements	556.969	192.443	620.700	195.970
<b>Total</b>	<b>3.592.559</b>	<b>870.487</b>	<b>1.111.809</b>	<b>578.551</b>

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2. Information on Held-to-maturity government debt securities:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Government Bonds	4.823.563	6.626.420
Treasury Bills	-	-
Other Government Debt Securities	-	-
<b>Total</b>	<b>4.823.563</b>	<b>6.626.420</b>

3. Information on Held-to-maturity investments:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Debt Securities	4.857.037	6.649.993
Quoted to Stock Exchange	4.857.037	6.649.993
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	32.567	22.713
<b>Total</b>	<b>4.824.470</b>	<b>6.627.280</b>

4. The movement of investment securities Held-to-maturity:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Beginning Balance	6.627.280	15.839.763
Foreign Currency Differences on Monetary Assets	172.732	(2.968)
Purchases During Year	-	1.051
Disposals Through Sales and Redemptions	1.996.980	9.245.663
Impairment Provision (-)	32.567	22.713
Change in Amortized Cost	54.005	57.810
<b>Balance at the End of the Period</b>	<b>4.824.470</b>	<b>6.627.280</b>

**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 Communiqué 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>
Bankalararası Kart Merkezi A.Ş.	İstanbul/Turkey	9,98	9,98
Kredi Kayıt Bürosu A.Ş.	İstanbul/Turkey	9,09	9,09

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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 30 September 2011.

	<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	22.629	19.044	6.401	686	-	3.179	2.525	-
2	33.294	28.668	3.163	1.804	-	12.969	9.899	-

2. Consolidated associates: None.

**h. Information on subsidiaries (Net):**

1. Non-consolidated subsidiaries: None.

2. Consolidated subsidiaries:

2(i). Information about consolidated subsidiaries:

<b>Title</b>	<b>Address (City / Country)</b>	<b>Bank's Share Percentage-If Different Voting Percentage (%)</b>	<b>Other Shareholder Share Percentage (%)</b>	<b>Consolidation Method</b>
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	0,01	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	29,96	Full Consolidation
7 Akbank (Dubai) Limited	Dubai/The United Arab Emirates	100,00	-	Full Consolidation

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 2011.

	<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	1.708.140	303.386	3.598	110.015	-	43.045	49.691	-
2	258.788	133.992	1.508	38.465	(381)	67.921	17.206	-
3	25.923	20.594	181	1.401	188	11.616	8.918	-
4	3.694.478	1.054.626	1.921	173.280	33.597	17.025	27.276	-
5	3.380.349	594.332	694	90.620	17.683	27.844	21.945	-
6	40.115	38.555	60	572	(1.839)	(4.643)	4.961	15.381
7	3.899	3.684	20	-	-	2.089	(638)	-

(\*) Fair values are disclosed when the shares of the Companies are publicly traded.

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.

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2(ii). Movement schedule for consolidated subsidiaries:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Balance at the Beginning of the Period	892.916	895.334
Movements During the Period		
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	(34)	-
Revaluation Increase	-	-
Revaluation/Impairment	(9.203)	-
Additions to Consolidation	-	26.861
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	130.215	(29.279)
Balance at the End of the Period	1.013.894	892.916
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 2011</b>	<b>Prior Period 31 December 2010</b>
Banks	810.190	679.975
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	121.088	121.088
Finance Companies	-	-
Other Financial Subsidiaries	82.616	91.853

2(iv). Subsidiaries quoted on a stock exchange:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Subsidiaries quoted on domestic stock exchange	15.381	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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
2011	-	-	323.448	283.915
2012	644.361	596.422	275.425	230.884
2013	329.625	275.449	179.866	154.154
2014	216.037	181.028	106.835	91.103
2015	143.160	119.380	72.370	61.682
2016	97.751	81.480	59.266	51.824
2017 and following years	188.022	161.046	128.016	117.715
<b>Total</b>	<b>1.618.956</b>	<b>1.414.805</b>	<b>1.145.226</b>	<b>991.277</b>

