

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 31 DECEMBER 2012 TOGETHER WITH
REVIEW 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 2012 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 2012 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, 7 February 2013

**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 2012**

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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 and 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 AG	-	-
5.	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.

7 February 2013

Suzan SABANCI DİNÇER	Hayri ÇULHACI	A. Aykut DEMİRAY	S. Hakan BİNBAŞGİL	K. Atıl ÖZUS	Türker TUNALI
Chairman of the Board of Directors	Head of the Audit Committee	Member of the Audit Committee	President	Executive Vice President	Senior Vice President

Contact information of the personnel in charge of addressing questions regarding this financial report.

Name-Surname / Title : Türker TUNALI / Senior Vice President
Phone No : (0 212) 385 55 55
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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 2012**

(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 2012, approximately 41% of the shares are publicly traded, including the ADRs (31 December 2011: 31%).

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 M. Hikmet BAYAR Ş. Yaman TÖRÜNER Hamid BİGLARİ A. Aykut DEMİRAY M. Kaan TERZİOĞLU S. Hakan BİNBAŞGİL	Vice Chairman and Executive Board Member Executive Board Member Board Member Board Member Board Member Board Member Board Member Board Member and CEO	Graduate Undergraduate Graduate Undergraduate PhD 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 2012

(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
	A. 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	Graduate
	C. Kaan GÜR	Commercial and SME Banking	Undergraduate
	A. Hakan YÜKSEL	Corporate Banking	Undergraduate
	O. Saltık GALATALI	Private Banking	Graduate
	Turgut GÜNEY	Information Technologies	Graduate
Orkun OĞUZ	Direct Banking	Graduate	
Internal Audit Committee:	Hayri ÇULHACI	Head of the Audit Committee	Graduate
	A. Aykut DEMİRAY	Member of the Audit Committee	Undergraduate
Auditors:	Mevlüt AYDEMİR	Auditor	Undergraduate
	M.Nedim BOZFAKIOĞLU	Auditor	Undergraduate

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

According to the Board of Director's decision dated 1 March 2012, A.Aykut Demiray has been appointed as a Board Member.

According to the decision taken in the Board of Director's meeting dated 30 March 2012, A.Aykut Demiray has been appointed as Member of the Audit Committee in lieu of M.Hikmet Bayar.

M. Kaan Terzioğlu has been appointed as Board Member to the position of Bülent Adanır in accordance with the Board of Director's decision dated 3 April 2012.

According to the decision taken in the Board of Director's meeting dated 24 September 2012, Hamid Biglari has been appointed as Board Member in lieu of William Joseph Mills, who resigned from the position. The decision will be approved in the next General Assembly Meeting.

According to the Board of Director's decision Direct Banking Department has been established. Orkun Oğuz has been appointed as Executive Vice President in charge of Direct Banking Department effective from 2 January 2013.

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	-

On 25 May 2012, Citigroup Inc. ("Citigroup") which indirectly owned 20% of the Bank, has sold approximately 10,1% of its share capital (approximately 404.000.000 lots) in Akbank as a result of the decision taken to decrease its ownership in the Bank in connection with its ongoing capital planning preparation for implementation of Basel III regulatory requirements. As a result of this sale transaction Citigroup's share in Akbank has decreased to 9.9%.

**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 2012

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

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 2012, the Bank has 961 branches dispersed throughout the country and 1 branch operating abroad (31 December 2011: 926 branches and 1 branch operating abroad). As of 31 December 2012, the Bank employed 16.315 people (31 December 2011: 15.339).

The Parent Bank and its subsidiaries, Ak Yatırım Menkul Değerler A.Ş., AK Portföy Yönetimi A.Ş., Akbank AG, Ak Finansal Kiralama 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 2012, the Group employed 16.515 people (31 December 2011: 15.548).

VI. A SHORT EXPLANATION ON THE DIFFERENCES BETWEEN THE COMMUNIQUE ON CONSOLIDATED FINANCIAL STATEMENT REPORTING AND THE CONSOLIDATION PROCEDURES REQUIRED BY TURKISH ACCOUNTING STANDARDS AND ABOUT INSTITUTIONS THAT ARE SUBJECT TO FULL CONSOLIDATION, PROPORTIONAL CONSOLIDATION, BY WAY OF DEDUCTION FROM CAPITAL OR THOSE THAT ARE SUBJECT TO NONE:

The Bank sees no difference between the Communiqué on Consolidated Financial Reporting and the consolidation procedures required by Turkish Accounting Standards. Information in regards to consolidated subsidiaries and consolidation methods are given in Section 3 Note III.

VII. EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES TO IMMEDIATE TRANSFER OF CAPITAL BETWEEN PARENT BANK AND ITS SUBSIDIARIES AND REPAYMENT OF DEBTS:

None.

AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2012 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL)).

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2012)			PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(I-a)	3.358.403	13.304.449	16.662.852	4.829.685	9.049.004	13.878.689
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)	(I-b)	200.834	369.818	570.652	589.632	401.642	991.274
2.1 Trading Financial Assets		200.834	369.818	570.652	589.632	401.642	991.274
2.1.1 Government Debt Securities		7.495	2.969	10.464	119.144	29.193	148.337
2.1.2 Share Certificates		18.825	-	18.825	14.249	-	14.249
2.1.3 Trading Derivative Financial Assets		170.825	366.849	537.674	454.262	372.449	826.711
2.1.4 Other Marketable Securities		3.689	-	3.689	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)	427.100	2.763.572	3.190.672	128.913	3.325.880	3.454.793
IV. MONEY MARKETS		-	-	-	8.210	-	8.210
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
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-d)	30.350.124	12.271.428	42.621.552	32.679.923	6.288.362	38.968.285
5.1 Share Certificates		7.756	161	7.917	6.546	161	6.707
5.2 Government Debt Securities		30.254.483	10.017.219	40.271.702	32.591.200	4.753.503	37.344.703
5.3 Other Marketable Securities		87.885	2.254.048	2.341.933	82.177	1.534.698	1.616.875
VI. LOANS and RECEIVABLES	(I-e)	58.890.183	33.470.066	92.360.249	42.000.209	32.355.351	74.355.560
6.1 Loans and Receivables		58.797.333	33.470.066	92.267.399	41.907.359	32.355.351	74.262.710
6.1.1 Loans to Bank's Risk Group	(VI)	855.488	1.235.361	2.090.849	578.204	1.062.310	1.640.514
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		57.941.845	32.234.705	90.176.550	41.329.155	31.293.041	72.622.196
6.2 Loans under Follow-up		1.115.341	115	1.115.456	1.262.539	120	1.262.659
6.3 Specific Provisions [-]		1.022.491	115	1.022.606	1.169.689	120	1.169.809
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	(I-f)	3.637.468	-	3.637.468	3.808.631	1.015.839	4.824.470
8.1 Government Debt Securities		3.637.468	-	3.637.468	3.807.724	1.015.839	4.823.563
8.2 Other Marketable Securities		-	-	-	907	-	907
IX. INVESTMENTS IN ASSOCIATES (Net)	(I-g)	3.923	-	3.923	3,923	-	3,923
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		3,923	-	3,923	3,923	-	3,923
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3,923	-	3,923	3,923	-	3,923
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)	361.305	1.646.580	2.007.885	241.900	1.172.905	1.414.805
12.1 Financial Lease Receivables		440.993	1.891.985	2.332.978	288.163	1.330.793	1.618.956
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income [-]		79.688	245.405	325.093	46.263	157.888	204.151
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)	797.198	2.705	799.903	787.064	3.597	790.661
XV. INTANGIBLE ASSETS (Net)	(I-l)	113.362	395	113.757	101.202	1.013	102.215
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		113.362	395	113.757	101.202	1.013	102.215
XVI. INVESTMENT PROPERTY (Net)	(I-m)	-	-	-	-	-	-
XVII. TAX ASSET		920	4.183	5.103	112.829	3.779	116.608
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(I-n)	920	4.183	5.103	112.829	3.779	116.608
XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-o)	15.048	-	15.048	3.686	-	3.686
18.1 Held for Sale Purpose		15.048	-	15.048	3.686	-	3.686
18.2 Related to Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-p)	1.399.190	90.080	1.489.270	885.989	107.964	993.953
TOTAL ASSETS		99.555.058	63.923.276	163.478.334	86.181.796	53.725.336	139.907.132

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

AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2012 (STATEMENT OF FINANCIAL POSITION)

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2012)			PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	50.997.029	39.691.259	90.688.288	43.486.502	37.284.315	80.770.817
1.1 Deposits of Bank's Risk Group	(VI)	2.288.290	1.830.355	4.118.645	1.153.300	2.171.146	3.324.446
1.2 Other		48.708.739	37.860.904	86.569.643	42.333.202	35.113.169	77.446.371
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(II-b)	181.559	372.380	553.939	199.996	473.039	673.035
III. BORROWINGS	(II-c)	465.613	15.132.458	15.598.071	349.143	17.496.178	18.045.321
IV. MONEY MARKETS		8.861.453	11.259.976	20.121.429	5.563.644	7.498.500	13.062.144
4.1 Funds from Interbank Money Market		407.551	-	407.551	91.166	549.703	640.869
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		8.453.902	11.259.976	19.713.878	5.472.478	6.948.797	12.421.275
V. SECURITIES ISSUED (Net)	(II-d)	2.530.679	4.083.764	6.614.443	1.807.958	2.695.846	4.503.804
5.1 Bills		1.018.625	-	1.018.625	1.081.799	-	1.081.799
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		1.512.054	4.083.764	5.595.818	726.159	2.695.846	3.422.005
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		2.583.863	383.980	2.967.843	2.112.282	220.420	2.332.702
VIII. OTHER LIABILITIES	(II-e)	1.374.239	188.375	1.562.614	576.902	169.487	746.389
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)	528.525	130.320	658.845	111.480	108.371	219.851
11.1 Fair Value Hedge		313.531	-	313.531	-	-	-
11.2 Cash Flow Hedge		214.994	130.320	345.314	111.480	108.371	219.851
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(II-h)	1.171.403	359.979	1.531.382	785.490	345.744	1.131.234
12.1 General Loan Loss Provision		862.492	345.692	1.208.184	491.720	320.718	812.438
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		101.539	202	101.741	77.134	477	77.611
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		207.372	14.085	221.457	216.636	24.549	241.185
XIII. TAX LIABILITY	(II-i)	660.121	45.591	705.712	241.235	49.221	290.456
13.1 Current Tax Liability		582.732	21.899	604.631	241.235	24.464	265.699
13.2 Deferred Tax Liability		77.389	23.692	101.081	-	24.757	24.757
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)	22.110.499	365.269	22.475.768	18.247.580	(116.201)	18.131.379
16.1 Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2 Capital Reserves		4.188.859	365.269	4.554.128	2.763.864	(116.201)	2.647.663
16.2.1 Share Premium		1.700.000	-	1.700.000	1.700.030	-	1.700.030
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences		1.253.332	420.446	1.673.778	(99.396)	(63.915)	(163.311)
16.2.4 Property and Equipment Revaluation Differences	(II-k)	47.106	-	47.106	47.106	-	47.106
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	236	-	236
16.2.8 Hedging Funds (Effective portion)		(217.707)	(55.177)	(272.884)	(295.246)	(52.286)	(347.532)
16.2.9 Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.405.892	-	1.405.892	1.411.134	-	1.411.134
16.3 Profit Reserves		10.572.393	-	10.572.393	8.728.740	-	8.728.740
16.3.1 Legal Reserves		1.213.707	-	1.213.707	1.131.877	-	1.131.877
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		9.115.974	-	9.115.974	7.316.076	-	7.316.076
16.3.4 Other Profit Reserves		242.712	-	242.712	280.787	-	280.787
16.4 Income or (Loss)		3.349.174	-	3.349.174	2.745.214	-	2.745.214
16.4.1 Prior Years' Income or (Loss)		344.264	-	344.264	208.839	-	208.839
16.4.2 Current Year Income or (Loss)		3.004.910	-	3.004.910	2.536.375	-	2.536.375
16.5 Minority Interest	(II-l)	73	-	73	9.762	-	9.762
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		91.464.983	72.013.351	163.478.334	73.482.212	66.424.920	139.907.132

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 2012

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

INCOME AND EXPENSE ITEMS		Note (Section Five)	CURRENT PERIOD (01/01-31/12/2012)	PRIOR PERIOD (01/01-31/12/2011)
I.	INTEREST INCOME	(III-a)	11.649.475	9.473.645
1.1	Interest on loans	(III-a-1)	7.345.599	5.239.287
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks	(III-a-2)	25.000	47.438
1.4	Interest Received from Money Market Transactions		43.441	9.234
1.5	Interest Received from Marketable Securities Portfolio	(III-a-3)	4.094.443	4.057.835
1.5.1	Trading Financial Assets		37.335	165.271
1.5.2	Financial Assets at Fair Value Through Profit or (loss)		-	-
1.5.3	Available-for-sale Financial Assets		3.568.089	3.357.979
1.5.4	Held to maturity Investments		489.019	534.585
1.6	Financial Lease Income		131.438	93.198
1.7	Other Interest Income		9.554	26.653
II.	INTEREST EXPENSE	(III-b)	6.291.675	5.321.916
2.1	Interest on Deposits	(III-b-4)	4.804.202	4.048.665
2.2	Interest on Funds Borrowed	(III-b-1)	365.633	303.724
2.3	Interest Expense on Money Market Transactions		683.262	687.082
2.4	Interest on Securities Issued	(III-b-3)	413.566	246.168
2.5	Other Interest Expenses		25.012	36.277
III.	NET INTEREST INCOME (I - II)		5.357.800	4.151.729
IV.	NET FEES AND COMMISSIONS INCOME		1.788.881	1.631.259
4.1	Fees and Commissions Received		2.105.554	1.905.235
4.1.1	Non-cash Loans		92.886	70.491
4.1.2	Other		2.012.668	1.834.744
4.2	Fees and Commissions Paid		316.673	273.976
4.2.1	Non-cash Loans		1.785	1.332
4.2.2	Other		314.888	272.644
V.	DIVIDEND INCOME	(III-c)	730	3.596
VI.	TRADING INCOME/(LOSS) (Net)	(III-d)	403.189	(112.355)
6.1	Trading Gains / (Losses) on Securities		1.264.697	437.329
6.2	Gains / (Losses) on Derivative Financial Transactions		(1.402.626)	(193.244)
6.3	Foreign Exchange Gains / (Losses)		541.118	(356.440)
VII.	OTHER OPERATING INCOME	(III-e)	415.363	704.835
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		7.965.963	6.379.064
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(III-f)	1.120.889	659.125
X.	OTHER OPERATING EXPENSES (-)	(III-g)	2.968.464	2.514.758
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		3.876.610	3.205.181
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)		3.876.610	3.205.181
XV.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(III-j)	871.662	670.056
16.1	Current Tax Provision		857.535	642.740
16.2	Deferred Tax Provision		14.127	27.316
XVII.	CURRENT YEAR PROFIT/LOSS FROM CONTINUED OPERATIONS		3.004.948	2.535.125
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)	3.004.948	2.535.125
23.1	Income/(Loss) from the Group		3.004.910	2.536.375
23.2	Income/(Loss) from Minority Interest	(III-h)	38	(1.250)
	Earning/(Loss) per share (in TL full)		0,00751	0,00634

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

AKBANK T.A.S.

