

Anish KAPOOR/Imminence/2000/Iranian onyx

2013
ANNUAL REPORT

AKBANK

65 YEARS FILLED WITH ART

"CONTEMPORARY ART HAS A TRADITION OF IGNORING SCALE, EVEN REFRAINING FROM SCALE. HOWEVER, SCALE IS ALSO A TOOL THAT WE NEED TO UTILIZE IN CONTEMPORARY ART. CREATING LARGE OBJECTS HAS SUCH AN UTTERLY DIFFERENT IMPACT... IT PROVOKES CURIOSITY, ASTONISHMENT AND ADMIRATION... WHILE WORKING WITHIN THIS APPROACH, I STRUGGLE WITH MYSELF TO BREAK THE NORMS AND GO BEYOND MY OWN LIMITATIONS," SAYS ANISH KAPOOR, CONSIDERED TO BE THE LIVING EMBODIMENT OF GENIUS IN CONTEMPORARY ART.

ART REJECTS AND QUESTIONS NORMS; IT PAVES THE WAY FOR IMAGINATION, THE NEW AND THE INNOVATIVE. FOR THIS VERY REASON, FORWARD LEAPS IN CULTURE AND ART PIONEER THE ENRICHMENT AND PROGRESS OF SOCIETY.

AKBANK IS PROUD TO CARRY ON ITS RESPONSIBILITY OF MOVING TURKISH SOCIETY FORWARD. AS PART OF THIS EFFORT, AKBANK'S PRIORITIES INCLUDE ITS MANY INITIATIVES RELATED TO CULTURE AND ART. SINCE ITS INCEPTION, AKBANK HAS PROVIDED SUPPORT TO CULTURE AND THE ARTS WHILE ALSO CARRYING OUT INVESTMENTS TO PRESERVE LOCAL AND GLOBAL HERITAGE FOR FUTURE GENERATIONS.

IN 2013, ON THE 65TH ANNIVERSARY OF ITS FOUNDATION, AKBANK STEPPED UP ITS EFFORTS TO PROMOTE THE ARTS. OUR OVERRIDING OBJECTIVE WAS TO INTRODUCE ART TO A WIDER POPULATION AND IMPACT AN EVEN GREATER NUMBER OF PEOPLE WITH ART. WE CHOSE TO CELEBRATE THIS YEAR, OF SPECIAL MEANING AND SIGNIFICANCE TO US, WITH THE MARK THAT ANISH KAPOOR WOULD LEAVE ON ISTANBUL AND TURKEY. WHEN WE SHOWED THE WORKS OF THIS GREAT ARTIST TO ART ENTHUSIASTS AT ISTANBUL SAKIP SABANCI MUSEUM, OUR GOAL WAS TO ENCOURAGE UNIQUE AND CREATIVE THINKING.

AKBANK IS COMMITTED TO CONTINUING ITS SUPPORT FOR THE ARTS AND ARTISTS. WE WANT TO FOSTER THE DEVELOPMENT OF MORE WORLD-CLASS ARTISTS FROM TURKEY'S YOUNG AND CREATIVE POPULATION; GIVE TURKISH PEOPLE BETTER ACCESS TO GLOBAL CONTEMPORARY ART EVENTS AND POSITION THE COUNTRY AS A KEY PART OF GLOBAL ART CIRCLES.

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A HIGH CAPITAL ADEQUACY RATIO, LOW LEVERAGE RATIO, AMPLE LIQUIDITY AND EFFECTIVE RISK MANAGEMENT ARE AKBANK'S GREATEST STRENGTHS.

THE CORE COMPONENTS OF THE BANK'S "SUSTAINABLE LEADERSHIP" GOAL ARE PROFITABLE GROWTH AND SUSTAINABILITY. AKBANK RANKS AMONG THE LEADING FINANCIAL INSTITUTIONS IN TURKEY AS WELL AS THE WORLD WITH ITS SOLID CAPITAL BASE, EFFECTIVE RISK MANAGEMENT AND HIGH ASSET QUALITY.

MESSAGE FROM THE CHAIRMAN

2013 went down in history as a year in which the decoupling between the developed and developing countries came to the forefront in the global economy and financial markets. The United States and United Kingdom witnessed accelerated growth; the Eurozone emerged from recession; and the Japanese economy began to recover thanks to its expansionary monetary program.

As a result, the direction of the liquidity flow began to turn from emerging markets and into the most advanced economies. Additional fund outflows from developing countries were recorded thanks to the United States Federal Reserve Bank's tapering of asset purchases by US$ 10 billion per month due to sustained improvement in the country's economic indicators there. Major fund inflows into the emerging markets had previously occurred in the aftermath of the 2008 crisis due to lackluster growth and monetary easing policies in most of the industrialized countries. We are now observing that this dynamic has come to an end.

These fund outflows caused emerging market asset classes to incur losses in 2013. Inflation began to creep up primarily due to drops in currency values as well as rising interest rates in response to higher yields on US treasury bonds. Signs point to the persistence of high inflation in developing countries in 2014. On the other hand, recovery in the advanced economies is also expected to have a favorable impact on the emerging markets that export to their more industrialized counterparts.

In order to adapt to the changing market environment, developing country central banks began to tighten monetary policy while growth forecasts were revised downward due to shrinking liquidity. Nevertheless, the IMF's 2013 growth forecast for developing countries of 4.7% still outpaces that of 1.3% for the industrialized bloc. Forecasts for 2014 see 2.2% growth in the advanced economies vs. 5.1% in emerging markets.

As the Eurozone shakes off recession, leading indicators also point to a limited improvement. In the Far East, production and export data as well as inflation started to display an uptrend thanks in great part to the expansionary monetary program announced by Japan whose economy is expected to expand by 1.7% in both 2013 and 2014, a more rapid pace than in previous years. The Chinese economy, which led the way out of the global economic crisis with its high growth rate, is anticipated to make a soft landing due to policy measures and attain growth rates of 7.7% in 2013 and 7.5% in 2014.

In Turkey, a positive outlook on the domestic economy and markets prevailed during the first five months of 2013. The pace of capital inflows into the country accelerated after Moody's followed Fitch in raising Turkey's sovereign debt rating to investment grade. Equity prices reached historic highs while the lira continued to gain value and bond yields fell to historic lows. However, following the Fed's announcement in May and initiation in December of its tapering policy, Turkey began to experience fund outflows similar to other emerging markets.

In terms of domestic economic activity, Turkey's GDP increased 3% in the first quarter of 2013 followed by a better-than-expected 4.5% rise in the second quarter and 4.4% in the third quarter. While strong domestic demand was the primary driver of the positive growth performance, private sector spending and public sector investments also helped fuel the expansion. During the post-May period, rising interest rates worldwide and the devaluation in the lira had only a limited impact on the country's economic growth. The Turkish economy is estimated to have closed 2013 with a 4% annual growth rate.

We expect the foreign trade rebalancing in Turkey to continue throughout 2014; we also anticipate the current account deficit, seen as the primary financial risk factor for the country's economy, to continue to be manageable thanks to the policy measures taken and the devaluation in the Turkish lira. We forecast that the current account deficit as a percentage of GDP, expected to stand at 7% as of year-end 2013, will decline even further in 2014 as a result of the aforementioned policies.

Other major factors bolstering the Turkish economy include the healthy state of public finances, low debt levels and small budget deficit as well as the solid balance sheets of both households and the banking industry. As a result, the forecast for the budget deficit in 2013 stands at 1.2% of GDP, the lowest level since 2006. The Turkish banking industry will maintain its steady performance with low levels of debt and sound capital bases.

Excluding the financial sector, the overall banking industry's annual credit growth was 32% in 2013. Consumer lending, including revolving credit card loans, expanded 25% while deposits increased 24%.

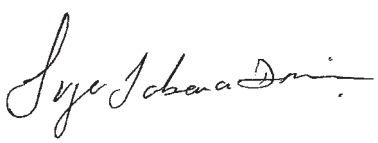
Akbank once again achieved its customer-focused profit and balance sheet growth targets in 2013. The Bank also continued to diversify its product and service portfolio while remaining committed to a risk-oriented approach during the year.

As one of the country's leading institutions, Akbank continues to garner the admiration of some of the most distinguished members of the global financial community. Akbank was named the "Best Bank in Turkey" thanks to its strong performance in 2013 by The Banker, Euromoney, World Finance, EMEA Finance and Global Banking & Finance Review. We are proud of these as well as similarly prestigious awards that we have won.

At the core of all of these accomplishments is our objective: To always create significant and sustainable value for our stakeholders in all our business endeavors. Serving the country and its society has become Akbank's raison d'être. In order to carry out this mission and to create value for the Turkish economy and society, Akbank has devised the right strategies under all circumstances and market conditions; has made appropriate and timely strategic decisions; and has never let short-term developments divert the Bank from its long-range objectives.

At the heart of the Bank's "Sustainable Leadership" goal is profitable growth and sustainability. Akbank ranks among the leading financial institutions in both Turkey and the world with its solid capital base, effective risk management and high asset quality. A high capital adequacy ratio, low leverage, ample liquidity and an effective risk management approach are Akbank's greatest strengths.

Placing the highest priority on creating value for all of its stakeholders, Akbank will continue to support the growth of the Turkish economy and create significant value in the year ahead.



SUZAN SABANCI DİNÇER
CHAIRMAN OF THE BOARD OF DIRECTORS



WE ARE WORKING WITH GREAT MOTIVATION AND ENERGY TO LEAD OUR BANK TO FURTHER ACCOMPLISHMENTS IN THE TURKISH BANKING INDUSTRY.

AKBANK'S SUCCESSFUL PERFORMANCE CONTINUED TO GAIN RECOGNITION ON VARIOUS DOMESTIC AND INTERNATIONAL PLATFORMS IN 2013. OUR BANK WON OVER 70 DISTINGUISHED GLOBAL AND NATIONAL AWARDS.

MESSAGE FROM THE CEO

The global economy went through two very different periods in 2013. From January to May, interest rates plummeted to historic lows in many countries, including Turkey. During the same period, capital inflows into emerging markets continued. However, the direction of international capital flows changed following the Fed's first signal for tapering of its asset purchase program in May. Change in growth expectations in favor of the most developed countries as well as the beginning of the Fed's gradual tapering in its asset purchase program in December led to some capital ouflows from emerging markets. This, in turn, negatively impacted the financial markets of the emerging economies including Turkey.

Despite a challenging year, Akbank maintained a healthy pace of growth in 2013. Our Bank's growth rates in fundamental banking products such as assets, loans and deposits exceeded those of the previous year. As of year-end, Akbank's consolidated total assets topped TL 195 billion, with a 20% increase compared to the previous year. In the same period, loans were up 28% to reach TL 118 billion while deposits rose above TL 112 billion, with 24% growth.

We continued to increase our support for the Turkish economy and the real sector in 2013. We increased our support to the Turkish economy via our cash and non-cash loans to TL 148 billion with over 33 percent growth in the same period. For the year, our market share in loans stood at 10.4%. Corporate, SME and retail loans constituted 31%, 33% and 36% of our loan portfolio, respectively.

We achieved an even more customer-oriented growth in 2013 and increased the asset share of our loans. The Bank's asset share of loans that stood around 53% in 2011 and 56% in 2012 rose above 60% in 2013. We increased our support via our consumer loans to around TL 28 billion and maintained our customer-oriented banking approach.

While pursuing our own growth strategy, we have focused on those sectors that in particular will contribute to our country's sustainable growth. When providing funding support, we prioritized those industries that will provide competitiveness to the country in international trade, attract foreign currency into the economy and contribute to new employment opportunities. Akbank, continued to provide advantageous financial support to SMEs and companies to help them grow their businesses and better compete in global markets. To that end, we further increased financing to the real economy through our SME, commercial and corporate loans compared to the previous year. We increased our support through SME and corporate loans to around TL 77 billion with a 31 rise.

During the same period, taking into consideration the macro-prudent economic policies pursued in Turkey, we optimized our credit card loans and deliberately slowed their growth rate. As a result, Akbank maintained its financial responsibility while continuing to grow.

Brands and innovative approaches created by entrepreneurs provide a competitive edge for countries, pave the way for higher value-added production, and contribute to new employment opportunities.

For these reasons, we continue to provide significant support to entrepreneurship. We provided a TL 60 million credit pool for 36 bright ideas of Endeavor entrepreneurs. Akbank is proudly carrying out its responsibility to foster entrepreneurship culture and the development of creative brands in our country. We will expand our support to entrepreneurs even further in the years ahead.

Today, Turkey has far more ambitious and challenging targets than ever. The greatest support to achieve these targets will continue to come from our banking sector with robust capital and sustainable profitability. As such, it is imperative for the banking sector to bolster its capital in order to extend more loans. Banks add their profits their capital and generate additional funding sources for more lending. We also strive to sustain our profitability to provide increasing resources to our economy. As of year-end 2013, our bank reported non-consolidated gross profit of TL 3,854 million, corresponding to non-consolidated net profit of TL 2,942 million, after provisioning TL 912 million for taxes. Akbank's end-of-year consolidated net profit stood at TL 3,077 million. Akbank posted a consolidated average return on equity (ROE) of 14% and a return on assets (ROA) of 1.7% for 2013.

We continued to invest in Akbank Direct and other distribution channels during the year in order to provide more practical, faster and seamless service to our clients. We opened 58 new branches in 29 provinces, expanding our branch network to 985 locations across Turkey. We placed priority on developing provinces when

MESSAGE FROM THE CEO

AKBANK MAINTAINED ITS HEALTHY PACE OF GROWTH IN 2013. THE BANK'S GROWTH RATE IN LEADING INDICATORS SUCH AS ASSETS, LOANS AND DEPOSITS EXCEEDED THE PREVIOUS YEAR'S LEVELS. AS OF YEAR-END, THE BANK'S CONSOLIDATED TOTAL ASSETS GREW TO TL 195 BILLION, A 20% INCREASE YEAR ON YEAR, WHILE LOANS WERE UP 28% TO TL 118 BILLION.

opening new branches. We will extend even greater support for the development of these provinces many of which are supported under the government's incentive program. We also continued to expand our direct channels. We increased the number of our ATMs to over 4,120 while expanding our POS terminals to 347,000 as of year-end. Akbank has one of the largest ATM networks in Turkey. We invest the average US$ 100 million in technology per annum; we continued to invest in technology in 2013 as well. As a result, we helped more businesses and people reach banking services and contributed to financial inclusion in our country. In addition, our Bank continued to provide seamless lending support to clients via our extensive delivery channels and transparent and simplified processes. We will continue to invest in our delivery channels.

The Bank conducts its operations fully prepared for all possible economic environments thanks to an effective risk management approach. While continuing to grow in 2013, Akbank achieved healthy growth without compromising its risk management. The Bank's non-performing loan ratio of 1.4% as of year-end is a reflection of the success of this approach. In fact, we have one of the lowest non-performing loan ratios in the industry. Including general loan provisions, we set aside 196% provisioning for non-performing loans.

We contributed to the country's rising savings rate by implementing various campaigns and educational efforts and launching new financial products. Akbank's ongoing "Heroes of the Economy" savings campaign was launched in order to raise awareness about the importance of savings and to broaden the savings base. Nearly 200 Akbank volunteers educated 11,500 students in various provinces on the concept of savings in 2013. We aim to reach 18,000 more students with our educational program in 2014. Our efforts to encourage investors and customers to increase their savings also serve to bolster Akbank's deposits. The Bank's total deposits reached TL 112 billion, up 24% for the year.

We continued to create more resources to fuel growth and investments in Turkey's economy, and in the real sector in particular, through funding facilities secured from international markets. Akbank lowered its borrowing costs with syndicated loan agreements signed in March and in August. The deal in March represented the lowest-cost syndicated loan of the last 15 years in the Turkish banking industry as of the transaction date. Thereby, the Bank was able to obtain lower cost financing sources for the Turkish economy and the real sector.

During the same period, Akbank issued the first ever Turkish lira-denominated bonds in international capital markets. This bond issue was the first TL-denominated Eurobond deal by a Turkish institution ever. These successful international borrowing deals also reflect the strength of the Akbank brand.