**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 2010</b>				
Cost	912.767	774.409	1.375	1.688.551
Accumulated Depreciation(-)	255.652	531.558	-	787.210
Net Book Value	<b>657.115</b>	<b>242.851</b>	<b>1.375</b>	<b>901.341</b>
<b>Current Period End: 31 December 2011</b>				
Net Book Value at the beginning of the Period	657.115	242.851	1.375	901.341
Additions	16.761	93.694	1.393	111.848
Disposals(-), net	107.240	1.902	2.551	111.693
Depreciation (-)	24.711	86.124	-	110.835
Impairment	-	-	-	-
Cost at Period End	794.002	803.100	217	1.597.319
Accumulated Depreciation at Period End (-)	252.077	554.581	-	806.658
<b>Closing Net Book Value</b>	<b>541.925</b>	<b>248.519</b>	<b>217</b>	<b>790.661</b>

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	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
<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	<b>529.444</b>	<b>201.688</b>	<b>74.325</b>	<b>805.457</b>
<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>

**L. Informations on intangible assets:**

1. Cost and accumulated amortization at the beginning and end of the period :

	Current Period 31 December 2011	Prior Period 31 December 2010
Book Values (Gross)	231.796	185.461
Accumulated Amortization (-)	129.581	92.330
Net Book Value	102.215	93.131

2. Reconciliation of movements for the current period and prior period:

	Current Period 31 December 2011	Prior Period 31 December 2010
Cost	231.796	185.461
Accumulated Depreciation (-)	129.581	92.330
<b>Net Book Value</b>	<b>102.215</b>	<b>93.131</b>
Opening Balance	93.131	65.449
Additions	40.049	49.795
Disposals (-), net	-	-
Depreciation (-)	30.965	22.113
<b>Closing Net Book Value</b>	<b>102.215</b>	<b>93.131</b>

**m. Information on the investment properties:** None.

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**n. Information on deferred tax asset :**

The Group's deferred tax asset as of 31 December 2011 amounts to TL 116.608 (31 December 2010: TL 89.630). Provisional differences subject to deferred tax calculation result from mainly the differences 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 2011</b>	<b>31 December 2010</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Employee benefits	77.611	71.728	15.374	14.633
Differences between fair value and book value of financial assets	592.668	564.023	119.027	114.183
Other	220.617	273.800	44.989	55.773
<b>Deferred Tax Asset</b>			<b>179.390</b>	<b>184.589</b>
Differences between book value and tax base of property, plant and equipment	88.785	112.569	(17.757)	(22.514)
Differences between book value and tax base of financial assets	212.829	348.597	(42.566)	(69.719)
Country risk provision	85.513	67.647	(27.216)	(19.628)
<b>Deferred Tax Liabilities</b>			<b>(87.539)</b>	<b>(111.861)</b>
<b>Deferred Tax Asset/(Liabilities) Net</b>			<b>91.851</b>	<b>72.728</b>

**o. Information on property and equipment held for sale and related to discontinued operations:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Cost	3.974	3.845
Accumulated Depreciation (-)	288	620
<b>Net Book Value</b>	<b>3.686</b>	<b>3.225</b>

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Opening balance	3.225	3.298
Additions	2.554	440
Disposals (-), net	1.981	356
Depreciation (-)	112	157
<b>Closing Net Book Value</b>	<b>3.686</b>	<b>3.225</b>

**p. Information on other assets:**

Other assets amount to TL 993.953 (31 December 2010: TL 719.589) 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 deposits.

1(i). Current Period – 31 December 2011:

	<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>Cumulative</b>	<b>Total</b>
Saving Deposits	2.534.267	4.327.204	18.232.086	1.764.520	269.179	213.615	39.595	27.380.466
Foreign Currency Deposits	3.285.642	8.990.728	10.444.366	1.657.533	1.961.552	2.490.118	1.443	28.831.382
Residents in Turkey	3.204.408	7.902.844	9.654.964	939.154	633.301	1.292.090	1.397	23.628.158
Residents Abroad	81.234	1.087.884	789.402	718.379	1.328.251	1.198.028	46	5.203.224
Public Sector Deposits	115.947	14.884	5.055	5.002	107	1	-	140.996
Commercial Deposits	3.230.487	4.276.705	2.263.395	2.345.932	506.951	399.339	-	13.022.809
Other Institutions Deposits	105.463	124.544	400.878	471.230	6.649	582	-	1.109.346
Gold Vault	-	-	-	-	-	-	-	-
Bank Deposits	392.604	1.422.722	7.445.765	613.044	393.674	18.009	-	10.285.818
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	12.660	1.302.300	-	26.116	-	2.006	-	1.343.082
Foreign Banks	93.588	120.422	7.445.765	586.928	393.674	16.003	-	8.656.380
Special Finance Institutions	286.356	-	-	-	-	-	-	286.356
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9.664.410</b>	<b>19.156.787</b>	<b>38.791.545</b>	<b>6.857.261</b>	<b>3.138.112</b>	<b>3.121.664</b>	<b>41.038</b>	<b>80.770.817</b>

1(ii). Prior 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>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>

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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: The deposit amounts of the consolidated subsidiaries located abroad are subject to local insurance regulations and are not included in the table below.

