

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.

(Convenience translation of the independent auditor's report originally issued in Turkish, See Note I.b of Section three)

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**

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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 BİNBAŞĞİL President	K. Atıl ÖZUS Executive Vice President	Türker TUNALI Senior Vice President
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Contact information of the personnel in charge of addressing questions regarding this financial report.

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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 Depository 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>
Chairman:	Suzan SABANCI DİNÇER	Chairman and Executive Board Member	Graduate
Honorary Chairman, Board member, Consultant:	Erol SABANCI	Honorary Chairman, Board Member and Consultant	Undergraduate
Board of Directors:	Hayri ÇULHACI Özen GÖKSEL Bülent ADANIR M. Hikmet BAYAR Ş. Yaman TÖRÜNER William J. MILLS S. Hakan BİNBAŞGİL	Vice Chairman and Executive Board Member Executive Board Member Board Member Board Member Board Member Board Member Board Member and CEO	Graduate Undergraduate Graduate Graduate Undergraduate Undergraduate Graduate
President and CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Director of Internal Audit:	Eyüp ENGİN	Head of Internal Audit	Undergraduate

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**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2011**

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

Executive Vice Presidents:	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
Internal Audit Committee:	Hayri ÇULHACI	Head of the Audit Committee	Graduate
	M. Hikmet BAYAR	Member of the Audit Committee	Graduate
Auditors:	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:

Name/Commercial Title	Share Amounts (Nominal)	Share Percentages	Paid-in Capital (Nominal)	Unpaid Portion
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.S.
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
I. CASH AND BALANCES WITH CENTRAL BANK	(I-a)	4.829.685	9.049.004	13.878.689	2.255.059	3.841.762	6.096.821
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)	(I-b)	589.632	401.642	991.274	828.136	253.507	1.081.643
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		-	-	-	-	-	-
III. BANKS	(I-c)	128.913	3.325.880	3.454.793	421.485	1.989.059	2.410.544
IV. MONEY MARKETS		8.210	-	8.210	13.803	-	13.803
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
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-d)	32.679.923	6.288.362	38.968.285	38.285.150	5.020.201	43.305.351
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
VI. LOANS and RECEIVABLES	(I-e)	42.000.209	32.355.351	74.355.560	32.035.046	25.697.921	57.732.967
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	(VII)	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
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	(I-f)	3.808.631	1.015.839	4.824.470	5.359.714	1.267.566	6.627.280
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
IX. INVESTMENTS IN ASSOCIATES (Net)	(I-g)	3.923	-	3.923	3.125	-	3.125
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
X. SUBSIDIARIES (Net)	(I-h)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)		-	-	-	-	-	-
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. FINANCIAL LEASE RECEIVABLES (Net)	(I-i)	241.900	1.172.905	1.414.805	153.226	838.051	991.277
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
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	(I-j)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)	(I-k)	787.064	3.597	790.661	896.449	4.892	901.341
XV. INTANGIBLE ASSETS (Net)	(I-l)	101.202	1.013	102.215	92.852	279	93.131
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		101.202	1.013	102.215	92.852	279	93.131
XVI. INVESTMENT PROPERTY (Net)	(I-m)	-	-	-	-	-	-
XVII. TAX ASSET		112.829	3.779	116.608	84.744	4.886	89.630
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(I-n)	112.829	3.779	116.608	84.744	4.886	89.630
XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-o)	3.686	-	3.686	3.225	-	3.225
18.1 Held for Sale Purpose		3.686	-	3.686	3.225	-	3.225
18.2 Related to Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-p)	885.989	107.964	993.953	664.172	55.417	719.589
TOTAL ASSETS		86.181.796	53.725.336	139.907.132	81.096.186	38.973.541	120.069.727

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

AKBANK T.A.S.
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
I. DEPOSITS	(II-a)	43.486.502	37.284.315	80.770.817	42.016.947	29.691.388	71.708.335
1.1 Deposits of Bank's Risk Group	(VII)	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
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(II-b)	199.996	473.039	673.035	181.212	259.362	440.574
III. BORROWINGS	(II-c)	349.143	17.696.178	18.045.321	401.858	11.095.306	11.497.164
IV. MONEY MARKETS		5.563.644	7.498.500	13.062.144	10.994.894	802.227	11.797.121
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
V. SECURITIES ISSUED (Net)	(II-d)	1.807.958	2.695.846	4.503.804	966.804	1.555.457	2.522.261
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
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		2.112.282	220.420	2.332.702	1.586.011	124.647	1.710.658
VIII. OTHER LIABILITIES	(II-e)	576.902	169.487	746.389	664.529	163.489	828.018
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCIAL LEASE PAYABLES (Net)	(II-f)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	(II-g)	111.480	108.371	219.851	309.429	-	309.429
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		-	-	-	-	-	-
XII. PROVISIONS	(II-h)	785.490	345.744	1.131.234	632.599	247.360	879.959
12.1 General Loan Loss Provision		491.720	320.718	812.438	294.564	232.556	527.120
12.2 Restructuring Provisions		-	477	477	-	-	-
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
XIII. TAX LIABILITY	(II-i)	241.235	49.221	290.456	372.772	55.842	428.614
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
XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE		-	-	-	-	-	-
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(II-j)	18.247.580	(116.201)	18.131.379	17.883.521	64.073	17.947.594
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	(II-k)	[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
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		73.482.212	66.424.920	139.907.132	76.010.576	44.059.151	120.069.727

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)).

INCOME AND EXPENSE ITEMS		Note	CURRENT PERIOD	PRIOR PERIOD
		(Section Five)	(01/01-31/12/2011)	(01/01-31/12/2010)
I.	INTEREST INCOME	(III-a)	9.473.645	8.994.490
1.1	Interest on loans	(III-a-1)	5.239.287	4.261.211
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks	(III-a-2)	47.438	121.072
1.4	Interest Received from Money Market Transactions		9.234	1.329
1.5	Interest Received from Marketable Securities Portfolio	(III-a-3)	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
II.	INTEREST EXPENSE	(III-b)	5.321.916	4.563.572
2.1	Interest on Deposits	(III-b-4)	4.048.665	3.645.001
2.2	Interest on Funds Borrowed	(III-b-1)	303.724	219.155
2.3	Interest Expense on Money Market Transactions		687.082	616.431
2.4	Interest on Securities Issued	(III-b-3)	246.168	37.849
2.5	Other Interest Expenses		36.277	45.136
III.	NET INTEREST INCOME (I - II)		4.151.729	4.430.918
IV.	NET FEES AND COMMISSIONS INCOME		1.631.259	1.358.036
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
V.	DIVIDEND INCOME	(III-c)	3.596	1.059
VI.	TRADING INCOME/(LOSS) (Net)	(III-d)	(112.355)	80.316
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
VII.	OTHER OPERATING INCOME	(III-e)	704.835	902.212
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		6.379.064	6.772.541
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(III-f)	659.125	524.792
X.	OTHER OPERATING EXPENSES (-)	(III-g)	2.514.758	2.483.227
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		3.205.181	3.764.522
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES		-	-
XIII.	CONSOLIDATED BASED ON EQUITY METHOD INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XIV.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)		3.205.181	3.764.522
XV.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(III-j)	670.056	754.172
16.1	Current Tax Provision		642.740	664.138
16.2	Deferred Tax Provision		27.316	90.034
XVII.	CURRENT YEAR PROFIT/LOSS FROM CONTINUED OPERATIONS		2.535.125	3.010.350
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
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		-	-
XIX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
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		-	-
XX.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
21.1	Current Tax Provision		-	-
21.2	Deferred Tax Provision		-	-
XXII.	CURRENT YEAR PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	(III-l)	2.535.125	3.010.350
23.1	Income/(Loss) from the Group		2.536.375	3.008.809
23.2	Income/(Loss) from Minority Interest	(III-h)	(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.