Akbank's capital adequacy ratio calculated according to Basel II standards remained high at 14.7% for the year. The Bank's strong capital adequacy ratio, low leverage ratio, ample liquidity and effective risk management, coupled with high asset quality support its sustainable profitability.

Akbank also continues its drive toward achieving Sustainable Leadership. The Bank's robust capital, superior infrastructure, advanced technology, high asset quality and liquidity all support us as we strive toward our Sustainable Leadership vision. Next to these factors, we put the most trust in our highly qualified employees. Akbank pioneers the Turkish banking industry with its expert employees that hold master's and doctorate degrees.

One out of every three employees was promoted from within Akbank during the year. Nearly one-third of our senior management team consists of women. Some 70% of our new hires in 2013 were recent graduates. We are blending education, experience, women and youth to reinforces diversity within Akbank.

Akbank's successful performance continued to gain recognition on various domestic and international platforms in 2013. Akbank was named the "Best Bank in Turkey" thanks to its strong performance in 2013 by The Banker, Euromoney, World Finance, EMEA Finance and Global Banking & Finance Review. In addition, The Banker ranked Akbank among the world's best banks in technology and innovation. Furthermore, Akbank has won more than 70 distinguished awards in Turkey and abroad during the year.

Akbank was also once again named the "Most Valuable Banking Brand in Turkey" by Brand Finance in the "Brand Finance Banking 500" survey. We are leveraging the strength of our brand to continue our efforts and investments to provide even more support for our economy and country.

Akbank stands among the most customer-oriented, innovative, modern and valuable institutions in Turkey. We are working with great motivation and energy to lead the Bank to new accomplishments that will serve as an example for the Turkish banking industry. Our greatest asset on this journey is our employees. I would like to extend thanks to our valued employees as well as all our customers and shareholders who have given us their support and their trust.



HAKAN BİNBAŞGİL
CEO

AKBANK IN BRIEF AND MILESTONES

AKBANK MAINTAINS A MARKET LEADING POSITION IN THE BANKING SECTOR WITH ITS ROBUST CAPITAL BASE AND SOUND ASSET COMPOSITION.

Akbank was founded as a privately-owned commercial bank in Adana on January 30, 1948. Established originally with the core objective to provide funding to local cotton growers, the Bank opened its first branch in the Sirkeci district of Istanbul on July 14, 1950. In 1954, after relocating its Head Office to Istanbul, the Bank rapidly expanded its branch network and had automated all banking operations by 1963.

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

Akbank's core business is banking activities, consisting of consumer banking, commercial banking, SME banking, corporate banking, private banking, foreign currency exchange, money markets and securities trading (Treasury transactions), and international banking services. In addition to traditional banking activities, the Bank also carries out insurance agency operations through its branches on behalf of Ak Insurance and AvivaSA Pensions and Life Insurance.

With a strong and extensive domestic distribution network of 985 branches and 16,249 employees, Akbank operates from its Head Office in Istanbul and 23 regional directorates across Turkey. In addition to offering services through branches, the Bank's traditional delivery channel, Akbank also serves customers through its Consumer and Corporate Internet Branches, the Telephone Banking Center, 4,121 ATMs and more than 340,000 POS terminals as well as other high-tech channels.

A digital banking pioneer in Turkey, Akbank gathered all its efforts in this burgeoning area under the Akbank Direct umbrella. This will allow the Bank to meet the financial solutions needs of its customers, provide services in the most convenient manner possible and deliver an excellent client experience. In today's world, where technology advances at lightning speed and customers are ever more demanding, Akbank Direct strives to satisfy client needs without time or physical location limitations while pioneering technological innovations in both the sector and in Turkey. Pursuant to its agreement with Western Union (Western Union Network (France) SAS), the Bank began offering Western Union money transfer transactions through Akbank branches, Akbank ATMs and the Akbank Direct Internet Branch.

Foreseeing emerging trends and changes in customer dynamics in order to develop new customized products and channels for the financial needs of its customers, Akbank translated its vision of becoming "Turkey's innovative powerhouse" into reality through concrete examples. In addition to introducing many trailblazing practices in Turkey, including its "Big Red House" mortgage loan-only branches, Akbank also broke new ground globally with the Loan Machine and Mobile Loan innovations which allow customers to obtain loans without having to physically visit a bank branch.

The Akbank Banking Center, which is the highest transaction capacity operations center in Turkey, commenced service in 2010. Equipped with state-of-the-art technology, this complex is positively contributing to Akbank's productivity. Akbank conducts overseas operations through its subsidiaries in Germany (Akbank AG) and Dubai (Akbank Dubai Limited) as well as a branch in Malta.

The Bank's other subsidiaries, Ak Investment, AKAssetManagement and AKLease, provide non-banking financial services alongside capital markets and investment services.

Equipped with state-of-the-art IT systems and a staff of experienced professionals, Akbank provides top quality services to an extensive portfolio of consumer and corporate banking customers.

Equipped with state-of-the-art IT systems and a staff of experienced professionals, Akbank provides top quality services to an extensive portfolio of consumer and corporate banking customers.

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

With its robust capital base, reliable deposit structure, ability to raise foreign financing on favorable terms and solid asset quality, Akbank maintains its leading position in the Turkish banking sector. As of the end of 2013, Akbank reported consolidated net profit of TL 3,077 million (approximately US$ 1,444 million) and total consolidated assets of approximately TL 195.5 billion (approx. US$ 92 billion). The Bank's consolidated capital adequacy ratio of 14.7% calculated in accordance with Basel II standards is among the highest in the sector.

Total loans of Akbank, which continues to conduct its operations to create value for the Turkish economy, jumped by 27.8% to reach TL 118 billion. Akbank's non-performing loan ratio of 1.4%, attained thanks to the Bank's effective risk management policies, is significantly below the sector average of 2.6%.

With an assessed brand value of US$ 2 billion, Akbank was named "Most Valuable Banking Brand in Turkey," for two years in a row, by Brand Finance report of "Brand Finance Banking 500."

In addition, Akbank was named the "Best Bank in Turkey" in 2013 by The Banker, Euromoney, World Finance, and Global Banking & Finance Review publications.

Akbank's customer-oriented practices, superior technology infrastructure and long-term strategic management received recognition with the "Best Bank in CRM in EMEA/APAC Region" designation from Gartner and the "Best Internet Bank in Europe in Information Security Initiatives" award presented by Global Finance.

As a result of its effective risk management policies and solid operational performance, Akbank's credit rating was upgraded to investment-grade by the international rating agency Moody's following a similar move by Fitch Ratings. This designation is the highest viability and financial strength rating that can be assigned to Turkish banks by international rating agencies.

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

The first Turkish bank to be a signatory to the United Nations Global Compact in 2007, Akbank shares its sustainability performance with its stakeholders via the Akbank Sustainability Report that it has published in accordance with the Global Reporting Initiative (GRI) standards every year since 2009.

41.2% of Akbank's shares are listed on the Istanbul Stock Exchange. The Bank's Level 1 ADRs are traded on the OTC in the United States. Akbank's market capitalization stood at US$ 12.6 billion as of December 31, 2013.

WITH A STRONG AND EXTENSIVE DOMESTIC DISTRIBUTION NETWORK OF 985 BRANCHES AND 16,249 EMPLOYEES, AKBANK CONDUCTS OPERATIONS FROM ITS HEAD OFFICE IN ISTANBUL AND VIA 23 REGIONAL OFFICES ACROSS TURKEY. IN ADDITION TO PROVIDING SERVICES THROUGH THE BRANCH NETWORK, THE BANK'S TRADITIONAL DELIVERY CHANNEL, AKBANK ALSO SERVES CUSTOMERS THROUGH ITS CONSUMER AND CORPORATE INTERNET BRANCHES, THE TELEPHONE BANKING CENTER, 4,121 ATMS AND MORE THAN 340,000 POS TERMINALS AS WELL AS OTHER HIGH-TECH CHANNELS.





Anish KAPOOR/Grace/2004/Vigaria marble

A YEAR FULL OF ACCOMPLISHMENTS-2013

AKBANK WAS NAMED THE "MOST VALUABLE BANKING BRAND IN TURKEY" BY BRAND FINANCE.

Brand Finance
Brand Finance "World's Top 500 Most Valuable Banking Brands" Ranking - "Most Valuable Banking Brand in Turkey" for the Second Consecutive Year, Akbank Ranks 86th among the World's Top 500 Banking Brands

The Banker
Best Bank in Turkey

Euromoney
Best Bank in Turkey

World Finance
Best Bank in Turkey

Global Banking & Finance Review
Best Bank in Turkey

Euromoney
Best Private Banking Services Overall in Turkey

The Banker
Best Bank in the World in Technology Use & Innovation

Gartner
Best Bank in CRM in EMEA/APAC Region

Global Finance
Best Foreign Exchange Provider in Turkey

Euroweek
Most Impressive Emerging Market Borrower
Most Impressive Emerging Market Financial Institution Borrower
Most Impressive CEEMEA Funding Official

EMEA Finance
Best Financial Institution Borrower in EMEA Region
Best Financial Institution Loan in EMEA Region

Stevie International Business Awards
1 Gold, 2 Silver and 3 Bronze Awards

LACP (League of American Communications Professionals) Vision Awards
Akbank's 2012 Annual and Sustainability Reports Recognized as the Best Reports in the World

MerComm International ARC Awards
Akbank's 2012 Annual Report Named the Best Annual Report in the World

Golden Spider Web Awards
Akbank Website Recognized as the Best Website in the Banking and Finance Category

Turkish Public Relations Association (TUHID) – 12th Golden Compass Awards
Best Project in Digital and Social Media Communication

Turkey Call Center Awards
Best Use of Technology by a Call Center
Most Commendable Call Center Agent

AKBANK IN 2013

JANUARY

Akbank Named the "Best Foreign Exchange Provider in Turkey" for the 10th Time

The World's Best Foreign Exchange Providers" survey conducted in 97 countries, Global Finance magazine named Akbank the "Best Foreign Exchange Provider in Turkey" for the 10th consecutive time.

Investors, Entrepreneurs and Business Leaders Convene at the İyiYatırım (Good Investment) Summit

The second İyiYatırım (Good Investment) Summit, organized by Endeavor Turkey and the Turkish Industry and Business Association (TUSIAD) at the Sabancı Center with Akbank's main sponsorship, brought together the world's leading investors, entrepreneurs, academics and corporate executives in Istanbul.

Akbank Ranks Once Again as the "Most Valuable Banking Brand in Turkey" in 2013

Akbank was ranked the "Most Valuable Banking Brand in Turkey" once again in the "World's Top 500 Most Valuable Banking Brands" report by Brand Finance. With an assessed brand value of US$ 2.1 billion, the Bank ranked 86th among 500 global banking brands. Furthermore, Akbank recorded the largest increase in brand value among all Turkish banks included in the report.

Akbank Issues First Turkish Lira-Denominated Eurobond in International Capital Markets

Akbank issued the first ever Turkish lira-denominated Eurobond in international capital markets from Turkey. The successful TL 1 billion Eurobond issuance was oversubscribed three times. As a result of this deal, Akbank recorded a major accomplishment by becoming the first Turkish institution, including the Turkish Treasury, to issue Turkish lira-denominated eurobonds in overseas markets.

FEBRUARY

Akbank Voted the "Best Private Banking Services Overall in Turkey" for the Sixth Time

In its 2013 assessment, Euromoney voted Akbank Private Banking the"Best Private Banking Services Overall in Turkey" for the fourth time in a row. Akbank Private Banking won this award for the sixth time overall during the seven years Turkey was included in the survey.

MARCH

Akbank Named the "Best Financial Institution Borrower in EMEA Region"

As part of its "2012 Achievement Awards" assessment, EMEA Finance named Akbank's US$ 1.5 billion syndicated loan in August 2012 as the "Best Financial Institution Loan in EMEA Region" and selected Akbank as the "Best Financial Institution Borrower in EMEA Region" for its successful overseas borrowing deals in 2012.

Akbank Secures the Lowest Cost Syndicated Loan in the Turkish Banking Industry for the Last 15 Years

Akbank secured a US$ 1.4 billion syndicated loan with the participation of the world's leading banks. The total cost of the loan, structured in two tranches of EUR 790 million and US$ 348 million, was Libor/Euribor+1.00% for the one-year slice and Libor/Euribor+1.25% for the two-year slice, respectively.

Economy Administration Officials and Business Leaders Convene at the Turkey Energy and Infrastructure Finance Conference

The Euromoney Conference, held for the sixth year with the support of Akbank as one of the main sponsors, was attended by officials from Turkey's Economy Administration as well as senior executives and representatives from diverse industries including finance, law and construction. The conference hosted discussions on a wide variety of subjects from energy investments in Turkey to infrastructure investments and to the legal and regulatory framework.

James Charles Cowles Joins Akbank's Board of Directors

Following the resignation of Akbank Board Member Hamid Biglari from his post, James C. Cowles, Citigroup Chief Executive Officer for Europe, Middle East & Africa (EMEA), was appointed as a member of Akbank's Board of Directors.

APRIL

Finance Minister Mehmet Şimşek and Leaders of Finance Industry Convene at the "Cash, Treasury and Risk Management in Turkey" Conference

The "Cash, Treasury and Risk Management in Turkey" conference, organized by EuroFinance under the main sponsorship of Akbank, brought together Finance Minister Mehmet Şimşek and leaders of the financial services industry.

Istanbul Film Festival

Akbank sponsored the Istanbul Film Festival, organized by the Istanbul Foundation for Culture and Arts (İKSV), for the ninth year in 2013.

International Jazz Day

Akbank was among the main sponsors of the second International Jazz Day, which was held in Istanbul in 2013.

AKBANK IN 2013

AKBANK WAS RECOGNIZED AS THE “BEST BANK IN TURKEY” IN 2013 BY THE BANKER, EUROMONEY, WORLD FINANCE, AND GLOBAL BANKING & FINANCE REVIEW IN THE “BEST BANKS IN THE WORLD” AWARDS.

MAY

Akbank Signs Turkey’s First Cooperation Agreement with the Export-Import Bank of Korea (KEXIM)

Akbank and the Export-Import Bank of Korea (KEXIM) signed a memorandum of understanding to further expand their relationship and cooperation. This cooperation agreement marked the first memorandum of understanding that the Korea Eximbank signed with a Turkish bank as of the agreement date.

“Single Password” for Akbank Mobile Banking

The “Single Password” application developed by Akbank as a first in Turkey allows customers to log into Akbank Direct Mobile with one password and conveniently perform many banking transactions, from money transfers to stock trading.

Euroweek: Akbank is the “Most Impressive Financial Institution Borrower”

Akbank topped Euroweek’s Bond Awards by winning three prizes. Akbank was named the “Most Impressive Emerging Market Borrower” and the “Most Impressive Emerging Market Financial Institution Borrower.” In addition, Akbank’s Executive Vice President of International Banking, Hülya Kefeli, was voted the “Most Impressive CEEMEA Funding Official”.

International Cash Management Network Connector’s Annual Meeting Held in Istanbul

The 2013 annual meeting of Connector, the cash management network of the world’s leading banks, was held in Istanbul and was hosted by Akbank, the only member of the network in Turkey. The meeting served as a platform to introduce the activities of new member banks and discuss global cash management trends as well as initiatives for developing mutual cooperation.

JUNE

Akbank Launches Western Union Money Transfer Service

The new cooperation allows Akbank customers to send and receive money by using more than 510 thousand Western Union agency service points in more than 200 countries and regions around the world. Money transfers can also be performed on all Akbank ATMs and via Akbank Direct internet banking.

Akbank Named the “Best Bank in CRM in EMEA/APAC Region”

Akbank was recognized as the “Best Bank in EMEA/APAC Region,” encompassing Europe, Middle East, Africa, Asia-Pacific and China, in the Customer Analytics category at Gartner’s “CRM Excellence Awards.” Akbank was selected as the only Turkish bank to receive this award in 2013 with its CRM projects.

JULY

“5N1Kariyer”: A Unique Career Site from Akbank

Akbank launched the “5N1Kariyer” site to provide detailed information about the Bank, career opportunities for students who want to learn more about the Bank and for young professionals who would like to continue their careers at Akbank.