III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2012

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

	Note (Section Five)	CURRENT PERIOD (31/12/2012)			PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		327.144.751	79.113.621	404.258.372	150.745.477	73.005.558	223.751.035
I. GUARANTEES AND WARRANTIES	(IV-a-2, 3)	6.589.712	12.079.975	18.669.687	5.510.005	8.937.878	14.447.883
1.1 Letters of Guarantee		6.403.011	5.800.910	12.203.921	4.861.322	4.102.652	8.963.974
1.1.1 Guarantees Subject to State Tender Law		280.076	958.552	1.238.628	171.069	824.022	995.091
1.1.2 Guarantees Given for Foreign Trade Operations		-	3.125.400	3.125.400	-	606.678	606.678
1.1.3 Other Letters of Guarantee		6.122.935	1.716.958	7.839.893	4.690.253	2.671.952	7.362.205
1.2 Bank Acceptances		15	199.849	199.864	15	120.736	120.751
1.2.1 Import Letter of Acceptance		15	199.849	199.864	15	120.736	120.751
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		18.620	4.528.353	4.546.973	2.229	4.069.199	4.071.428
1.3.1 Documentary Letters of Credit		18.620	4.018.244	4.036.864	2.229	3.420.371	3.422.600
1.3.2 Other Letters of Credit		-	510.109	510.109	-	648.828	648.828
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		-	16.330	16.330	-	13.384	13.384
1.8 Other Guarantees		27.246	1.487.035	1.514.281	8.082	624.373	632.455
1.9 Other Collaterals		140.820	47.498	188.318	638.357	7.534	645.891
II. COMMITMENTS	(IV-a-1)	300.817.944	4.089.135	304.907.079	121.727.524	4.490.802	126.218.326
2.1 Irrevocable Commitments		31.956.629	4.089.135	36.045.764	26.684.255	4.490.802	31.175.057
2.1.1 Asset Purchase Commitments		1.144.330	2.726.229	3.870.559	2.236.712	2.763.942	5.000.654
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	1.000	-	1.000
2.1.4 Loan Granting Commitments		1.241.361	1.264.240	2.505.601	1.227.899	1.621.828	2.849.727
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		4.432.859	-	4.432.859	4.291.376	-	4.291.376
2.1.8 Tax and Fund Liabilities from Export Commitments		808	-	808	726	-	726
2.1.9 Commitments for Credit Card Limits		18.697.008	-	18.697.008	13.718.870	-	13.718.870
2.1.10 Promotion Commitments for Credit Cards and Banking Services		77.204	-	77.204	76.093	-	76.093
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		6.363.059	98.666	6.461.725	5.131.579	105.032	5.236.611
2.2 Revocable Commitments		268.861.315	-	268.861.315	95.043.269	-	95.043.269
2.2.1 Revocable Loan Granting Commitments		268.861.315	-	268.861.315	95.043.269	-	95.043.269
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(IV-b)	19.737.095	62.944.511	82.681.606	23.507.948	59.576.878	83.084.826
3.1 Hedging Derivative Financial Instruments		5.301.445	7.660.968	12.962.413	3.330.000	1.227.785	4.557.785
3.1.1 Transactions for Fair Value Hedge		2.739.445	2.667.536	5.406.981	-	-	-
3.1.2 Transactions for Cash Flow Hedge		2.562.000	4.993.432	7.555.432	3.330.000	1.227.785	4.557.785
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		14.435.650	55.283.543	69.719.193	20.177.948	58.349.093	78.527.041
3.2.1 Forward Foreign Currency Buy/Sell Transactions		1.920.872	2.916.836	4.837.708	1.294.551	3.182.838	4.477.389
3.2.1.1 Forward Foreign Currency Transactions-Buy		829.001	1.586.244	2.415.245	589.240	1.640.673	2.229.913
3.2.1.2 Forward Foreign Currency Transactions-Sell		1.091.871	1.330.592	2.422.463	705.311	1.542.165	2.247.476
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		5.893.380	37.013.281	42.906.661	13.333.549	42.398.537	55.732.086
3.2.2.1 Foreign Currency Swap-Buy		1.059.134	8.629.950	9.689.084	347.780	18.188.140	18.535.920
3.2.2.2 Foreign Currency Swap-Sell		3.715.080	5.162.127	8.877.207	11.826.603	6.598.409	18.425.012
3.2.2.3 Interest Rate Swap-Buy		559.583	11.610.602	12.170.185	579.583	8.805.994	9.385.577
3.2.2.4 Interest Rate Swap-Sell		559.583	11.610.602	12.170.185	579.583	8.805.994	9.385.577
3.2.3 Foreign Currency, Interest rate and Securities Options		6.505.552	13.627.108	20.132.660	2.988.723	11.720.918	14.709.641
3.2.3.1 Foreign Currency Options-Buy		2.975.260	3.866.414	6.841.674	1.379.671	2.056.402	3.436.073
3.2.3.2 Foreign Currency Options-Sell		3.052.880	3.786.848	6.839.728	1.482.974	1.960.110	3.443.084
3.2.3.3 Interest Rate Options-Buy		-	3.075.803	3.075.803	-	3.852.203	3.852.203
3.2.3.4 Interest Rate Options-Sell		178.100	2.898.043	3.076.143	-	3.852.203	3.852.203
3.2.3.5 Securities Options-Buy		149.656	-	149.656	63.039	-	63.039
3.2.3.6 Securities Options-Sell		149.656	-	149.656	63.039	-	63.039
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
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		115.846	1.726.318	1.842.164	2.561.125	1.046.800	3.607.925
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		323.673.752	85.918.119	409.591.871	213.184.533	80.790.301	293.974.834
IV. ITEMS HELD IN CUSTODY		31.550.080	3.632.824	35.182.904	27.544.893	4.867.397	32.412.290
4.1 Customer Fund and Portfolio Balances		2.977.305	-	2.977.305	3.705.987	-	3.705.987
4.2 Investment Securities Held in Custody		15.594.603	637.064	16.231.667	17.783.630	930.711	18.714.341
4.3 Cheques Received for Collection		10.787.255	4.453	10.791.708	4.435.889	1.481	4.437.370
4.4 Commercial Notes Received for Collection		2.016.489	728.850	2.745.339	1.410.912	738.022	2.148.934
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		174.428	2.262.457	2.436.885	208.475	3.197.183	3.405.658
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		68.459.232	30.593.941	99.053.173	49.232.746	29.218.943	78.451.689
5.1 Marketable Securities		2.894.607	108.512	3.003.119	2.481.082	1.734.421	4.215.503
5.2 Guarantee Notes		737.842	117.629	855.471	699.951	26.886	726.837
5.3 Commodity		-	12.175	12.175	-	12.752	12.752
5.4 Warranty		-	-	-	-	325.256	325.256
5.5 Immovable		32.872.665	21.894.140	54.766.805	25.007.171	21.471.681	46.478.852
5.6 Other Pledged Items		31.954.118	8.461.485	40.415.603	21.044.542	5.647.947	26.692.489
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		223.664.440	51.691.354	275.355.794	136.406.894	46.703.961	183.110.855
TOTAL OF OFF-BALANCE SHEET COMMITMENT (A+B)		650.818.503	165.031.740	815.850.243	363.930.010	153.795.859	517.725.869

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 2012

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

INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (31/12/2012)	PRIOR PERIOD (31/12/2011)
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS	3.582.936	(2.102.052)
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE FIXED ASSETS REVALUATION DIFFERENCES	(135.076)	168.862
IV. FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	-	-
V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	(173.367)	(74.812)
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes) (*)	134.739	(130.215)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS	-	-
VIII. OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	(708.862)	461.416
IX. TAX RELATED TO VALUATION DIFFERENCES	2.700.370	(1.676.801)
X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(923.709)	(102.233)
XI. CURRENT YEAR INCOME / LOSS	(1.004.675)	(298.686)
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	-	-
1.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	105.551	195.743
1.3 Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4 Other	(24.585)	710
XII. TOTAL ACCOUNTED INCOME / LOSS RELATED TO CURRENT PERIOD (X±XI)	1.776.661	(1.779.034)

(*) 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.

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

AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2012

(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	Extraordinary 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																			
(31/12/2012)																			
I.	Period Opening 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
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-IV)	(II-I)	4.000.000	1.411.134	1.700.030	-	946.058	-	5.254.243	111.925	3.008.809	1.816.306	2.919	-	(379.253)	-	17.934.660	12.934	17.947.594
Changes in the period																			
IV.	Increase/Decrease due to the Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	(1.979.617)	-	-	-	-	(1.979.617)	-	(1.979.617)
VI.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	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)
VII.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible Fixed Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	236	-	-	236	-	236
X.	Foreign Exchange Differences	-	-	-	-	-	-	-	168.862	-	-	-	-	-	-	-	168.862	-	168.862
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	2.536.375	-	-	-	-	-	-	2.536.375	(1.250)	2.536.125
XX.	Profit distribution	-	-	-	-	185.819	-	2.061.833	-	(3.008.809)	146.350	-	44.187	-	-	-	(570.620)	(1.922)	(572.542)
20.1	Dividends paid	-	-	-	-	-	-	-	-	(570.620)	-	-	-	-	-	-	(570.620)	(1.922)	(572.542)
20.2	Transfers to Reserves	-	-	-	-	185.819	-	2.061.833	-	(2.438.189)	146.350	-	44.187	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+V+.....+XVIII+XIX+XX)		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
CURRENT PERIOD																			
(30/09/2012)																			
I.	Prior Period End Balance	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
Changes in the period																			
II.	Increase/Decrease due to the Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	1.837.089	-	-	-	-	1.837.089	-	1.837.089
IV.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	74.648	-	74.648	-	74.648
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(33.144)	-	(33.144)	-	(33.144)
4.2	Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	107.792	-	107.792	-	107.792
V.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Fixed Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign Exchange Differences	-	-	-	-	-	-	-	(135.076)	-	-	-	-	-	-	-	(135.076)	-	(135.076)
IX.	Changes due to the Disposal of Assets (**)	-	(5.242)	(30)	-	(1.390)	-	-	-	-	(2.236)	-	-	-	-	-	(8.898)	(9.425)	(18.323)
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 (***)	-	-	-	-	-	-	(17.593)	17.593	-	-	-	-	-	-	-	-	-	(258)
XVII.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	3.004.910	-	-	-	-	-	-	3.004.910	38	3.004.948
XVIII.	Profit distribution	-	-	-	-	83.220	-	1.817.491	79.408	(2.536.375)	137.661	-	-	-	-	-	(418.595)	(44)	(418.539)
18.1	Dividends paid	-	-	-	-	-	-	-	-	(418.595)	-	-	-	-	-	-	(418.595)	(44)	(418.539)
18.2	Transfers to Reserves	-	-	-	-	83.220	-	1.817.491	79.408	(2.117.780)	137.661	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+.....+XVI+XVII+XVIII)		4.000.000	1.405.892	1.700.000	-	1.213.707	-	9.115.974	242.712	3.004.910	344.264	1.673.778	47.106	236	(272.884)	-	22.475.695	73	22.476.768

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

(**) The amounts are related with the transfer of total shares of Ak B Tipi Yatırım Ortaklığı A.Ş., Bank's subsidiary with a 70,04% share, to Egeli & Co Investment Holding for TL 28.542 as of July 3, 2012.

(***) The amounts are related with the increase of Bank's shares in Ak Yatırım Menkul Değerler A.Ş. from 99,8% to 100% and Ak Portföy Yönetimi A.Ş. from 99,99% to 100%.

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 2012**

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

	Note (Section Five)	CURRENT PERIOD (31/12/2012)	PRIOR PERIOD (31/12/2011)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities	5.023.851	1.982.597
1.1.1	Interest received	12.160.179	8.823.566
1.1.2	Interest paid	(6.298.549)	(5.177.903)
1.1.3	Dividend received	730	3.596
1.1.4	Fees and commissions received	2.224.610	1.898.764
1.1.5	Other income	300.848	31.297
1.1.6	Collections from previously written-off loans and other receivables	277.549	359.594
1.1.7	Payments to personnel and service suppliers	(2.644.256)	(2.233.022)
1.1.8	Taxes paid	(1.180.029)	(497.451)
1.1.9	Other	(VI-b) 182.769	(1.225.844)
1.2	Changes in operating assets and liabilities	(5.700.281)	(7.167.217)
1.2.1	Net decrease in trading securities	129.645	797.111
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	(135.116)	512.391
1.2.4	Net (increase) / decrease in loans	(18.050.123)	(16.635.429)
1.2.5	Net (increase) / decrease in other assets	(3.535.066)	(9.179.699)
1.2.6	Net increase / (decrease) in bank deposits	4.761.642	8.725.480
1.2.7	Net increase / (decrease) in other deposits	12.450.876	1.247.862
1.2.8	Net increase / (decrease) in funds borrowed	(2.675.872)	6.758.042
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	(VI-b) 1.353.733	607.025
I.	Net cash provided from banking operations	(676.430)	(5.184.620)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	(479.451)	4.621.043
2.1	Cash paid for acquisition of investments, associates and subsidiaries	-	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries	28.542	-
2.3	Purchases of property and equipment	(205.172)	(154.451)
2.4	Disposals of property and equipments	89.690	205.061
2.5	Cash paid for purchase of investments available-for-sale	(23.132.380)	(36.514.965)
2.6	Cash obtained from sale of investments available-for-sale	21.708.975	38.884.427
2.7	Cash paid for purchase of investment securities	-	-
2.8	Cash obtained from sale of investment securities	1.097.298	1.996.980
2.9	Other	(66.404)	203.991
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	1.678.925	1.362.305
3.1	Cash obtained from funds borrowed and securities issued	2.097.564	1.934.847
3.2	Cash used for repayment of funds borrowed and securities issued	-	-
3.3	Issued capital instruments	-	-
3.4	Dividends paid	(418.639)	(572.542)
3.5	Payments for finance leases	-	-
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(153.176)	392.131
V.	Net increase in cash and cash equivalents (I+II+III+IV)	369.868	1.190.859
VI.	Cash and cash equivalents at beginning of the year	(VI-a) 3.702.574	2.511.715
VII.	Cash and cash equivalents at end of the year	(VI-a) 4.072.442	3.702.574

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
	(31/12/2012)	(31/12/2011)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	3.803.069
1.2	TAXES AND DUTIES PAYABLE	3.001.207
1.2.1	Corporate Tax (Income Tax)	606.680
1.2.2	Income Withholding Tax	587.072
1.2.3	Other taxes and duties	-
	4.072	19.608
A.	NET INCOME FOR THE YEAR (1.1-1.2)	2.949.862
1.3	PRIOR YEAR LOSSES (-)	-
1.4	FIRST LEGAL RESERVES (-)	-
1.5	OTHER STATUTORY RESERVES (-)	57.173
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	2.949.862
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-
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 (-)	595
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	218.000
1.9.1	To Owners of Ordinary Shares	218.000
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 (-)	21.860
1.11	STATUTORY RESERVES (-)	-
1.12	EXTRAORDINARY RESERVES	1.817.491
1.13	OTHER RESERVES	-
1.14	SPECIAL FUNDS	79.408
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	0,007
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,06
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 is being done according to unconsolidated financial statements.

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 2012

(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. 28337, dated 28 June 2012, 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.

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

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

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

d. Items subject to different accounting policies in the preparation of consolidated financial statements:

There are no items subject to different accounting policies in the preparation of these consolidated financial statements.

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

The Group's core business activities include retail banking, Commercial and SME banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (Treasury transactions) and international banking services. The Group performs financial leasing transactions through Ak Finansal Kiralama A.Ş.. By nature the Group's activities are principally related to the use of financial instruments. As the main funding source, the Group accepts deposits from customers for various periods and invests these funds in high quality assets with high interest margins. Other than deposits, the Group's most important funding sources are equity, mostly intermediate and long-term borrowings from foreign financial institutions. The Group follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Group's exposure to liquidity risk, interest rate risk, currency risk and credit risk while increasing profitability and strengthening the Group's equity. The Asset-Liabilities Committee ("ALCO") manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Market Risk Committee ("EMRC").

For covering foreign currency exposures arising from the foreign currency transactions, the Group uses derivatives and asset-liability balancing transactions.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of "Net foreign exchange income/expense". Assets and liabilities of foreign subsidiaries are translated into Turkish lira using the foreign exchange rates prevailing at the balance sheet date, income and expenses of foreign subsidiaries are translated into Turkish Lira at the average exchange rates and all resulting exchange differences are accounted in the shareholders' equity under "Other profit reserves".

The Group hedges the net investment risk of foreign investments with the foreign exchange differences of the foreign currency denominated financial liabilities. In this extent, the carrying values of net investments which are accounted with acquisition cost method and subject to fair value hedge, are adjusted in order to reflect the changes in fair value of the risks hedged. Fair value changes resulting from foreign exchange differences of foreign currency investments are accounted in the income statements.

As of 31 December 2012, foreign currency denominated balances are translated into TL using the exchange rates of TL 1,7776, TL 2,3452 and TL 2,0641 for USD, EUR and Yen respectively.

**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 2012**

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

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.

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 subsidiaries, Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetimi A.Ş., Akbank AG, Ak Finansal Kiralama 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 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 on 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. and pension funds of AvivaSa Emeklilik and Hayat A.Ş. and Groupama. Portfolios of retail customers are also managed.

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, 100% direct subsidiary founded in Netherlands and Akbank AG, 100% direct

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subsidiary of Akbank NV founded in Germany have merged in Akbank AG with the discontinuation of activities of Akbank N.V effective from 15 June 2012.

The Bank transferred all of its shares in Ak B Tipi Yatırım Ortaklığı A.Ş., corresponding to 70.04% of its total capital, to Egeli & Co. Yatırım Holding A.Ş. as of July 3, 2012 for TL 28.542. Accordingly Ak B Tipi Yatırım Ortaklığı A.Ş. has been let out of consolidation scope.

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 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.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:

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

The Group 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.

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.

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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.

a. Financial assets at the fair value through profit or loss:

This category has two subcategories: "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

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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 "Special Provisions for Loan and Other Receivables". Uncollectible receivables are written-off after all the legal procedures are finalized.

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

There are no financial assets previously classified as held to maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

The Bank has Consumer Price Index ("CPI") linked government bonds under available-for-sale and held-to maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two month before. The estimated inflation rate used is updated during the year when necessary.

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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.

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 2012, 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

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assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment is carried at cost less accumulated depreciation and provision for value decrease.

Depreciation is calculated over the cost of property and equipment using the straight-line method over estimated useful lives. The estimated useful lives are stated below:

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

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

Where the carrying amount of an asset is greater than its estimated "Net realizable value amount", it is written down to its "Net realizable value amount" and the impairment loss is charged to the income statement.

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

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset. Capital expenditures include the cost components that increase the useful life, or the capacity of the asset, increase the quality of the product or decrease its costs.

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.

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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.

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.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

Obligations related to employment termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under the "Reserve for Employee Rights" account in the balance sheet.

Under the Turkish Labor Law, the Bank and its subsidiaries operating in Turkey are 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.