	<b>Under the Guarantee of Deposit Insurance</b>		<b>Exceeding the Limit of Deposit Insurance</b>	
	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Saving Deposits	10.778.167	10.478.261	16.602.299	14.562.998
Foreign Currency Saving Deposits	3.395.702	3.501.587	12.468.407	10.015.308
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 2011</b>	<b>Prior Period 31 December 2010</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	875.303	768.897
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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	58.523	-	12.911	-
Swap Transactions	109.166	393.296	134.364	224.334
Futures Transactions	29.000	6.946	29.251	5.672
Options	3.307	72.797	4.686	29.356
Other	-	-	-	-
<b>Total</b>	<b>199.996</b>	<b>473.039</b>	<b>181.212</b>	<b>259.362</b>

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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	183.910	492.428	290.385	442.903
From Foreign Banks, Institutions and Funds	165.233	17.203.750	111.473	10.652.403
<b>Total</b>	<b>349.143</b>	<b>17.696.178</b>	<b>401.858</b>	<b>11.095.306</b>

2. Information on maturity structure of borrowings:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term	262.914	9.978.409	326.365	5.525.222
Medium and Long-Term	86.229	7.717.769	75.493	5.570.084
<b>Total</b>	<b>349.143</b>	<b>17.696.178</b>	<b>401.858</b>	<b>11.095.306</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. There is no risk concentration in any of the funding sources of the Group.

**d. Information on securities issued (Net):**

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TP</b>	<b>FC</b>	<b>TP</b>	<b>FC</b>
Bank bills	1.081.799	-	966.804	-
Bonds	726.159	2.695.846	-	1.555.457
<b>Total</b>	<b>1.807.958</b>	<b>2.695.846</b>	<b>966.804</b>	<b>1.555.457</b>

**e. Information on other foreign liabilities:**

Other foreign liabilities amount to TL 746.389 (31 December 2010: TL 828.018) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

**f. Information on financial leasing agreements:** None.

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**g. Information on the Hedging Derivative Financial Liabilities:**

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair value Hedge	-	-	-	-
Cash Flow Hedge	111.480	108.371	309.429	-
Net investment Hedge	-	-	-	-
<b>Total</b>	<b>111.480</b>	<b>108.371</b>	<b>309.429</b>	<b>-</b>

**h. Information on provisions:**

1. Information on general provisions:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>General Provisions</b>	<b>812.438</b>	<b>527.120</b>
Provisions for Group I. Loans and Receivables	656.730	412.043
Provisions for Group II. Loans and Receivables	22.604	20.705
Provisions for Non-cash Loans	72.020	56.660
Other	61.084	37.712

In accordance with the "Communiqué on Amendment to be made on 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 28 May 2011, No.27947 and Official Gazette dated 30 December 2011, No.28158, loans with extended payment plans up to 1 year and over 1 year are amounting to TL 688.578 and TL 209.660, respectively. Parent bank provided additional general provision amounting to TL 34.730 for such loans.

2. Information on reserve for employment termination benefits:

<b>Balance Sheet Obligations for:</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	42.456	39.496
- Reserve for unused vacation	35.155	32.232
<b>Total</b>	<b>77.611</b>	<b>71.728</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 for the years ended 2011 and 2010.

<b>Income Statement Charge for:</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
- Post-employment benefits (pension and medical)	(99.060)	(87.125)
- Reserve for employment termination benefits	(15.250)	(8.951)
- Reserve for unused vacation	(2.923)	(3.951)
<b>Toplam</b>	<b>(117.233)</b>	<b>(100.027)</b>

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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 99.060 (31 December 2010: TL 87.125) 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 2.731,85 (in full TL amount) (31 December 2010: TL 2.517,00 (in full TL amount)) for each year of service. This liability is legally not funded and there is no funding requirement.