Euromoney: Akbank is the “Best Bank in Turkey”

Akbank was named the “Best Bank in Turkey” at Euromoney’s “2013 Excellence Awards.”

Akbank and Takasbank Cooperation Marks a First in the Sector

Pursuant to the cooperation contract signed between Akbank and Takasbank, Akbank’s overseas-based institutional investors can now receive custody services from Takasbank.

Suzan Sabancı Dinçer Reelected to the Institute of International Finance (IIF) Board of Directors
The Institute of International Finance (IIF), a global association whose members include the world's leading financial institutions and banks, reelected Suzan Sabancı Dinçer, the Chairman and Executive Board Member of Akbank, to its Board of Directors.

AUGUST

LACP and MerComm: Akbank 2012 Annual and Sustainability Reports are the "Best Reports in the World"
The Akbank 2012 Annual and Sustainability Reports were voted the "Best Reports in the World" at the "2012 Vision Awards Competition" and the "27th International ARC Awards" organized by LACP (League of American Communications Professionals) and MerComm. Akbank recorded a major accomplishment by winning a total of three Platinum, four Gold, one Silver, and two Jury's distinguished honoree awards at the two competitions.

Akbank Secures US$ 1.5 Billion Syndicated Loan
Akbank secured a US$ 1.5 billion syndicated loan facility in a deal participated by leading global banks. The total cost of the loan, structured in two tranches of EUR 779 million and US$ 419.5 million with a one year maturity, was Libor/Euribor+0.75%. This syndicated loan represents a 60 basis-point reduction in the Bank's borrowing costs compared to the August 2012 syndicated loan.

World Finance Honours Akbank as the "Best Bank in Turkey"
Akbank was named the "Best Bank in Turkey" by World Finance in the 2013 Banking Awards.

SEPTEMBER

Akbank Wins Six Prizes at the Stevie Awards
Akbank scored another major accomplishment by winning one Gold, two Silver, and three Bronze awards at the "Stevie – International Business Awards." The Bank received a Gold Stevie for the "Akbank Art Center Website" and two Silver Stevies for the "5N1Kariyer Website" and the "Akbank HR Team - Young Advisory Board Project." Akbank was also presented with three Bronze Stevie awards for its "Improvements for You" program and as the "IT Department and IT Team of the Year."

Anish Kapoor in Istanbul
Sabancı University Sakıp Sabancı Museum, in partnership with Akbank, hosted the first comprehensive exhibition of Anish Kapoor, the leading international artist of contemporary art in Turkey. The works of Anish Kapoor were displayed at the Sakıp Sabancı Museum from September 10, 2013 until February 2, 2014 as part of the exhibition sponsored by Akbank in celebration of the Bank's 65th Year.

Akbank Hosts Chatham House in Istanbul for the Fourth Time
The fourth meeting of the Chatham House Turkey Project was held at Sakıp Sabancı Museum's "The Seed" facility, hosted by Akbank. With the main theme of "Restructuring in the Middle East and North Africa," the meetings addressed the developments in the Middle East and North Africa regions and their impacts on Turkey.

OCTOBER

Akbank Direct Expands Banking into Smart Watches
The first bank in Turkey to allow banking transactions on smart watches, Akbank launched Turkey's first "I'm Watch" banking application synchronized with mobile phones running on the Android and iOS operating systems.

NOVEMBER

The Banker: Akbank Ranks among the "Best Banks in the World" in Technology & Innovation
Akbank was voted the "Best Bank in the World" in separate categories in The Banker's "Innovation in Technology Awards" survey. Akbank received the best bank awards in "Innovation in Customer Services" category with the Integro Project as well as in the "Innovation in Integration of Distribution Channels" category with the Consumer and Corporate Internet Banking Website Overhaul Project.

Entrepreneurs and Business Leaders Convene at the İyiGirişim (Good Venture) Summit
The third İyiGirişim (Good Venture) Summit, organized by Endeavor and the Turkish Industry and Business Association (TÜSİAD) at the Sabancı Center with Akbank as the main sponsor, gathered the world's leading entrepreneurs, investors and corporate executives in Istanbul.

DECEMBER

The Banker: Akbank is the "Best Bank in Turkey"
Akbank was named the "Best Bank in Turkey" at "The Bank of the Year Awards" organized by The Banker.

Suzan Sabancı Dinçer Awarded the "Businesswoman of the Year" Prize by Boğaziçi University
As a result of a survey conducted by the Boğaziçi University Engineering Club, Suzan Sabancı Dinçer, Akbank's Chairman and Executive Board Member, was voted the "Businesswoman of the Year".

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING

During its February 28, 2014 meeting, the Board of Directors of Akbank decided on the following: The Ordinary General Meeting of Akbank T.A.Ş. is scheduled to be held at Sabancı Center, 4. Levent, Istanbul on March 27, 2014 at 13:30, for the purpose of discussing the subjects mentioned in the below agenda.

The Agenda of the Ordinary General Meeting:

1- Appointment of the Presidential Board,
2- Communication and discussion of the Report of the Board of Directors,
3- Communication and discussion of the Independent Auditors' Report,
4- Communication, discussion and ratification of the Financial Statements of 2013,
5- Discharge of liability of the members of the Board of Directors,
6- Decision on the appropriation of 2013 net profit,
7- Approval of the member elected to the Board of Directors for the remaining period,
8- Appointment of the Members of the Board of Directors whose terms have expired,
9- Determination of the compensation of the Members of the Board of Directors,
10- Appointment of the Independent Auditors,
11- Amendment of the 24th, 82nd and removal of the 84th articles from the Articles of Association of the Bank,
12- Empowerment of the Board of Directors in connection with matters falling within the scope of articles 395 and 396 of the Turkish Commercial Code,
13- Determining the limits of donation for 2014,
14- Approval of the dividend policy of the Bank,
15- Information to shareholders regarding the donations in 2013 and the remuneration policy including for the members of the Board of Directors and senior executives.

THE REPORT ON COMPLIANCE OF ANNUAL REPORT

Building a better working world

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

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

We have audited the compliance and accuracy of the financial information included in the Annual Report of Akbank T.A.Ş. and its consolidated subsidiaries as of December 31, 2013 with the audited financial statements drawn up as of the end of the accounting period. The Annual Report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion about the annual report that we have audited.

We have conducted our audit in accordance with the procedures and principles set out by the regulations on preparation and issuance of annual reports in the Banking Law No. 5411 and Turkish Commercial Code No. 6102 ("TCC") and regulations on independent auditing principles. Those regulations require that we plan and conduct the audit to obtain reasonable assurance whether the financial information included in the annual report is free from material errors. We believe that our audit provides a reasonable and sufficient basis for our opinion.

In our opinion, the financial information presented in the accompanying Annual Report accurately reflects, in all material aspects, the information regarding the financial position of Akbank T.A.Ş. as of December 31, 2013 in accordance with the procedures and principles set out by the regulations in conformity with Article 40 of the Banking Law No. 5411 and TCC; it includes a summary report of the Board of Directors and the independent auditor's report originally issued by us in Turkish; and it is consistent with the information contained in the independently audited financial statements and notes to these financial statements originally issued in Turkish.

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

Fatma Ebru Yücel
SMMM, Partner

February 28, 2014
Istanbul, Turkey

ESTABLISHMENT INFORMATION, CAPITAL AND SHAREHOLDER STRUCTURE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Establishment Information

Akbank was established as a privately-owned commercial bank pursuant to the authorization issued by resolution no. 3/6710 of the Council of Minister of Turkey dated December 12, 1947 to conduct the full array of banking operations and to carry out all types of economic, financial and commercial ventures and activities not prohibited by the Laws of the Republic of Turkey and commenced activity on January 30, 1948 in Adana. The Bank's status has not changed since the day it was founded. Akbank's Commercial Registry Number is 90418.

Website: www.akbank.com
Address: Akbank Sabancı Center 4. Levent 34330 Istanbul Turkey
Telephone: +90 212 385 55 55
Branch and ATM locations: can be reached at http://www.akbank.com/akbank-sube-atm.aspx.

Capital Structure

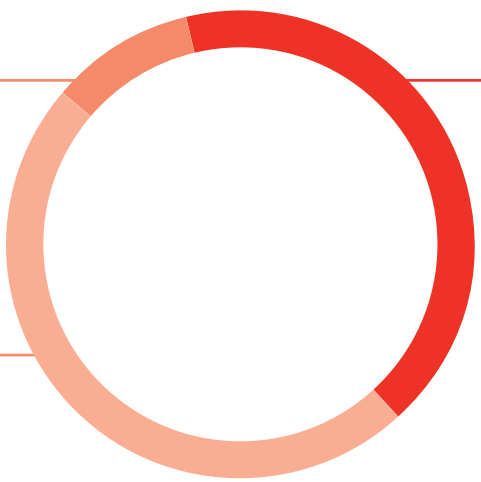
Akbank's issued capital is TL 4,000,000,000.
As of December 31, 2013, Chairman of the Board of Directors, Ms. Suzan Sabancı Dinçer, holds 0.63% of Akbank's outstanding shares.

Shareholder Structure

CITIBANK OVERSEAS INVESTMENT CORPORATION
9.9 %

HACI ÖMER SABANCI HOLDING, AFFILIATED INSTITUTIONS AND INDIVIDUALS
48.9 %

FREE FLOAT
41.2 %



On November 1, 2011, Aberdeen Asset Management Plc. announced via a material event disclosure that it owns more than 5% of Akbank's outstanding shares. Since the company did not make a subsequent announcement in this matter, it is presumed that it currently holds more than 5% of the Bank's share capital.

Amendments to the Articles of Association

Amendments made to the Articles of Association are presented in detail on pages 105-123.



Anish KAPOOR/Archaeology and Biology/2007/Mixed media

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

VISION

TO BECOME A SUSTAINABLE LEADER BY RENDERING EXCELLENT BANKING EXPERIENCE AND SUPPORTING TURKEY'S GROWTH

MISSION

TO BECOME THE MOST ADMIRED TURKISH COMPANY CONTINUOUSLY DELIVERING GREAT VALUE TO ITS STAKEHOLDERS VIA ITS HIGHLY SKILLED HUMAN RESOURCES

STRONG FOUNDATIONS

- TURKEY'S MOST VALUABLE BANK BRAND,
- ONE OF TURKEY'S MOST VALUABLE COMPANIES,
- HIGHEST FINANCIAL VIABILITY AND FINANCIAL STRENGTH RATINGS THAT CAN BE ASSIGNED IN TURKEY,
- LONG-TERM STRATEGIC MANAGEMENT WITH SUCCESSFUL IMPLEMENTATIONS,
- 985 BRANCHES ALL OVER TURKEY AND HIGH-TECH DISTRIBUTION CHANNELS,
- THE INNOVATIVE POWER OF TURKEY WITH COUNTLESS FIRSTS IN THE SECTOR,
- A STABLE AND EXTENSIVE BROAD FUNDING BASE,
- SUSTAINABLE PROFITABILITY AS WELL AS HIGH RETURN ON EQUITY AND ASSETS,
- A ROBUST CAPITAL STRUCTURE WITH A CAPITAL ADEQUACY RATIO OF 14.7%,
- SUPERIOR ASSET QUALITY WITH A LOW NON-PERFORMING LOANS RATIO OF 1.4%,
- HIGH LEVEL OF EFFICIENCY WITH AN OPERATIONAL COSTS/ASSETS RATIO OF 2%,
- POTENTIAL FOR FASTER GROWTH IN LENDING THANKS TO LOW LEVERAGE.

STRATEGIC GOALS

- ACHIEVE A LONG-TERM SUSTAINABLE RETURN ON EQUITY OF AT LEAST 16-18%,
- BE THE LEADING BANK IN TURKEY IN TERMS OF KEY MARKET SHARES,
- BE THE BEST BANK IN TURKEY IN TERMS OF CUSTOMER EXPERIENCE AND SATISFACTION,
- BE THE MOST VALUABLE BANK IN TURKEY.



Anish KAPOOR/Eight Eight/2004/Iranian onyx



OUR STRATEGY

AKBANK'S MAIN STRATEGIC OBJECTIVE IS TO BECOME THE SUSTAINABLE LEADER OF TURKEY'S BANKING INDUSTRY.

AKBANK IS DETERMINED TO CONTINUE ITS ACTIVITIES AND INVESTMENTS IN THE FUTURE TO FURTHER ENHANCE ITS SUCCESSFUL PERFORMANCE IN STRATEGY, INFRASTRUCTURE, PRODUCTIVITY AND TECHNOLOGY. AS A RESULT, THE BANK STRIVES TO INCREASE ITS EFFICIENCY AND SPEED TO REACH OUT TO MORE CUSTOMERS AND DELIVER AN EXCELLENT BANKING EXPERIENCE.

In order to further enhance its performance in strategy, infrastructure, efficiency and technology, Akbank is committed to expending further efforts and making additional investments as necessary. As a result, the Bank strives to increase its efficiency and speed, reach out to more customers, and deliver an excellent banking experience.

Carrying out its operations with the responsibility of creating value for the Turkish economy, Akbank embraces as a core banking principle to generate more effective solutions for its clients, to render fast, flexible and practical solutions for the changing needs of its customers, and, while further increasing the quality of its services. To this end, as one of the largest financial institutions in Turkey, Akbank's core strategic objective in the short and medium term is to be the sustainable leader of the banking industry in Turkey; in the international arena, the Bank plans to expand its activities in markets where its clients have a significant business volume and serve its customers everywhere at all times. Akbank is focused on prudent, healthy and profitable growth in every segment of the banking business in accordance with its sustainable leadership strategy. Akbank is determined to continue its activities and investments in the future to further enhance its successful performance in strategy, infrastructure, productivity and technology. As a result, the Bank strives to increase its efficiency and speed to reach out to more customers and deliver an excellent banking experience.

Akbank believes in the power and future of Turkey. While Turkey and the Turkish banking industry are Akbank's first priority thanks to their high growth potential, the Bank also meticulously monitors overseas developments and regions that can be attractive in terms of the banking and finance industry and seizes the feasible opportunities. As part of this effort, Akbank actively and systematically analyzes the countries in its surrounding region and works on alternative international expansion strategies.

RESEARCH AND DEVELOPMENT ACTIVITIES

THE PRODUCT AND CHANNEL DEVELOPMENT DEPARTMENT STRIVES TO FURTHER ENHANCE CUSTOMER SATISFACTION AND SERVICE QUALITY.

Strategy Practices

Reporting directly to the CEO as of fourth quarter 2013, the Strategy Department works in close cooperation with senior management and related business units in setting strategic priorities in accordance with the Bank's medium-term vision. The Department also manages and implements strategic initiatives aimed at achieving these priorities.

The functions of the Strategy Department include providing internal advisory service and managing strategic projects within the Bank, closely following domestic and global developments and trends, and setting and implementing the vision and strategy for the branch channel.

As in previous years, the Strategy Department coordinated the process of setting the Bank's strategic priorities and identifying those projects consistent with the stated priorities. The project proposals formulated in accordance with Akbank's strategic priorities were promptly and effectively put in action in cooperation with the related teams. As a result, the Department supported the Bank's strategy-setting and decision-making processes while helping all related business units to take action in line with the Bank's strategic priorities.

In order to reinforce the Bank's market position and differentiate itself from the competition, as part of its in-house advisory and project management functions, the Strategy Department undertook initiatives in a number of key areas in 2013. These included assessing ventures that will create new business lines for the Bank's profitable growth; strengthening the customer segment-based service models; increasing channel-based sales effectiveness and customer service quality; and formulating and facilitating the widespread adoption of systematic working principles within the Bank.

Analyzing global developments and major trends particularly in the banking and finance industry, the Strategy Department proactively identified potential areas of opportunity for the Bank during the year and briefed senior management via regular reports on the financial sector.

In addition, the Strategy Department analyzed Banking Regulation and Supervision Agency of Turkey (BDDK) data, demographic information, customer profiles and potential business opportunities within the framework of the Bank's strategies in 2013; assessed micro market and customer analyses; decided on potential branch locations and viable branch types; and helped Akbank reach 985 branches across Turkey.