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
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		150.745.477	73.005.558	223.751.035	40.573.530	43.727.612	84.301.142
I. GUARANTEES AND WARRANTIES	(IV-a-2, 3)	5.510.005	8.937.878	14.447.883	4.594.134	5.747.768	10.341.902
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
II. COMMITMENTS	(IV-a-1)	121.727.524	4.490.802	126.218.326	22.927.884	3.502.932	26.430.816
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		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(IV-b)	23.507.948	59.576.878	83.084.826	13.051.512	34.476.912	47.528.424
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	3.588.174
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. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		213.184.533	80.790.301	293.974.834	62.065.819	20.255.155	82.320.974
IV. ITEMS HELD IN CUSTODY		27.544.893	4.867.397	32.412.290	23.467.015	2.790.554	26.257.569
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
V. PLEDGES RECEIVED		49.232.746	29.218.943	78.451.689	35.262.609	17.335.126	52.597.735
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
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		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTS		136.406.894	46.703.961	183.110.855	3.336.195	129.475	3.465.670
TOTAL OF OFF-BALANCE SHEET COMMITMENT (A+B)		363.930.010	153.795.859	517.725.869	102.639.349	63.982.767	166.622.116

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)).

INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (31/12/2011)	PRIOR PERIOD (31/12/2010)
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS	(2.102.052)	1.550.793
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE FIXED ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	168.862	(32.263)
V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	150.399	60.000
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes) (*)	(130.215)	29.280
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS	-	-
VIII. OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-	-
IX. TAX RELATED TO VALUATION DIFFERENCES	416.374	(328.015)
X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(1.496.632)	1.279.795
XI. CURRENT YEAR INCOME / LOSS	(282.402)	(276.451)
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
XII. TOTAL ACCOUNTED INCOME / LOSS RELATED TO CURRENT PERIOD (X±XI)	(1.779.034)	1.003.344

(*) 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.

İlişikteki açıklama ve dipnotlar bu finansal tabloların tamamlayıcı bir parçasıdır.

AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2011

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

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital(*)	Share Premiums	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinar y Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Value Increase Fund	Revaluation Fund	Bonus Shares from Invest. in Ass., Subs. and J.V.	Hedging Transactions	Val. Chan. in Prop. and Eq. HFS Purp./ Disc. Opr.	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD (31/12/2010)																			
I.	Period Opening Balance	3.000.000	1.905.892	1.700.000	-	796.720	-	3.695.297	144.188	2.722.621	63.672	868.432	17.309	-	(466.986)	-	14.447.145	205	14.447.350
II.	Changes in Accounting Policies according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I-II)	(II-I)	3.000.000	1.905.892	1.700.000	-	796.720	-	3.695.297	144.188	2.722.621	63.672	868.432	17.309	(466.986)	-	14.447.145	205	14.447.350
Changes in the period																			
IV.	Increase/Decrease due to the Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	947.874	-	-	-	-	947.874	-	947.874
VI.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	87.733	-	87.733	-	87.733
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	64.309	-	64.309	-	64.309
6.2	Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	23.424	-	23.424	-	23.424
VII.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible Fixed Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Differences	-	-	-	-	-	-	-	(32.277)	-	-	-	-	-	-	-	(32.277)	-	(32.277)
XI.	Changes due to the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	1.000.000	(500.000)	-	-	-	-	(482.691)	-	-	-	-	(17.309)	-	-	-	-	-	-
14.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal Resources	1.000.000	(500.000)	-	-	-	-	(482.691)	-	-	-	-	(17.309)	-	-	-	-	-	-
XV.	Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	5.242	30	-	2.729	-	-	14	-	7.961	-	-	-	-	-	15.976	13.344	29.320
XIX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	3.008.809	-	-	-	-	-	-	3.008.809	1.541	3.010.350
XX.	Profit distribution	-	-	-	-	146.609	-	2.041.637	-	(2.722.621)	(9.144)	-	2.919	-	-	-	(540.600)	(2.156)	(542.756)
20.1	Dividends paid	-	-	-	-	-	-	-	-	(540.600)	-	-	-	-	-	-	(540.600)	(2.156)	(542.756)
20.2	Transfers to Reserves	-	-	-	-	146.609	-	2.041.637	-	(2.182.021)	(9.144)	-	2.919	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+V+...+XVIII+XIX+XX)		4.000.000	1.411.134	1.700.030	-	946.058	-	5.254.243	111.925	3.008.809	62.489	1.816.306	2.919	-	(379.253)	-	17.934.660	12.934	17.947.594
CURRENT PERIOD (31/12/2011)																			
I.	Prior Period End Balance	4.000.000	1.411.134	1.700.030	-	946.058	-	5.254.243	111.925	3.008.809	62.489	1.816.306	2.919	-	(379.253)	-	17.934.660	12.934	17.947.594
Changes in the period																			
II.	Increase/Decrease due to the Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	(II-k)	-	-	-	-	-	-	-	-	-	(1.979.617)	-	-	-	-	(1.979.617)	-	(1.979.617)
IV.	Hedging Transactions	(V-b)	-	-	-	-	-	-	-	-	-	-	-	-	31.721	-	31.721	-	31.721
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	135.893	-	135.893	-	135.893
4.2	Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(104.172)	-	(104.172)	-	(104.172)
V.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Fixed Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint	-	-	-	-	-	-	-	-	-	-	-	-	236	-	-	236	-	236
VIII.	Foreign Exchange Differences	-	-	-	-	-	-	-	168.862	-	-	-	-	-	-	-	168.862	-	168.862
IX.	Changes due to the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes due to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effects of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	2.536.375	-	-	-	-	-	-	2.536.375	(1.250)	2.535.125
XVIII.	Profit distribution	(V-a)	-	-	-	185.819	-	2.061.833	-	(3.008.809)	146.350	-	44.187	-	-	-	(570.620)	(1.922)	(572.542)
18.1	Dividends paid	-	-	-	-	-	-	-	-	(570.620)	-	-	-	-	-	-	(570.620)	(1.922)	(572.542)
18.2	Transfers to Reserves	-	-	-	-	185.819	-	2.061.833	-	(2.438.189)	146.350	-	44.187	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)		4.000.000	1.411.134	1.700.030	-	1.131.877	-	7.316.076	280.787	2.536.375	208.839	(163.311)	47.106	236	(347.532)	-	18.121.617	9.762	18.131.379

(*) The amounts for the current period under "Adjustment to Share Capital" column are presented under "Other Capital Reserves" in the financial statements.