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 2011</b>	<b>Prior Period 31 December 2010</b>
Discount Rate (%)	4,70	4,66
Rate for the Probability of Retirement (%)	93,57	93,46

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 2.805,04 (1 January 2011: TL 2.623,23) effective from 1 January 2012 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 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Balance at the Beginning of the Period</b>	<b>39.496</b>	<b>30.545</b>
Provisions Recognized During the Period	15.250	18.553
Paid During the Period	(12.290)	(9.602)
<b>Balance at the End of the Period.</b>	<b>42.456</b>	<b>39.496</b>

As of 31 December 2011, the Group has accounted provision for unused vacation rights amounting to TL 35.155 (31 December 2010: TL 32.232).



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2 (iii). 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 157.674 (31 December 2010: TL 85.337), the surplus of the Fund amounts to TL 322.392 as of 31 December 2011 (31 December 2010: TL 462.242).

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Present value of funded obligations	(604.794)	(424.002)
- Pension benefits transferrable to SSI	(854.018)	(760.219)
- Post-employment medical benefits transferrable to SSI	406.898	421.554
- Other non-transferrable benefits	(157.674)	(85.337)
Fair value of plan assets	927.186	886.244
<b>Surplus</b>	<b>322.392</b>	<b>462.242</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>Discount rate</b>	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</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	4,16 %	4,66 %

For the year 2011, It is representing the average rate calculated by considering each individuals remaining retirement year.

**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 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Prior Period End</b>	<b>886.244</b>	<b>854.181</b>
Actual return on plan assets	106.249	98.310
Employer contributions	99.060	87.125
Employee contributions	85.010	76.612
Benefits paid	(249.377)	(229.984)
<b>Period End</b>	<b>927.186</b>	<b>886.244</b>

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Plan assets are comprised as follows:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
Bank placements	652.018	70 %	793.085	89 %
Premises and equipment	30.580	3 %	31.288	4 %
Marketable securities and share certificates	222.516	24 %	52.981	6 %
Other	22.072	3 %	8.890	1 %
<b>Period End</b>	<b>927.186</b>	<b>100 %</b>	<b>886.244</b>	<b>100 %</b>

3. Information on provisions related with foreign currency difference of foreign indexed loans:

As of 31 December 2011, the provision related to foreign currency differences of foreign indexed loans amounts to TL 3.470 (31 December 2010: TL 1.770), 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 2011 is amounting to TL 78.460 (31 December 2010: TL 89.629)

5. Information on other provisions:

5 (i). Information on general reserves for possible risks: None (31 December 2010: TL 25.000).

5 (ii). Information on provisions for banking services promotion:

The Group has provisions for credit cards and banking services promotion activities amounting to TL 128.141 (31 December 2010: TL 119.834).

**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 2011, the corporate tax liability after the deduction of temporary taxes paid is TL 108.080 (31 December 2010: TL 290.536).

1(i). Information on taxes payable:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Corporate Taxes Payable	108.080	290.536
Taxation on Marketable Securities	78.388	60.785
Property Tax	1.048	869
Banking Insurance Transaction Tax (BITT)	38.311	25.837
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	4.890	5.022
Other	31.656	26.817
<b>Total</b>	<b>262.373</b>	<b>409.866</b>

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1(ii). Information on premium payables:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Social Security Premiums – Employee	51	86
Social Security Premiums – Employer	103	46
Bank Social Aid Pension Fund Premium- Employee	3	6
Bank Social Aid Pension Fund Premium – Employer	3	8
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	1.059	571
Unemployment Insurance – Employer	2.087	1.129
Other	20	-
<b>Total</b>	<b>3.326</b>	<b>1.846</b>

2. Information on deferred tax liability:

As of 31 December 2011, the deferred tax liability of the Group amounts to TL 24.757 (31 December 2010: TL 16.902). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

**j. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Common Stock	4.000.000	4.000.000
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: None.

4. Information on share capital increases from capital reserves during the current period: None.

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 possible effects of these future assumptions on the Groups's equity due to uncertainties at these indicators;

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 investment such as associates and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and 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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(99.396)	(63.915)	1.722.413	93.893
Foreign Currency Differences	-	-	-	-
<b>Total</b>	<b>(99.396)</b>	<b>(63.915)</b>	<b>1.722.413</b>	<b>93.893</b>

**l. Information on minority interest:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Balance at the Beginning of the Period	12.934	205
Other Shareholders' Net Dividend	(1.250)	1.541
Prior Period Dividend	(1.922)	(2.156)
Net Foreign Currency Difference From Subsidiaries Abroad	-	-
Effect of Changes in Consolidation Scope	-	13.344
<b>Current Period End Balance</b>	<b>9.762</b>	<b>12.934</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 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term Loans	1.676.903	150.768	1.435.106	123.828
Medium and Long-term Loans	2.282.989	1.085.367	1.863.271	794.818
Interest on Loans Under Follow-Up	43.260	-	44.133	55
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>4.003.152</b>	<b>1.236.135</b>	<b>3.342.510</b>	<b>918.701</b>

(\*) Fee and commission income from cash loans is included.