Product and Channel Development Applications

The Product and Channel Development Department, positioned within the Strategy Business Unit, conducted its activities in 2013 in accordance with the strategy of expanding the Bank's product range so as to increase the benefits provided to the customers and to enhance Akbank's competitive position, as well as increasing the coverage and diversity of the channels through which these products are offered.

To increase the productivity of Akbank's innovation process for new products and services, the Bank closely studied international as well as domestic practices and trends, contacted all related parties, and reviewed the existing processes. As a result of the assessments conducted, Akbank designed and implemented a process geared toward efficient utilization of resources.

RESEARCH AND DEVELOPMENT ACTIVITIES

INTENSIVE INVESTMENTS WERE UNDERTAKEN TO ENRICH AKBANK'S DIGITAL BANKING APPS DURING THE PAST YEAR. IN LINE WITH THE BANK'S OBJECTIVE OF PROVIDING SEAMLESS AND COMPREHENSIVE SERVICE TO CUSTOMERS ACROSS ALL MOBILE PLATFORMS, THE AKBANK DIRECT MOBILE APP WAS ENRICHED WITH NEW TRANSACTION OPTIONS AND FUNCTIONALITY.

In 2013, the Product Development Unit focused mainly on developing products for the SME segment and exploring new product offerings. These efforts included expanding the "Instant Loan Package" by enabling applications for the Installment Commercial Loan, Commercial Artı Para (Plus Money), Axess Business and checkbook with a single SMS, and launching the "SME Tariffs (KOTA)" product that allows SMEs to choose the tariff that best suits their banking transaction mix.

Akbank also enhanced its SME-oriented products and services with additional features in 2013. EkoPOS, the first installment POS tariff in the sector, was expanded, creating a great convenience for SMEs with low POS turnover. In addition, the Bank implemented promotional campaigns offering complimentary devices for clients who became obligated to use cash register POS due to legal and regulatory changes. During 2013, Akbank developed two new commercial card products, "Axess SME" and "Agriculture Card"; the Bank plans to add these new products to the Akbank Commercial Cards portfolio in 2014.

Akbank's product development efforts to raise awareness about the importance of savings and broaden the savings base continued in 2013 after being initiated the prior year. In accordance with this goal, the Bank enhanced the Flexible Savings Account that allows customers to invest in foreign exchange and gold with the addition of mutual funds.

The Department also undertook intensive efforts to enrich Akbank's digital banking applications during the past year. In line with the Bank's objective of providing uninterrupted and comprehensive service to customers across all mobile platforms, Akbank Direct Mobile app was enhanced with new transaction options and functionality. In addition, other Direct Banking innovations unveiled for Akbank customers include Turkey's first iOS 7-compatible mobile banking application that uses augmented reality, the first functional tablet app for the Windows 8 platform, and the world's first banking application for smart watches.

As part of the Channel Development Unit's efforts, to be close to customers wherever they may be and to serve them with different branch models based on their needs, expanding to 985 branches at year-end 2013 and sustaining a rapid pace of growth in the ATM network, Akbank ranked second among private banks in the number of ATMs and joint ATM commission market share.

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

CRM Applications

Operating under the Direct Banking Business Unit, the CRM Department, carried out significant efforts in 2013 to enhance the Bank's customer-oriented approach, increase the speed and effectiveness of customer relations tools, improve profitability of systems that streamline trend analyses, and optimize business processes so as to enhance customer experience.

Quality Applications

In line with its customer-oriented service approach, Akbank continues to make constant enhancements and improvements in its service quality via the Quality and Process Management Department. In 2013, Akbank began to track customer satisfaction from the service received via the branch and direct channels on a daily basis and on the basis of the employee providing the service. As a result, it also became feasible to measure the quality of the internal support services provided by Head Office staff, to devise action plans in areas of improvement based on customer opinions and suggestions, and to implement these plans expeditiously.

The service quality levels at branches, alternative distribution channels and other points of contact with customers are monitored closely and certified twice a year. Action is taken regarding areas of improvement identified as a result of the evaluations. The service quality levels at Head Office units that support the points of contact with customers are also paramount to the enhancement of customer satisfaction. With that in mind, service quality at Head Office departments is also monitored and ensured via interdepartmental service contracts and Internal Customer Satisfaction surveys. Targets in the overachieving service contracts are raised over time while action is taken regarding areas of improvement based on Internal Customer Satisfaction survey outcomes.

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

Participatory Innovation

Generating awareness about innovation among employees and implementing innovative ideas are among Akbank's priority corporate objectives. In 2013, some 5,000 suggestions were submitted to the 1,001 Ideas & Suggestions Evaluation System, which is used for eliciting employee suggestions. Thirty-two percent of the suggestions that are deemed worthy by related business units are implemented; innovative ideas serve as inputs into new product, channel and system development initiatives. The "Suggestion of the Month" is selected and the winner is announced within the Bank to encourage employees to generate innovative suggestions.

A group of 110 "Innovation Envoys" constituted from employees in different units of the Bank every month in order to unleash the innovative potential within the Bank get together to form idea teams and conduct brainstorming sessions on the Bank's pressing matters. To support innovative and creative thinking, a monthly "1001 News" innovation bulletin is prepared and shared with employees.

RESEARCH AND DEVELOPMENT ACTIVITIES

THE INTEGRO APPLICATION, WHICH ALLOWS BRANCHES AND HEAD OFFICE UNITS TO PERFORM THEIR BANKING TRANSACTIONS IN A SINGLE ENVIRONMENT AND INCREASES THE BANK'S SALES EFFECTIVENESS AND EFFICIENCY, WAS PUT INTO USE FOR ALL BRANCH EMPLOYEES.

The Bank achieved major gains in efficiency as a result of process improvements, intensive efficiency training conducted for employees, and efforts to fully meet the customer needs on the first call.

The system recognizes customers from their voices thanks to the voice signature application implemented recently. Placing great emphasis on the effective use of social channels, Akbank Call Center is setting up the systems infrastructure to initiate fast and appropriate communications with customers.

The Call Center is among the Akbank Direct applications implemented at the Zorlu Center Branch and it is available for customers. The video chat service is also made available as part of the Consumer Internet Branch and inside Akbank Kiosks for banking transactions and specialized products.

The Bank regularly monitors Twitter, Facebook and other internet/social media channels and addresses customer complaints, questions, requests and suggestions via the AkbankSupport customer services application. AkbankSupport also provides specialist support to customers using "Live Chat" functionality through Direct Internet, expat and Big Red House/ Mortgage channels. The Bank listens attentively to customers 24/7 and proactively manages communications with them. Akbank delivers all bank services to wherever customers are present in order to provide an excellent banking experience anytime and anywhere.

Information Technology

Embracing the concept of providing the convenience of state-of-the-art technology to its customers and employees in accordance with its strategies and objectives, Akbank Information Technology implemented more than 200 projects in 2013 and completed nearly 5,000 tasks in the areas of:

- industrial sales,
- operational excellence,
- best customer experience,
- forward-looking infrastructure and application renovations.

Akbank, with one of the largest branch, ATM and POS networks across Turkey, invested more than US$ 100 million in technology in 2013.

These IT-related investments included:

- The Integro application, which allows branches and Head Office units to perform their banking transactions in one single environment and increases the Bank's sales effectiveness and efficiency, was made available for use by all branch employees.

- The Bank developed and rolled out many innovative applications for customers in 2013 in line with its Direct Banking strategies. Turkey's first iOS 7-compatible mobile banking application that uses augmented reality, the first functional tablet app for the Windows 8 platform, and the world's first banking application for smart watches are some of the innovations unveiled as part of this effort.

- In accordance with the Excellent Customer Experience goal, Akbank implemented video chat on the Internet channel and voice recognition at the Call Center. The "Internet Screens Modifications" project, designed for the same objective, provides visual support for the most frequently used areas and allows transactions to be completed in much fewer steps.

- The new Time Deposit project completely overhauled the Time Deposit system in line with the Bank's needs. This initiative transitioned Akbank to a more contemporary and flexible platform from a technical perspective while introducing a large number of innovations that will meet the evolving needs of Akbank as well as its clients.

- The Bank also completed projects that will permit Consumer Loan and Credit Card application strategies to be managed through a more flexible infrastructure.

- The Unified Communications program, designed to improve the effectiveness of Akbank communications with customers as well as enhance efficiency within the organization, aimed to provide a communications platform for the branches integrated with the Bank's applications.

- Under the Bancassurance Transformation Program, the Bank carried out various projects in order to reinforce Akbank's bancassurance image in the sector through innovation and achievement of multi-channel gains. As a result, Akbank enriched its insurance product lineup customer-oriented products; improved sales and service competency for direct banking insurance products; and achieved process simplification and operational excellence.
- As part of the overall operational efficiency efforts, the Bank finalized more than 200 improvements with the aim of making the lives of employees easier.

- The projects completed by Akbank Information Technology in 2013 were recognized with awards in many well-known competitions.

The most prominent of these awards included:

- First place in the Innovation in Customer Service category at The Banker Technology & Transaction Banking Awards with the Workstation-Integro project,

- First place in the Innovation in Delivery Channels Integration category at The Banker Technology & Transaction Banking Awards with the Retail & Corporate Internet Banking Renewal project,

- Second place in the Best IT Innovation category at the Retail Banker International Awards with the Multi-Channel Based Business Service Monitoring project,

- Third place in the IT Department of the Year category at the Stevie Awards with the IT Project Management, System Testing Department; third place in the IT Team of the Year category at the Stevie Awards with the IT Application Development – Mobile Banking Team.



Anish KAPOOR/Elephant/2006/Fibreglass and paint

CORPORATE BANKING

AKBANK HELPS ITS CORPORATE BANKING CLIENTS GROW THEIR BUSINESS BY PROVIDING CUSTOMIZED SOLUTIONS.

Corporate Banking

With eight corporate branches in Istanbul, Izmir and Ankara in 2013, Akbank Corporate Banking continued to be the primary solution partner of corporate segment clients, serving as the main bank meeting their strategic and financial needs, and offer high-quality solutions customized to individual customer needs in all of its operations in banking transactions. In 2014, the Bank aims to reach a larger number of corporate segment customers and deliver its privileged services to new clients. Akbank Corporate Banking sees new customer acquisition as well as deepening relationships with existing clients through solution-oriented banking services as the key to increase its market share.

To improve the customized solutions generated for clients, Akbank Corporate Banking plans to continue its initiatives on detailed analysis of customer needs and systemic work regarding proactive solution proposals in 2014. The Corporate Banking Department aims to further strengthen its leading market position in 2014 thanks to its analytical approach which supports the growth of its clients that it sees as business partners and serves as a roadmap in attaining its profitable growth objectives.

Assuming the critical role at the vertex of the synergy triangle in 2012, Akbank Corporate Banking paved the way for Akbank's other segments and subsidiaries to create new openings in their respective areas of business. The Department strives to sustain maximum customer satisfaction in 2013 through synergies with Cash Management and Foreign Trade products, Treasury products and services, Private Banking, AKSecurities, AKAssetManagement, AKLease, AvivaSA and Ak Insurance.

In 2013, Akbank Corporate Banking assumed an important role at the top of the synergy triangle and paved the way for the Bank's other segments and subsidiaries to create new opportunities in their respective business areas. The Corporate Banking Department serves more than 2,000 corporate segment clients including all subsidiaries as well as business units it has synergistic relations with. The Department plans to strive to maintain the highest level of customer satisfaction in 2014 by leveraging synergies with Cash Management and Foreign Trade products, Treasury products and services, Private Banking, AKSecurities, AKAssetManagement, AKLease, AvivaSA and Ak Insurance.

Multinational Corporations Segment Department

With growing foreign direct investment, which has contributed significantly to the development of the Turkish economy, the number of foreign corporations operating in the country has steadily climbed in recent years.

In this environment and in order to better serve the needs of foreign enterprises that have different priorities and demands in banking products and services, Akbank

developed a service model where oversight is provided from a single point. The Bank established the Multinational Corporations Segment Department under the Corporate Banking Department.

Akbank's focus in this new organizational structure is to become the main local bank of multinationals and to provide advisory service and customized solutions to meet their needs. The Department's objective is to create value for foreign companies and help them grow their business in Turkey by combining the Bank's local customer experience, extensive branch network and world-class technology infrastructure with the experience of Corporate Banking customer relationship managers.

Project Finance

Specific export credit program, syndicated loans, "green-field" investments that have been increasing in recent years, acquisition and project finance deals and privatizations registered significant growth in 2013 and created many opportunities in the finance segment. The increase in investments both in the corporate scale and in the segment one notch below, as well as the interest of foreign investors in this area, elevated this market to a whole different level compared to previous years. During this period, Akbank Project Finance grew both its share in these loans as well as its client base and reinforced its market position. These deals which are structured professionally with multi-faceted evaluations and a vast experience require long-term, effective and rigorous risk measurement, management and monitoring. Akbank maintained its market-maker position in this business line while remaining steadfast to effective risk management and prudent lending policies in 2013.

With its meticulous and deep-rooted relationship management and its structuring experience in specific export credit deals, Akbank monitors privatization programs closely and provides financing for large scale projects such as direct asset sales, transfer of companies' rights of superficies, share transfers, construction projects, PPP (public-private partnership) investments, power production and distribution and real estate. Among these projects that play a major role in Turkey's development are energy production and distribution projects that have been booming in Turkey in recent years as well as highway privatizations. Akbank has been a major participant in the financing of many of the privatization and acquisition deals and investments that made headlines in Turkey.

To sustain and manage a healthy risk balance while pursuing growth, Akbank maintains a diversified loan portfolio by evenly distributing its project finance lending to a large number of industries such as energy, real estate, telecommunications, infrastructure, transportation and petrochemicals.

In addition, thanks to its know-how allowing the Bank to provide a number of different investment banking products and the support of its subsidiaries, Akbank maintained and reinforced its position as one of the leading and pioneering banks that have achieved full-integration in the sector and can offer all products and services clients may demand in the investment banking and finance business line in a single package tailored to their needs.

COMMERCIAL BANKING

THE COMMERCIAL BANKING DEPARTMENT OFFERS PRODUCTS THAT HELP ENHANCE ITS CLIENTS' COMPETITIVENESS.

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

As part of this effort, Akbank identifies financial and non-financial needs of clients proactively on an individual customer basis, develops solutions and helps its clients enhance their competitiveness. Akbank Commercial Banking strives to meet all banking needs of clients via nearly 700 Commercial Banking specialists in 222 branches. The Department continued to maintain close and continuous relations with customers through more than 75,000 client visits in 2013.

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

Akbank Commercial Banking offers foreign trade financing solutions such as Country-Specific Loans, GSM Loans, Cash for Goods Export Credit, Installment Export Credit, Eximbank Loans, Discounted Export Letters of Credit and Export Factoring, and advance payments against L/C. Hedging products such as options, forwards, asymmetric forwards and zero-cost collars are offered to customers who are seeking protection against foreign exchange, interest rate and commodity price fluctuation risk. Akbank Commercial Banking also structures unique derivative products in accordance with customer requirements.

In 2013, Akbank Commercial Banking once again assumed the main sponsorship for the "Stars of Export-Export Incentive Awards," organized for the first time in 2002, serving to incentivize successful export firms.

Akbank Commercial Banking considers investments to increase efficiency in the energy industry as part of its social responsibility approach. Under this effort, the Akbank Energy Friendly Loan is offered to contribute to the development of the energy industry and to finance investments of customers undertaken with an environmental protection perspective. In addition, the Turkey Sustainable Energy Financing Facility (TurSEFF) and the Turkish Mid-size Sustainable Energy Financing Facility (MidSEFF) provided by the European Bank for Reconstruction and Development (EBRD) to reduce energy costs, consumption intensity of fossil fuels and greenhouse gas emissions are made available to Akbank customers. In this scope, Akbank extends long-term financing for industrial energy efficiency projects, thermal rehabilitation of buildings and renewable energy investments including geothermal, solar, biomass and biogas energy projects. Other renewable energy project finance initiatives include the project financing of hydroelectric power plants (HEPP), wind power plants (WPP) and geothermal energy facilities. Akbank was deemed worthy of the “Excellence in Sustainable Energy Financing Award” for being the first bank to lend its entire credit line from the Turkey Sustainable Energy Financing Facility (TurSEFF) to customers.