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b. Retirement rights:

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

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette no 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution ("SSI") within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the related article was rescinded as from the 31 March 2007, the publication date of the decision of the Constitutional Court dated 22 March 2007. The reasoned decree regarding the rescission of the mentioned paragraph was published in the Official Gazette numbered 26731, dated 15 December 2007.

Following the publication of the reasoned decree of the Constitutional Court, Turkish Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security Institution; the related articles of the Social Security Law ("New Law") numbered 5754 regarding the transfer of the funds, were ratified by the TGNA General Meeting on 17 April 2008 and came into effect following the publication in the Official Gazette numbered 26870, dated 8 May 2008.

The main opposition party had appealed to the Constitutional Court for the cancellation of some of the articles of the New Law including transfer of the Funds to the SSI on 19 June 2008. The Constitution Court has dismissed the appeal with the decision taken in the meeting dated 30 March 2011. The reasoned decision has been published in the Official Gazette dated 28 December 2011 and numbered 28156.

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. Accordingly the transfer required by the New Law was to be completed until 8 May 2011. According to the decision of the Council of Ministers published on the Official Gazette dated 9 April 2011 no. 27900, the time frame for related transfer has been extended for two years. The transfer should be completed until 8 May 2013. With the change in first clause of 20nd provisional article of the "Social Insurance and General Health Insurance Law no. 5510" published on the Official Gazette no. 28227 dated 8 March 2012, the postponement right of the Council of Ministers has been extended from two years to four years.

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 2012 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

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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.

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.

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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 2012.

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 2012 and 31 December 2011, 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 IX of Section Four.

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

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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 30 March 2012. In the Ordinary General Assembly, it was decided to distribute a TL 418.595 cash dividend over the TL 2.394.527 net income from 2011 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 79.408 to other capital reserves, to allocate TL 79.033 as legal and TL 1.817.491 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 31 December 2012	Prior Period 31 December 2011
Net Profit for the Year	3.004.910	2.536.375
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00751	0,00634

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 2012 (2011: (-))

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 VI of Section Five.

XXVII. CASH AND CASH EQUIVALENT ASSETS:

For the purposes of the cash flow statement, cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements, time deposits at banks with original maturity periods of less than three months and investments on marketable securities other than common stocks.

XXVIII. RECLASSIFICATIONS:

In order to be consistent with the presentation of financial statements dated 31 December 2012, there are certain reclassifications made on income and expenses accounted under shareholders' equity statements and cash flow statements as of 31 December 2011.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

- a. The Group's and Bank's capital adequacy ratio, calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" (Basel II) which became effective as of 1 July 2012, are respectively %17,88 and %18,63. This ratio is well above the minimum ratio required by the legislation.
- b. Capital adequacy ratio has been calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", "Credit Risk Mitigation Techniques" and "Calculation of Risk-Weighted Amounts for Securitizations" Communiqués that have been published in Official Gazette no. 28337 on 28 June 2012 and became effective as of 1 July 2012 and "Regulation on Equity of Banks" that has been published in Official Gazette no. 26333 on November 1, 2006.

Capital adequacy ratio is calculated based on total capital requirements needed for credit risk, market risk and operational risk. Credit risk is calculated by holding risk-weighted assets and non-cash loans subject to risk-weights in the relevant legislation and taking risk mitigation techniques into account; the standard method is used to calculate market risk and the basic indicator approach is used to calculate operational risk.

The following tables show the details of risk-weighted assets which constitute the basis for calculating the Bank's capital adequacy ratio and Bank's equity calculation.

c. Information related to consolidated capital adequacy ratio:

	Consolidated									
	0%	10%	20%	50%	75%	100%	150%	200%	1250%	
Weighted credit risk	-	-	1.441.552	13.899.585	22.163.798	61.287.851	4.002.483	12.883.190		-
Risk classifications:										
Conditional and unconditional receivables from central governments and Central Banks	48.372.973	-	149.185	10.858.032	-	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	44	-	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	24.083	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	7.057.853	7.359.328	-	269.267	-	-	-	-
Conditional and unconditional receivables from corporates	6.462	-	-	-	-	57.577.134	-	-	-	-
Conditional and unconditional receivables from retail portfolios	-	-	-	-	29.551.730	-	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	9.581.766	-	777.035	-	-	-	-
Past due receivables	-	-	-	-	-	108.455	3.161	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	2.665.161	6.441.595	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	239.123	-	-	-	-
Other receivables	1.420.119	-	723	-	-	2.292.754	-	-	-	-

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	BANK								
	Risk weights								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Weighted Credit Risk	-	-	1.549.144	13.202.632	22.106.570	54.182.572	3.997.742	12.883.190	-
Risk classifications:									
Conditional and unconditional receivables from central governments and Central Banks	48.259.649	-	149.185	10.858.032	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	44	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	23.908	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	808.257	-	7.595.811	5.965.422	-	247.156	-	-	-
Conditional and unconditional receivables from corporates	6.462	-	-	-	-	50.771.605	-	-	-
Conditional and unconditional receivables from retail portfolios	-	-	-	-	29.475.426	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	9.581.766	-	777.034	-	-	-
Past due receivables	-	-	-	-	-	92.850	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	2.665.161	6.441.595	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	239.123	-	-	-
Other receivables	1.420.117	-	723	-	-	2.030.896	-	-	-

d. Summary information related to capital adequacy ratio:

	Current Period	
	31 December 2012	
	Consolidated	Bank
Capital Requirement for Credit Risk (Value at credit risk *0,08) (CRCR)	9.254.277	8.633.748
Capital Requirement for Market Risk (CRMR)	85.374	72.815
Capital Requirement for Operational Risk (CROR)	851.725	820.701
Shareholders' equity	22.779.043	22.187.996
Shareholders' equity /((CRCR+CRMR+CROR) * 12,5) * 100	17,88	18,63

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e. Information about consolidated shareholders' equity items:

	Current Period 31 December 2012	Prior Period 31 December 2011
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	1.405.892	1.411.134
Share Premium	1.700.000	1.700.030
Share Cancellation Profits	-	-
Legal Reserves, Status Reserves and Extraordinary Reserves	10.488.587	8.537.144
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	3.349.174	2.745.214
Net Income for the Period	3.004.910	2.536.375
Prior Period Profit	344.264	208.839
Provisions for Possible Risks up to 25% of Core Capital	-	-
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to	47.106	47.106
Primary Subordinated Loans up to 15% of Core Capital.	-	-
Minority Rights	73	9.762
Uncovered Portion of Loss with Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-)	56.046	48.384
Intangible Assets (-)	113.757	102.215
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	20.821.029	18.299.791
SUPPLEMENTARY CAPITAL		
General Provisions	1.208.184	812.438
45% of the Increase in Movables Revaluation Fund	-	-
45% of the Increase in Immovables Revaluation Fund	-	-
Bonus Shares from Investment in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	236	236
Primary Subordinated Loans which are not considered in the calculation of Core Capital	-	-
Secondary Subordinated Loans	-	-
45% of Value Increase Fund of Financial Assets Available For Sale, Associates and Subsidiaries	753.200	(163.311)
Inflation Adjustment to Capital Reserves, Profit Reserves and Prior Year's Income or Loss (Excluding Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
Minority share	-	-
Total Supplementary Capital	1.961.620	649.363
CAPITAL	22.782.649	18.949.154

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	Current Period 31 December 2012	Prior Period 31 December 2011 (*)
DEDUCTIONS FROM CAPITAL	3.606	4.964
Shareholdings in those of banks and financial organizations (both local and foreign) in which ten percent or more of capital is held, which are not consolidated	-	-
Sum of shareholdings in the banks and financial organizations (both local and domestic) in which less than ten percent of capital is held, which is in excess of ten percent or more of the sum of the Bank's Core Capital and Supplementary Capital	-	-
Credits having the nature of secondary subordinated loan to banks and financial organizations (both local and foreign) or to qualified shareholders and borrowing instruments having the nature of debts similar to primary or secondary subordinated loan, which are purchased from them	-	-
Loans Extended contrary to the provisions of Articles 50 and 51 of the Law	-	-
Net Book Value of Immovables exceeding 50% of Bank's Equity and Immovables acquired against Bank's receivables that should be disposed within five years in accordance with Article 57 of the Law, but not yet disposed	336	1.076
Securitization positions to be deducted from Equity	-	-
Other	3.270	3.888
TOTAL CAPITAL	22.779.043	18.944.190

(*) Certain reclassifications have been made in the prior period figures in order to be consistent with current presentation which has been changed in accordance with the "Publicly Announced Financial Statements and Related Disclosures and Footnotes" Communiqué published in the Official Gazette no. 28337 on 28 June 2012 whereas the total capital balance has remained unchanged.

f. The approach used to evaluate the internal capital requirement for the purpose of evaluating its adequacy for the current and future operations within the internal capital adequacy process

In parallel with the Bank's preparation of yearly business plan and 3 year strategic plan, the legal and internal capital adequacy requirements are evaluated prospectively. In the legal capital requirement calculations the credit risk within the first pillar bloc, the market risk and the operational risk are included, whereas in the internal capital requirement calculations in addition to the first pillar blocs, the second pillar concepts such as interest rate risk of banking accounts, concentration risk and business risk, reputational risk, model risk, trade risk are also included.

In addition to normal planning conditions, legal and capital adequacy ratio are also evaluated under stress conditions. Capital adequacy calculations are performed under two different stress scenarios being mild and strong. After forecasting macroeconomic variables within the scope of stress scenarios the effect of these variables on credit cost and market risk factors (FX currency, interest rate etc.) is modelled. The effect of stress scenarios on equity, income, risk weighted assets and capital adequacy is calculated.

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

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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 is closely monitored.

For daily Treasury operations limit allocation and follow-up is performed by the treasury.

Credit worthiness of loan and other receivable debtors are watched regularly and in line with related regulations. In case of an increase in credit debtor's risk level credit limits are re-determined or additional guarantee is taken. For new credit accounts, account follow-up documents are taken in accordance with the related regulation.

The Bank considers loans that have overdue principal and interest payments and are classified as 2nd Group according to "the Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made" as "past due loans."

Loans that have overdue principal and interest payments for more than 90 days after the maturity date or the debtor of which are deemed unworthy by the Bank are considered "impaired loans."

The Bank calculates general loan loss provision for "past due loans" and special provision for "impaired loans" according to the Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made."

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount (**)
Conditional and unconditional receivables from central governments and Central Banks	63.204.870	62.564.554
Conditional and unconditional receivables from regional or local governments	222	222
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	53.994	65.849
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	34.838.319	35.591.072
Conditional and unconditional receivables from corporate	69.159.023	68.023.338
Conditional and unconditional receivables from retail portfolios	52.275.782	50.416.908
Conditional and unconditional receivables secured by mortgages	10.620.382	10.013.278
Past due receivables	111.616	111.348
Receivables defined under high risk category by BRSA	9.106.756	8.472.383
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	239.123	229.165
Other receivables	3.713.596	3.390.022
Total	243.323.683	238.878.137

(*) The figures represent total risk amounts before Credit Risk Mitigation and before credit conversion factor

(**) Average risk amount is calculated by taking arithmetic average of the amounts in monthly prepared reports from the date "Regulation on Measurement and Assessment of Capital Adequacy of Banks" was published, 28 June 2012, to the end of respective period.

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- b.** Risk control limits exist that are placed against credit and market risk from of forward transaction and option agreements and other similar agreements. Control limits exist on forward and option agreements and other similar agreements. The undertaken credit risk of these types of instruments is managed together with market risk.
- c.** The risks of the forward, option and other similar type agreements are followed regularly and as deemed necessary based on the credit risk, the risks are tried to be minimized.
- 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 by the Bank according to Group's credit risk management and follow-up principles. Relevant customer's financial status and commercial operations are constantly analyzed and payment schedule is closely monitored by related business segment. Monitoring 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 1,2% (31 December 2011: 1,7%)and 100% provision has been provided.

- f.**
 1. The proportion of the Parent Bank's top 100 and 200 cash loan balances in total cash loans is 28% and 34% respectively. (31 December 2011: 31% and 37%).
 2. The proportion of the Parent Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is %61 and %73. (31 Decemer 2011 %64 and %75)
 3. The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans %18 and %22%. (31 December 2011 %18 and %23)
- g.** The Bank provided a general loan loss provision amounting to TL 1.208.184 (31 December 2011: TL 812.438).

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h. Information on loan types and provisions:

Current Period - 31 December 2012	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	57.090.102	19.594.860	12.637.817	89.322.779
Close Monitoring Loans	608.822	1.349.237	986.561	2.944.620
Loans Under Follow-up	484.949	299.777	330.730	1.115.456
Specific Provision (-)	392.099	299.777	330.730	1.022.606
Total	57.791.774	20.944.097	13.624.378	92.360.249

Prior 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

As of 31 December 2012, the Bank has set 100% specific provision amounting to TL 41 million (31 December 2011: TL 41 million) after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 million (31 December 2011: TL 134 million).

i. Information on the movement of provision for loan and other receivables of the Bank:

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2012	549.489	307.183	313.137	1.169.809
Transferred during the period	209.337	243.375	317.972	770.684
Collection	(99.184)	(100.947)	(77.418)	(277.549)
Write-off (*)	(267.538)	(149.834)	(222.961)	(640.333)
Currency difference	(5)	-	-	(5)
31 December 2012	392.099	299.777	330.730	1.022.606

(*)TL 500,1 million of the Bank's non-performing loan portfolio were sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 95.1 million as of 1 October 2012. Sold amount is included in "write-off" section in above table.

	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)
Currency difference	19	-	-	19
31 December 2011	549.489	307.183	313.137	1.169.809

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

Current Period - 31 December 2012	Trading Financial Assets	Available for Sale Financial Assets	Held to Maturity Securities	Total
Moody's Rating				
Aaa	-	17.731	-	17.731
A1, A2, A3	3.268	457.002	-	460.270
Baa1, Baa2, Baa3	-	1.033.864	-	1.033.864
Ba1	10.885	40.865.916	3.637.468	44.514.269
Ba2	-	-	-	-
Total	14.153	42.374.513	3.637.468	46.026.134

Prior 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

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k. Profile on significant risks in significant regions:

31 December 2012	Risk Categories (*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Domestic	62.780.250	45	34.204	-	-	9.712.776	56.265.768	29.763.285	10.347.990	111.617	9.104.651	-	-	-	239.123	3.692.809	182.052.518
European Union Countries	262.509	-	216	-	-	14.444.706	1.185.936	1.887	9.253	-	1.620	-	-	-	-	20.787	15.926.914
OECD Countries(**)	-	-	-	-	-	1.435.886	1	97	1.562	-	-	-	-	-	-	-	1.437.546
Off- Shore Regions	-	-	-	-	-	6.140	13	-	83	-	430	-	-	-	-	-	6.666
USA, Canada	-	-	-	-	-	3.806.333	197.013	110	1.061	-	1	-	-	-	-	1	4.004.519
Other Countries	-	-	-	-	-	541.909	416.966	312	2.138	-	55	-	-	-	-	-	961.380
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets / Liabilities***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	63.042.759	45	34.420	-	-	29.947.750	58.065.697	29.765.691	10.362.087	111.617	9.106.757	-	-	-	239.123	3.713.597	204.389.543

1. Conditional and unconditional receivables from central governments and Central Banks
2. Conditional and unconditional receivables from regional or local governments
3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises
4. Conditional and unconditional receivables from multilateral development banks
5. Conditional and unconditional receivables from international organizations
6. Conditional and unconditional receivables from banks and brokerage houses
7. Conditional and unconditional receivables from corporates
8. Conditional and unconditional receivables from retail portfolios
9. Conditional and unconditional receivables secured by mortgages
10. Past due receivables
11. Receivables defined under high risk category by BRSA
12. Securities collateralized by mortgages
13. Securitization positions
14. Short-term receivables from banks, brokerage houses and corporates
15. Investments similar to collective investment funds
16. Other receivables

(*) Risk categories that are defined in "Communiqué on Measurement and Assessment of Capital Adequacy of Banks"

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

(***) Assets and liabilities that are not distributed according to a consistent principle

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I. Risk Profile according to sectors and counterparties:

Risk Categories (*)