2. Information on interest income on banks:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From the CBRT	-	-	77.587	-
From Domestic Banks	30.578	4.682	34.624	154
From Foreign Banks	2.652	9.526	44	8.663
From Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>33.230</b>	<b>14.208</b>	<b>112.255</b>	<b>8.817</b>

3. Information on interest income on marketable securities:

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Trading Financial Assets	144.187	21.084	27.377	5.746
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	3.165.775	192.204	3.414.698	190.048
From Held-to-Maturity Investments	458.959	75.626	730.215	133.596
<b>Total</b>	<b>3.768.921</b>	<b>288.914</b>	<b>4.172.290</b>	<b>329.390</b>

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available-for sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. Starting from 1 January 2011, estimated inflation rate based on CPI has been used for the valuation of these marketable securities. Estimated inflation rate is updated when necessary during the year. As of 31 December 2011, the valuation of these securities is made by considering the real coupon rates together with the changes in the CPI references between the issuance date and balance sheet date.

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4. Information on interest income received from associates and subsidiaries: None.

**b. Information on interest expense:**

1. Information of interest expense on borrowings [\*] :

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	22.288	275.105	30.835	184.197
The CBRT	-	-	-	-
Domestic Banks	12.133	18.840	17.657	1.603
Foreign Banks	10.155	256.265	13.178	182.594
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	6.331	-	4.123
<b>Total</b>	<b>22.288</b>	<b>281.436</b>	<b>30.835</b>	<b>188.320</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 :

	<b>Current Period 31 December 2011</b>		<b>Prior Period 31 December 2010</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Interest expense on securities issued	119.575	126.593	3.224	34.625

4. Maturity structure of the interest expense on deposits :

There are no deposits with 7-days notification deposits.

	<b>Demand Deposits</b>	<b>Time Deposit</b>					<b>Total</b>
		<b>Up to 1 Month</b>	<b>Up to 3 Months</b>	<b>Up to 6 Months</b>	<b>Up to 1 Year</b>	<b>1 Year and Over</b>	
<b>TL</b>							
Bank Deposits	-	18.571	128.003	12.679	1.695	207	<b>161.155</b>
Saving Deposits	640	310.384	1.516.185	112.252	21.611	12.002	<b>1.973.074</b>
Public Sector Deposits	4	242	641	229	5	1	<b>1.122</b>
Commercial Deposits	772	182.332	473.460	148.814	83.850	2.075	<b>891.303</b>
Other Deposits	24	6.259	74.489	15.771	101	485	<b>97.129</b>
<b>Total</b>	<b>1.440</b>	<b>517.788</b>	<b>2.192.778</b>	<b>289.745</b>	<b>107.262</b>	<b>14.770</b>	<b>3.123.783</b>
<b>FC</b>							
Foreign Currency Deposits	603	172.154	383.374	38.135	54.925	98.689	<b>747.880</b>
Bank Deposits	-	12.772	150.338	8.132	5.175	585	<b>177.002</b>
Precious Metals Deposits	-	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>603</b>	<b>184.926</b>	<b>533.712</b>	<b>46.267</b>	<b>60.100</b>	<b>99.274</b>	<b>924.882</b>
<b>Grand Total</b>	<b>2.043</b>	<b>702.714</b>	<b>2.726.490</b>	<b>336.012</b>	<b>167.362</b>	<b>114.044</b>	<b>4.048.665</b>

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**c. Explanations on dividend income:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
From Trading Financial Assets	702	866
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-Sale Financial Assets	176	-
Other (*)	2.718	193
<b>Total</b>	<b>3.596</b>	<b>1.059</b>

(\*)Discloses the dividend income received from non consolidated investments in associates and subsidiaries.

**d. Information on trading profit/loss(Net):**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Profit</b>	<b>227.112.955</b>	<b>30.569.521</b>
Income From Capital Market Transactions	823.076	509.565
Income From Derivative Financial Transactions	1.537.068	847.072
Foreign Exchange Gains	224.752.811	29.212.884
<b>Loss (-)</b>	<b>227.225.310</b>	<b>30.489.205</b>
Loss from Capital Market Transactions	385.747	38.275
Loss from Derivative Financial Transactions	1.730.312	1.283.612
Foreign Exchange Loss	225.109.251	29.167.318
<b>Total (Net)</b>	<b>(112.355)</b>	<b>80.316</b>

The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 397.450 (31 December 2010: TL 16.380).