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

AKBANK T.A.Ş.**VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 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)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities	2.552.167	3.203.526
1.1.1	Interest received	8.362.580	8.441.564
1.1.2	Interest paid	(5.177.903)	(4.625.250)
1.1.3	Dividend received	3.596	1.059
1.1.4	Fees and commissions received	1.902.633	1.568.301
1.1.5	Other income	120.876	260.671
1.1.6	Collections from previously written-off loans and other receivables	359.594	580.868
1.1.7	Payments to personnel and service suppliers	(1.001.909)	(916.506)
1.1.8	Taxes paid	(375.363)	(818.927)
1.1.9	Other	(1.641.937)	(1.288.254)
	(VI-b)		
1.2	Changes in operating assets and liabilities	(7.529.523)	(4.084.520)
1.2.1	Net decrease in trading securities	782.163	(667.061)
1.2.2	Net (increase) / decrease in fair value through profit/(loss) financial assets	-	-
1.2.3	Net increase / (decrease) in due from banks and other financial institutions	(8.005.248)	(1.118.563)
1.2.4	Net (increase) / decrease in loans	(16.951.935)	(13.571.622)
1.2.5	Net (increase) / decrease in other assets	(772.095)	(18.120)
1.2.6	Net increase / (decrease) in bank deposits	2.589.686	3.637.978
1.2.7	Net increase / (decrease) in other deposits	6.357.033	7.155.442
1.2.8	Net increase / (decrease) in funds borrowed	7.784.664	(123.250)
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	686.209	620.676
	(VI-b)		
I.	Net cash provided from banking operations	(4.977.356)	(880.994)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	4.413.779	(2.196.250)
2.1	Cash paid for acquisition of investments, associates and subsidiaries	-	(259)
2.2	Cash obtained from disposal of investments, associates and subsidiaries	-	-
2.3	Purchases of property and equipment	(151.897)	(391.797)
2.4	Disposals of property and equipments	111.693	140.170
2.5	Cash paid for purchase of investments available-for-sale	(36.133.128)	(16.202.724)
2.6	Cash obtained from sale of investments available-for-sale	38.884.427	5.832.384
2.7	Cash paid for purchase of investment securities	-	(1.051)
2.8	Cash obtained from sale of investment securities	1.996.980	9.245.663
2.9	Other	(294.296)	(818.636)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	1.362.305	1.945.383
3.1	Cash obtained from funds borrowed and securities issued	1.934.847	2.488.139
3.2	Cash used for repayment of funds borrowed and securities issued	-	-
3.3	Issued capital instruments	-	-
3.4	Dividends paid	(572.542)	(542.756)
3.5	Payments for finance leases	-	-
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	392.131	53.909
	(VI-b)		
V.	Net increase in cash and cash equivalents (I+II+III+IV)	1.190.859	(1.077.952)
VI.	Cash and cash equivalents at beginning of the year	2.511.715	3.589.667
	(VI-a)		
VII.	Cash and cash equivalents at end of the year	3.702.574	2.511.715
	(VI-a)		

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	PRIOR PERIOD	
	(31/12/2011)	(31/12/2010)	
I. DISTRIBUTION OF CURRENT YEAR INCOME			
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
A. NET INCOME FOR THE YEAR (1.1-1.2)		2.394.527	2.856.529
1.3	PRIOR YEAR LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	142.826
1.5	OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]		2.394.527	2.713.703
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	-	-
II. DISTRIBUTION OF RESERVES			
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 (-)	-	-
III. EARNINGS PER SHARE (*)			
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 (%)	-	-
IV. DIVIDEND PER SHARE			
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.

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

**CONVENIENCE TRANSLATION OF
PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY
ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 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
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.)

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
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.)

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.

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IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:

The major derivative instruments utilized by the Group are currency and interest rate swaps, currency options and currency forwards.

The Group classifies its derivative instruments as “Held-for-hedging” or “Held-for-trading” in accordance with “Turkish Accounting Standard for Financial Instruments: Recognition and Measurement” (“TAS 39”). 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 standard 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 14th day and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

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

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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.

	Current Period	Prior Period
	31 December 2011	31 December 2010
Net Profit for the Year	2.536.375	3.008.809
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00634	0,00752

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:

	Risk Weights					
	0%	20%	Consolidated		150%	200%
Amount Subject to Credit Risk	0%	20%	50%	100%	150%	200%
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 (Business Partnerships) (Net)	-	-	-	3.923	-	-
Fixed Assets	-	-	-	744.887	-	-
Other Assets	268.752	-	-	459.223	-	-
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	-	-	-	-	-	-
Total Risk Weighted Assets	61.189.339	4.843.069	256.158	89.641.471	1.951.427	1.379.585

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	Parent Bank					
	0%	20%	50%	100%	150%	200%
Amount Subject to Credit Risk						
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	-	-	-	-	-	-
Total Risk Weighted Assets	58.922.111	4.132.007	-	85.539.481	1.951.427	1.379.585

d. Summary information related to consolidated capital adequacy ratio:

	Parent Bank		Consolidated	
	Current Period 31 December 2011	Prior Period 31 December 2010	Current Period 31 December 2011	Prior Period 31 December 2010
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:

	Current Period 31 December 2011	Prior Period 31 December 2010
CORE CAPITAL		
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)	-	-
Total Core Capital	18.299.791	16.173.438
SUPPLEMENTARY CAPITAL		
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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	Current Period 31 December 2011	Prior Period 31 December 2010
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	-	-
Total Supplementary Capital	649.363	1.344.458
TIER III CAPITAL (Minority Rights included, if exists)	-	-
CAPITAL	18.949.154	17.517.896
DEDUCTIONS FROM THE CAPITAL	4.964	1.396
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	-
Total Shareholders' Equity	18.944.190	17.516.500

(*) 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:

Current Period – 31 December 2011	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	48.267.175	14.996.158	9.741.317	73.004.650
Close Monitoring Loans	480.203	594.801	183.056	1.258.060
Loans Under Follow-up	643.600	305.922	313.137	1.262.659
Specific Provision (-)	550.750	305.922	313.137	1.169.809
Total	48.840.228	15.590.959	9.924.373	74.355.560

Prior Period – 31 December 2010	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	37.349.947	12.432.079	6.640.619	56.422.645
Close Monitoring Loans	468.691	697.792	143.839	1.310.322
Loans Under Follow-up	630.002	329.763	319.869	1.279.634
Specific Provision (-)	630.002	329.763	319.869	1.279.634
Total	37.818.638	13.129.871	6.784.458	57.732.967