31 December 2012	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TL	FC	Total	
Agricultural	-	-	338	-	-	-	172.810	118.823	39.705	92	12.461	-	-	-	-	-	308.345	35.884	344.229	
Farming and raising livestock	-	-	338	-	-	-	160.053	79.840	16.774	92	11.930	-	-	-	-	-	237.453	31.574	269.027	
Forestry	-	-	-	-	-	-	6.099	37.111	20.674	-	367	-	-	-	-	-	63.195	1.056	64.251	
Fishing	-	-	-	-	-	-	6.658	1.872	2.257	-	164	-	-	-	-	-	7.697	3.254	10.951	
Manufacturing	-	2	742	-	-	-	26.307.496	1.920.326	1.005.116	1.179	41.135	-	-	-	-	-	10.424.574	18.851.422	29.275.996	
Mining	-	-	-	-	-	-	707.683	46.007	23.018	287	448	-	-	-	-	-	128.367	649.076	777.443	
Production	-	2	740	-	-	-	19.176.722	1.856.316	955.558	877	40.054	-	-	-	-	-	9.192.927	12.837.342	22.030.269	
Electricity, Gas, Water	-	-	2	-	-	-	6.423.091	18.003	26.540	15	633	-	-	-	-	-	1.103.280	5.365.004	6.468.284	
Construction	-	-	380	-	-	-	5.043.189	334.447	609.827	1.534	4.203	-	-	-	-	-	2.607.034	3.386.546	5.993.580	
Services	-	33	22.370	-	-	-	28.851.615	22.388.359	6.551.593	2.630.973	107.370	214.633	-	-	-	4.225	22.744.009	38.027.162	60.771.171	
Wholesale and retail trade	-	8	339	-	-	-	9.424.791	5.171.569	1.967.959	2.846	142.677	-	-	-	-	-	11.901.761	4.808.428	16.710.189	
Hotel Food, Beverage services	-	-	118	-	-	-	1.734.923	238.420	244.439	102.053	10.132	-	-	-	-	-	818.680	1.511.405	2.330.085	
Transportation and telecommunication	-	-	41	-	-	-	2.930.353	546.661	100.456	78	13.539	-	-	-	-	-	1.003.017	2.588.111	3.591.128	
Financial Institutions	-	3	135	-	-	-	28.851.615	1.653.336	3.893	1.471	727	-	-	-	-	4.211	6.947.858	23.567.533	30.515.391	
Real Estate and Lending Service	-	-	30	-	-	-	359.867	21.492	50.028	-	1.788	-	-	-	-	-	89.505	343.700	433.205	
Self-employment service	-	-	140	-	-	-	209.771	87.492	37.261	-	14.508	-	-	-	-	-	188.236	160.936	349.172	
Education Service	-	-	18.187	-	-	-	120.379	40.317	13.313	-	1.794	-	-	-	-	-	169.033	24.957	193.990	
Health and social services	-	22	3.380	-	-	-	5.954.939	441.749	216.046	2.393	29.468	-	-	-	-	14	1.625.919	5.022.092	6.648.011	
Other	63.042.759	10	10.590	-	-	-	1.096.135	4.153.843	20.840.502	6.076.466	1.442	8.834.325	-	-	-	239.123	3.709.372	94.029.166	108.004.567	
Total	63.042.759	45	34.420	-	-	-	29.947.750	58.065.697	29.765.691	10.362.087	111.617	9.106.757	-	-	-	239.123	3.713.597	130.113.128	74.276.415	204.389.543

- 1 Conditional and unconditional receivables from central governments and Central Banks
- 2 Conditional and unconditional receivables from regional or local governments
- 3 Conditional and unconditional receivables from administrative bodies and non-commercial enterprises
- 4 Conditional and unconditional receivables from multilateral development banks
- 5 Conditional and unconditional receivables from international organizations
- 6 Conditional and unconditional receivables from banks and brokerage houses
- 7 Conditional and unconditional receivables from corporates
- 8 Conditional and unconditional receivables from retail portfolios
- 9 Conditional and unconditional receivables secured by mortgages
- 10 Past due receivables
- 11 Receivables defined under high risk category by BRSA
- 12 Securities collateralized by mortgages
- 13 Securitization positions
- 14 Short-term receivables from banks, brokerage houses and corporates
- 15 Investments similar to collective investment funds
- 16 Other receivables

(*) Stands for the risk categories listed in "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks."

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m. Term distribution of risks with term structure:

Risk Categories	Time to Maturity					Total
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	
Conditional and unconditional receivables from central governments and Central Banks	5.062.249	15.283.774	2.281.683	2.212.023	38.203.030	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	45	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	11.694	8.373	86	418	13.849	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	12.180.045	7.796.970	1.952.552	2.273.716	5.744.467	-
Conditional and unconditional receivables from corporates	4.973.882	6.791.201	7.007.378	9.090.401	30.202.835	-
Conditional and unconditional receivables from retail portfolios	416.317	615.429	11.539.178	3.033.789	14.160.978	-
Conditional and unconditional receivables secured by mortgages	75.865	204.792	411.842	1.047.330	8.622.258	-
Past due receivables	-	-	-	-	-	111.617
Receivables defined under high risk category by BRSA	-	-	-	1.215.027	7.891.730	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	-	239.123	-	-	-	-
Other Receivables	-	-	-	-	-	3.713.597
Total	22.720.052	30.939.662	23.192.719	18.872.704	104.839.192	3.825.214

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n. Explanations regarding risk categories mentioned in 6th clause of Capital Adequacy Measurement and Evaluation Communiqué:

Ratings given by Fitch ratings are used in determining risk weighted asset class. The ratings of Fitch are used for Banks and corporate receivable asset class and are limited to receivables that have counterparties abroad. As of 6 November 2012, Fitch Ratings has increased Turkey’s long-term foreign currency credit note from BB+ to BBB-. After the increase, the ratings of Fitch are also used for foreign currency bonds issued by Turkish Treasury and other foreign currency risks that are related with the Turkish central management. Below is the Credit Quality Degrees corresponding to Fitch Ratings.

Ratings to be matched	Credit Quality Degrees	Fitch
Ratings of long-term credits	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below
Ratings of short-term credits	1	F1+ and F1
	2	F2
	3	F3
	4	Below F3
	5	---
	6	---
Long-term securitization position ratings	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and below
Short-term securitization position ratings	1	F1+ and F1
	2	F2
	3	F3
	Others	Below F3
Matchings regarding collective investment institutes	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

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Risk Amounts according to Risk Weights:

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	1250%	Deducted from Equity
Amount Before Credit										
Risk Mitigation	53.462.124	-	18.832.707	21.853.759	37.442.381	63.688.650	2.668.322	6.441.595	-	3.606
Amount After Credit										
Risk Mitigation	49.799.554	-	7.207.761	27.799.170	29.551.730	61.287.851	2.668.322	6.441.595	-	3.606

a. Miscellaneous Information regarding Important Sectors or Counterparty Type:

Sectors/Counterparties	Credits(*)		Value Adjustments	Provisions
	Receivables with loss in value	Past Due Receivables		
Agricultural	10.211	1.505	31	10.211
Farming and raising livestock	8.464	982	20	8.464
Forestry	1.718	129	3	1.718
Fishing	29	394	8	29
Manufacturing	87.585	18.094	358	87.585
Mining	1.882	724	14	1.882
Production	85.461	17.253	342	85.461
Electricity, Gas, Water	242	117	2	242
Construction	66.937	12.580	252	66.937
Services	367.199	351.410	7.022	274.349
Wholesale and retail trade	172.837	49.521	984	172.837
Hotel Food, Beverage services	157.858	263.844	5.276	65.008
Transportation and telecommunication	17.165	11.281	226	17.165
Financial Institutions	72	0	0	72
Real Estate and Lending Service	1.062	20.332	407	1.062
Self-employment service	3.134	279	6	3.134
Education Service	1.789	722	14	1.789
Health and social services	13.282	5.431	109	13.282
Other	583.524	769.886	15.321	583.524
Total	1.115.456	1.153.475	22.984	1.022.606

(*) Represents cash loans.

p. Information related to Value Adjustments and Credit Provisions:

	Provisions				Closing Balance
	Opening Balance	made within the term	Provision Cancellations	Other Adjustments (*)	
Special Provisions (**)	1.169.809	770.684	(277.549)	(640.338)	1.022.606
General Provisions	812.438	395.746	-	-	1.208.184

(*) Determined according to currency differences, operation mergings, acquisition operations and selling of subsidiaries.

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III. EXPLANATIONS ON MARKET RISK:

The risk principles, policies and risk limits related to the management of market risk are approved by the Board of Directors and reviewed on a regular basis. The Bank's Senior Management performs day to day management of the market risk in accordance with the limits assigned by the Board of Directors. The Bank is exposed to market risk as a result of fluctuations in foreign exchange rates, interest rates, and market prices of stocks. Exchange rate risk and interest rate risk are evaluated as the two most important components of market risk. The Bank engages in derivative transactions for hedge purposes when found necessary.

Market risk is calculated by two different methods, namely the "inherent model" and the "standard method". According to inherent model market risk is measured by Value at Risk ("VaR") approach which takes into account different risk factors. VaR calculations use variance-covariance, historical simulation and Monte Carlo simulation methods. 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 a 10-day holding period. VaR analyses are performed on a daily basis and reported to the Senior Management. VaR analyses are also used as risk and limit management instrument for trading transactions. The limits are reviewed periodically according to market conditions and the application of specified limits is subject to authority restrictions and therefore the control effectiveness is increased. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have significant impact and the effects of market fluctuations. Retrospective tests of the model outputs are performed regularly. The standard method is used for the legal reporting.

The following table indicates the details of the market risk calculation as of 31 December 2012, in accordance with the Market Risk Calculation principles pursuant to the Part 2 of the Second Section of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette No. 28 337 on 28 June 2012.

a. Information on Market Risk:

	Balance
(I) Capital requirement for general market risk – Standard Method	35.709
(II) Capital requirement for specific risk – Standard Method	25.294
(III) Capital requirement for specific risk in securitisation positions- Standard Method	-
(IV) Capital requirement for currency risk – Standard Method	-
(V) Capital requirement for stocks – Standard Method	-
(VI) Capital requirement for clearing risk – Standard Method	-
(VII) Total capital requirement for market risk from options – Standard Method	4.957
(VIII) Capital requirement for counterparty credit risk - Standard Method	19.414
(IX) Total capital requirement for market risk for banks applying Risk Measurement Model	-
(X) Total capital requirement for market risk (I+II+III+IV+V+VI+VII+VIII)	85.374
(XI) Amount subject to market risk (12,5 x IX) or (12,5 x X)	1.067.177

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

	Current Period 31 December 2012		
	Average	Maximum	Minimum
Interest Rate Risk	94.460	130.739	58.182
Share Certificates Risk	1.785	748	2.821
Currency Risk	-	-	-
Commodity Risk	-	-	-
Settlement Risk	-	-	-
Option Risk	2.850	742	4.957
Counterparty Credit Risk	11.588	3.762	19.414
Total Amount Subject to Risk	110.683	135.991	85.374

[*] Consolidated market risk table represent average of three month periods since consolidated market risk is calculated every three months.

Above table is prepared starting from July 1, 2012 according to Communiqué “Regulation on Measurement and Assessment of Capital Adequacy of Banks” published in the Official Gazette numbered 28337 dated June 28, 2012.

c. Information related to counterparty credit risk:

The counterparty credit risk is calculated with “Fair Value Valuation Method” that is mentioned in Communiqué on “Regulation on Measurement and Assessment of Capital Adequacy of Banks” published in the Official Gazette No. 28337 on June 28, 2012 and entered into force as of July 1, 2012 and its annex “Derivative financial instruments, repurchase transactions, securities or commodities lending or borrowing transactions, Long Settlement Transactions with Counterparty Credit Risk in Credit Securities Transactions” is used.

Counterparty credit risk is the sum of potential credit risk amounts and credit risk operations’ positively valued replacement costs. Limit allocations are determined taking into consideration the maximum risk amounts. On counterparty basis limits are determined for different types of operations. The compliance with the limits are controlled on transaction basis. Limits are regularly viewed and within this process the changes in the counterparty credit ratings are also taken into consideration. Internal capital is provided for counterparty credit risks.

Agreements of International Swaps and Derivatives Association (ISDA), Credit Support Annex (CSA) are used in the management of derivative transactions’ counterparty risk management. Within the scope of these agreements cash guarantees are taken or given based on the transactions’ fair value changes on a daily basis.

In the management of marketable securities purchase/sell commitments’ trade risk Delivery Versus Payment (DVP) trade method is used.

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Quantitative information on Counterparty Risk:

	Tutar
Interest Rate Based Contracts	9.578.086
Foreign Currency Based Contractcs	10.692.597
Commodity Based Contracts	49.584
Stock Based Contracts	10.748
Other	1.237.198
Positive Fair Value Gross Amount	147.357
Benefits of Offsetting	-
Offsetting Current Risk Amount	-
Retained Guarantee	-
Net Positions on derivatives	412.870

Standard method is used for calculation of capital requirements.

IV. EXPLANATION ON OPERATIONAL RISK:

The “Basic Indicator Method” that is mentioned in “Regulation on Measurement and Assessment of Capital Adequacy of Banks” Communiqué published in the Official Gazette No. 28337 on June 28, 2012 and entered into force as of July 1, 2012, is used in the annual operational risk calculation of the Bank. The amount subject to the operational risk is calculated by using the gross income of the Bank in 2011, 2010, and 2009.

Annual gross revenue is calculated by deduction of profit/loss derived from the sale of available for sale assets and held-to-maturity securities, extraordinary income and indemnity insurance gains from the total of net interest income and non interest income.

	31.12.2009	31.12.2010	31.12.2011	Total/Positive BG year number	Ratio (%)	Total
Gross income	6.014.987	5.590.175	5.429.329	3	15	851.725
Amount subject to Operational Risk (Amount*12,5)						10.646.557

V. EXPLANATIONS ON CURRENCY RISK:

The difference between the Group’s foreign currency denominated and foreign currency indexed assets and liabilities is defined as the “Net Foreign Currency Position” and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. The Bank keeps the foreign exchange exposure amount within the limits set by the EMRC. The Board, taking into account the recommendations by the EMRC, sets a limit for the size of a foreign exchange exposure, which is closely monitored by ALCO. Those limits are individually determined and followed for both the net overall foreign currency position and for the foreign exchange exposure. Derivative financial instruments like forward foreign exchange contracts and currency swaps are used as tools for foreign exchange exposure management.

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

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	USD	Euro	Yen
Balance Sheet Evaluation Rate	1,7776 TL	2,3452 TL	2,0641 TL
1.Day bid rate	1,7560 TL	2,3232 TL	2,0393 TL
2.Day bid rate	1,7610 TL	2,3302 TL	2,0491 TL
3.Day bid rate	1,7630 TL	2,3339 TL	2,0627 TL
4.Day bid rate	1,7640 TL	2,3262 TL	2,0802 TL
5.Day bid rate	1,7680 TL	2,3341 TL	2,0864 TL

The simple arithmetic average of the Parent Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are presented in the table below:

USD	: 1,7606 TL
Euro	: 2,2997 TL
Yen	: 2,1135 TL

As of 31 December 2011;

	USD	Euro	Yen
Balance Sheet Evaluation Rate	1,8889 TL	2,4439 TL	2,4385 TL

Information related to Group’s Currency Risk: (Thousands of 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 are differences between the amounts of foreign currency denominated assets and liabilities demonstrated on the table below and the amounts on the balance sheet. The Bank’s real position, both in financial and economic terms, is presented in the table below.

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Current Period – 31 December 2012	EURO	USD	Other FC(*)	Total
Assets				
Cash Equivalents and Central Bank	4.140.688	6.859.883	2.303.878	13.304.449
Banks	858.641	1.856.824	48.107	2.763.572
Financial Assets at Fair Value through Profit or Loss (Net)	164	2.805	-	2.969
Interbank Money Market Placements	-	-	-	-
Available for sale Financial Assets (Net)	3.749.310	8.522.118	-	12.271.428
Loans	10.908.051	24.363.621	71.716	35.343.388
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held to maturity Investments (Net)	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	851	1.854	-	2.705
Intangible Assets (Net)	321	74	-	395
Other Assets	885.802	828.468	135	1.714.405
Total Assets	20.543.828	42.435.647	2.423.836	65.403.311
Liabilities				
Bank Deposit	2.579.912	4.669.778	725.696	7.975.386
Foreign Currency Deposits (***)	12.341.746	17.078.874	2.295.253	31.715.873
Funds from Interbank Money Market	307.527	10.952.449	-	11.259.976
Borrowings	5.857.076	9.253.215	22.167	15.132.458
Marketable Securities Issued (Net)	-	4.083.764	-	4.083.764
Miscellaneous Payables	44.356	332.967	6.657	383.980
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	131.482	91.238	1.841	224.561
Total Liabilities	21.262.099	46.462.285	3.051.614	70.775.998
Net on Balance Sheet Position	(718.271)	(4.026.638)	(627.778)	(5.372.687)
Net off-Balance Sheet Position (**)	1.069.473	4.865.958	597.650	6.533.081
Financial Derivative Assets	4.107.751	13.129.274	1.870.651	19.107.676
Financial Derivative Liabilities	3.038.278	8.263.316	1.273.001	12.574.595
Non-cash Loans	3.704.147	8.079.947	295.881	12.079.975
Prior Period - 31 December 2011				
Total Assets	15.395.497	38.676.220	663.198	54.734.915
Total Liabilities	19.168.988	44.894.819	1.550.429	65.614.236
Net on-Balance Sheet Position	(3.773.491)	(6.218.599)	(887.231)	(10.879.321)
Net off-Balance Sheet Position (**)	3.954.376	6.382.269	887.674	11.224.319
Financial Derivative Assets	6.041.190	15.556.726	1.611.247	23.209.163
Financial Derivative Liabilities	2.086.814	9.174.457	723.573	11.984.844
Non-cash Loans	1.963.795	6.665.574	308.509	8.937.878

(*) Of the “Other FC” total assets amounting to TL 2.423.836 (31 December 2011: TL 663.198), TL 49.265 is in English Pounds (31 December 2011: TL 60.924), and TL 37.085 is in Swiss Francs (31 December 2011: TL 59.974), 23.536 is in Japanese Yen (31 December 2011: TL 24.371). Of the total liabilities amounting to TL 3.051.614 (31 December 2011: TL 1.550.429) TL 901.689 is in English Pounds (31 December 2011: TL 817.510) and TL 389.167 is in Swiss Francs (31 December 2011: TL 412.468), TL 23.471 is in Japanese Yen (31 December 2011: TL 62.717).