Using the EUR 150 million facility secured from the European Investment Bank in 2013 as well as the repayments of loans made in previous years from the same source, Akbank offers attractive and alternative financing options to meet the long-term funding needs of its clients.

Akbank Dubai allows the Bank to provide intermediation services for all cooperation and partnership opportunities of clients engaged in commercial activities in the Middle East and Gulf Region or who see these regions as part of their growth strategy. Akbank Dubai offers a comprehensive range of solutions to meet the needs of clients in medium to long term project financing, strategic advisory and risk management.

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

AKBANK DUBAI ALLOWS THE BANK TO PROVIDE INTERMEDIATION SERVICES FOR ALL COOPERATION AND PARTNERSHIP OPPORTUNITIES OF CLIENTS ENGAGED IN COMMERCIAL ACTIVITIES IN THE MIDDLE EAST AND GULF REGION OR WHO SEE THESE REGIONS AS PART OF THEIR GROWTH STRATEGY. AKBANK DUBAI OFFERS A COMPREHENSIVE RANGE OF SOLUTIONS TO MEET THE NEEDS OF CLIENTS IN MEDIUM TO LONG TERM PROJECT FINANCING, STRATEGIC ADVISORY AND RISK MANAGEMENT.

SME BANKING*

AKBANK PROVIDES CONVENIENCE FOR CRAFTSMENS WITH THE "PAY WHEN YOU CAN" LOAN THAT OFFERS FLEXIBLE TERMS.

Acting with the philosophy that "SMEs Power Turkey, Akbank Powers SMEs," Akbank carries out its SME-oriented initiatives in accordance with long-term objectives to create value for SMEs and to support their sustainable development. Akbank SME Banking provides financing to SMEs, which are seen as the Bank's business partners, as well as information and advisory services that they need to grow their businesses.

Akbank broke new ground in the banking industry by expanding the "Instant Loan Package," its exclusive new product for SMEs, and offered the option of applying for four products with a single SMS. This innovative package aims to provide the most suitable lending solution to small and medium businesses in the shortest time by simplifying the application and loan appraisal processes. SMEs can apply for the Installment Commercial Loan, Commercial Artı Para (Plus Money), Axess Business and checkbook at the same time by sending a single SMS without having to leave the office in the middle of a busy workday. In addition, SMEs gain access to a large number of banking advantages if they use the Installment Commercial Loan, Credit Card and Commercial Artı Para (Plus Money) loan at the same time.

In 2013, Akbank launched the "SME Tariffs (KOTA)" product that allows SMEs to choose the tariff that best suits their banking transaction mix and pay a single fixed fee. Based on SMEs' most frequently performed banking transactions, Akbank offers four different options: KOTA Annual, KOTA 10, KOTA 20 and KOTA 30. These tariffs allow small and medium enterprises to know how much they will pay for their banking transactions before the fact and to avoid paying separate fees for money transfer, EFT, check collection, checkbook and running account book/activity transactions.

Akbank developed EkoPOS, the first POS tariff in the sector that allows installment payment transactions. Businesses that use EkoPOS, which was designed in particular for the convenience of craftsmen customers with low POS turnover, are able to choose the tariff corresponding to their monthly turnover for a single fixed fee and pay nothing more for transactions carried out during the month.

During the year, Akbank offered two promotional campaigns based on the unique needs of SMEs which became newly obligated to use cash register POS to comply with legal and regulatory changes. One of the campaigns gives the cash register POS device free of charge to small and medium businesses that meet the predetermined Akbank POS turnover amount within the contracted time frame. The other promotional campaign offered an interest-free 36-month payment plan and chip-money for SMEs that purchase their cash register POS terminals with their Akbank credit cards by year-end 2013. As part of the campaign, customers were also given KOTA 10.

The needs of the agricultural sector, one of the most important components of the Turkish economy, are served through banking products designed for the seasonal nature of cash flows as well as insurance services.

Believing that craftsmenship is not just a profession but also a distinctive culture that represents integrity, sincerity and hard work, Akbank SME Banking offers services for artisans under the "Craftsmen Fraternity" concept as the most basic and sincere expression of this approach.

The Bank developed the "Pay When You Can Loan" with this sense of fraternity to make the lives of craftsmens easier. This lending product was designed to serve as a solution for the financing needs

** SME Banking serves the customers that are determined in accordance with the business model of Akbank.*

of craftsmens who have uncertain payment and collection periods. The repayment period for the loan is up to 12 months and can be made within one year at the times and amounts of the borrower's choice without being subject to interest rate fluctuations. This allows craftsmens with irregular cash flow to meet their funding needs and make loan repayments at their convenience.

Akbank continued to forge collaborations with Union of Craftsmens and Tradesman Chambers in order to provide support to artisan and trades businesses. To this end, the Bank offers the "Pay When You Can Loan" as well as the "Craftsmen Support Package" both of which offer special advantages when performing banking transactions to the chamber members that are part of the union.

Not limiting its services to SMEs to just providing financial support, Akbank SME Banking also provides them with the necessary information to help them access this source of funding, encourages their development and growth, and offers advisory and guidance services.

Akbank SME Banking offers many solutions that create value-added for the entrepreneurial ecosystem. The Department undertook initiatives for entrepreneurs in a large number of areas including funding support, training programs and competitions. As part of its partnership with Endeavor Foundation, the international non-governmental organization that supports active entrepreneurs in the developing world, Akbank makes available a credit pool for Endeavor entrepreneurs offering such advantages as convenient collateral terms, long loan terms and low interest rates. In addition, Akbank SME Banking organized the "iyiYatırım (Good Investment)" and "iyiGirişim (Good Venture)" summits jointly with Endeavor where SMEs are educated about the "Angel Investor" model and leadership, management and entrepreneurial finance are discussed with start-up companies.

Akbank believes that it is planting the seeds for a modern and innovative Turkey by protecting the entrepreneurial spirit of young people and by supporting and empowering them. For this reason, the Bank took part in this platform where the entrepreneurial endeavors of university students were awarded at the "Global Undergraduate Student Entrepreneur Competition" for the third time which was organized by the Global Student Entrepreneur Awards (GSEA). In addition, the Akbank "Entrepreneur Development Program," organized jointly with Sabancı University, aimed to pave the way for entrepreneurs to develop a long-term strategy and achieve sustainable growth. The "Social Entrepreneur Development Program" was added to the training-program roster this year. Entrepreneurs who had established a foundation, association, cooperative or company and who were having problems growing their organizations became equipped with know-how relating to institutionalization. As part of the Entrepreneur Development Program, participants received training and knowledge transfer in a wide range of subjects, from managing finances during the organization's growth phase to drafting marketing and operations plans according to different business models. Sixty-two entrepreneurs participated in five full days of training under these programs.

The Bank set up the "444 23 23 Akbank SME Line" to ensure uninterrupted and high-quality service to SMEs exclusively. All small and medium enterprises, whether Akbank customers or not, can call the Akbank SME Line and have their questions answered, obtain information from specialists related to many banking products as well as a wide variety of other popular, non-banking related topics, perform their banking transactions, and apply for products instantly. In order to address the key area of technology support, Akbank SME Banking and Microsoft Turkey teamed up for the "Office 365" Cloud solution project that allows small and medium enterprises to operate their businesses online. Under the cooperation, Akbank offered a discounted subscription to Microsoft's "Office 365" product, which allows SMEs to access company files, maintain e-mail and document archives, and monitor and manage their businesses online from any place and with any internet-enabled device.

Always standing by SMEs with non-financial services as well, Akbank unveiled the "Social SME" game for small and medium enterprises to enjoy their time while developing business strategies. The real-time Facebook game based on SMEs creating growth models for their virtual startup businesses while using Akbank products won the Crystal Apple award in the "Implementation Excellence" category and the Silver Apple award in the "Dergime" category at the "Crystal Apple Awards."



Anish KAPOOR/Dragon/1992/Limestone and pigment



CASH MANAGEMENT AND FOREIGN TRADE DEPARTMENT

THE AKBANK CASH MANAGEMENT AND FOREIGN TRADE DEPARTMENT PROVIDES TAILORED SOLUTIONS TO MEET CUSTOMER NEEDS WITH A PROACTIVE APPROACH.

In 2013, Akbank merged the Cash Management and Foreign Trade Departments in order to provide end-to-end solutions to facilitate the domestic and international commercial activities of its customers with a holistic perspective. While generating solutions to meet customer needs with a proactive approach, Akbank Cash Management and Foreign Trade Department brings convenience to its clients with a flexible technology infrastructure and specialist staff.

Akbank meets all the domestic and international cash management needs of Bank customers at the highest service quality standards through its extensive branch and ATM network, internet and mobile banking channels, widespread correspondent banking network and with a comprehensive product range.

Taking a very important step forward in electronic banking, Akbank began providing E-Bill service to customers as a Private Integrator. Using the E-Bill application in the Akbank Direct Banking Internet Branch, customers are able to create, sign and transmit e-bills; accept or reject the bills received; create reports; and upload bills in bulk. Additionally, Akbank performs integration tasks for customers who would like to send and receive e-bills from their own accounting or enterprise resource planning (ERP) systems. The Bank also provides archiving services for clients who prefer to store their e-bills on the Akbank system.

The 2013 annual meeting of Connector, the cash management network of the world's leading banks, was held in Istanbul and hosted by Akbank, the only network member in Turkey. At this year's annual meeting of Connector, which was established to serve the banking needs of multinationals which perform cross-broder business transactions, network members discussed the latest global cash management trends and needs as well as developments capable of changing the future of payments such as SEPA compliance.

As in the prior year, Akbank was once again the main sponsor of EuroFinance in 2013 where participants discussed important cash, treasury and risk management related issues. The Bank also plans to be the main sponsor of the 10th Conference of EuroFinance in Turkey in 2014.

Akbank's support for trade financing continues at an increasing pace. The Bank added foreign currency-denominated bill discounting as a new feature to the Supplier Finance System. Cash management products such as the Direct Debit System and Supplier Finance System posted major gains in volume transaction numbers in 2013 compared to the previous year.

In 2013, Akbank achieved:

- 55% growth in Direct Debit System lending volume,
- 70% increase in receivables discounting volume,
- 32% growth in supplier finance discounting volume.

The Bank expanded bill payment functionality in its mobile banking apps and at Akbank ATMs during 2013. As a convenience for users in products and services offered to customers, Akbank included the option of payment by credit card for tax bill payments.

The Bank also added Motor Vehicle Tax and Traffic Fine payments to the list of transactions that can be performed using Akbank ATMs.

Providing faster and more effective customer service through regional foreign trade managers located in 18 regions, Akbank took a major step to become the comprehensive solution partner of the Bank's customers during the year. As of December 2013, Akbank recorded a 14% increase in export finance volume and a 5% rise in import financing over the prior year. The Bank reached 17.04% and 10.78% market share, respectively, in export and import financing.

In 2014, the Cash Management and Foreign Trade Department plans to operate with the vision of developing new products, enriching the existing products, and making available all banking services on the electronic platform.

CONSUMER BANKING

WITH A FOCUS OF PROVIDING EXCELLENT CUSTOMER EXPERIENCE, AKBANK EXPANDED ITS CUSTOMER BASE TO 12 MILLION.

Akbank has embraced the principle of placing the customer at the focal point of every product and service that it develops and provides, established its technology infrastructure in accordance with the demands and needs of the modern times, and created its banking services on the axis of customer satisfaction in the Consumer Banking segment. Setting out with the objective of providing an excellent customer experience, Akbank reached a customer base of 12 million as a result of this approach. The primary factors that helped Akbank grow to this size are the service approach consistent with customer profiles, products developed based on the needs of the segment, constant stream of technological innovations, extensive domestic branch network with more than 9,400 specialist branch employees, and vast human capital comprised of the best talent in the industry. As a result of its capability to roll out all domestic as well as international innovations for the benefit of its customers in short order thanks to these superior competencies, Akbank will continue to be the leader and the pioneer of the Turkish banking industry.

Maintaining a Customer-Oriented Approach with the "Akbankers are Always Different" Vision.

The rapidly-changing technology and mobility trends in recent years, coupled with the evolving banking needs along with the era of economic stability, necessitate that the banking industry respond to these developments very dynamically. As a bank that is able to adapt to changing and developing circumstances and generate appropriate solutions necessitated by economic conditions in very short order thanks to its banking experience of 65 years, Akbank maintained its position as a leader and a pioneer in 2013. Akbank has classified its customers into sub-segments based on their banking needs, demographic characteristics and volume of business with the Bank. This structure enabled Akbank to get to know its customers more closely and engage in proactive marketing activities while process improvements helped the Bank exceed customer expectations in terms of service speed, the most important expectation of this day and age. Projecting customer needs that evolve according to the changing economic developments, Akbank continued to offer alternative vehicles and superior services to clients with the "Akbankers are Always Different" vision thanks to its extensive lineup of investment products.

Akbank is aware that the only way to consistently provide the highest service quality is to establish long-term relationships with customers based on loyalty and trust. Therefore, Akbank's customer relationship management is carried out by over 2,150 Consumer Banking Customer Relationship Managers (CRMs). In addition, the services and products offered through the alternative channels that grew out of being alternative and reached a significant number of customers in their own respect and evolved to generate solutions for clients who value mobility.

exi26: Youth Banking Services

A significant share of Turkey's unbanked population, estimated to be around 19 million individuals, consists of the young people who give Turkey its dynamism. Akbank serves the banking needs of students between the ages of 16 and 26 under the umbrella of its exi26 segment. Students in the exi26 segment can use their "Student Account" to benefit from discounted/complimentary services, access their accounts with the specially designed neoexi26 debit card, and withdraw cash from the ATM of any bank in any country abroad without any fees. In an attempt to establish the fastest and most convenient money transfer method between young people and their families, Akbank does not charge any commission for money

CONSUMER BANKING

AKBANK AIMS TO FOSTER SAVINGS AWARENESS AMONG FUTURE GENERATIONS WITH THE "AKBANK CHILDREN: HEROES OF THE ECONOMY" PROJECT THAT IT LAUNCHED IN 2012. AS PART OF THIS INITIATIVE, AKBANK'S CEO AND EXECUTIVE VICE PRESIDENTS TUTORED STUDENTS IN ELEMENTARY AND MIDDLE SCHOOLS ON OCTOBER 31, WORLD SAVINGS DAY.

transfers into exi26 student accounts while exi26 customers can withdraw cash from ATMs of other banks free of charge twice each month. Axess exi26, designed exclusively for young adults and providing convenient and lucrative shopping opportunities, is offered without an annual fee for the first year. Axess exi26 cardholders can participate in all Axess campaigns; can pay for single item purchases of at least TL 100 in up to three interest-free installments; and can always benefit from three additional installments in stationery and school expenditures.

Not limited to generating solutions for the banking needs of students, exi26 also serves as a youth club where they have a pleasant time. In addition, exi26 is part of the daily life of students via events and sponsorships on university campuses including traditional spring festivals as well as contemporary themes in the social media throughout the year.

One-to-One Banking

Akbank One-to-One Banking provides financial support to customers seeking professional and qualified investment service for their assets via specially-trained One-to-One Customer Relationship Managers on a priority and privileged platform. This service model is built on the principle of getting to know clients closely, offering them the most suitable products, and creating a platform where they can have easy and convenient communication with the Bank. Continuing to expand and grow in 2013, Akbank One-to-One Banking reached 300,000 clients across Turkey served by 340 One-to-One CRMs in more than 250 branches. The "One-to-One Specialist Line," a remote service delivery model that broke new ground in Turkey, continues to serve 80,000 One-to-One Banking customers in the country via 80 specialist customer representatives as of 2013.

Expanding in scope across Turkey, Akbank's One-to-One Banking privileged service model offers a diversified lineup of products, special pricing and daily financial notifications complemented by benefits in many areas as well as exclusive social events. One-to-One Banking clients access the most accurate sources of investment related information and find quick solutions to meet their financial needs through dedicated customer relationship managers, a One-to-One Specialist Line and daily financial notification reports. As part of the One-to-One Banking service, customers have access to privileged support in terms of reaching a rich array of investment products. Akbank One-to-One Banking continued to invite clients to unique events, bringing them together at social occasions held with special themed concepts in 2013.