**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 and from profit on property sales. The profit on property sales amounts to TL 160.822 for the period 1 January-31 December 2011 (30 December 2010: TL 8.417).

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**f. Provision expenses related to loans and other receivables of the Group:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 3 December 2010</b>
Specific Provisions for Loans and Other Receivables	302.011	348.175
III. Group Loans and Receivables	175.306	80.790
IV. Group Loans and Receivables	101.324	151.787
V. Group Loans and Receivables	25.381	115.598
General Provision Expenses	302.278	120.282
Provision Expense for Possible Risks	-	25.000
Marketable Securities Impairment Expense	11.219	2.605
Financial Assets at Fair Value through Profit or Loss	954	702
Available-for-sale Financial Assets	10.265	1.903
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	32.567	22.713
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	32.567	22.713
Other	11.050	6.017
<b>Total</b>	<b>659.125</b>	<b>524.792</b>

**g. Information related to other operating expenses:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 3 December 2010</b>
Personnel Expenses	1.001.774	916.506
Reserve for Employee Termination Benefits	3.005	10.783
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	110.835	105.948
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	30.965	22.113
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	112	157
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.045.591	1.109.900
Operational Leasing Expenses	100.593	79.179
Maintenance Expenses	20.772	22.068
Advertisement Expenses	86.556	120.488
Other Expenses	837.670	888.165
Loss on Sales of Assets	341	701
Other	322.135	317.119
<b>Total</b>	<b>2.514.758</b>	<b>2.483.227</b>



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**h. Profit/Loss of minority interest:**

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Profit/Loss of Minority Interest	(1.250)	1.541

**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 4.151.729, net fees and commission income amounting to TL 1.631.259 and the amount of other operating expense is TL 2.514.758.

The Group has no discontinued operations.

**j. Information on tax provision of continued and discontinued operations:**

As of 31 December 2011, the Group has a current tax expense of TL 642.740 and deferred tax expense of TL 27.316.

The amount of deferred tax income that occurred due to the temporary differences is TL 19.990 and deferred tax expense is TL 45.421; the amounts of deferred tax income and deferred tax expense that occurred due to the closing of temporary differences are TL 36.691 and TL 38.576 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 2.536.375.

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: Explained in Note III-a-3 of Section Five.

**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 5.000.654 asset purchase commitments (31 December 2010: TL 1.659.998), TL 13.718.870 commitment for credit card limits (31 December 2010: TL 12.591.257 ) and TL 4.291.376 commitments for cheque books (31 December 2010: TL 3.945.886).

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 2011</b>	<b>Prior Period 31 December 2010</b>
Bank Acceptance Loans	120.751	69.764
Letters of Credit	4.071.428	2.746.362
Other Commitments and Contingencies	1.291.730	963.390
<b>Total</b>	<b>5.483.909</b>	<b>3.779.516</b>

- 2 (ii). Revocable, irrevocable guarantees and other similar commitments and contingencies:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Revocable Letters of Guarantee	426.999	313.186
Irrevocable Letters of Guarantee	5.348.664	3.731.755
Letters of Guarantee Given in Advance	1.476.137	1.028.940
Guarantees Given to Customs	495.870	420.185
Other Letters of Guarantee	1.216.304	1.068.320
<b>Total</b>	<b>8.963.974</b>	<b>6.562.386</b>

3. (i) Total amount of non-cash loans:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
Non-cash Loans Given against Cash Loans	458.754	252.683
With Original Maturity of 1 Year or Less Than 1 Year	401.637	199.745
With Original Maturity of More Than 1 Year	57.117	52.938
Other Non-cash Loans	13.989.129	10.089.219
<b>Total</b>	<b>14.447.883</b>	<b>10.341.902</b>