(**) 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.

(***) Of the foreign currency deposits, TL 1.461.072 is precious metal deposit account in demand.

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 2012	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	-	-	-	-	-	16.662.852	16.662.852
Banks	867.476	456.685	62.243	-	-	1.804.268	3.190.672
Financial Assets at Fair Value Through Profit or Loss (Net)	72.670	80.475	338.892	44.691	15.099	18.825	570.652
Interbank Money Market Placements	-	-	-	-	-	-	-
Available for sale Financial Assets (Net)	8.269.448	3.434.270	13.079.863	7.834.974	9.755.956	247.041	42.621.552
Loans	29.245.093	20.175.850	21.382.959	18.527.456	2.936.041	92.850	92.360.249
Held to maturity Investments (Net)	-	3.433.339	204.129	-	-	-	3.637.468
Other Assets	918.249	151.015	302.203	834.255	140.655	2.088.512	4.434.889
Total Assets	39.372.936	27.731.634	35.370.289	27.241.376	12.847.751	20.914.348	163.478.334
Liabilities							
Bank Deposits	6.677.812	3.208.843	540.229	-	-	323.569	10.750.453
Other Deposits	54.415.526	6.426.270	5.317.667	1.029.438	20.898	12.728.036	79.937.835
Funds from Interbank Money Market	10.475.336	1.046.676	4.399.611	1.279.666	2.918.140	2.000	20.121.429
Miscellaneous Payables	52.022	-	-	-	-	2.915.821	2.967.843
Marketable Securities Issued (Net)	437.976	686.593	1.078.446	2.811.149	1.600.279	-	6.614.443
Borrowings	1.281.539	10.039.627	3.729.466	492.946	54.493	-	15.598.071
Other Liabilities (*)	349.168	476.230	512.818	176.156	49.965	25.923.923	27.488.260
Total Liabilities	73.689.379	21.884.239	15.578.237	5.789.355	4.643.775	41.893.349	163.478.334
Balance Sheet Long Position	-	5.847.395	19.792.052	21.452.021	8.203.976	-	55.295.444
Balance Sheet Short Position	(34.316.443)	-	-	-	-	(20.979.001)	(55.295.444)
Off-balance Sheet Long Position	1.913.312	3.822.541	1.294.523	-	-	-	7.030.376
Off-balance Sheet Short Position	-	-	-	(3.593.644)	(3.623.479)	-	(7.217.123)
Total Position	(32.403.131)	9.669.936	21.086.575	17.858.377	4.580.497	(20.979.001)	(186.747)

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

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Prior 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".

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 2012	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	%	%	%	%
Banks	0,38	0,41	-	11,60
Financial Assets at Fair Value Through Profit or Loss (Net)	2,89	3,93	-	9,78
Interbank Money Market Placements	-	-	-	-
Available for sale Financial Assets (Net)	4,42	3,68	-	9,97
Loans	4,44	4,91	4,15	12,77
Held to maturity Investments (Net)	-	-	-	9,56
Liabilities				
Bank Deposits	1,47	1,72	-	6,81
Other Deposits	2,05	2,42	0,26	6,53
Funds from Interbank Money Market	-	1,58	-	5,53
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	5,22	-	7,53
Borrowings	1,44	1,97	1,99	7,63

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Prior 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

c. Interest rate risk related to banking book

Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Interest rate risk related to the trading portfolio is followed under market risk.

ALCO performs daily management of interest rate risk in accordance with the risk limits set by the Executive Risk Committee in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

In addition to interest rate sensitivities measured and reported weekly, daily and transaction-based analyses are also performed when significant fluctuations occur in markets.

Repricing term mismatch and duration mismatch analyses, net economic value change analyses under different interest rate stress scenarios and income simulations are used for interest rate risk management. Repricing risk, yield curve risk, basis risk and optionality are considered under interest rate risk scope.

The interest rate risk arising from banking book is calculated and reported on a monthly basis according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no 28034 on 23 August 2011.

Currency	Applied Shock (+/- x basis points)	Gains / Losses	Gains / Shareholders' Equity - Losses/ Shareholders' Equity
TL	-400	2.171.947	9,53%
TL	500	(2.283.194)	(10,02%)
USD	-200	680.741	2,99%
USD	200	(461.521)	(2,03%)
EURO	-200	154.670	0,68%
EURO	200	(228.395)	(1,00%)
Total (for negative shocks)		3.007.358	13,20%
Total (for positive shocks)		(2.973.110)	(13,05%)

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VII. EXPLANATIONS ON EQUITY SECURITIES POSITION RISK DERIVED FROM BANKING BOOKS

The Bank doesn't have any subsidiaries and affiliates that are traded on the İstanbul Stock Exchange (ISE).

VIII. EXPLANATIONS ON LIQUIDITY RISK:

The Group 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 2012 and 31 December 2011 are presented below:

Current Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
	FC	FC+TL	FC	FC+TL
31 December 2012				
Average (%)	154.1	162.1	106,3	112,0
Maximum (%)	229.8	186.9	133,4	122,8
Minimum (%)	103,4	129.0	87,0	101,0

Prior 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

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2012	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	16.662.852	-	-	-	-	-	-	16.662.852
Banks	1.804.268	867.476	456.685	62.243	-	-	-	3.190.672
Financial Assets at Fair Value Through Profit or Loss (Net)	18.825	25.375	20.649	91.581	182.517	231.705	-	570.652
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available for sale Financial Assets (Net)	247.041	1.414.064	301.665	3.537.215	21.033.231	16.088.336	-	42.621.552
Loans	-	19.238.788	14.391.875	18.406.887	28.428.485	11.801.364	92.850	92.360.249
Held to maturity Investments (Net)	-	-	-	1.846.994	1.790.263	211	-	3.637.468
Other Assets	340.969	959.219	87.764	330.924	1.001.428	542.957	1.171.628	4.434.889
Total Assets	19.073.955	22.504.922	15.258.638	24.275.844	52.435.924	28.664.573	1.264.478	163.478.334
Liabilities								
Bank Deposits	323.569	6.677.812	3.208.843	540.229	-	-	-	10.750.453
Other Deposits	13.266.395	53.877.167	6.426.269	5.317.667	1.029.441	20.896	-	79.937.835
Borrowings	-	1.076.655	3.961.704	6.623.818	3.563.471	372.423	-	15.598.071
Funds from Interbank Money Market	2.000	10.475.335	1.046.677	4.399.611	1.279.666	2.918.140	-	20.121.429
Marketable Securities Issued (Net)	-	-	269.572	1.495.467	3.249.125	1.600.279	-	6.614.443
Miscellaneous Payables	188.544	1.599.662	1.179.637	-	-	-	-	2.967.843
Other Liabilities (**)	107.013	1.401.209	274.915	683.496	2.068.199	477.660	22.475.768	27.488.260
Total Liabilities	13.887.521	75.107.840	16.367.617	19.060.288	11.189.902	5.389.398	22.475.768	163.478.334
Net Liquidity Gap	5.186.434	(52.602.918)	(1.108.979)	5.215.556	41.246.022	23.275.175	(21.211.290)	-
Prior Period - 31 December 2011								
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
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)	-

(*) 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.

Breakdown of liabilities according to their remaining contractual maturities:

Current Period - 31 December 2012	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Liabilities						
Deposits	74.868.327	9.729.116	5.915.048	1.039.485	21.100	91.573.076
Funds borrowed from other financial institutions	1.084.657	4.011.690	6.907.158	3.932.883	410.167	16.346.555
Funds from interbank money market	10.503.644	1.079.231	4.505.659	1.532.788	3.142.395	20.763.717
Marketable Securities Issued (Net)	44.886	316.352	1.725.794	3.934.600	1.840.331	7.861.963
Non-cash Loans	10.262	284.249	4.654.492	4.666.866	9.053.818	18.669.687
Prior 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

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(*) 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 2012	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	11.890.775	6.850.592	4.726.248	2.284.426	-
– Outflow	(10.775.194)	(6.353.909)	(4.722.717)	(3.799.831)	(79.596)
Interest rate derivatives:					
– Inflow	1.992	30.234	98.271	369.440	292.546
– Outflow	(5.967)	(23.169)	(76.325)	(211.879)	(287.489)
Derivatives held for hedging					
Foreign exchange derivatives:					
– Inflow	3.948	985	8.488	2.784.589	565.730
– Outflow	(25.719)	(5.312)	(197.925)	(3.546.115)	(646.238)
Interest rate derivatives:					
– Inflow	-	30.743	165.847	551.853	243.279
– Outflow	-	(49.487)	(264.946)	(881.460)	(239.738)
Total Inflow	11.896.715	6.912.554	4.998.854	5.990.308	1.101.555
Total Outflow	(10.806.880)	(6.431.877)	(5.261.913)	(8.439.285)	(1.253.061)

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Prior 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)

IX. **EXPLANATIONS ON SECURITIZATION POSITIONS:** None.

X. **EXPLANATIONS ON CREDIT RISK MITIGATION TECHNIQUES:**

The Bank applies the Comprehensive Financial Collateral Techniques explained in “Credit Risk Mitigation Techniques Communiqué” published in Official Gazette no. 28337 on June 28, 2012, In application of the method, volatility adjusted values of financial guarantees and credits are calculated with the standard volatility adjustment approach and adjusted amounts are deducted from credit risk.

The Bank does not utilize balance sheet and off-balance sheet netting, guarantees and credit derivatives in credit risk mitigation, but financial collaterals fulfilling relevant requirements are taken into account. Basic financial covenants considered in the calculation of Bank’s capital adequacy are foreign currency and TL deposit pledges.

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<u>Risk classifications:</u>	<u>Amount(*)</u>	<u>Financial Guarantees</u>	<u>Other/Physical Guarantees</u>	<u>Guarantees and Credit Derivatives</u>
Conditional and unconditional receivables from central governments and Central Banks	63.204.870	3.662.570	-	-
Conditional and unconditional receivables from regional or local governments	222	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	53.994	10.339	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	34.838.319	15.261.301	-	-
Conditional and unconditional receivables from corporates	69.159.023	1.542.105	-	-
Conditional and unconditional receivables from retail portfolios	52.275.782	213.961	-	-
Conditional and unconditional receivables secured by mortgages	10.620.382	3.288	-	-
Past due receivables	111.616	-	-	-
Receivables defined under high risk category by BRSA	9.106.756	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	239.123	-	-	-
Other receivables	3.713.596	-	-	-
Total	243.323.683	20.693.564	-	-

(*) Represents the total risk amount after credit mitigation techniques are applied.

XI. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

Effective risk management constitutes one of the most important competitive strength of the Bank. Risk management system is assessed as a critical process which includes all units starting at the Board of Directors level. General strategies regarding Bank’s risk management are given below:

- Effective management of risks within the Bank’s risk profile based on materiality; implementing a centralized risk framework that includes all major risk areas.
- Managing existing and potential risks from the beginning through forward looking risk strategies, policies and procedures, models and parameters,
- Applying a risk-focused management approach in the strategic decision making process,
- Complying with all national risk management requirements, where the Bank operates.

The Bank’s Board of Directors has the ultimate responsibility for setting up and monitoring the efficiency of such a risk management system. The Board of Directors fulfills its monitoring responsibility through the Auditing Committee, the Executive Risk Committee, the Credit Committee and other related intermediary committees and by means of regular risk, control and audit reporting system.

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The Board of Directors approves and regularly reviews Bank’s main risk approach, risk principles and policies which are initially discussed and decided by the Executive Risk Committee. The Board of Directors also determines Bank’s risk appetite by risk limits taking market conditions and Bank’s risk taking capacity into consideration. Risk limits are made up of regulatory and internal limits on the basis of risk types.

Bank’s Senior Management is responsible to the Bank’s Board of Directors that daily activities are executed within the risk management procedures and risk limits determined by the Board of Directors and that risk management system operates in effective and efficient manner. The Internal Audit, the Internal Control and the Risk Management Departments which directly report to the Board of Directors operate in coordination with the business units of the Bank. In this scope, it is also Senior Management’s responsibility to take necessary measures in order to resolve identified weaknesses, deficiencies and errors stated in the reports of internal and external audits, internal control and risk management.

Locally and internationally accepted risk models and parameters are used in the identification, measurement and monitoring of risks within the scope of risk management. The Bank strives continuously for development and improvement of internal methods and models. Forward looking risk reports prepared through regular and close monitoring of the market developments are made available for the Senior Management and the Board of Directors. In order to analyze the potential risks that the Bank may be exposed in extreme cases, various scenario analyses are performed and contingency plans are prepared. The Bank’s internal capital adequacy assessment process (“ICAAP / SGID”) has been established and the ICAAP has been performed parallel to the annual budget process on an annual basis. Moreover, various risk mitigation techniques are utilized to limit and provide protection against risks the Bank is exposed. The effectiveness and efficiency of the risk mitigation techniques are regularly monitored.

XII. EXPLANATIONS ON 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	Prior Period	Current Period	Prior Period
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Financial Assets	141.809.941	121.611.318	145.796.889	121.696.883
Interbank Money Market Placements	-	8.210	-	8.210
Banks	3.190.672	3.454.793	3.190.672	3.454.793
Available for sale Financial Assets (Net)	42.621.552	38.968.285	42.621.552	38.968.285
Held to maturity Investments (Net)	3.637.468	4.824.470	3.702.226	4.995.394
Loans	92.360.249	74.355.560	96.282.439	74.270.201
Financial Liabilities	115.868.644	105.652.644	116.218.779	105.285.069
Bank Deposits	10.750.453	10.285.818	10.783.751	10.308.792
Other Deposits	79.937.835	70.484.999	79.928.298	70.444.150
Borrowings	15.598.071	18.045.321	15.640.394	17.678.955
Marketable Securities Issued (Net)	6.614.443	4.503.804	6.898.896	4.520.470
Miscellaneous Payables	2.967.842	2.332.702	2.967.440	2.332.702

b. Fair value hierarchy:

IFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

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)

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below:

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Current Period - 31 December 2012	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss	83.507	487.145	-	570.652
- Government Debt Securities	10.464	-	-	10.464
- Share Certificates	18.825	-	-	18.825
- Trading Derivative Financial Assets	50.529	487.145	-	537.674
	3.689	-	-	3.689
Available For Sale Financial Assets	42.158.207	455.428	-	42.613.635
- Government Debt Securities	40.271.702	-	-	40.271.702
- Share Certificates	-	-	-	-
- Other Marketable Securities	1.886.505	455.428	-	2.341.933
Total Assets	42.241.714	942.573	-	43.184.287
- Trading Derivative Financial Liabilities	48.065	505.874	-	553.939
- Hedging Derivative Financial Liabilities	-	658.845	-	658.845
Total Liabilities	48.065	1.164.719	-	1.212.784
Prior 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

As explained in the note of VII-b of the Third Section, share certificates classified as available for sale are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably.

There are no transfers between the 1st and the 2nd levels in the current year.

XIII. 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.

XIV. EXPLANATIONS ON HEDGE TRANSACTIONS:

The Bank hedges against its cash flow risk stemming from TL and foreign currency denominated floating rate financial liabilities with cross currency and interest rate swaps. Within the scope of cash flow hedge accounting, effective part of the fair value changes of the hedging instrument are accounted in equity under “Hedging reserves” whereas the ineffective part is accounted in the income statement. At instances when cash flows relating to hedged

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item (interest expense) affect the income statement, profit/loss of the related hedging item is taken out of the equity and reflected on the income statement.

The Bank also hedges its TL denominated fixed rate financial assets and foreign currency denominated financial liabilities with cross currency swaps. Within the scope of fair value hedge, fair value changes of hedging instrument and hedged item are accounted in the income statement. Fair value changes of the hedged item are disclosed together with its related asset in the balance sheet for TL denominated fixed rate mortgage loans whereas for TL denominated fixed rate available for sale financial assets, the fair value change of the hedged item is classified from equity to income statement as long as the hedge relationship is effective.

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 by using “Dollar off-set method”. 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.

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,
- Adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges.

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.

Also, the Bank applies fair value hedge to hedge the foreign currency risk arising from share premium and paid-in-capital of Akbank AG, one of Bank’s subsidiaries amounting to EUR 170 million. EUR 170 million of syndication loans used by the Bank have been classified as “hedging instrument.”

1. Explanation on hedge accounting net investment hedges:

The Group has been using hedge against fair value strategy to hedge against foreign currency risk born of EUR 170 million which represents share premium and paid-in-capital of Akbank AG, one of its subsidiaries. EUR 170 million of syndication loans used by the Group have been classified as “hedge instruments.”