As an addition to One-to-One Banking, Akbank developed the "Expat Banking" service to better serve the increasing number of foreign professionals and retirees residing in Turkey. The Expat Banking service network is comprised of 18 branches in seven provinces where foreign nationals live in large numbers and started providing all types of banking services for customers in the English language.

Encouraging Saving, Growing Deposits

Turkey's innovative power Akbank continued to expand its customer base and deposit volume in 2013 as the Bank's consolidated total deposits reached TL 112 billion. This healthy deposit composition, a large share of which is comprised of individual customer deposits, diversifies risk and provides the Bank with flexibility in funding its lending activities as well as room for maneuvering in efficient utilization of its resources.

The Bank provides superior service quality on a consistent basis as a result of its customer satisfaction-oriented approach. Continuing to deliver its experience in savings to customers using all channels and technological innovations, Akbank carried on with its campaigns geared toward small savings at full speed in 2013. Leveraging the advantage of its far-reaching branch network, the Bank continues to conduct effective deposit marketing activities in all corners of Turkey emphasizing opportunities presented by local conditions. Continuing to encourage self-service transactions, Akbank last year offered higher interest rates on savings accounts opened via Akbank Direct Internet/Telephone branches compared to the physical branches.

Attaching great importance to eliminating the current account deficit, which is considered as the "Achilles' Heel" of Turkey's economy and its rapid growth ambitions, Akbank was among the institutions lending the strongest support to the initiatives for boosting national savings with its "Savings Campaign" that was launched in 2012 and continued in 2013. To this end, Akbank is developing advantageous products and services that encourage saving while carrying out corporate social responsibility projects to raise savings awareness.

Akbank aims to foster savings awareness among future generations with the "Akbank Children: Heroes of the Economy" project that it launched in 2012. As part of this initiative, Akbank's CEO and Executive Vice Presidents gave classroom instruction to students in elementary and middle schools on October 31, World Savings Day. In addition, Akbank employee volunteers in Istanbul and other provinces of Turkey taught lessons on the importance of savings at elementary and middle schools upon invitation. The project that originally started in elementary and middle schools in Istanbul now reaches students in other provinces in the country as well. Akbank plans to continue its various instructional training efforts and projects out of the belief that the savings habit can only be fostered with basic education in the early years and long-term work. The Bank has reached 15,000 children across Turkey with its savings awareness initiative since 2012. Akbank's goal is to create another 17,000 "Heroes of the Economy" by the end of the 2013-2014 academic year.

Akbank Continues to Grow in Gold Banking in 2013

After introducing the Akbank Gold Deposit Account in February 2012, Akbank continued to grow in this segment in 2013 and leaped ahead of banks that had been offering gold accounts for many years. The Bank captured a market share of more than 10% and ranked third among private banks in terms of gold demand deposit volume.

Akbank helped channel more than one ton of gold from under the mattresses into the economy with its "Gold Invitation Days."

Changing Savings Habits via New Products from Akbank

While striving to help foster savings awareness, Akbank also offers products that facilitate savings behavior in order to lend concrete support to expanding the savings base. Some 300,000 customers make regular contributions to their savings with the Akbank Deposit Savings Account, one of the Bank's innovative savings-oriented products. Creating the discipline to save with a five-year maturity, the Akbank Deposit Savings Account allows customers to designate their own monthly contribution amount in any currency they choose. While turning small monthly savings of as little as TL 50 into a sizable nest egg, clients who want to save for their future can earn interest even for these more modest sums.

Thanks to the Akbank Flexible Savings Account, 44,000 customers each month save regularly, without any time limitation on the maturity of the account, with an instruction to their bank accounts or credit cards. The Flexible Savings Account allows Akbank customers to invest in gold as well as in foreign currencies such as the US Dollar, Euro, Japanese Yen, British Pound and Russian Ruble. Customers who want to accumulate gold can choose to invest in gram gold or quarter/half/whole gold coins. In order to increase the share of mutual funds in savings, Akbank added the option of investing in mutual funds as part of the Flexible Savings Account in 2013. As a result, Akbank customers can now save regularly with as little as TL 100 per month using 12 mutual funds with varying investments approaches and three mutual funds from AKAssetManagement. All an account owner has to do to accumulate savings is to give an instruction for the regular transfer of the designated amount from his or her bank account or credit card.

The NAR Account handles all cash management tasks under a single account while the customer earns daily interest for the account balance and has attracted great attention from Akbank customers. The number of customers using this popular product topped 1 million within a year.

CONSUMER BANKING

AKBANK LAUNCHED THE ONE-TO-ONE VARIABLE FUND, AKBANK LEASE CERTIFICATES FUND, AKBANK BIST DIVIDEND 25 FLEXIBLE FUND AND AKBANK DIPLOMA VARIABLE FUNDS AS INVESTMENT ALTERNATIVES FOR ITS CUSTOMERS IN 2013.

Growing Product Portfolio in Mutual Funds

Akbank continues to offer investors a full array of investment options with an extensive lineup of mutual funds, including equities, fixed-income securities and domestic market to markets in any part of the world, traditional investment vehicles and commodities. Setting itself apart in the mutual fund industry with a wide range of specialized fund offerings in this falling low interest rate environment marked by volatile market conditions, Akbank launched four new specialty funds in 2013, increasing the total number on offer to 21.

As the ongoing search for alternative sources of investment returns increasingly lead investors to more diversified types of products, Akbank rolled out the One-to-One Variable Fund, Akbank Lease Certificates Fund, Akbank BIST Dividend 25 Flexible Fund and Akbank Diploma Variable Funds for customers in 2013. In addition, Akbank launched 20 new capital protected funds with varying investment approaches during the year. The Bank also maintained its leadership position in capital protected funds with a market share of nearly 50%.

Stock Trading at Akbank

Having always made significant contributions to further develop capital markets, Akbank completed major organizational and system improvements in 2013 in order to ensure fast and easy submission of stock trading orders from multiple channels.

Akbank Investor Center increased its head count and continued providing fast, high quality customized services to a larger number of high volume traders in the capital markets. Thanks to the marketing staff who joined the Akbank Investor Center, one-to-one meeting calls with investors and briefings on market developments are now possible.

Access to the stock market became much faster after the Bank revamped the Akbank Direct Internet Branch. The renewal provided many new features including single-click stock trading, viewing the customized stock watch list on the main page and easy order transmission.

In addition to special reward campaigns for existing clients, Akbank also executed campaigns to familiarize customers who have never traded stocks with the equity market.

Akbank continued to develop and enrich the Mobile channels in order to enable customers to submit their orders and monitor the markets from any location. The iPhone, iPad and Android apps launched by Akbank facilitate secure and fast stock trading orders of investors.

Akbank unveiled the TradeAll Electronic Trading Platform where clients can transmit their own orders into the exchanges through the systems/accounts of AKAssetManagement. TradeAll allows Bank customers to trade FX, futures, CFD and international equities and to perform EFT transactions on a single platform.

VIOP at Akbank

Following the merger between TURKDEX (Turkish Derivatives Exchange) and VIOP (Borsa Istanbul Futures & Options Exchange) in August, TURKDEX accounts at Akbank were transferred to VIOP accounts opened at AKAssetManagement. As of August 5, 2013, customers began executing futures and options orders on their VIOP accounts at AKAssetManagement using Akbank channels.

Throughout 2013, Akbank executed reward campaigns for existing and potential customers. The Bank began making available VIOP Level II data distribution packages through Akbank Direct Internet, allowing investors to follow the market more closely.

General Purpose and Car Loans Growing with Target Customers

Akbank, one of the leader in the consumer loans market, focused on the objectives of acquisition of new creditworthy customers and profitable and healthy growth with a broad customer base in 2013 and shaped its strategies in accordance with these goals. To generate broad-based, high-quality and healthy growth in its general purpose loan book, Akbank conducted active campaign management efforts toward the target customer segments as well as predefined limit applications for the potential customers throughout the year.

Cognizant of the significance of lending procedures and loan disbursement speed in consumer loans for customer satisfaction, Akbank unveiled the "Loan to Your Name" and "Instantaneous Loan" products as pioneering products in the industry.

Thanks to the Credit Express Line, Akbank began offering its customers campaigns and payment plans that fit their budgets as well as related advisory service, personalized calculations and quick loan application opportunities.

Targeting a healthy loan portfolio for car loans, Akbank continued its business partnership with the six existing affiliated brands in 2013. Akbank aims to reach high levels of penetration with its business partners and enrich its loan book with high-quality customers.

As a result of the Bank's lending strategies, Akbank's general purpose loans surged by 39% in 2013 while car loans remained at the same level as 2012. As of year-end 2013, the Bank's market share in general purpose loans stood at 10.9%.

Growing in Mortgage Loans with a 360-Degree Service Approach

Carrying out its mortgage lending activities under the Big Red House brand, Akbank provides privileged service to its clients including pre-sale and post-sale services. Big Red House addresses all questions and concerns of customers who want to be homeowners and enables them to make their loan applications easily and quickly through the www.buyukkirmiziev.com website and the 444 4 253 Call Center while also providing instantaneous loan preapproval through these channels. The "live chat" application that was launched in 2012 allows customers to have online interaction with the advisors through www.buyukkirmiziev.com.

Akbank makes it easier for its customers to be homeowners through the 400 affiliated branded housing projects under the roof of Big Red House as well as its cooperation with real estate offices. Clients who want to purchase a home from the housing projects under the attractive payment terms of Akbank Big Red House can reach the affiliated projects on www.buyukkirmiziev.com as well as making applications conveniently at the Akbank stands located in the project sales offices. Akbank Big Red House participates in large companies' projects in Istanbul as well as local firms' developments in Anatolia, offering its customers to buy a home in these projects as well. In addition, thanks to its cooperation with the real estate agents affiliated with real estate offices across Turkey, Akbank also offers convenient mortgage loans to people purchasing existing homes.

Akbank Big Red House continues to offer advantages to its customers after the loan closes as well as during the mortgage process. As part of the My Big Red House service that combines financial and non-financial benefits for Akbank's mortgage customers as a first in the sector, the Bank offers discounts on various brands each month as well as additional advantages in banking services.

Akbank's mortgage loans increased 29% to reach TL 12.6 billion in 2013 while its market share ticked over 11%.

Akbank-Western Union Cooperation

Turkey's innovative powerhouse Akbank and global payment services leader Western Union entered into a memorandum of understanding in 2013 to provide money transfer services at Akbank. As a result of this cooperation, the rich service portfolio of Akbank channels were enhanced with the opportunity to send money to, as well as receive money from, more than 510 thousand agency service points of Western Union in more than 200 countries and regions. In addition to Akbank branches, Western Union money transfers can also be performed on all Akbank ATMs and via the Akbank Direct Internet Banking.

Those who are not Akbank customers can also initiate and receive Western Union money transfers at nearly 1,000 Akbank branches.

BANCASSURANCE

AKBANK DESIGNS INSURANCE PRODUCTS CUSTOMIZED FOR ITS CUSTOMERS' NEEDS.

As a result of its cooperation with Ak Insurance and AvivaSA Pension and Life, both of which rank among the leaders in their respective sectors, Akbank once again maintained a brisk pace of growth in bancassurance in 2013. More than 2 million active customers chose Akbank for nearly 4 million active insurance and Private Pension System (BES) products as of year-end 2013. Bancassurance commission income constitutes 7% of Akbank's overall net fee and commission income.

In an effort to deliver higher quality of service to its customers, Akbank gives priority to designing insurance products according to customer requirements. As part of the Bancassurance Transformation Program, the Bank is undertaking initiatives to better analyze customer needs and expectations, to deliver the right product to the right client through the right channel with the right price and a simple process, and to differentiate the products by enhancing them with innovative services while carrying on with innovative approaches.

The role and significance of the bank channel in the insurance industry is growing by the day. As the products sold through the branches and alternative distribution channels become more diversified and they are delivered more efficiently, Akbank increases the market share of its products while also contributing to the growth and development of the industry. Pension and insurance products offered to customers via the Call Center constitute a major share of Akbank's bancassurance activities. The branches offer property and casualty insurance, life insurance and private pension products to customers with a high service quality approach.

DIRECT BANKING

AKBANK DIRECT PIONEERS THE INDUSTRY BY LAUNCHING NEW APPLICATIONS AND TECHNOLOGICAL INNOVATIONS.

Akbank maintained its industry leading position in direct banking as well thanks to its many years of regular investment in technology and qualified human resources. The Bank further highlighted the importance of this area with the organizational structure changes it completed. In 2013, Akbank transformed Direct Banking into a business unit overseen at the executive vice president level; restructured the Alternative Distribution Channels (ADC) Department as the Direct Banking Sales and Marketing Department; and established the Strategy and Segment Department. In addition, as part of this reorganization, the Bank placed the Call Center and CRM units, which were previously within the Operations and Strategy business units, respectively, under the Direct Banking Department, in order to create a more focused and integral management approach within the direct banking channels.

Akbank Direct strives to serve the financial solution needs of customers at the most convenient points with an excellent customer experience. In today's marketplace, where technology is advancing rapidly and customers are more demanding than ever, Akbank Direct meets customer needs without time or place limitations; in the course of this process, the Bank is a pioneer in the adoption of new technology both in the industry and in Turkey.

Direct Banking Sales and Marketing Department

Akbank has one of the most extensive ATM networks in Turkey with 4,121 ATMs deployed as of year-end 2013. Following a major increase in the number of Akbank ATMs as a result of its ATM network expansion strategy implemented in 2010, Akbank decided to extend this strategy into subsequent years. In 2013, Akbank ranked second in the sector among private banks in terms of number of ATMs and in joint ATM commission market share. ATMs account for 90% of all cash withdrawals and 74% of all cash transactions at Akbank.

In order to transform the ATM network into a cash transaction center that is accessible to everyone, whether Akbank customer or not, the Bank unveiled a series of initiatives in 2013; these included, company payments, bill payments, other banks' payments (Aktifbank, Odeabank), and Western Union.

In June 2012, Akbank launched the Akbank Direct brand that combines internet and mobile banking under one roof. Today, Akbank Direct Internet serves more than 1.5 million customers. Akbank is positioning Internet Banking as an online service and sales platform where frequent contact with customers is being converted into product and service sales. Internet Banking has started to come to the forefront as a highly attractive channel for customers thanks to the special online deposit rates and cost advantages of performing transactions online. This customer habit is also reflected positively in Akbank's sales figures through the internet channel: 90% of the sales of credit card related products such as Fast Cash, Installment Cash Advance, and Installment Balance Transfer are made through non-branch channels. Similarly, 75% of the Bank's stock trading customers prefer the internet and mobile banking channels for their transactions.

Bank customers perform some 350 million transactions annually on Akbank Direct Internet. Akbank Direct Internet relaunched in November 2013 with a new user experience, interface and design. The Bank made major improvements in transaction flows for a more user-friendly customer experience; money transfers as well as many other transactions can now be performed with a single click. With its mobile and tablet-friendly design, Akbank Direct offers users an integrated customer experience and thus pioneers next-generation banking in the sector. Further investments and improvements in Akbank Direct are planned in 2014.

DIRECT BANKING

HAVING COMPLETED ITS 13TH YEAR IN THE INDUSTRY, AKBANK CALL CENTER CONTINUES TO DELIVER AN EXCEPTIONAL CUSTOMER SERVICE EXPERIENCE THANKS TO ITS AWARD-WINNING TECHNOLOGY INFRASTRUCTURE AND CUSTOMER-ORIENTED SERVICE STRATEGY.

Strategy and Segment Management Department

Rolled out in July 2012, the "Where's My Application" service allows customers to track the status of their product and service applications in real time. Whether an Akbank customer or not, everyone who has applied for credit cards, consumer loans or micro loans can track the status of their applications on www.akbank.com. By clicking the "Where's My Application" button located at www.akbank.com, applicants can see the pre-disbursement status of their applications for Axess, Wings and Fish credit cards; consumer loans such as general purpose, car and mortgage loans; and micro loans, all in real time.