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3 (ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2011				Prior Period 31 December 2010			
	TP	(%)	YP	(%)	TP	(%)	YP	(%)
Agricultural	18.946	0,34	18.160	0,20	18.013	0,39	14.673	0,25
Farming and Raising Livestock	6.591	0,12	17.236	0,19	8.951	0,19	14.644	0,25
Forestry	12.318	0,22	924	0,01	9.030	0,20	29	0,00
Fishing	37	0,00	-	-	32	0,00	-	-
Manufacturing	1.650.583	29,96	3.798.492	42,49	1.450.490	31,57	3.234.527	56,28
Mining	13.961	0,25	3.104	0,03	9.100	0,20	8.440	0,15
Production	1.386.651	25,17	3.545.659	39,67	1.190.055	25,90	2.859.367	49,75
Electric, Gas and Water	249.971	4,54	249.729	2,79	251.335	5,47	366.720	6,38
Construction	929.491	16,87	897.249	10,04	667.401	14,53	601.354	10,46
Services	2.546.284	46,20	2.769.900	30,98	2.119.148	46,13	1.329.102	23,11
Wholesale and Retail Trade	1.633.391	29,64	680.249	7,61	1.301.479	28,33	346.856	6,03
Hotel, Food and Beverage	27.133	0,49	7.739	0,09	20.006	0,44	8.736	0,15
Transportation and								
Telecommunication	116.143	2,11	199.619	2,23	141.392	3,08	169.448	2,95
Financial Institutions	661.165	12,00	1.780.496	19,92	560.068	12,19	765.226	13,31
Real Estate and Leasing								
Services	1.835	0,03	1.915	0,02	633	0,01	1.544	0,03
Self-Employment Services	12.177	0,22	2.220	0,02	8.440	0,18	1.999	0,03
Education Services	12.910	0,23	1.701	0,02	6.245	0,14	152	0,00
Health and Social Services	81.530	1,48	95.961	1,07	80.885	1,76	35.141	0,61
Other	364.701	6,63	1.454.077	16,29	339.082	7,38	568.112	9,90
<b>Total</b>	<b>5.510.005</b>	<b>100,00</b>	<b>8.937.878</b>	<b>100,00</b>	<b>4.594.134</b>	<b>100,00</b>	<b>5.747.768</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>5.489.866</b>	<b>8.888.912</b>	<b>20.139</b>	<b>48.966</b>
Letters of Guarantee	4.841.183	4.053.686	20.139	48.966
Bank Acceptances	15	120.736	-	-
Letters of Credit	2.229	4.069.199	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	13.384	-	-
Other Commitments and Contingencies	646.439	631.907	-	-

4. Mutual Funds :

As of 31 December 2011, the Group is the founder of 40 mutual funds (31 December 2010: 33) with a total fund value of TL 3.993.535 (31 December 2010: TL 4.110.062). 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 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Types of Trading Transactions</b>		
Foreign Currency Related Derivative Transactions (I)	48.317.478	27.677.776
FC Trading Forward Transactions	4.477.389	2.892.072
Trading Swap Transactions	36.960.932	17.608.832
Futures Transactions	-	2.004
Trading Option Transactions	6.879.157	7.174.868
Interest Related Derivative Transactions (II)	26.475.560	14.596.144
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	18.771.154	12.333.430
Interest Rate Options	7.704.406	2.262.714
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	3.734.003	164.504
A. Total Trading Derivative Transactions (I+II+III)	78.527.041	42.438.424
<b>Types of Hedging Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	4.557.785	5.090.000
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	4.557.785	5.090.000
<b>Total Derivative Transactions (A+B)</b>	<b>83.084.826</b>	<b>47.528.424</b>

**c. Explanations on contingent assets and liabilities:**

**1. Contingent Liabilities**

The Group has accounted a provision amounting to TL 3.254 (31 December 2010: TL 27.920) for the legal proceedings outstanding against the Group.

The Competition Board has initiated an investigation in accordance with Law No. 4054 on the Protection of Competition, with its decision dated November 2, 2011 and numbered 11-55/1438 – M, against 12 banks and 2 firms in the financial services industry, including the Bank to determine whether the 4th clause of the aforementioned Law was violated through agreements limiting competition. The investigation is still continuing and the Bank does not foresee any effects on 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 21 March 2011. In the Ordinary General Assembly, it was resolved to distribute a TL 570.620 cash dividend over the TL 2.856.529 net unconsolidated income from 2010 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 44.187 to tangible assets revaluation differences, to allocate TL 179.889 as legal and TL 2.061.833 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 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 2011, the amount directly recognized in equity is (-) TL 155.936.

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 2011, the amount directly recognized in equity is (-) TL 191.596.

**c. 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."

**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 or impaired.

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**VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOW**

**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 2011</b>	<b>Prior Period 31 December 2010</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.