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:

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2011	630.002	329.763	319.869	1.279.634
Transferred during the period	119.522	120.790	142.394	382.706
Collection	(152.011)	(114.082)	(93.501)	(359.594)
Write off	(48.043)	(29.288)	(55.625)	(132.956)
Foreign Exchange difference	19	-	-	19
31 December 2011	549.489	307.183	313.137	1.169.809
	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2010	979.834	409.324	395.521	1.784.679
Transferred during the period	148.239	160.605	175.095	483.939
Collection	(281.563)	(154.979)	(144.326)	(580.868)
Write off	(216.450)	(85.187)	(106.421)	(408.058)
Foreign Exchange difference	(58)	-	-	(58)
31 December 2010	630.002	329.763	319.869	1.279.634

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

Current Period – 31 December 2011	Trading Financial Assets	Available for Sale Financial Assets	Held to Maturity Securities	Total
Moody’s Rating				
Aaa	-	162.927	-	162.927
A1, A2, A3	-	599.615	-	599.615
Baa1, Baa2, Baa3	-	362.127	-	362.127
Ba1	-	-	-	-
Ba2	150.314	37.650.892	4.824.470	42.625.676
Total	150.314	38.775.561	4.824.470	43.750.345

Prior Period - 31 December 2010	Trading Financial Assets	Available for Sale Financial Assets	Held to Maturity Securities	Total
Moody’s Rating				
Aaa	-	151.538	-	151.538
A1, A2, A3	-	410.138	-	410.138
Baa1, Baa2, Baa3	-	197.292	-	197.292
Ba1	-	-	-	-
Ba2	585.870	42.446.726	6.627.280	49.659.876
Total	585.870	43.205.694	6.627.280	50.418.844

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k. Information on maximum exposure to credit risk:

	Current Period 31 December 2011	Prior Period 31 December 2010
Credit risk exposures relating to on-balance sheet assets:	124.754.776	112.579.680
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
Credit risk exposures relating to off-balance sheet items:	35.307.856	30.125.572
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
Total	160.062.632	142.705.252

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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L. Customer and geographical concentration of credit risk:

	Loans Granted to Real Persons and Corporate Entities		Loans Granted to Banks and Other Financial Institutions		Marketable Securities(*)		Other Loans(**)	
	Current Period	Prior Period	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	31 December 2011	31 December 2010
Industry Sectors								
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	-	-
Total	70.665.860	54.328.939	3.596.850	3.404.028	43.957.318	50.543.233	88.526.024	62.241.068
Geographical Sectors								
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
Total	70.665.860	54.328.939	3.596.850	3.404.028	43.957.318	50.543.233	88.526.024	62.241.068

(*) Marketable securities consist of fair value through profit and loss, available for sale and held to maturity securities.

(**) Other loans consist of transactions which are not classified in the first three columns of THP and transactions defined as loan in the article 48 of the Banking Law No.5411

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

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m. Information according to geographical concentration:

	Assets	Liabilities(***)	Non-Cash Loans	Capital Expenditures	Net Profit
Current Period – 31 December 2011					
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(**)	-	-	-	-	-
Total	139.755.235	121.775.753	14.447.883	151.897	2.535.125
Prior Period - 31 December 2010					
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(**)	-	-	-	-	-
Domestic	119.677.930	102.137.194	10.341.902	391.797	3.010.350

(*) 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
Total	41.907.359	100,00	32.355.351	100,00	32.035.046	100,00	25.697.921	100,00

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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:

	Balance
(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:

	Current Period 31 December 2011			Prior Period 31 December 2010		
	Average	Maximum	Minimum	Average	Maximum	Minimum
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	-	-	-	-	-	-
Total Amount Subject to Risk	462.126	482.122	408.690	394.396	441.103	367.359

[*] 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:

	USD	Euro	Yen
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;

	USD	Euro	Yen
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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Current Period – 31 December 2011	EURO	USD	Yen	Other FC(*)	Total
Assets					
Cash Equivalents and Central Bank	186.665	8.369.150	894	492.295	9.049.004
Banks	1.396.508	1.864.368	22.309	42.695	3.325.880
Financial Assets at Fair Value through Profit or Loss (Net)	9.556	19.637	-	-	29.193
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets (Net)	2.692.857	3.595.505	-	-	6.288.362
Loans	9.734.661	23.925.625	1.163	103.545	33.764.994
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-maturity Investments (Net)	707.417	308.422	-	-	1.015.839
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets (Net)	1.733	1.864	-	-	3.597
Intangible Assets (Net)	882	131	-	-	1.013
Other Assets	665.218	591.518	5	292	1.257.033
Total Assets	15.395.497	38.676.220	24.371	638.827	54.734.915
Liabilities					
Bank Deposit	2.246.121	5.830.658	173	375.981	8.452.933
Foreign Currency Deposits	10.965.960	16.741.894	48.194	1.075.334	28.831.382
Funds from Interbank Money Market	235.149	7.263.351	-	-	7.498.500
Borrowings	5.388.759	12.274.382	8.575	24.462	17.696.178
Marketable Securities Issued (Net)	-	2.695.846	-	-	2.695.846
Miscellaneous Payables	175.995	35.681	122	8.622	220.420
Hedging Derivative Financial Liabilities	-	-	-	-	-
Other Liabilities	157.004	53.007	5.653	3.313	218.977
Total Liabilities	19.168.988	44.894.819	62.717	1.487.712	65.614.236
Net on Balance Sheet Position	(3.773.491)	(6.218.599)	(38.346)	(848.885)	(10.879.321)
Net off-Balance Sheet Position (**)	3.954.376	6.382.269	38.085	849.589	11.224.319
Financial Derivative Assets	6.041.190	15.556.726	162.784	1.448.463	23.209.163
Financial Derivative Liabilities	2.086.814	9.174.457	124.699	598.874	11.984.844
Non-cash Loans	1.963.795	6.665.574	221.646	86.863	8.937.878
Prior Period - 31 December 2010					
Total Assets	14.061.416	25.245.365	50.732	157.706	39.515.219
Total Liabilities	16.461.436	25.637.016	50.670	1.337.136	43.486.258
Net on-Balance Sheet Position	(2.400.020)	(391.651)	62	(1.179.430)	(3.971.039)
Net off-Balance Sheet Position (**)	2.625.873	452.963	2.898	1.183.397	4.265.131
Financial Derivative Assets	4.648.041	6.548.238	66.647	1.356.982	12.619.908
Financial Derivative Liabilities	2.022.168	6.095.275	63.749	173.585	8.354.777
Non-cash Loans	1.506.292	4.034.568	135.864	71.044	5.747.768

(*) 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:

Current Period – 31 December 2011	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	-	-	-	-	-	13.878.689	13.878.689
Banks	1.666.220	306.129	64	2.000	-	1.480.380	3.454.793
Financial Assets at Fair Value Through Profit or Loss (Net)	229.933	245.568	340.167	143.719	17.638	14.249	991.274
Interbank Money Market Placements	8.210	-	-	-	-	-	8.210
Available-for-sale Financial Assets (Net)	2.620.718	6.026.822	13.111.272	13.861.662	3.155.088	192.723	38.968.285
Loans	22.820.028	13.593.006	21.717.553	13.977.748	2.154.375	92.850	74.355.560
Held-to-maturity Investments (Net)	-	3.602.813	205.818	-	1.015.839	-	4.824.470
Other Assets	929.054	67.244	232.041	568.098	135.483	1.493.931	3.425.851
Total Assets	28.274.163	23.841.582	35.606.915	28.553.227	6.478.423	17.152.822	139.907.132
Liabilities							
Bank Deposits	7.722.306	1.797.029	373.879	-	-	392.604	10.285.818
Other Deposits	45.142.250	11.325.120	4.364.620	360.369	20.834	9.271.806	70.484.999
Funds from Interbank Money Market	10.429.100	78.837	1.454.361	544.259	555.587	-	13.062.144
Miscellaneous Payables	42.354	-	-	-	-	2.290.348	2.332.702
Marketable Securities Issued (Net)	437.241	714.949	655.768	1.797.231	898.615	-	4.503.804
Borrowings	7.889.403	4.763.677	4.649.357	696.624	46.260	-	18.045.321
Other Liabilities (*)	171.202	263.924	526.687	115.194	46.026	20.069.311	21.192.344
Total Liabilities	71.833.856	18.943.536	12.024.672	3.513.677	1.567.322	32.024.069	139.907.132
Balance Sheet Long Position	-	4.898.046	23.582.243	25.039.550	4.911.101	-	58.430.940
Balance Sheet Short Position	(43.559.693)	-	-	-	-	(14.871.247)	(58.430.940)
Off-balance Sheet Long Position	1.376.533	1.768.818	651.293	-	-	-	3.796.644
Off-balance Sheet Short Position	-	-	-	(2.809.494)	(912.013)	-	(3.721.507)
Total Position	(42.183.160)	6.666.864	24.233.536	22.230.056	3.999.088	(14.871.247)	75.137

(*) 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
Assets							
Cash Equivalents and Central Bank	3.730	-	-	-	-	6.093.091	6.096.821
Banks	1.065.991	226.837	-	-	-	1.117.716	2.410.544
Financial Assets at Fair Value Through Profit or Loss (Net)	300.325	133.830	199.519	343.453	79.784	24.732	1.081.643
Interbank Money Market Placements	13.803	-	-	-	-	-	13.803
Available-for-sale Financial Assets (Net)	1.882.934	5.920.223	20.763.448	11.737.410	2.901.679	99.657	43.305.351
Loans	18.277.409	9.882.886	15.843.843	12.387.472	1.341.357	-	57.732.967
Held-to-maturity Investments (Net)	813.266	4.340.557	475.466	978	997.013	-	6.627.280
Other Assets	374.855	62.905	188.777	433.255	124.022	1.617.504	2.801.318
Total Assets	22.732.313	20.567.238	37.471.053	24.902.568	5.443.855	8.952.700	120.069.727
Liabilities							
Bank Deposits	5.385.714	1.748.623	359.301	-	-	192.116	7.685.754
Other Deposits	39.713.121	12.599.920	2.060.830	1.109.395	22.202	8.517.113	64.022.581
Funds from Interbank Money Market	11.074.541	536.041	30.414	-	156.125	-	11.797.121
Miscellaneous Payables	61.165	-	-	-	-	1.649.493	1.710.658
Marketable Securities Issued (Net)	-	-	966.804	1.555.457	-	-	2.522.261
Borrowings	1.262.606	7.723.084	2.279.948	224.871	6.655	-	11.497.164
Other Liabilities (*)	164.914	165.341	530.819	100.670	63.852	19.808.592	20.834.188
Total Liabilities	57.662.061	22.773.009	6.228.116	2.990.393	248.834	30.167.314	120.069.727
Balance Sheet Long Position	-	-	31.242.937	21.912.175	5.195.021	-	58.350.133
Balance Sheet Short Position	(34.929.748)	(2.205.771)	-	-	-	(21.214.614)	(58.350.133)
Off-balance Sheet Long Position	-	1.037.227	1.390.819	-	-	-	2.428.046
Off-balance Sheet Short Position	(167.443)	-	-	(1.409.620)	(647.525)	-	(2.224.588)
Total Position	(35.097.191)	(1.168.544)	32.633.756	20.502.555	4.547.496	(21.214.614)	203.458

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

Interest rate sensitivity analysis:

Change in interest rates	Current period - 31 December 2011		Prior period - 31 December 2010	
	Effect on income statement	Effect on equity	Effect on income statement	Effect on equity
(+) %1	(210.752)	(528.311)	(112.228)	(605.690)
(-) %1	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.

Current Period – 31 December 2011	EURO	USD	Yen	TL
Assets	%	%	%	%
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
Liabilities				
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
Prior Period - 31 December 2010	EURO	USD	Yen	TL
Assets	%	%	%	%
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
Liabilities				
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:

Current Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
	FC	FC+TL	FC	FC+TL
31 December 2011				
Average (%)	164,5	184,5	95,3	115,8
Maximum (%)	228,3	241,1	106,5	129,0
Minimum (%)	98,2	151,7	86,7	104,8

Prior Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
	FC	FC+TL	FC	FC+TL
31 December 2010				
Average (%)	195,6	243,8	96,8	133,5
Maximum (%)	248,2	279,4	112,1	149,5
Minimum (%)	142,7	199,5	81,9	119,6

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2011	Demand	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Unallocated (*)	Total
Assets								
Cash Equivalents and Central Bank	13.878.689	-	-	-	-	-	-	13.878.689
Banks	1.480.380	1.666.220	306.129	64	2.000	-	-	3.454.793
Financial Assets at Fair Value Through Profit or Loss (Net)	14.249	163.001	203.731	155.507	242.308	212.478	-	991.274
Interbank Money Market Placements	-	8.210	-	-	-	-	-	8.210
Available-for-sale Financial Assets (Net)	192.723	681.714	932.596	1.591.455	29.759.575	5.810.222	-	38.968.285
Loans	-	14.835.268	9.490.875	16.581.475	24.646.547	8.708.545	92.850	74.355.560
Held-to-maturity Investments (Net)	-	-	169.335	1.216	3.638.080	1.015.839	-	4.824.470
Other Assets	120.926	778.234	60.225	240.255	744.413	422.629	1.059.169	3.425.851
Total Assets	15.686.967	18.132.647	11.162.891	18.569.972	59.032.923	16.169.713	1.152.019	139.907.132
Liabilities								
Bank Deposits	392.604	7.722.306	1.797.029	373.879	-	-	-	10.285.818
Other Deposits	9.271.806	45.025.850	11.374.720	4.431.421	360.370	20.832	-	70.484.999
Borrowings	-	1.853.151	3.753.888	7.994.270	3.865.844	578.168	-	18.045.321
Funds from Interbank Money Market	-	10.429.100	78.836	1.454.361	544.259	555.588	-	13.062.144
Marketable Securities Issued (Net)	-	437.241	-	655.768	2.512.180	898.615	-	4.503.804
Miscellaneous Payables	31.970	1.405.045	895.687	-	-	-	-	2.332.702
Other Liabilities (**)	86.473	785.616	320.144	363.649	1.131.167	373.916	18.131.379	21.192.344
Total Liabilities	9.782.853	67.658.309	18.220.304	15.273.348	8.413.820	2.427.119	18.131.379	139.907.132
Net Liquidity Gap	5.904.114	(49.525.662)	(7.057.413)	3.296.624	50.619.103	13.742.594	(16.979.360)	-
Prior Period - 31 December 2010								
Total Assets	7.489.564	14.022.704	7.347.662	21.695.445	55.947.338	12.376.735	1.190.279	120.069.727
Total Liabilities	8.829.283	58.785.034	18.271.968	7.465.005	7.483.471	1.287.372	17.947.594	120.069.727
Net Liquidity Gap	(1.339.719)	(44.762.330)	(10.924.306)	14.230.440	48.463.867	11.089.363	(16.757.315)	-