Breaking new ground in Turkey with Akbank Direct Mobile, a mobile banking application launched in September 2012, Akbank enabled its customers to access banking services from their cell phones with a single password. This application also allows Axess, Wings and Fish credit card holders to reach their card information using their cell phones. Thanks to this application which is a first in Turkey, credit card customers also began to be able to view their available limit information and transactions after the latest statement at any time from any location.

As of year-end 2013, Akbank has enriched the functionality within the application and made it available to customers across nearly all mobile platforms. Customers began to be able to perform stock trading, mutual fund trading, virtual card transactions, and electricity, water and natural gas utility bill payments through the Akbank Direct Mobile app during the year. In addition, customers were enabled to pay their bills with credit card and make monthly loan payments using the Akbank Direct Mobile application. Credit card cash advance and installment cash advance applications as well as demand and time deposit opening functions were also added to the Akbank Direct Mobile app in 2013.

The Akbank Direct Mobile app, which can be installed on iPhones, iPads, Android-based mobile phones, tablets and Windows 8-based computers and phones, has been downloaded more than 1 million times to date.

Redesigned completely for iOS7 in 2013, the Akbank Direct Mobile app features a flat design, the most distinctive characteristic of iOS 7, highlighting ease-of-use and simplicity.

Closely monitoring global developments in technology and adopting them in banking services in the most expeditious fashion, Akbank once again broke new ground in 2013 and expanded banking into smart watches. The first bank in Turkey to enable banking transactions on the smart watch device, Akbank rolled out the country's first "I'm Watch" banking app synchronized with Android and iOS mobile phones. The app allows users to calculate foreign exchange conversions, view precious metals prices in real time, follow bid/ask prices of BIST 100 stocks, and view stock price charts on their smart watches.

Akbank Direct continues to have an active presence on social media platforms. The Bank administers seven Facebook, eight Twitter, one YouTube, one Google+, one LinkedIn and one Pinterest accounts. On these 19 social media accounts, Akbank has more than 2 million active followers.

Focusing on small and medium enterprises via "Social SME," a real-time Facebook game, Akbank Direct allows users to create growth models for their virtual startup businesses using Akbank products. Players develop growth strategies such as increasing capacity by purchasing new production machinery in order to

expand the factory; expanding the management team by establishing new departments; and reinforcing the logistics infrastructure by acquiring a warehouse and transport fleet. These exercises allow users to practice real life strategies as well. The game has reached 85 thousand players to date and has won more than 15 awards, including a Crystal Apple.

Akbank overhauled and optimized web loan application processes to improve the user experience. The Bank introduced new processes where customers can apply by submitting only their Turkish identification and mobile phone numbers.

CRM Department

Akbank's analytical customer relationship management efforts, which the Bank began to focus on particularly in 2010, continued throughout 2013 in the pricing and social CRM areas. In recognition for its CRM related accomplishments, Akbank received the "CRM Excellence" award in the "Customer Analytics" category from Gartner in 2013. As a result, Akbank became the only Turkish bank to receive the Gartner "CRM Excellence" award for a second time. Efforts undertaken in line with the Bank's strategy continued in 2013 with a focus on pricing and social CRM. In response to the impact of digitalization on consumer behavior and the banking industry, supporting the Bank's CRM efforts on digital platforms is among the top priority areas for Akbank.

All ongoing projects in 2014 will be guided by the objective of extending the Bank's industry leading position in CRM to the next generation digital banking arena. Efforts will continue in accordance with the vision of combining social CRM analyses and advanced level customer analytics with digital and real-time banking activities.

Akbank Call Center

Having completed its 13th year in operation, Akbank Call Center continues to deliver an exceptional customer service experience thanks to its award-winning technology infrastructure and customer-oriented service strategy. Akbank Call Center proved its success in these areas once again by winning the "Best Use of Technology" and "Customer Representative" awards at the 2013 Turkey IMI Call Center Awards.

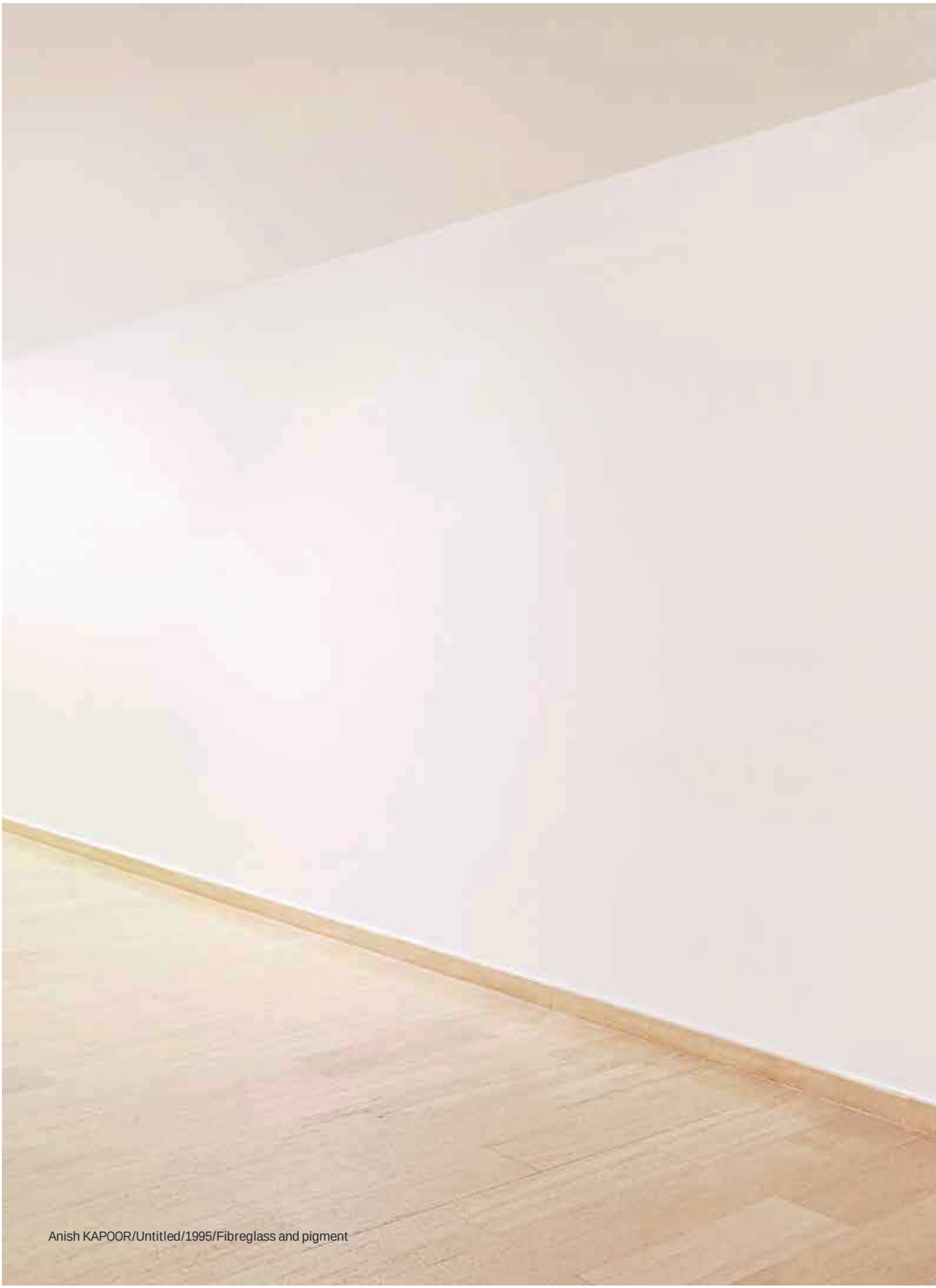
More than 85 million contacts with customers were made at the Akbank Call Center in 2013. In addition to the high standard attained in meeting customer needs, the Call Center also achieved major product and service sales figures. Akbank Call Center accounted for a significant share of the Bank's sales in insurance, credit card, and revolving credit card loan products while making important contributions to the Bank's total general-purpose and home mortgage loan sales. The Call Center converted 12% of inbound calls into sales in 2013. The most important factor in sales success is the call system design and organizational structure based on customer segment and product specialization. In addition to its sales contributions, Akbank Call Center also performed the collection and restructuring of customer accounts with delinquent consumer, micro and credit card loans. Further, the Call Center put together a specialist team pursuant to customer needs in order to provide banking support to foreign nationals residing in Turkey and to render intermediation services for product sales.

Akbank Call Center achieved major efficiency gains as a result of process improvements implemented, intensive efficiency training administered for personnel, and focused efforts to completely meet customer needs during a single call.

The Bank's call system recognizes customers from their voices thanks to recent implementation of voice signature software. Placing great emphasis on the effective use of social channels, Akbank Call Center is setting up the infrastructure to initiate fast and appropriate communications with customers. The Call Center is among the Akbank Direct applications implemented at the Zorlu Center Branch and it is available for customers. The Bank has also made a video chat service available as part of the Consumer Internet Branch and inside Akbank Kiosks for banking transactions and specialized products.

Offering solutions for customer complaints and suggestions via the Twitter.com/AkbankDestek customer services application that was unveiled in May as a first among banks, Akbank is in communication with its clients on a 24/7 basis on Twitter to deliver an excellent banking experience to its customers in any venue they are at. Taking all of its services to wherever its customers are via its Twitter accounts, Akbank also listens to suggestions and complaints through the same channels.

Akbank Direct Banking continues its efforts with the vision of increasing its sales focus, enhancing efficiency via technological innovations and process improvements, and gaining share in specialized services.



Anish KAPOOR/Untitled/1995/Fibreglass and pigment



CREDIT CARDS

"AXESS SME" AND THE "AGRICULTURE CARD" WILL JOIN AND FURTHER EXPAND AKBANK COMMERCIAL CARDS PORTFOLIO IN 2014.

With 5.8 million credit cards issued and an extensive member merchant network, Akbank continued to offer innovative products and services to customers in line with their needs and expectations in 2013.

Akbank's consumer credit card lending in 2013 was up 5% compared to 2012 and totaled TL 13.6 billion, with a 16.7% market share.

Akbank's monthly average overseas issuing volume rose to TL 96 million in 2013, up 28% over the prior year's TL 75 million. The Bank's market share in overseas issuing volume ticked up from 14.5% in 2012 to 14.8% in 2013.

In order to transact fast and efficient sales, Akbank began accepting card applications with just customer income information from the ATM channel while Field Direct Sales personnel started taking card applications using tablet PCs. The Bank stopped accepting credit card applications with hard copy forms in the last quarter of the year and achieved cost savings with this shift.

Breaking new ground in the sector, Akbank rolled out the Credit Card World of Tariffs in 2011, which include tariffs that offer chip-money, interest discount, card fee waiver, discounts and installments for fuel and grocery store purchases. The Bank enriched this offering in 2013 by adding the Free Installment Cash Advance to Your World tariff, thus allowing customers to select the best tariff for themselves.

In addition to "Installment Request" where a post-purchase installment option is granted and "Deferral Request" where purchase payment is deferred to future months, Akbank reintroduced the "Skip a Statement" service that allows customer account statement balances to be postponed in 2013.

Commercial Cards

Akbank expanded its commercial credit card customer base under the Axess Business and Wings Business brands to more than 100,000 while achieving 53% total volume growth in 2013 over the previous year.

Two new commercial card products, "Axess SME" and the "Agriculture Card," which were under development in 2013, are scheduled to join the Akbank Commercial Cards portfolio in 2014.

Axess SME is a card designed for craftmens that is bundled with a company credit card encompassing Installment Commercial Loan and Artı Para (Plus Money) features. Cardholders are able to reach various lending products with a single card while enjoying the convenience of accessing loans through ATMs, the Call Center and Akbank Direct Internet.

Designed exclusively for agricultural production related spending, Akbank Agriculture Card helps farmers meet their financing needs for agricultural purchases under more attractive terms and conditions.

Neo

The Limit-Conscious Shopping Card Neo rose to 6.2 million cards in circulation in 2013 while Akbank achieved 32% growth in terms of Neo's use in shopping purchases over last year.

Breaking more new ground in Turkey, Akbank enhanced the Neo debit card with a discount feature in 2013. Discounts earned by limit-conscious Bank customers who shop with this Neo debit card are deposited into their demand deposits within two business days. In addition, customers continue to earn chip-money from their purchases.

Re-launched in 2013 with a revamped dynamic and contemporary design as well as the discount feature, Neo began adding Visa branded debit cards to its portfolio.

Member Merchants

Akbank continued to solidify its standing as one of the banking sector's leaders for member merchant activities in 2013.

Acquiring 31,000 new members in 2013, Akbank's member merchant network climbed to 266,000 with 348,000 POS terminals by year's end, continuing a strong performance in this segment. The Bank's shared POS terminal initiatives continued in 2013 and reached 161,000 shared POS terminals, 50,000 of which are owned by Akbank.

Akbank has further strengthened its market position by broadening the Bank's member merchant network via agreements with sector leading companies and running consumer-oriented promotional campaigns. As of year's end 2013, some 202,000 member merchants offered installment and rewards benefits to Axess cardholders.

Akbank expanded the contactless POS network while the number of member merchants capable of contactless transactions topped 6,500. The Bank introduced EkoPOS tariffs which allow Akbank member merchants to operate with a fixed monthly fee of as little as TL 19, without incurring any other commission or member merchant fees. More than 7,500 member merchants currently use EkoPOS. Throughout the year, the Bank implemented promotional campaigns to activate Akbank member merchants and presented commercial vehicles as prize rewards.

Virtual POS terminals, used by member merchants engaged in e-commerce, allow transactions in five different currencies. In 2013, the Bank completed developments allowing cardholders to use their chip-money at Akbank Virtual POS terminals. The Bank also retooled the akbankpos.com website, where Akbank member merchants can find POS device user manuals and access information on promotional campaigns and products; in addition, firms that want to join the Akbank member merchant network can now submit online applications through the website.

Pursuant to communiqués numbered 69 and 70 published by the Revenue Administration, as of October 1, 2013, taxpayers who own a cash register and use a portable POS device are required to start using a next generation payment-recording device. Akbank performed the requisite work with cash register manufacturers and offered its member merchants the option of using one of four different cash register POS brands in conjunction with Akbank POS application.

AKBANK HAS FURTHER STRENGTHENED ITS MARKET POSITION BY BROADENING ITS MEMBER MERCHANT NETWORK VIA AGREEMENTS WITH SECTOR LEADING COMPANIES AND RUNNING CONSUMER-ORIENTED PROMOTIONAL CAMPAIGNS.
AS OF YEAR-END 2013, SOME 202,000 MEMBER MERCHANTS OFFER INSTALLMENT AND REWARDS BENEFITS TO AXESS CARDHOLDERS.

PRIVATE BANKING

AKBANK PRIVATE BANKING'S TOTAL ASSETS UNDER MANAGEMENT ROSE TO TL 19 BILLION IN 2013.

Akbank Private Banking offers core banking products along with alternative financial products to its clients with a greater level of specialization. In an effort to get to know the clients, differentiate their needs and offer suitable solutions, the Private Banking Department generates the fastest and most fitting solutions for the financial needs and expectations of the client while organizing a wide variety of events in contemporary art, sports and culture. Private banking services are offered through ten dedicated Private Banking branches across Turkey, six in Istanbul and one each in Ankara, Izmir, Bursa and Adana.

In addition, a Private Banking corner is located in the Akbank Zorlu Branch and a Private Banking representative is stationed at the Akbank Dubai office.

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

In an attempt to render the best and highest quality service for clients' pension, insurance and leasing demands in addition to their investment needs and all other needs with a one-stop shop approach, Akbank Private Banking pays particular attention to establishing cooperation with Group companies and maintaining the vibrant intra-Group synergy. Client relationship managers, supported by experts and specialists from AKSecurities and AKAssetManagement, constantly monitor their customers' investment strategies and provide them with exclusive solutions.

Guided by the principles of mutual trust and confidentiality in their dealings with clients, the specialists also provide periodic reports to their customers on domestic and international markets as well as industry and product surveys.

Based on the results of the annual external client satisfaction survey, Akbank Private Banking identifies areas of improvement as well as strengths to be sustained and takes the necessary actions.

Total assets under management at Akbank Private Banking climbed to TL 19 billion in 2013, up 14.4% from year-end 2012.