2. Explanations on Fair Value Hedges:

Information on derivative transactions subject to fair value risk:

	Current Period 31 December 2012			Prior Period 31 December 2011		
	Notional Amount	Assets	Liabilities	Notional	Assets	Liabilities
Cross Currency swaps	5.406.981	-	313.531	-	-	-
-TL	2.739.445	-	313.531	-	-	-
-FC	2.667.536	-	-	-	-	-
Total	5.406.981	-	313.531	-	-	-

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Starting from 1 June 2012, the Group hedges certain part of its fixed rate TL denominated available for sale government bonds against fair value risk arising from the fluctuations in the market interest rates and certain part of its foreign currency denominated borrowings from the fluctuations in the foreign exchange rates with cross currency swap. Within this scope, marketable securities valuation differences amounting to TL 31.458 recognized under equity is classified under income statement as of 31 December 2012.

As of 1 January 2012, the Group hedges certain part of its fixed rate TL denominated mortgage portfolio against fair value risk arising from the fluctuations in the market interest rates and certain part of its foreign currency denominated borrowings from the fluctuations in the foreign exchange rates with cross currency swaps. Within this scope, the fair value decrease of hedging swaps is amounting to TL 138.701 and the increase in the fair value of loan portfolio is amounting to TL 142.010 as of 31 December 2012.

3. Explanation on cash flow hedge

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

	Current Period			Prior Period		
	31 December 2012			31 December 2011		
	Notional					
	Amount	Assets	Liabilities	Notional	Assets	Liabilities
Interest and Cross Currency						
rate swaps	7.422.997	-	345.233	4.557.785	-	219.851
-TL	2.562.000	-	214.994	3.330.000	-	111.480
-FC	4.993.432	-	130.239	1.227.785	-	108.371
Total	7.555.432	-	345.233	4.557.785	-	219.851

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b) Other information on derivative transactions that are subject to cash flow risk:

Current Period – 31.12.2012:

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 changes in interest rate of funds provided from repo transactions	-	155.556	(59.598)	(67.183)	-
TL Cross Currency Swap	YP Repo Portfolio	Cash Flow risk due to changes in interest rate and foreign currency of funds provided from repo transactions	-	59.438	(72.109)	(26.788)	-
FC Interest Rate Swap	FC Securitization Loans	Cash flow risk due to changes in interest rate (labor) of funds provided from securitization loans	-	115.237	(24.715)	(18.861)	-
FC Interest Rate Swap	FC Repo Portfolio	Cash Flow risk due to changes in interest rate of funds provided from repo transactions	-	15.002	(16.945)	(1.853)	-

The amount of ceased hedge transactions which is recycled to the income statement from other comprehensive income (OCI) is TL (17.254) and profit/loss recognized in OCI is TL (-).

Prior Period – 31.12.2011:

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

The amount of ceased hedge transactions which is recycled to the income statement from OCI is TL (19.468) and profit/loss recognized in OCI is TL (-).

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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.

XV. 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 Commercial 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.

The Treasury Unit conducts TL and FC spot and forward transactions, treasury bonds, government bonds, Eurobond and private sector bond transactions and also derivative trading activities within determined limits. These transactions are performed according to the Bank’s requirements. Furthermore, Treasury Unit also carries out marketing and pricing activities of treasury products for customers and branch network.

Private banking serves the members of the upper-income groups who have expectations for upper-class 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 are the consolidated subsidiaries of the Bank.

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Information on business segments as of 31 December 2012 and 31 December 2011 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 2012							
Operating Income	2.819.844	2.438.549	2.197.880	293.153	122.318	93.489	7.965.233
Profit from Operating Activities	619.405	1.313.302	1.737.572	199.246	73.093	(66.738)	3.875.880
Income from Subsidiaries						730	730
Profit before Tax	619.405	1.313.302	1.737.572	199.246	73.093	(66.008)	3.876.610
Corporate Tax						(871.662)	(871.662)
Net Profit for the Period						(38)	(38)
Segment Assets	619.405	1.313.302	1.737.572	199.246	73.093	(937.708)	3.004.910
Investments in Associates							
Undistributed Assets	40.265.268	61.596.584	50.129.806	1.004.183	4.570.116	2.104.067	159.670.024
Total Assets	-	-	-	-	-	-	3.923
Segment Liabilities	-	-	-	-	-	-	3.804.387
Undistributed Liabilities	-	-	-	-	-	-	163.478.334
Shareholders' Equity	47.101.892	28.918.422	36.369.809	13.568.855	8.382.494	1.243.450	135.584.922
Total Liabilities	-	-	-	-	-	-	5.417.644
Other Segment Items	-	-	-	-	-	-	22.475.768
Capital Investment	-	-	-	-	-	-	163.478.334
Amortization							
Non-cash Other Income-Expense	69.823	75	6.322	547	-	115.640	192.407
Restructuring Costs	(66.690)	(5.499)	(1.193)	(1.260)	(201)	(41.246)	(116.089)
Operating Income	(413.038)	(639.000)	(77.852)	(574)	(29)	(6.664)	(1.137.157)
Profit from Operating Activities	-	-	-	-	-	-	-
Prior Period – 31 December 2011(*)							
Operating Income	2.417.513	1.695.582	1.907.831	170.479	52.104	131.959	6.375.468
Profit from Operating Activities	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)
Net Profit for the Period						1.250	1.250
Segment Assets	554.203	920.504	1.585.629	125.914	34.008	(683.883)	2.536.375
Investments in Associates							
Undistributed Assets	30.947.490	52.153.599	48.295.678	1.040.028	2.954.609	1.502.949	136.894.353
Total Assets	-	-	-	-	-	-	3.923
Segment Liabilities	-	-	-	-	-	-	3.008.856
Undistributed Liabilities	-	-	-	-	-	-	139.907.132
Shareholders' Equity	45.112.237	22.152.471	27.621.482	12.761.209	9.471.893	1.054.643	118.173.935
Total Liabilities	-	-	-	-	-	-	3.601.818
Other Segment Items	-	-	-	-	-	-	18.131.379
Capital Investment	-	-	-	-	-	-	139.907.132
Amortization							
Non-cash Other Income-Expense	83.820	1.982	6.013	669	-	59.413	151.897
Restructuring Costs	(81.330)	(5.510)	(931)	(904)	(280)	(52.957)	(141.912)
Operating Income	(182.645)	(305.545)	(152.318)	(2.545)	(6.900)	(12.162)	(662.115)
Profit from Operating Activities	-	-	-	-	-	-	-

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

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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		Prior Period	
	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Cash/Foreign Currency	803.928	589.273	602.010	439.024
The CBRT	2.553.797	12.688.205	4.226.011	8.609.832
Other(*)	678	26.971	1.664	148
Total	3.358.403	13.304.449	4.829.685	9.049.004

(*) As of 31 December 2012, precious metal account amounts to TL 26.926 (31 December 2011: TL 114).

2. Information related to the account of the CBRT:

	Current Period		Prior Period	
	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Demand Unrestricted Account	10.351	-	1.819	-
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	2.543.446	12.688.205	4.224.192	8.609.832
Total	2.553.797	12.688.205	4.226.011	8.609.832

3. Explanation on reserve requirements:

In accordance with the “Communiqué Regarding the Reserve Requirements no. 2005/1”, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and 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 2012 (31 December 2011: 5% and 11% 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 2012 (31 December 2011: 6% and 11% for all foreign currency liabilities).

The Bank has been required to maintain additional reserves at CBRT amounting to USD 742 million on average for approximately 3,5 years regarding a judgmental difference between the Bank and the CBRT with respect to the reserve requirements for syndication loans borrowed by Malta Branch. Significant amount of this reserve has been maintained at CBRT and the remaining part will have no material effect on the Bank’s profitability, financial positions and operations of the Bank. The lawsuit for the cancellation of the Central Bank’s said decision was filed with a motion for stay of execution. The 10th Division of the Administrative Court has rejected the motion for stay of execution. It is continuing to hear the case on the merits.

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

1. As of 31 December 2012, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 1.157 (31 December 2011: TL 8.609); and those subject to repo transactions amount to TL (-). (31 December 2011: TL (-)).

2. Positive differences table related to trading derivative financial assets:

	Current Period 31 December 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Forward Transactions	29.421	-	52.651	-
Swap Transactions	91.344	311.284	346.967	300.955
Futures Transactions	47.893	2.744	51.285	3.284
Options	2.167	52.821	3.359	68.210
Other	-	-	-	-
Total	170.825	366.849	454.262	372.449

c. Information on banks account:

1. Information on banks:

	Current Period 31 December 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Banks	427.100	2.763.572	128.913	3.325.880
Domestic	427.100	99.771	128.913	317.410
Foreign	-	2.663.801	-	3.008.470
Head Quarters and Branches Abroad	-	-	-	-
Total	427.100	2.763.572	128.913	3.325.880

2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount (**)	
	Current Period 31 December 2012	Prior Period 31 December 2011	Current Period 31 December 2012	Prior Period 31 December 2011
	European Union Countries	900.870	1.571.690	1.474.994
USA, Canada	199.004	213.000	52.184	231.378
OECD Countries (*)	32.599	36.591	-	-
Off-shore Banking Regions	-	-	-	-
Other	4.150	13.065	-	-
Total	1.136.623	1.834.346	1.527.178	1.174.124

(*) 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 2012, available for sale financial assets subjehict to repurchase agreements amount to TL 23.097.568 (31 December 2011: TL 13.258.228); and those given as collateral/blocked amount to TL 6.526.263 (31 December 2011: TL 5.398.650).

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2. Information on available for sale financial assets:

	Current Period 31 December 2012	Prior Period 31 December 2011
Debt Securities	42.622.346	39.259.247
Quoted to Stock Exchange	42.166.917	38.960.502
Not Quoted to Stock Exchange	455.429	298.745
Share Certificates	7.917	6.707
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	7.917	6.707
Impairment Provision (-)	8.711	297.669
Total	42.621.552	38.968.285

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 2012		Prior Period 31 December 2011	
	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	2.090.840	326.871	1.640.514	455.728
Loans Granted to Employees	92.280	-	72.650	-
Total	2.183.120	327.121	1.713.164	455.978

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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 (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Non-specialized Loans	89.322.779	492.763	-	2.944.620	610.379	-
Business Loans	27.067.479	39.634	-	393.704	348	-
Export Loans	5.247.248	68.895	-	34.429	806	-
Import Loans	-	-	-	-	-	-
Loans Granted to Financial Sector	1.766.924	-	-	-	-	-
Consumer Loans (Including Overdraft Loans)	19.594.860	25.908	-	1.349.237	155.246	-
Credit Cards	12.637.817	-	-	986.561	325.339	-
Other	23.008.451	358.326	-	180.689	128.640	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	89.322.779	492.763	-	2.944.620	610.379	-

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Number of extensions	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	491.862	609.008
Extended by 3,4 or 5 times	785	1.050
Extended by more than 5 times	116	321
Total	492.763	610.379

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	15.414	87.857
6 - 12 Months	31.925	127.813
1 - 2 Years	48.239	142.315
2 - 5 Years	382.602	218.333
5 Years and over	14.583	34.061
Total	492.763	610.379

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	27.622.914	64.485	2.944.620	610.379
Non-Specialized Loans	27.622.914	64.485	2.944.620	610.379
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	61.699.865	428.278	-	-
Non-Specialized Loans	61.699.865	428.278	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	89.322.779	492.763	2.944.620	610.379

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

Current Period – 31.12.2012

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	193.336	20.218.971	20.412.307
Mortgage Loans	9.735	9.686.448	9.696.183
Automotive Loans	14.708	983.945	998.653
Consumer Loans	165.213	8.886.064	9.051.277
Other	3.680	662.514	666.194
Consumer Loans- Indexed to FC	16	57.402	57.418
Mortgage Loans	13	55.908	55.921
Automotive Loans	2	53	55
Consumer Loans	1	118	119
Other	-	1.323	1.323
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.813.814	2.011.475	12.825.289
With Installment	4.738.576	2.011.475	6.750.051
Without Installment	6.075.238	-	6.075.238
Consumer Credit Cards-FC	18.509	-	18.509
With Installment	9.882	-	9.882
Without Installment	8.627	-	8.627
Personnel Loans-TL	1.882	49.701	51.583
Mortgage Loans	-	1.729	1.729
Automotive Loans	-	198	198
Consumer Loans	1.882	47.774	49.656
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	38.445	1.943	40.388
With Installment	17.538	1.943	19.481
Without Installment	20.907	-	20.907
Personnel Credit Cards-FC	309	-	309
With Installment	200	-	200
Without Installment	109	-	109
Credit Deposit Account-TL (Real Person)	422.789	-	422.789
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	11.489.100	22.339.492	33.828.592

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

Current Period – 31.12.2012

	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	342.485	5.208.535	5.551.020
Mortgage Loans	1.319	303.005	304.324
Automotive Loans	4.676	639.482	644.158
Consumer Loans	334.728	3.117.164	3.451.892
Other	1.762	1.148.884	1.150.646
FC Indexed Commercial Installment Loans	11.624	301.912	313.536
Mortgage Loans	-	17.835	17.835
Automotive Loans	308	90.266	90.574
Consumer Loans	6.662	147.425	154.087
Other	4.654	46.386	51.040
Commercial Installment Loans-FC	2.512	449.730	452.242
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	2.512	449.730	452.242
Corporate Credit Cards-TL	732.775	6.163	738.938
With Installment	391.208	6.163	397.371
Without Installment	341.567	-	341.567
Corporate Credit Cards-FC	945	-	945
With Installment	77	-	77
Without Installment	868	-	868
Credited Deposit Account-TL (Legal Person)	333.936	-	333.936
Credited Deposit Account-FC (Legal person)	-	-	-
Total	1.424.277	5.966.340	7.390.617

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	Prior 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

6. Loans according to types of borrowers:

	Current Period 31 December 2012	Prior Period 31 December 2011
Public	1.882.550	1.618.821
Private	90.384.849	72.643.889
Total	92.267.399	74.262.710

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

	Current Period 31 December 2012	Prior Period 31 December 2011
Domestic Loans	90.473.527	72.123.425
Foreign Loans	1.793.872	2.139.285
Total	92.267.399	74.262.710

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

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9. Specific provisions accounted for loans:

	Current Period 31 December 2012	Prior Period 31 December 2011
Loans and Receivables with Limited Collectibility	224.361	131.026
Loans and Receivables with Doubtful Collectibility	266.711	108.098
Uncollectible Loans and Receivables	531.534	930.685
Total	1.022.606	1.169.809

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

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 31 December 2012			
(Gross Amounts Before Specific Provisions)	23.093	20.925	27.021
Restructured Loans and Other Receivables	22.110	20.400	22.170
Rescheduled Loans and Other Receivables	983	525	4.851
Prior 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

10(ii). Information on the movement of total non-performing loans:

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2011	223.876	108.098	930.685
Additions (+)	736.446	16.202	18.036
Transfers from Other Categories of Non-performing Loans (+)	-	669.271	437.349
Transfers to Other Categories of Non-Performing Loans (-)	669.271	437.349	-
Collections (-)	66.112	63.534	147.903
Net FC Differences from Subsidiaries Abroad	-	(5)	-
Write-offs (-)[*]	578	25.972	613.783
Corporate and Commercial Loans	39	1.009	266.490
Retail Loans	78	6.793	142.963
Credit Cards	461	18.170	204.330
Other	-	-	-
Balance at the End of the Period	224.361	266.711	624.384
Specific Provisions (-)	224.361	266.711	531.534
Net Balance (*)	-	-	92.850

[*] TL 500,1 million of the Bank's non-performing loan portfolio has been sold to Girişim Varlık Yönetimi A.Ş. for TL 95,1 million on 1 October 2012. The amount that's been sold is shown under "Write-offs" in the above table.

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(**)As of 31 December 2012, the Bank has set 100% specific provision amounting to TL 41 million (31 December 2011: 41 million TL) after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 million (31 December 2011: 134 million TL).

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 2012			
Balance at the End of the Period	5.234	6.725	161.702
Specific Provisions (-)	5.234	6.725	68.852
Net Balance on Balance Sheet	-	-	92.850
Prior Period: 31 December 2011			
Balance at the End of the Period	140.388	3.435	47.249
Specific Provisions (-)	47.538	3.435	47.249
Net Balance	92.850	-	-

In Parent Bank, non-performing loans granted as foreign currency are followed under TL accounts of balance sheet.