(*) 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:

Current Period - 31 December 2011	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Liabilities						
Deposits	62.556.979	13.445.187	5.006.373	395.067	25.660	81.429.266
Funds borrowed from other financial institutions	1.921.350	3.835.241	8.297.560	4.444.860	616.872	19.115.883
Funds from interbank money market	10.448.856	80.476	1.482.163	594.106	627.229	13.232.830
Marketable Securities Issued (Net)	467.104	49.333	839.791	3.046.141	997.914	5.400.283
Non-cash Loans	7.361	1.327.047	2.964.776	4.106.717	6.041.982	14.447.883
Prior Period - 31 December 2010						
Prior Period - 31 December 2010	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Liabilities						
Deposits	53.943.139	14.337.937	2.573.466	1.200.914	29.709	72.085.165
Funds borrowed from other financial institutions	891.073	2.517.364	3.692.553	4.048.095	919.802	12.068.887
Funds from interbank money market	11.088.571	537.803	34.159	-	186.851	11.847.384
Marketable Securities Issued (Net)	39.401	-	1.038.779	1.852.808	-	2.930.988
Non-cash Loans (*)	14.287	412.712	1.976.681	2.492.450	5.445.772	10.341.902

(*) 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:

Current Period – 31 December 2011	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and Over
Derivatives held for trading					
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
Derivatives held for hedging					
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
Total Inflow	11.440.414	6.940.249	4.048.892	1.212.421	300.634
Total Outflow	10.338.844	6.489.013	4.313.592	3.140.063	419.962

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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
Derivatives held for trading					
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
Derivatives held for hedging					
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
Total Inflow	7.104.205	2.517.872	1.967.455	1.444.014	333.415
Total Outflow	6.830.428	2.428.609	2.176.563	1.873.886	401.853

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
Financial Assets	121.611.318	110.089.945	121.696.883	112.312.234
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
Financial Liabilities	105.652.644	87.438.418	105.285.069	87.411.974
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:

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.

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:

Current Period - 31 December 2011	1st Level	2nd Level	3rd Level	Total
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
Total Assets	37.384.347	2.568.505	-	39.952.852
Trading Derivative Financial Liabilities	35.946	637.089	-	673.035
Hedging Derivative Financial Liabilities	-	219.851	-	219.851
Total Liabilities	35.946	856.940	-	892.886
Prior Period - 31 December 2010	1st Level	2nd Level	3rd Level	Total
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
Total Assets	43.908.202	473.085	-	44.381.287
Trading Derivative Financial Liabilities	34.923	405.651	-	440.574
Hedging Derivative Financial Liabilities	-	309.429	-	309.429
Total Liabilities	34.923	715.080	-	750.003

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 no traded in active markets and their fair values cannot be measured reliably.

There are no transfers between the 1st and the 2nd 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:

	Current Period			Prior Period		
	31 December 2011			31 December 2010		
	Notional	Assets	Liabilities	Notional	Assets	Liabilities
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	-	-	-
Total	4.557.785	-	219.851	5.090.000	-	309.429

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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:

	Retail Banking	Corporate Banking and Commercial and SME Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Group's Total Activities
Current Period – 31 December 2011							
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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	Retail Banking	Corporate Banking and Commercial and SME Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Group's Total Activities
Prior Period – 31 December 2010							
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:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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
Total	4.829.685	9.049.004	2.255.059	3.841.762

(*) 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:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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
Total	4.226.011	8.609.832	1.784.020	3.499.797

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 collettare/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:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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	-	-	-	-
Total	454.262	372.449	320.122	150.919

c. Information on banks and foreign banks account:

1. Information on banks:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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	-	-	-	-
Total	128.913	3.325.880	421.485	1.989.059

2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount (**)	
	Current Period 31 December 2011	Prior Period 31 December 2010	Current Period 31 December 2011	Prior Period 31 December 2010
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	-	-
Total	1.834.346	1.212.502	1.174.124	729.911

(*) 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 subjeht 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:

	Current Period 31 December 2011	Prior Period 31 December 2010
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
Total	38.968.285	43.305.351

e. Information related to loans:

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

	Current Period 31 December 2011		Prior Period 31 December 2010	
	Cash	Non-cash	Cash	Non-cash
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	-
Total	1.713.164	455.978	1.024.142	394.240

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

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
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	-	-	-	-
Total	73.004.650	-	1.257.421	639

3. Breakdown of loans according to their maturities:

	Standard Loans and Other Receivables		Loans and Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
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

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

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Prior Period – 31.12.2010	Short-term	Medium and Long-term	Total
Consumer Loans-TL	281.986	12.405.240	12.687.226
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
Consumer Loans- Indexed to FC	7	131.869	131.876
Mortgage Loans	2	122.895	122.897
Automotive Loans	5	1.090	1.095
Consumer Loans	-	7.884	7.884
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	6.205.724	374.760	6.580.484
With Installment	2.605.949	374.760	2.980.709
Without Installment	3.599.775	-	3.599.775
Consumer Credit Cards-FC	7.292	-	7.292
With Installment	2.657	-	2.657
Without Installment	4.635	-	4.635
Personnel Loans-TL	4.263	39.798	44.061
Mortgage Loans	9	851	860
Automotive Loans	48	388	436
Consumer Loans	4.206	38.559	42.765
Other	-	-	-
Personnel Loans- Indexed to FC	-	509	509
Mortgage Loans	-	300	300
Automotive Loans	-	-	-
Consumer Loans	-	209	209
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	30.006	760	30.766
With Installment	13.236	760	13.996
Without Installment	16.770	-	16.770
Personnel Credit Cards-FC	126	-	126
With Installment	46	-	46
Without Installment	80	-	80
Credit Deposit Account-TL (Real Person)	266.199	-	266.199
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	6.795.603	12.952.936	19.748.539