2. Cash and cash equivalents at the end of period:

	<b>Current Period 31 December 2011</b>	<b>Prior Period 31 December 2010</b>
<b>Cash</b>	<b>1.540.572</b>	<b>1.329.742</b>
Cash, Foreign Currency and Other	1.042.732	806.546
Demand Deposits in Banks (*)	497.840	523.196
<b>Cash Equivalents</b>	<b>2.162.002</b>	<b>1.181.973</b>
Interbank Money Market Placements	8.210	13.803
Time Deposits in Banks	1.782.059	1.162.539
Marketable Securities	371.733	5.631
<b>Total Cash and Cash Equivalents</b>	<b>3.702.574</b>	<b>2.511.715</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 1.641.937 (31 December 2010: (-)TL1.288.254) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 686.209 (31 December 2010: TL 620.676) consists mainly of changes in miscellaneous payables and other liabilities.

The effect of changes in the foreign currency rates on the cash and cash equivalents is calculated approximately as TL 392.131 as of 31 December 2011. (31 December 2010: 53.909).

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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 2011:

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	-	-	948.680	394.240	2.427	3.022
Balance at the End of the Period	-	-	1.640.514	455.978	-	-
Interest and Commission Income Received	-	-	76.148	1.688	20	8

2. Prior 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

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 2011	Prior Period 31 December 2010	Current Period 31 December 2011	Prior Period 31 December 2010	Current Period 31 December 2011	Prior Period 31 December 2010
<b>Deposit</b>						
Balance at the Beginning of the Period	-	-	1.525.403	1.561.151	997.787	923.675
Balance at the End of the Period	-	-	2.455.331	1.525.403	869.115	997.787
Interest on Deposits	-	-	107.684	91.885	53.881	40.009

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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	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	2.310.514	1.924.187	58.156	81.284
Balance at the End of the Period	-	-	2.945.172	2.310.514	1.133.067	58.156
Total Income/Loss	-	-	(4.316)	(23.767)	(2.788)	(598)
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	188.890	-	-	-
Total Income/Loss	-	-	(3.396)	-	-	-

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 2011 the net exposure for direct and indirect shareholders of the Group is TL (-) 704 (31 December 2010: (-) TL 248.008) and for other third party or legal person in risk group TL (-) (31 December 2010: TL (-)).

5. Information regarding benefits provided to the Group's key management:

As of 31 December 2011 benefits provided to the Group's key management amount to TL 24.441 (31 December 2010: TL 23.092).

**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	926	15.327			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch	-	-	-	-	-
Off-shore Banking Region Branches	1	12	Malta	24.015.530	-

2. Information on the Bank's branch or representative office opennings, closings, significant changes in the organizational structure: In 2011, the Bank has opened 36 domestic branches and closed up 22 domestic branches.



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**IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

1. According to the Board of Director's meeting dated 16 January 2012, it has been decided to increase the Bank's registered capital ceiling from TL 5.000.000 to TL 8.000.000. In line with this decision, it is decided to make amendment in the 9th clause of the Bank's articles of association and authorize the General Management to make necessary applications by the competent authority.
2. The Bank has signed a financial advisory agreement with Ak Yatırım Menkul Değerler A.Ş., in order to assess the strategic alternatives about the Ak B Tipi Yatırım Ortaklığı A.Ş., 70,04% direct subsidiary of the Bank.
3. The Bank has applied to the Capital Markets Boards of Turkey in order to issue bonds or similar borrowing instruments in foreign markets amounting to USD 1.5 billion in USD and/or other foreign currencies.
4. The Bank has issued 178 day maturity bond with 11,24% simple interest rate amounting to TL 260 million of which the redemption date is 16 July 2012.
5. The Bank has issued 1.116 day maturity bond with quarterly determined floating interest rate, 36 monthly coupon payments and principal payment at maturity amounting to TL 390 million of which the redemption date is 9 February 2015. First, second and third coupon rates of the bond will be 0.96% (each coupon).
6. According to the Board of Director's meeting dated 27 January 2012; it is decided to held the Bank's General Assembly Meeting at 14:00 on Friday in 30 March 2012 at Sabancı Center 4.Levent/İstanbul.

**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 2011 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 10 February 2012 is presented preceding the consolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS**

None.









#### **HEAD OFFICE**

Sabancı Center, 4. Levent 34330 İstanbul-Turkey

**Phone:** (+90 212) 385 55 55

**Telefax 1:** (+90 212) 269 77 87

**Telefax 2:** (+90 212) 269 73 83

bizeulasin@akbank.com