10(iv). Breakdown of non-performing loans according to their gross and net values:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 31 December 2012			
Loans granted to corporate entities and real persons (Gross)	224.361	266.711	624.384
Specific Provisions Amount(-)	224.361	266.711	531.534
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 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 (-)	-	-	-

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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 2012		31 December 2011	
	TL	FC	TL	FC
Given as collateral/blocked	3.145.397	-	3.035.590	678.044
Subject to repurchase agreements	358.131	-	556.969	192.443
Total	3.503.528	-	3.592.559	870.487

2. Information on Held to maturity government debt securities:

	Current Period	Prior Period
	31 December 2012	31 December 2011
Government Bonds	3.637.468	4.823.563
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	3.637.468	4.823.563

3. Information on Held to maturity investments:

	Current Period	Prior Period
	31 December 2012	31 December 2011
Debt Securities	3.679.250	4.857.037
Quoted to Stock Exchange	3.679.250	4.857.037
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	41.782	32.567
Total	3.637.468	4.824.470

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4. The movement of investment securities Held to maturity:

	Current Period 31 December 2012	Prior Period 31 December 2011
Beginning Balance	4.824.470	6.627.280
Foreign Currency Differences on Monetary Assets	(90.677)	172.732
Purchases During Year	209	-
Disposals Through Sales and Redemptions (*)	1.097.298	1.996.980
Impairment Provision (-)	41.782	32.567
Change in Amortized Cost	42.546	54.005
Balance at the End of the Period	3.637.468	4.824.470

(*) According to "Regulation on Measurement and Assessment of Capital Adequacy of Banks" (Basel II), which became effective as of July 1, 2012, the risk weight of foreign currency denominated securities issued by the Treasury of Republic of Turkey has increased from 0% to 100%. According to IAS 39 Financial Instruments: Recognition and Measurement Standard, the Bank has reclassified its foreign currency denominated securities issued by the Treasury of Republic of Turkey held in Held to maturity portfolio with nominal values of thousands EUR 300.476 and thousand USD 160.288 to Available for Sale portfolio with the sale intention of these securities out of which nominal value amounting to thousands EUR 216.000 have been sold.

g. Information on investments in associates (Net):

1. Non-consolidated associates:

1(i). Reasons for 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
İKredi Kayıt Bürosu A.Ş.	İstanbul/Turkey	9,09	9,09

Main financial figures of non-consolidated associates, in the order of the above table:

The financial figures have been obtained from the financial statements dated 30 December 2012.

	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	28.465	22.672	13.462	680	-	4.189	3.179	-
2	65.251	58.310	4.769	1.395	-	24.044	12.969	-

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1(iii). Movement schedule for non-consolidated subsidiaries:

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

1(iv). Consolidated subsidiaries disposed within the current period: None.

1(v). Consolidated subsidiaries purchased within the current period: None.

h. Information on subsidiaries (Net):

1. Information on shareholders' equity of major subsidiaries:

	Akbank AG	Ak Leasing	Ak Securities	Ak Portfolio Management	Akbank (Dubai) Limited
Tier I Capital					
Paid in Capital	301.578	47.122	30.000	1.000	2.243
Adjustment to paid-in capital	-	-	16.802	-	-
Share Premium	-	-	-	-	-
Legal Reserves	-	18.658	15.669	4.899	-
Extraordinary Reserves	47.082	5	6.973	-	-
Other Profit Reserves	145.327	61.153	-	3.079	378
Profit/Loss	192.341	192.995	61.252	12.129	2.870
<i>Net Current Period Profit</i>	<i>31.015</i>	<i>41.546</i>	<i>16.543</i>	<i>11.067</i>	<i>2.335</i>
<i>Prior Year Profit/Loss</i>	<i>161.326</i>	<i>151.449</i>	<i>44.709</i>	<i>1.062</i>	<i>535</i>
Development Cost of Operating Lease (-)	148	490	668	-	-
Intangible Assets (-)	321	600	172	63	-
Total Core Capital	685.859	318.843	129.856	21.044	5.491
Supplementary Capital	-	6.687	-	-	-
Capital	685.859	325.530	129.856	21.044	5.491
NET USABLE SHAREHOLDER'S EQUITY	685.859	325.530	129.856	21.044	5.491

The Bank's subsidiaries, included in the consolidated calculation of capital requirement, do not have additional capital requirements. The Study of Internal Evaluation of Bank's Capital Requirement is carried out annually on a consolidated basis. In addition, Akbank AG carries out the Study of Internal Evaluation of Bank's Capital on solo basis due to its own legal requirements.

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2. Non-consolidated subsidiaries: None.
3. Consolidated subsidiaries:
- 3(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	100,00	-	Full Consolidation
3 Ak Portföy Yönetimi A.Ş.	İstanbul/Turkey	100,00	-	Full Consolidation
4 Akbank AG	Frankfurt/Germany	100,00	-	Full Consolidation
5 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 as at 31 December 2012 prepared in accordance with local regulations.

	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	2.297.060	319.871	13.635	152.964	1.200	41.546	43.045	-
2	731.188	130.696	1.793	29.152	778	16.543	67.921	-
3	26.823	21.107	177	1.956	-	11.067	11.616	-
4	6.450.617	686.328	1.172	94.416	33.653	31.015	27.844	-
5	6.116	5.491	44	-	-	2.335	2.089	-

Though 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 rising 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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3(ii). Movement schedule for consolidated subsidiaries:

	Current Period	Prior Period
	31 December 2012	31 December 2011
Balance at the Beginning of the Period	1.013.894	892.916
Movements During the Period		
Additions (**)	259	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation (*)	(308.089)	(34)
Revaluation Increase	-	-
Revaluation/Impairment	-	(9.203)
Additions to Consolidation	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries (*)	(123.120)	130.215
Balance at the End of the Period	582.944	1.013.894
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The balance amounting to TL (-) 292.708 on Sales / Liquidation line and the balance amounting to TL (-) 71.938 on Increase/decrease due to foreign exchange valuation of foreign subsidiaries line are due to the reduction of Akbank N.V.'s capital from EUR 335 Million to EUR 170 Million related with the merger process of Akbank N.V. and Akbank AG. The balance amounting to EUR 165 Million related to the reduction of capital is paid in cash by Akbank N.V. to the Bank. TL (-) 15.381 shown in Sales / Liquidation line is due to transfer of total shares of Ak B Tipi Yatırım Ortaklığı A.Ş., Bank's subsidiary with a 70,04% share, to Egeli & Co. Yatırım Holding A.Ş. for TL 28.542 as of July 3, 2012.

(**) TL 258 of "additions" is derived from the increase of Bank's shares in Ak Yatırım Menkul Değerler A.Ş. from 99,8% to 100%. TL 1 of "additions" is derived from the increase of Bank's shares in Ak Portföy Yönetimi A.Ş. from 99,99% to 100%.

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3(iii). Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

Subsidiaries	Current Period 31 December 2012	Prior Period 31 December 2011
Banks	394.362	810.190
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	121.088	121.088
Finance Companies	-	-
Other Financial Subsidiaries	67.494	82.616

3(iv). Subsidiaries quoted on a stock exchange:

	Current Period 31 December 2012	Prior Period 31 December 2011
Subsidiaries quoted on domestic stock exchange	-	15.381
Subsidiaries quoted on foreign stock exchange	-	-

i. Information on finance lease receivables (Net):

	Current Period 31 December 2012		Prior Period 31 December 2011	
	Gross	Net	Gross	Net
2012	-	-	644.361	596.422
2013	852.622	759.154	329.625	275.449
2014	447.417	369.572	216.037	181.028
2015	342.369	285.926	143.160	119.380
2016	246.773	210.051	97.751	81.480
2017 and following years	443.797	383.182	188.022	161.046
Total	2.332.978	2.007.885	1.618.956	1.414.805

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 2011				
Cost	794.002	803.100	217	1.597.319
Accumulated Depreciation(-)	252.077	554.581	-	806.658
Net Book Value	541.925	248.519	217	790.661
Current Period End: 31 December 2012				
Net Book Value at the Beginning of the Period	541.925	248.519	217	790.661
Additions	27.691	110.807	2.361	140.859
Disposals(-), net	1.833	12.702	-	14.535
Depreciation (-)	25.239	91.843	-	117.082
Impairment	-	-	-	-
Cost at Period End	818.932	828.574	2.578	1.650.084
Accumulated Depreciation at Period End (-)	276.388	573.793	-	850.181
Closing Net Book Value	542.544	254.781	2.578	799.903

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	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2011				
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 2012				
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

l. Informations on intangible assets:

1. Cost and accumulated amortization at the beginning and end of the period :

	Current Period 31 December 2012	Prior Period 31 December 2011
Book Values (Gross)	275.904	231.796
Accumulated Amortization (-)	162.147	129.581
Net Book Value	113.757	102.215

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

	Current Period 31 December 2012	Prior Period 31 December 2011
Cost	275.904	231.796
Accumulated Depreciation (-)	162.147	129.581
Net Book Value	113.757	102.215
Opening Balance	102.215	93.131
Additions	51.538	40.049
Disposals (-), net	10	-
Depreciation (-)	39.986	30.965
Closing Net Book Value	113.757	102.215

- 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 2012 amounts to TL 5.103 (31 December 2011: TL 116.608). 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 2012	31 December 2011	31 December 2012	31 December 2011
Employee benefits	101.741	77.611	20.373	15.374
Differences between fair value and book value of financial assets	296.388	592.668	60.830	119.027
Other	267.837	220.617	55.359	44.989
Deferred Tax Asset			136.562	179.390
Differences between book value and tax base of property, plant and equipment	89.757	88.785	(17.951)	(17.757)
Differences between book value and tax base of financial assets	930.275	212.829	(186.055)	(42.566)
Country risk provision	89.167	85.513	(28.534)	(27.216)
Deferred Tax Liabilities			(232.540)	(87.539)
Deferred Tax Asset/(Liabilities) Net			(95.978)	91.851

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

	Current Period	Prior Period
	31 December 2012	31 December 2011
Cost	15.195	3.974
Accumulated Depreciation (-)	147	288
Net Book Value	15.048	3.686
	Current Period	Prior Period
	31 December 2012	31 December 2011
Opening balance	3.686	3.225
Additions	12.775	2.554
Disposals (-), net	1.365	1.981
Depreciation (-)	48	112
Closing Net Book Value	15.048	3.686

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p. Information on other assets:

Other assets amount to TL 1.489.270 (31 December 2011: TL 993.953) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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 2012:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Cumulative	Total
Saving Deposits	2.979.328	6.377.240	18.962.334	803.632	198.545	276.446	92.248	29.689.773
Foreign Currency Deposits	4.356.065	5.876.554	12.485.945	1.292.240	3.025.707	3.213.166	5.124	30.254.801
Residents in Turkey	3.670.398	4.995.512	11.432.847	560.938	631.261	1.942.177	5.051	23.238.184
Residents Abroad	685.667	881.042	1.053.098	731.302	2.394.446	1.270.989	73	7.016.617
Public Sector Deposits	706.007	23.739	209.576	4.014	566	3.592	-	947.494
Commercial Deposits	3.639.650	5.156.279	6.205.805	174.015	55.526	27.724	-	15.258.999
Other Institutions Deposits	124.273	429.151	1.377.116	288.053	51.189	55.914	-	2.325.696
Gold Vault	1.461.072	-	-	-	-	-	-	1.461.072
Bank Deposits	323.569	1.532.695	6.651.202	1.577.025	642.881	23.081	-	10.750.453
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	21.821	1.010.510	12.028	18.043	14.033	6.014	-	1.082.449
Foreign Banks	70.724	522.185	6.639.174	1.558.982	628.848	17.067	-	9.436.980
Special Finance Institutions	231.024	-	-	-	-	-	-	231.024
Other	-	-	-	-	-	-	-	-
Total	13.589.964	19.395.658	45.891.978	4.138.979	3.974.414	3.599.923	97.372	90.688.288

1(ii). Prior 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
Special Finance 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

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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 2012	31 December 2011	31 December 2012	31 December 2011
Saving Deposits	11.015.060	10.778.167	18.674.713	16.602.299
Foreign Currency Saving Deposits	3.917.152	3.395.702	13.606.834	12.468.407
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 2012	Prior Period 31 December 2011
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	899.644	875.303
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		Prior Period	
	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Forward Transactions	37.691	-	58.523	-
Swap Transactions	100.871	305.471	109.166	393.296
Futures Transactions	41.871	6.194	29.000	6.946
Options	1.126	60.715	3.307	72.797
Other	-	-	-	-
Total	181.559	372.380	199.996	473.039

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	313.579	305.751	183.910	492.428
From Foreign Banks, Institutions and Funds	152.034	14.826.707	165.233	17.203.750
Total	465.613	15.132.458	349.143	17.696.178

2. Information on maturity structure of borrowings:

	Current Period 31 December 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Short-term	373.161	9.903.599	262.914	9.978.409
Medium and Long-Term	92.452	5.228.859	86.229	7.717.769
Total	465.613	15.132.458	349.143	17.696.178

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 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Bank bills	1.018.625	-	1.081.799	-
Bonds	1.512.054	4.083.764	726.159	2.695.846
Total	2.530.679	4.083.764	1.807.958	2.695.846

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 1.562.614 (31 December 2011: TL 746.389) 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		Prior Period	
	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Fair value Hedge	313.531	-	-	-
Cash Flow Hedge	214.994	130.320	111.480	108.371
Net investment Hedge	-	-	-	-
Total	528.525	130.320	111.480	108.371

h. Information on provisions:

1. Information on general provisions:

	Current Period	Prior Period
	31 December	31 December
	2012	2011
General Provisions	1.208.184	812.438
Provisions for Group I. Loans and Receivables	945.533	656.730
- <i>Additional Provision for loans with extended payment period</i>	<i>19.760</i>	<i>30.876</i>
Provisions for Group II. Loans and Receivables	107.674	22.604
- <i>Additional Provision for loans with extended payment period</i>	<i>20.850</i>	<i>3.854</i>
Provisions for Non-cash Loans	91.023	72.020
Other	63.954	61.084

2. Information on reserve for employment termination benefits:

	Current Period	Prior Period
	31 December 2012	31 December 2011
Balance Sheet Obligations for:		
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	58.620	42.456
- Reserve for unused vacation	43.121	35.155
Total	101.741	77.611

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.

	Current Period	Prior Period
	31 December 2012	31 December 2011
Income Statement Charge for:		
- Post-employment benefits (pension and medical)	(118.282)	(99.060)
- Reserve for employment termination benefits	(31.974)	(15.250)
- Reserve for unused vacation	(7.966)	(2.923)
Toplam	(158.222)	(117.233)

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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 118.282 (31 December 2011: TL 99.060) 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 3.033,98 (in full TL amount) (31 December 2011: TL 2.731,85 (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 2012	Prior Period 31 December 2011
Discount Rate (%)	3,57	4,70
Rate for the Probability of Retirement (%)	94,01	93,57

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 3.125,01 (1 January 2011: TL 2.917,27) 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 2012	Prior Period 31 December 2011
Balance at the Beginning of the Period	42.456	39.496
Provisions Recognized During the Period	31.974	15.250
Paid During the Period	(15.810)	(12.290)
Balance at the End of the Period.	58.620	42.456

As of 31 December 2012, the Group has accounted provision for unused vacation rights amounting to TL 43.121 (31 December 2011: TL 35.155).

2 (ii). Post-employment benefits:

The Bank’s obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations; and the Bank’s obligation related to other non-transferrable benefits has been calculated in

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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 294.543 [31 December 2011: TL 157.674], the surplus of the Fund amounts to TL 302.398 as of 31 December 2012 [31 December 2011: TL 322.392].

	Current Period 31 December 2012	Prior Period 31 December 2011
Present value of funded obligations	(687.438)	(604.794)
- Pension benefits transferrable to SSI	(883.461)	(854.018)
- Post-employment medical benefits transferrable to SSI	490.566	406.898
- Other non-transferrable benefits	(294.543)	(157.674)
Fair value of plan assets	989.836	927.186
Surplus	302.398	322.392

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 2012	Prior Period 31 December 2011
- Pension benefits transferrable to SSI	% 9,80	% 9,80
- Post-employment medical benefits transferrable to SSI	% 9,80	% 9,80
- Other non-transferrable benefits	% 2,55	% 4,16

For the year 2012, 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 2012	Prior Period 31 December 2011
Prior period end	927.186	886.244
Actual return on plan assets	117.758	106.249
Employer contributions	118.282	99.060
Employee contributions	101.417	85.010
Benefits paid	(274.807)	(249.377)
Period end	989.836	927.186

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Plan assets are comprised as follows:

	Current Period		Prior Period	
	31 December 2012		31 December 2011	
Bank placements	638.406	% 64	652.018	% 70
Premises and equipment	29.788	% 3	30.580	% 3
Marketable securities and share certificates	292.516	% 30	222.516	% 24
Other	29.126	% 3	22.072	% 3
Period end	989.836	% 100	927.186	% 100

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

As of 31 December 2012, the provision related to foreign currency differences of foreign indexed loans amounts to TL 16.345 (31 December 2011: TL 3.470), 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 2012 is amounting to TL 21.715 (31 December 2011: TL 78.460)

5. Information on other provisions:

5(i). Information on general reserves for possible risks: None (31 December 2011: None).

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 165.087 (31 December 2011: TL 128.141).

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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 2012, the corporate tax liability after the deduction of temporary taxes paid is TL 427.993 (31 December 2011: TL 108.080).