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

Current Period – 31.12.2011

	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	1.068.484	4.319.011	5.387.495
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
FC Indexed Commercial Installment Loans	29.435	280.572	310.007
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
Commercial Installment Loans-FC	6.373	203.871	210.244
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	6.373	203.871	210.244
Corporate Credit Cards-TL	371.131	2.378	373.509
With Installment	158.545	2.378	160.923
Without Installment	212.586	-	212.586
Corporate Credit Cards-FC	676	-	676
With Installment	82	-	82
Without Installment	594	-	594
Credited Deposit Account-TL (Legal Person)	255.981	-	255.981
Credited Deposit Account-FC (Legal person)	-	-	-
Total	1.732.080	4.805.832	6.537.912

Prior Period – 31.12.2010

	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	587.417	2.990.197	3.577.614
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
FC Indexed Commercial Installment Loans	13.259	223.593	236.852
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
Commercial Installment Loans-FC	-	65.178	65.178
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	65.178	65.178
Corporate Credit Cards-TL	163.902	1.105	165.007
With Installment	59.940	422	60.362
Without Installment	103.962	683	104.645
Corporate Credit Cards-FC	794	-	794
With Installment	326	-	326
Without Installment	468	-	468
Credited Deposit Account-TL (Legal Person)	220.498	-	220.498
Credited Deposit Account-FC (Legal person)	-	-	-
Total	985.870	3.280.073	4.265.943

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6. Loans according to types of borrowers:

	Current Period	Prior Period
	31 December 2011	31 December 2010
Public	1.618.821	1.276.036
Private	72.643.889	56.456.931
Total	74.262.710	57.732.967

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

	Current Period	Prior Period
	31 December 2011	31 December 2010
Domestic Loans	72.123.425	56.270.029
Foreign Loans	2.139.285	1.462.938
Total	74.262.710	57.732.967

8. Loans granted to investments in associates and subsidiaries: None

9. Specific provisions accounted for loans:

	Current Period	Prior Period
	31 December 2011	31 December 2010
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
Total	1.169.809	1.279.634

10. Information on non-performing loans (Net):

10(i). Information on non-performing loans restructured or rescheduled and other receivables:

	III. Group	IV. Group	V. Group
	Loans and Other	Loans and Other	Uncollectible Loans
	Receivables with	Receivables with	and Other
	Limited Collectibility	Doubtful Collectibility	Receivables
Current Period: 31 December 2011			
(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
Prior Period: 31 December 2010			
(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
Prior Period End Balance: 31 December 2010	80.196	146.571	1.052.867
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	-	-	-
Balance at the End of the Period	223.876	108.098	930.685
Specific Provisions (-)	131.026	108.098	930.685
Net Balance	92.850	-	-

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
Current Period: 31 December 2011			
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	-	-	-
Prior Period: 31 December 2010			
Balance at the End of the Period	1.943	7.884	47.284
Specific Provisions (-)	1.943	7.884	47.284
Net Balance	-	-	-

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
Current Period (Net): 31 December 2011			
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)	-	-	-
Prior Period (Net): 31 December 2010			
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		Prior Period	
	31 December 2011		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
Total	3.592.559	870.487	1.111.809	578.551

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

	Current Period 31 December 2011	Prior Period 31 December 2010
Government Bonds	4.823.563	6.626.420
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	4.823.563	6.626.420

3. Information on Held-to-maturity investments:

	Current Period 31 December 2011	Prior Period 31 December 2010
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
Total	4.824.470	6.627.280

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

	Current Period 31 December 2011	Prior Period 31 December 2010
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
Balance at the End of the Period	4.824.470	6.627.280

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:

Title	Address (City / Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
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.

	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	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:

Title	Address (City / Country)	Bank’s Share Percentage-If Different Voting Percentage (%)	Other Shareholder Share Percentage (%)	Consolidation Method
1 Ak Finansal Kiralama A.Ş.	İstanbul/Turkey	99,99	0,01	Full Consolidation
2 Ak Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99,80	0,20	Full Consolidation
3 Ak Portföy Yönetimi A.Ş.	İstanbul/Turkey	99,99	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.

	Total Assets	Shareholders ' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value (*)
1	1.708.140	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:

	Current Period	Prior Period
	31 December 2011	31 December 2010
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:

Subsidiaries	Current Period	Prior Period
	31 December 2011	31 December 2010
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:

	Current Period	Prior Period
	31 December 2011	31 December 2010
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):

	Current Period 31 December 2011		Prior Period 31 December 2010	
	Gross	Net	Gross	Net
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
Total	1.618.956	1.414.805	1.145.226	991.277

j. Information on the Hedging Derivative Financial Assets: None

k. Information on property and equipment:

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2010				
Cost	912.767	774.409	1.375	1.688.551
Accumulated Depreciation(-)	255.652	531.558	-	787.210
Net Book Value	657.115	242.851	1.375	901.341
Current Period End: 31 December 2011				
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
Closing Net Book Value	541.925	248.519	217	790.661

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	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2009				
Cost	767.052	658.964	74.325	1.500.341
Accumulated Depreciation(-)	237.608	457.276	-	694.884
Net Book Value	529.444	201.688	74.325	805.457
Current Period End: 31 December 2010				
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
Closing Net Book Value	657.115	242.851	1.375	901.341

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
Net Book Value	102.215	93.131
Opening Balance	93.131	65.449
Additions	40.049	49.795
Disposals (-), net	-	-
Depreciation (-)	30.965	22.113
Closing Net Book Value	102.215	93.131

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.

	Accumulated temporary differences		Deferred tax assets/liabilities	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
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
Deferred Tax Asset			179.390	184.589
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)
Deferred Tax Liabilities			(87.539)	(111.861)
Deferred Tax Asset/(Liabilities) Net			91.851	72.728

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

	Current Period	Prior Period
	31 December 2011	31 December 2010
Cost	3.974	3.845
Accumulated Depreciation (-)	288	620
Net Book Value	3.686	3.225

	Current Period	Prior Period
	31 December 2011	31 December 2010
Opening balance	3.225	3.298
Additions	2.554	440
Disposals (-), net	1.981	356
Depreciation (-)	112	157
Closing Net Book Value	3.686	3.225

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:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Cumulative	Total
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
SpecialFinance Institutions	286.356	-	-	-	-	-	-	286.356
Other	-	-	-	-	-	-	-	-
Total	9.664.410	19.156.787	38.791.545	6.857.261	3.138.112	3.121.664	41.038	80.770.817

1(ii). Prior period - 31 December 2010:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Cumulative	Total
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
SpecialFinance Institutions	123.064	-	-	-	-	-	-	123.064
Other	-	-	-	-	-	-	-	-
Total	8.709.229	17.427.232	39.373.568	2.248.699	1.959.192	1.988.306	2.109	71.708.335

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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.

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
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:

	Current Period 31 December 2011	Prior Period 31 December 2010
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:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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	-	-	-	-
Total	199.996	473.039	181.212	259.362

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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
Total	349.143	17.696.178	401.858	11.095.306

2. Information on maturity structure of borrowings:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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
Total	349.143	17.696.178	401.858	11.095.306

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):

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TP	FC	TP	FC
Bank bills	1.081.799	-	966.804	-
Bonds	726.159	2.695.846	-	1.555.457
Total	1.807.958	2.695.846	966.804	1.555.457

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:

	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	-	-	-	-
Total	111.480	108.371	309.429	-

h. Information on provisions:

1. Information on general provisions:

	Current Period 31 December 2011	Prior Period 31 December 2010
General Provisions	812.438	527.120
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:

Balance Sheet Obligations for:	Current Period 31 December 2011	Prior Period 31 December 2010
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	42.456	39.496
- Reserve for unused vacation	35.155	32.232
Total	77.611	71.728

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.

Income Statement Charge for:	Current Period 31 December 2011	Prior Period 31 December 2010
- 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)
Toplam	(117.233)	(100.027)

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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:

	Current Period 31 December 2011	Prior Period 31 December 2010
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:

	Current Period 31 December 2011	Prior Period 31 December 2010
Balance at the Beginning of the Period	39.496	30.545
Provisions Recognized During the Period	15.250	18.553
Paid During the Period	(12.290)	(9.602)
Balance at the End of the Period.	42.456	39.496

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 (ii). Post-employment benefits:

The Group’s obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations; and the Group’s obligation related to other non-transferrable benefits has been calculated in accordance with TAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%), except for the non-transferrable other benefits. Accordingly, including the obligation for non-transferable other benefits amounting TL 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).

	Current Period 31 December 2011	Prior Period 31 December 2010
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
Surplus	322.392	462.242

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:

Discount rate	Current Period 31 December 2011	Prior Period 31 December 2010
- 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:

	Current Period 31 December 2011	Prior Period 31 December 2010
Prior Period End	886.244	854.181
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)
Period End	927.186	886.244

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Plan assets are comprised as follows:

	Current Period		Prior Period	
	31 December 2011		31 December 2010	
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 %
Period End	927.186	100 %	886.244	100 %

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:

	Current Period	Prior Period
	31 December 2011	31 December 2010
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
Total	262.373	409.866

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1(ii). Information on premium payables:

	Current Period 31 December 2011	Prior Period 31 December 2010
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	-
Total	3.326	1.846

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:

	Current Period 31 December 2011	Prior Period 31 December 2010
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:

Capital System	Paid-in capital	Ceiling
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:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(99.396)	(63.915)	1.722.413	93.893
Foreign Currency Differences	-	-	-	-
Total	(99.396)	(63.915)	1.722.413	93.893

l. Information on minority interest:

	Current Period 31 December 2011	Prior Period 31 December 2010
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
Current Period End Balance	9.762	12.934

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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 (*):

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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	-	-	-	-
Total	4.003.152	1.236.135	3.342.510	918.701

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

2. Information on interest income on banks:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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	-	-	-	-
Total	33.230	14.208	112.255	8.817

3. Information on interest income on marketable securities:

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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
Total	3.768.921	288.914	4.172.290	329.390

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 (*):

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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
Total	22.288	281.436	30.835	188.320

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

2. Information on interest expense given to associates and subsidiaries : None.

3. Information on interest expense given to securities issued :

	Current Period 31 December 2011		Prior Period 31 December 2010	
	TL	FC	TL	FC
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.

	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	128.003	12.679	1.695	207	161.155
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	182.332	473.460	148.814	83.850	2.075	891.303
Other Deposits	24	6.259	74.489	15.771	101	485	97.129
Total	1.440	517.788	2.192.778	289.745	107.262	14.770	3.123.783
FC							
Foreign Currency Deposits	603	172.154	383.374	38.135	54.925	98.689	747.880
Bank Deposits	-	12.772	150.338	8.132	5.175	585	177.002
Precious Metals Deposits	-	-	-	-	-	-	-
Total	603	184.926	533.712	46.267	60.100	99.274	924.882
Grand Total	2.043	702.714	2.726.490	336.012	167.362	114.044	4.048.665

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c. Explanations on dividend income:

	Current Period 31 December 2011	Prior Period 31 December 2010
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
Total	3.596	1.059

(*)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
Profit	227.112.955	30.569.521
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
Loss (-)	227.225.310	30.489.205
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
Total (Net)	(112.355)	80.316

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:

	Current Period 31 December 2011	Prior Period 3 December 2010
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
Total	659.125	524.792

g. Information related to other operating expenses:

	Current Period 31 December 2011	Prior Period 3 December 2010
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
Total	2.514.758	2.483.227

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h. Profit/Loss of minority interest:

	Current Period	Prior Period
	31 December 2011	31 December 2010
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:

	Current Period 31 December 2011	Prior Period 31 December 2010
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
Total	5.483.909	3.779.516

- 2 (ii). Revocable, irrevocable guarantees and other similar commitments and contingencies:

	Current Period 31 December 2011	Prior Period 31 December 2010
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
Total	8.963.974	6.562.386

3. (i) Total amount of non-cash loans:

	Current Period 31 December 2011	Prior Period 31 December 2010
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
Total	14.447.883	10.341.902

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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
Total	5.510.005	100,00	8.937.878	100,00	4.594.134	100,00	5.747.768	100,00

3 (iii). Information on the non-cash loans classified in Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	5.489.866	8.888.912	20.139	48.966
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:

	Current Period 31 December 2011	Prior Period 31 December 2010
Types of Trading Transactions		
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
Types of Hedging Transactions		
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
Total Derivative Transactions (A+B)	83.084.826	47.528.424

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:

	Current Period 31 December 2011	Prior Period 31 December 2010
Cash	1.329.742	1.039.771
Cash, Foreign Currency and Other	806.546	595.685
Demand Deposits in Banks (*)	523.196	444.086
Cash Equivalents	1.181.973	2.549.896
Interbank Money Market Placements	13.803	17.503
Time Deposits in Banks	1.162.539	2.525.787
Marketable Securities	5.631	6.606
Total Cash and Cash Equivalents	2.511.715	3.589.667

(*) The restricted demand accounts are not included.

2. Cash and cash equivalents at the end of period:

	Current Period 31 December 2011	Prior Period 31 December 2010
Cash	1.540.572	1.329.742
Cash, Foreign Currency and Other	1.042.732	806.546
Demand Deposits in Banks (*)	497.840	523.196
Cash Equivalents	2.162.002	1.181.973
Interbank Money Market Placements	8.210	13.803
Time Deposits in Banks	1.782.059	1.162.539
Marketable Securities	371.733	5.631
Total Cash and Cash Equivalents	3.702.574	2.511.715

(*) 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
Deposit						
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			
			Country of Incorporation	Total Assets	Statutory Share Capital
Domestic Branch	926	15.327			
Foreign Representation Office	-	-	-		
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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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/Istanbul.

**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.