1(i). Information on taxes payable:

	Current Period	Prior Period
	31 December 2012	31 December 2011
Corporate Taxes Payable	427.993	108.080
Taxation on Marketable Securities	79.751	78.388
Property Tax	1.265	1.048
Banking Insurance Transaction Tax (BITT)	49.869	38.311
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	8.459	4.890
Other	34.871	31.656
Total	602.208	262.373

1(ii). Information on premium payables:

	Current Period	Prior Period
	31 December 2012	31 December 2011
Social Security Premiums – Employee	33	51
Social Security Premiums – Employer	68	103
Bank Social Aid Pension Fund Premium- Employee	3	3
Bank Social Aid Pension Fund Premium – Employer	3	3
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	768	1.059
Unemployment Insurance – Employer	1.514	2.087
Other	34	20
Total	2.423	3.326

2. Information on deferred tax liability:

As of 31 December 2012, the deferred tax liability of the Group amounts to TL 101.081 (31 December 2011: TL 24.757). An explanation about the net deferred tax asset is given in Note I-l of Section Five.

j. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	Current Period	Prior Period
	31 December 2012	31 December 2011
Common Stock	4.000.000	4.000.000
Preferred Stock	-	-

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2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so, the amount of registered share capital ceiling:

Capital System	Paid-in capital	Ceiling
Registered Share Capital	4.000.000	8.000.000

In the Ordinary General Assembly Meeting of the Bank dated 30 March 2012, it was decided increase capital ceiling from TL 5.000.000.000 to TL 8.000.000.000 through an amendment in the ninth clause of Articles of Association which was registered by Istanbul Registry Office on 2 April 2012 and declared by Trade Registry Gazette dated 6 April 2012 numbered 8043 published in Ankara.

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 Group’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 continues to its operations with strong shareholders’ equity.

7. Information on privileges given to shares representing the capital: None.

k. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	31 December 2012		31 December 2011	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	1.253.332	420.446	(99.396)	(63.915)
Foreign Currency Differences	-	-	-	-
Total	1.253.332	420.446	(99.396)	(63.915)

l. Information on minority shares:

	Cari Dönem	Önceki Dönem
	31 Aralık 2012	31 Aralık 2011
Beginning Balance	9.762	12.934
Net Profit Share of other shareholders	38	(1.250)
Previous Term Dividend	(44)	(1.922)
Net Currency difference due to foreign subsidiaries	-	-
Effect of Changes within scope of consolidation	(9.683)	-
Balance end of Period	73	9.762

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

1. Information on interest income on loans (*):

	Current Period 31 December 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Short-term Loans	2.775.123	241.348	1.676.903	150.768
Medium and Long-term Loans	2.946.428	1.356.081	2.282.989	1.085.367
Interest on Loans Under Follow-Up	26.619	-	43.260	-
Premiums Received from the Resource	-	-	-	-
Utilization Support Fund	-	-	-	-
Total	5.748.170	1.597.429	4.003.152	1.236.135

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

2. Information on interest income on banks:

	Current Period 31 December 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	17.667	1.294	30.578	4.682
From Foreign Banks	974	5.065	2.652	9.526
From Headquarters and Branches Abroad	-	-	-	-
Total	18.641	6.359	33.230	14.208

3. Information on interest income on marketable securities:

	Current Period 31 December 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
From Trading Financial Assets	32.305	5.030	144.187	21.084
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available for sale Financial Assets	3.223.420	344.669	3.165.775	192.204
From Held to maturity Investments	446.534	42.485	458.959	75.626
Total	3.702.259	392.184	3.768.921	288.914

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 2012, 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 2012		Prior Period 30 December 2011	
	TL	FC	TL	FC
Banks	32.345	328.265	22.288	275.105
The CBRT	-	-	-	-
Domestic Banks	19.367	5.791	12.133	18.840
Foreign Banks	12.978	322.474	10.155	256.265
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	5.023	-	6.331
Total	32.345	333.288	22.288	281.436

(*) Fee and commission expense from cash loans are 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 2012		Prior Period 30 December 2011	
	TL	FC	TL	FC
Interest expense on securities issued	247.340	166.226	119.575	126.593

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4. Maturity structure of the interest expense on deposits :

There are no deposits with 7-days notification deposits.

Current Year-31.12.2012	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	-	66.671	161.162	31.989	5.392	1.890	267.104
Saving Deposits	862	295.530	1.925.166	131.246	22.907	23.815	2.399.526
Public Sector Deposits	2	2.276	8.271	907	21	2.251	13.728
Commercial Deposits	2.242	298.414	416.715	83.462	64.775	40.081	905.689
Other Deposits	37	10.515	79.660	62.083	805	3.693	156.793
Total	3.143	673.406	2.590.974	309.687	93.900	71.730	3.742.840
FC							
Foreign Currency Deposits	16.625	161.618	447.644	54.090	89.731	111.526	881.234
Bank Deposits	-	24.699	117.870	23.998	13.227	334	180.128
Precious Metals Deposits	-	-	-	-	-	-	-
Total	16.625	186.317	565.514	78.088	102.958	111.860	1.061.362
Grand Total	19.768	859.723	3.156.488	387.775	196.858	183.590	4.804.202

Prior Period - 31.12.2011	Demand Deposit	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 2012	Prior Period 31 December 2011
From Trading Financial Assets	45	702
From Financial Assets at Fair Value Through Profit or Loss	291	-
From Available for sale Financial Assets	394	176
Other (*)	-	2.718
Total	730	3.596

(*)Discloses the dividend income received from non-consolidated investments in associates and subsidiaries.

d. Information on trading profit/loss(Net):

	Current Period 31 December 2012	Prior Period 30 December 2011
Profit	195.883.033	227.112.955
Income From Capital Market Transactions	1.673.543	823.076
Income From Derivative Financial Transactions (*)	1.937.564	1.537.068
Foreign Exchange Gains	192.271.926	224.752.811
Loss (-)	195.479.844	227.225.310
Loss from Capital Market Transactions	408.846	385.747
Loss from Derivative Financial Transactions (*)	3.340.190	1.730.312
Foreign Exchange Loss	191.730.808	225.109.251
Total (Net)	403.189	(112.355)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL (512.623) (30 December 2011: TL 397.450).

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.

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

	Current Period 31 December 2012	Prior Period 31 December 2011
Specific Provisions for Loans and Other Receivables	657.062	302.011
III. Group Loans and Receivables	224.908	175.306
IV. Group Loans and Receivables	285.033	101.324
V. Group Loans and Receivables	147.121	25.381
General Provision Expenses	395.746	302.278
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	21.554	11.219
Financial Assets at Fair Value through Profit or Loss	67	954
Available for sale Financial Assets	21.487	10.265
Investments in Associates, Subsidiaries and Held to maturity Securities Value Decrease	41.782	32.567
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held to maturity Investments	41.782	32.567
Other	4.745	11.050
Total	1.120.889	659.125

g. Information related to other operating expenses:

	Current Period 31 December 2012	Prior Period 31 December 2011
Personnel Expenses	1.205.312	1.001.774
Reserve for Employee Termination Benefits	16.268	3.005
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	117.082	110.835
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	39.986	30.965
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	48	112
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.177.887	1.045.591
Operational Leasing Expenses	127.776	100.593
Maintenance Expenses	25.231	20.772
Advertisement Expenses	101.962	86.556
Other Expenses	922.918	837.670
Loss on Sales of Assets	1.452	341
Other	410.429	322.135
Total	2.968.464	2.514.758

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h. Information on income/loss from minority interest:

	Current Period	Prior Period
	31 December 2012	31 December 2011
Income/(loss) from minority interest	38	(1.250)

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 5.357.800, net fees and commission income amounting to TL 1.788.881 and the amount of other operating expense is TL 2.968.464.

The Bank has no discontinued operations.

j. Information on tax provision of continued and discontinued operations:

As of 31 December 2012, the Group has a current tax expense of TL 857.535 and deferred tax expense of TL 14.127.

The amount of deferred tax income that occurred due to the temporary differences is TL 161.166 and deferred tax expense is TL 67.357; the amounts of deferred tax income and deferred tax expense that occurred due to the closing of temporary differences are TL 46.833 and TL 154.769 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 Bank is TL 3.004.910

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 Group for the current period: None.
2. Explanation on the changes in the estimations regarding the figures on the financial statements, if there exists a possibility that the profit and loss for the current or the following periods will be impacted: None.

m. Other figures on profit and loss statement:

"Other Fee and Commission Income" in the Income Statement mainly consists of commissions received from credit card, mutual fund and common stock transactions.

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

a. Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 3.870.559 asset purchase commitments (31 December 2011: TL 5.000.654), TL 18.697.008 commitment for credit card limits (31 December 2011: TL 13.718.870) and TL 4.432.859 commitments for cheque books (31 December 2011: TL 4.291.376).

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 2012	Prior Period 31 December 2011
Bank Acceptance Loans	199.864	120.751
Letters of Credit	4.546.973	4.071.428
Other Commitments and Contingencies	1.718.929	1.291.730
Total	6.465.766	5.483.909

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

	Current Period 31 December 2012	Prior Period 31 December 2011
Revocable Letters of Guarantee	626.752	426.999
Irrevocable Letters of Guarantee	7.406.718	5.348.664
Letters of Guarantee Given in Advance	2.327.218	1.476.137
Guarantees Given to Customs	638.254	495.870
Other Letters of Guarantee	1.204.979	1.216.304
Total	12.203.921	8.963.974

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

	Current Period 31 December 2012	Prior Period 31 December 2011
Non-cash Loans Given against Cash Loans	1.036.169	458.754
With Original Maturity of 1 Year or Less Than 1 Year	820.319	401.637
With Original Maturity of More Than 1 Year	215.850	57.117
Other Non-cash Loans	17.633.518	13.989.129
Total	18.669.687	14.447.883

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3 (ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2012				Prior Period 31 December 2011			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	18.295	0,27	1.512	0,01	18.946	0,34	18.160	0,20
Farming and Raising								
Livestock	8.792	0,13	97	-	6.591	0,12	17.236	0,19
Forestry	9.415	0,14	1.415	0,01	12.318	0,22	924	0,01
Fishing	88	-	-	-	37	0,00	-	-
Manufacturing	2.022.391	30,69	4.293.722	35,54	1.650.583	29,96	3.798.492	42,49
Mining	11.820	0,18	5.341	0,04	13.961	0,25	3.104	0,03
Production	1.665.238	25,27	4.022.982	33,30	1.386.651	25,17	3.545.659	39,67
Electric, Gas and Water	345.333	5,24	265.399	2,20	249.971	4,54	249.729	2,79
Construction	1.136.418	17,25	1.200.444	9,94	929.491	16,87	897.249	10,04
Services	3.042.721	46,18	4.524.779	37,46	2.546.284	46,20	2.769.900	30,98
Wholesale and Retail Trade	1.769.438	26,85	1.190.970	9,86	1.633.391	29,64	680.249	7,61
Hotel, Food and								
Beverage Services	69.104	1,05	43.867	0,36	27.133	0,49	7.739	0,09
Transportation and								
Telecommunication	126.053	1,91	275.974	2,28	116.143	2,11	199.619	2,23
Financial Institutions	991.355	15,04	2.645.001	21,90	661.165	12,00	1.780.496	19,92
Real Estate and Leasing								
Services	4.540	0,07	2.217	0,02	1.835	0,03	1.915	0,02
Self-Employment Services	18.140	0,28	14.250	0,12	12.177	0,22	2.220	0,02
Education Services	13.542	0,21	6.062	0,05	12.910	0,23	1.701	0,02
Health and Social Services	50.549	0,77	346.438	2,87	81.530	1,48	95.961	1,07
Other	369.887	5,61	2.059.518	17,05	364.701	6,63	1.454.077	16,29
Total	6.589.712	100,00	12.079.975	100,00	5.510.005	100,00	8.937.878	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	6.517.606	12.022.180	72.106	57.795
Letters of Guarantee	6.331.930	5.746.493	71.081	54.417
Bank Acceptances	15	199.849	-	-
Letters of Credit	18.620	4.524.975	-	3.378
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	16.330	-	-
Other Commitments and Contingencies	167.041	1.534.533	1.025	-

4. Mutual Funds :

As of 31 December 2012, the Group is the founder of 41 mutual funds (31 December 2011: 40 mutual funds) with a total fund value of TL 3.228.367 (31 December 2011: TL 3.993.535). 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. Explanation on derivative instruments:

	Current Period 31 December 2012	Prior Period 31 December 2011
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	37.085.400	48.317.478
FC Trading Forward Transactions	4.837.708	4.477.389
Trading Swap Transactions	18.566.291	36.960.932
Futures Transactions	-	-
Trading Option Transactions	13.681.401	6.879.157
Interest Related Derivative Transactions (II)	30.492.316	26.475.560
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	24.340.370	18.771.154
Interest Rate Options	6.151.946	7.704.406
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	2.141.477	3.734.003
A. Total Trading Derivative Transactions (I+II+III)	69.719.193	78.527.041
Types of Hedging Transactions		
Fair Value Hedges	5.406.981	-
Cash Flow Hedges	7.555.432	4.557.785
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	12.962.413	4.557.785
Total Derivative Transactions (A+B)	82.681.606	83.084.826

c. Information on Credit Swaps and risk beared due to these:

Within scope of the Bank's trading activities credit derivative transactions also exist. The Bank is exposed to fair value risk due to these transactions. The transactions are credit default swaps that carry Turkish Treasury credit risk. As of 31 December 2012, the Bank holds credit default swaps termed shorter than 1 month with a nominal value of TL 213.312.

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 7.861 (31 December 2011: 3.254 TL) for the contingent liabilities with a high probability of realization about continuing opposing trials.

The Competition Board has initiated an investigation in accordance with Law No. 4054 on the Protection of Competition, with its decision dated November 2, 2011 and numbered 11-55/1438 – M, against 12 banks and 2 firms in the financial services industry, including the Bank to determine whether the 4th clause of the aforementioned Law was violated through agreements limiting competition. The investigation is still continuing and as of report date effects on the financial statements cannot be foreseen.

2. Contingent Assets:

None.

e. 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 30 March 2012. In the Ordinary General Assembly, it was resolved to distribute a TL 418.595 cash dividend over the TL 2.394.527 net unconsolidated income from 2011 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 79.408 to other capital reserves, to allocate TL 79.033 as legal and TL 1.817.491 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 2012, the amount directly recognized in equity is (-) TL 189.079 (31 December 2011: (-) 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 2012, the amount directly recognized in equity is (-) TL 83.805 (31 December 2011: (-) 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

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 2012	Prior Period 31 December 2011
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.

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

	Current Period 31 December 2012	Prior Period 31 December 2011
Cash	1.896.814	1.540.572
Cash, Foreign Currency and Other	1.393.924	1.042.732
Demand Deposits in Banks (*)	502.890	497.840
Cash Equivalents	2.175.628	2.162.002
Interbank Money Market Placements	-	8.210
Time Deposits in Banks	1.386.514	1.782.059
Marketable Securities	789.114	371.733
Total Cash and Cash Equivalents	4.072.442	3.702.574

(*) The restricted demand accounts are not included.

a. 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 182.769 (31 December 2011: (-)TL1.225.844) 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 1.353.733 (31 December 2011: TL 607.025) 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 153.176 as of 31 December 2011. (31 December 2011: 392.131).

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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 2012:

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	-	-	1.640.514	455.978	-	-
Balance at the End of the Period	-	-	2.090.840	327.121	9	-
Interest and Commission Income Received	-	-	130.242	1.719	-	-

2. Prior 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

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 30 December 2012	Prior Period 31 December 2011	Current Period 31 December 2012	Prior Period 31 December 2011	Current Period 30 December 2012	Prior Period 31 December 2011
Deposit						
Balance at the Beginning of the Period	-	-	2.455.331	1.525.403	869.115	997.787
Balance at the End of the Period	-	-	2.389.224	2.455.331	1.729.420	869.115
Interest on Deposits(*)	-	-	128.240	107.684	90.954	53.881

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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 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	2.945.172	2.310.514	1.133.067	58.156
Balance at the End of the Period	-	-	2.177.864	2.945.172	-	1.133.067
Total Income/Loss(*)	-	-	(28.100)	(4.316)	-	(2.788)
Transactions for Hedging Purposes						
Beginning of the Period	-	-	188.890	-	-	-
Balance at the End of the Period	-	-	-	188.890	-	-
Total Income/Loss(*)	-	-	(916)	(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 2012, the net exposure for direct and indirect shareholders of the Group is TL (-) 5.956 (31 December 2011: TL (-) 704) and for other third party or legal person in risk group TL (-) (31 December 2011: TL (-)).

5. Information regarding benefits provided to the Group’s key management:

As of 31 December 2012 benefits provided to the Group’s key management amount to TL 26.464 (31 December 2011: TL 24.441).

VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK

1. Information on the domestic and foreign branches and representatives of the bank:

	Number	Number of Employees			
			Country of Incorporation	Total Assets	Statutory Share Capital
Domestic Branch	961	16.303			
Foreign Representation Office	-	-	-		
Foreign Branch Off-shore Banking Region Branches	- 1	- 12	- Malta	- 29.304.708	- -

Information on the Bank’s branch or representative office openings, closings, significant changes in the organizational structure: In 2012, the Bank has opened 47 domestic branches and closed up 12 domestic branches.

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IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

1. The Bank has made necessary applications to issue Turkish Lira denominated bank bonds with different maturities, up to TL 400 million of which will be offered to public and up to TL 800 million of which will be allocated or sold to qualified investors.
2. By the Board of Directors of the Bank, the Directorate General has been authorized to carry out operations with the component authorities to make changes in the Bank's Articles of Association.
3. The Bank has issued bonds abroad with nominal value of TL 1 billion, redemption date of 05.02.2018 and fixed rated, 5 year term and 6 month coupon payments have been priced with an annual simple interest rate of 7,5%.

**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 period ended 31 December 2012 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 7 February 2013 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.