INTERNATIONAL BANKING

AKBANK CONTINUED TO PIONEER THE TURKISH BANKING INDUSTRY IN SYNDICATION AND INTERNATIONAL BOND MARKETS IN 2013.

Akbank International Banking Business Unit provided quick and effective support to customers with their foreign trade and payment transactions in addition to investment projects in 2013 using its strong correspondent relationships in 150 countries. The Bank provided low-cost, long-term financing to customers through the export credit agencies of various countries. Akbank's large-scale credit agreements and long-standing business relationships with export credit agencies permitted the projects and investments of importers to be financed with more competitive pricing. The Bank deepened its relationships with export credit agencies such as JBIC, HERMES, KEXIM, SACE, SERV, ONDD, EKF, TAIWAN EXIM and passed on the benefits derived from these efforts to importer clients.

Paving the way for the Turkish banking industry in syndication and overseas bond markets in 2013, Akbank enjoyed another groundbreaking year as part of its sustainable foreign borrowing strategy.

On March 21, 2013, Akbank secured a US$ 1.4 billion syndicated loan with the participation of 44 banks. The loan consists of two tranches of US$ 348 million and EUR 790 million and is structured into two slices: a one-year and a two-year slice. The cost of the facility was Libor/Euribor+1.00% for the one-year slice and Libor/Euribor+1.25% for the two-year slice. This represents a more than 100% rollover of the maturing syndicated loan.

On August 16, 2013, Akbank secured a US$ 1.5 billion syndicated loan facility in a deal with 38 participating banks. The cost of the loan, structured in two tranches of US$ 419.5 million and EUR 779 million with a one year maturity, totaled Libor/Euribor+0.75%. This syndicated loan represents a full rollover of the maturing August 2012 syndicated loan with a 60 basis-point reduction in the Bank's borrowing costs.

Despite the rising interest rate environment in international capital markets, and in particular in the emerging market subset that Turkey is also part of, Akbank became the first bank to roll over its syndicated loan at a much lower cost compared to a year ago in a deal with the participation of leading overseas banks. As such, the Bank established a new reference interest rate for the industry. The successfully closed syndicated loan deal once more demonstrated Akbank's solid reputation and market strength. In line with Akbank's goals of creating value for Bank customers as well as all other stakeholders while supporting the country's economic growth, the facility is being deployed as financing for the real sector.

On February 5, 2013, Akbank placed the first ever Turkish lira-denominated bond in overseas capital markets by a domestic institution, thereby creating a new borrowing instrument for Turkish issuers. The five-year, TL 1 billion bond issue solidified Akbank's innovative role in overseas borrowing as well as its industry leadership. With this issuance, total resources secured by Akbank by way of Eurobond placements rose to US$ 3 billion.

In December, Akbank partnered with AKLease to launch the GMTN (Global Medium Term Note) Program that will allow the Bank to issue corporate bonds up to US$ 3 billion in various currencies and maturities. This structure, which facilitates issuances both by Akbank and by AKLease, confirmed Akbank's innovativeness yet again.

INTERNATIONAL BANKING

A WHOLLY-OWNED SUBSIDIARY OF AKBANK, AKBANK AG REGISTERED ANOTHER SUCCESSFUL YEAR IN 2013 IN TERMS OF TOTAL ASSETS, DIVERSIFICATION OF BUSINESS AREAS AS WELL AS PROFITABILITY. THE BANK'S TOTAL ASSETS INCREASED TO EUR 3.3 BILLION AS OF DECEMBER 2013.

In 2013, Akbank International Banking stepped up its cooperation efforts with foreign financial institutions to offer advantageous products, services and funding support that will make a difference for Akbank's corporate and commercial clients in their foreign trade transactions. To this end, in April 2013 Akbank signed a memorandum of understanding with the Korean export credit agency KEXIM to provide financial services to Korean companies that invest or do business in Turkey, steer Turkish companies that import from Korea toward Akbank by KEXIM via its customers in Korea, and make customer/company referrals. Following execution of the agreement, there was a noticeable increase in the number of companies applying to Akbank for investment support thanks to KEXIM's referrals.

In 2013, the International Business Development Unit continued to undertake initiatives focused on: closely monitoring the overseas activities and investments of Bank clients in the target countries of China, Russia, Azerbaijan and Iraq as well as companies and investments that have entered or are planning to enter the Turkish market from these countries; offering Bank products and services to customers in the target countries on an ongoing basis; and expanding Akbank's foreign corporate client base. To this end, the Unit administered the previously signed bilateral agreements with correspondent banks, executed new bilateral agreements, and initiated contacts to enter into new agreements in order to capitalize on the potential opportunities.

The International Business Development Unit executed the Bank's China Desk operations in 2013. This move helps expand Akbank's Chinese client portfolio and increase the Bank's market share in Chinese Yuan (RMB) denominated foreign trade and money transfers. Systematically monitoring opportunities in target countries in which Akbank clients are actively doing business, the International Business Development Unit also conducted activities aimed at growing in these countries in line with the Bank's overseas expansion policy.

Akbank Dubai

In operation since 2010, Akbank Dubai Ltd. is the first Turkish bank established in the Dubai International Financial Centre. Akbank Dubai provides financial services - primarily international banking, corporate finance and private banking - to customers in Gulf countries as well as other markets in Turkey's surrounding region.

In close contact with all leading banks in the region with respect to foreign borrowing and international banking, Akbank Dubai assumed a significant role in securing funding resources to be deployed in Turkey in 2013. In addition, the Bank helps Turkish companies that want to do business in the region obtain letters of credit and letters of guarantee.

Guiding the region's investors to invest in Turkey, Akbank Dubai Ltd.'s Corporate Finance Unit establishes relationships with the Turkish companies and provides intermediation and advisory services for mergers and acquisitions.

Akbank Dubai Private Banking commenced operations in 2013. The Department's target clientele includes high income individuals, funds and companies in Gulf countries that want to invest in Turkey. Akbank Dubai Private Banking also provides home mortgage loan products to foreign national customers who would like to buy a home in Turkey after the enactment of the reciprocity law.

Akbank Dubai Ltd. addresses customer needs in the region with superior professional service standards while contributing to the development of economic cooperation and dialogue between Turkey and countries in the Gulf. Akbank Dubai plans to carry out its mission of being the most preferred leading Turkish bank in the region on the strength of the knowledge base and experience of its seasoned management team in its areas of business.

Akbank AG

A wholly-owned subsidiary of Akbank, Akbank AG had another successful year in 2013 in terms of total assets, diversification of business areas as well as profitability. The Bank posted 20% growth in assets over the previous year with € 3.3 billion in total assets as of December 2013. The largest Turkish-owned bank in Germany in terms of balance sheet size and capital thanks to its robust capital structure, Akbank AG increased its return on equity (ROE) to 9.6%, up 37% compared to the prior year.

In 2013, the international independent rating agency Fitch Ratings assigned Akbank AG a long-term foreign currency rating of BBB, the same as that of Akbank T.A.Ş. Akbank AG secured its first ever syndicated loan, a US$ 125 million facility, in 2013 with the participation of leading European banks.

Akbank AG's major products and services include various credit instruments, trade finance, money transfers and deposit services. Its target clientele for lending activities consists of international companies based in Turkey as well as the EU, Turkey's main trading partner. Standing out with its high asset quality since the bank's founding, Akbank AG remained committed to maintaining asset quality and effectively managing asset risk throughout 2013.

Akbank AG has an extensive portfolio of funding sources, including retail, corporate and German public sector deposits as well as murabaha products and the European Central Bank's funding program.

Also active in retail banking, Akbank AG reaches 20,500 retail deposit customers in Germany via the direct banking system. Akbank AG holds first place prizes from the Deutsches Institut für Service Qualitat in customer satisfaction and service quality. All these sources of funding help Akbank AG to broaden the client deposits base.

A WHOLLY-OWNED SUBSIDIARY OF AKBANK, AKBANK AG REGISTERED ANOTHER SUCCESSFUL YEAR IN 2013 IN TERMS OF TOTAL ASSETS, DIVERSIFICATION OF BUSINESS AREAS AS WELL AS PROFITABILITY. THE BANK POSTED 20% GROWTH IN ASSETS OVER THE PREVIOUS YEAR WITH EUR 3.3 BILLION IN TOTAL ASSETS AS OF DECEMBER 2013. THE LARGEST TURKISH-OWNED BANK IN GERMANY IN TERMS OF BALANCE SHEET SIZE AND CAPITAL THANKS TO ITS ROBUST CAPITAL STRUCTURE, AKBANK AG INCREASED ITS RETURN ON EQUITY (ROE) TO 9.6%, UP 37% COMPARED TO THE PRIOR YEAR.

TREASURY MANAGEMENT

AKBANK TRADING DEPARTMENT IS ONE OF THE FIRST CHOICES OF INTERNATIONAL INVESTORS WHO WANT TO EXECUTE TRADES IN TURKEY.

Assuming extremely critical functions in the Turkish Money and Capital markets with its many years of experience and expertise, Akbank Treasury Business Unit is also responsible for managing the Bank's liquidity, exchange rate and interest rate risk in addition to its market operations under all economic environments utilizing its effective applications, dynamic structure and successful balance sheet management practices.

Akbank Treasury Business Unit operates under five main departments. It is highly commended in the sector due to the groundbreaking products and services it has developed as well as the synergy and dynamism it has created with the Trading and Derivatives Department, Liquity Management Department, Fund Transfer Pricing (FTP), Balance Sheet Management Department and Treasury Marketing and Economic Research Department.

Trading and Derivatives Department

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

Named as one of 13 market-makers by the Turkish Treasury Undersecreteriat, Akbank is an active participant in the primary and secondary markets. As of year-end 2012, Akbank was ranked first in secondary market bond and bill trading volume. Further increasing its presence in the fixed-income securities market in 2013, Akbank maintained its leadership by a wide margin in this area by the share of the BIST and over-the-counter (OTC) trading volume. Akbank played an active role in determining the direction of the markets through competitive pricing on the BIST, over-the-counter (OTC) markets and international TL-denominated securities markets and maintained its price-setting position in the sector as the largest dealer of foreign banks' TL-denominated securities transactions.

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

The Derivatives Trading Group also trades cash stocks and futures contracts on the Futures and Options Exchange (VIOP) on behalf of the Bank's customer portfolio.

The FX Trading Group, active in the International Foreign Exchange Market as part of the Trading Department, works as a market maker for the TL exchange rate and quotes prices for both domestic and overseas banks. Working in coordination with the Treasury Marketing Department according to the foreign exchange needs of corporate clients, the Group quotes FX swap and FX spot prices for the demanded exchange rates that are traded within Akbank. As part of its precious metals trading business, the Department executes transactions on the Istanbul Gold Exchange (IGE) as well as in international OTC markets. Additionally, the FX Trading Group also undertakes brokerage tasks for the Gold Fund on the IGE.

Akbank Trading Department is one of the top choices of international investors who want to execute trades in Turkey.

Liquidity Management Department

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

The Department has an active and large presence in the BIST Repo-Reverse Repo Market and OTC money markets.

To take maximum advantage of the monetary policy measures based market conditions, the Department effectively capitalized on the use of the BIST Repo, Reverse Repo Market, over-the-counter money market and the Central Bank of Turkey's Open Market Operations in 2013. The Department also managed the Bank's foreign currency and Turkish lira reserve requirements in the most effective manner.

The Liquidity Management Department aims to continue to engage in consistent funding in order to boost the Bank's balance sheet and cost flexibility in accordance with the changing market conditions in 2014.

Fund Transfer Pricing (FTP) and Balance Sheet Management Department

The Fund Transfer Pricing (FTP) and Balance Sheet Management Department manages the interest rate risk of the Bank's balance sheet and its off-balance sheet liabilities in accordance with the medium-term opinions of the Asset-Liability Committee and the Executive Risk Committee.

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

In parallel with this effective management, the Treasury Department began creating low-cost funding resources from international markets via repo transactions in 2012; continued this strategy despite the deteriorating market environment in 2013; and as a result, made positive contributions to the Bank's balance sheet during both periods in terms of maturity and cost structure.

The Department successfully fulfilled its 2013 strategic objective of becoming the first Turkish bank to place Turkish lira-denominated Eurobonds in international capital markets. This transaction was the lowest yielding bond issuance among comparable deals during the year.

The Treasury Department also executes IRS transactions for effective management of interest rate risk and has an active presence in the TL/US Dollar Cross Currency Swap markets for the Bank's funding needs. In addition, the Department has become the most important participant of the Cross Currency Swap options markets.

Treasury Marketing Department

The Treasury Marketing Department serves customers in all segments with an extensive range of products that include spot foreign exchange, forward foreign exchange, gold, foreign exchange/gold/ interest rate/commodity options, foreign exchange and interest rate swaps, government bonds and bills, bank bonds, Eurobonds, repo, deposits and loans. In addition to offering competitive prices in all products, the Department informs corporate segment clients about the developments and expectations in their financial markets and offers products tailored to risk management needs and business conduct of companies.

In addition to public offerings of bank bonds, the Treasury Department is also engaged in private-placement of bank bonds to domestic and overseas investors. The Department devises strategies for effective management of the Bank's deposit costs while supporting the creation of a more active and effective deposit policy from the viewpoint of foreign currency exchange and TL liquidity management. The Treasury Department employs proactive and creative methods to lower the cost of resources extended to the real economy.

The Derivative Products Development staff, organized in 2013, began designing products in line with market conditions and customer needs. The staff is expected to develop along more functional lines in 2014.

The Treasury Marketing Department's goal in 2014 is to fulfill the treasury products-related demands of its customers with superior service quality, stronger technology infrastructure and new products consistent with market conditions, and to increase customer satisfaction, the number of customers served and market share.

Economic Research

The Economic Research Department, positioned within the Treasury Business Unit, closely monitored the global and domestic economic environment and market developments, ensured fast and effective information flow to all units of the Bank, and presented an opinion on their potential consequences. Thanks to such efforts, Akbank employees are kept well informed and properly equipped with a constant flow of up-to-date information about developments that steer the economy and the markets, and are prepared to address customer questions.

In addition, the Economic Research Department prepared macroeconomic and sectoral forecasts for the business units of the Bank and contributed to the determination of the Bank's strategy and the budget. At the same time, the Department informed the Board of Directors, foreign investors and clients about current economic situation and market data.

SUPPORT SERVICES

AKBANK OPERATIONS CENTER DIRECTLY SERVES CUSTOMERS ELIMINATING THE NEED TO VISIT BRANCHES.

Akbank Operations Center

With its effective and efficient organizational structure, experienced and specialized human capital, and advanced technology infrastructure, Akbank Operations Center strives to provide an unparalleled customer experience to Akbank's external and internal customers. Targeting maximum quality and efficiency as well as minimal operational risk, Akbank Operations Center is among the major elements supporting the Bank's strong position in the sector.

Akbank Operations Center operates with a powerful team of 1,258 personnel so that the Bank can serve its 6.3 million active customers at maximum speed and quality from 985 branches, 4,121 ATMs and 348 thousand POS devices. Some 85% of the 223 million transactions performed annually by the Operations Center are completed automatically with no intervention.

The primary functions performed by the Operations Center include:

- Turkish lira and foreign currency payments,
- Tax and Social Security Institution (SGK) premium payments,
- Operations of cash management products,
- Check and bill transactions, printing and distribution operations,
- Foreign trade operations,
- Consumer and commercial loan operations,
- Credit card and debit card operations,
- Member merchant and POS operations,
- Treasury, investment, derivative products, repo, mutual fund and pension fund services and operations,
- Consumer portfolio custody services,
- Equity operations,
- Tax payments of branches,
- Physical and electronic archiving tasks,
- Legal proceedings,
- Cash collection and disbursement services encompassing branches, ATMs and customers,
- Operations to counter external fraud attempts using systems equipped with the most advanced technology.

In addition to the Bank's 5,165 service points, Akbank Operations Center also serves corporate and commercial clients directly without the involvement of branches. This industry-pioneering service also results in a high level of customer satisfaction.

2013 Activities

Akbank Operations Center's slogan for 2013 was "Maximum efficiency in operations without sacrificing service quality." The concrete and successful steps taken in support of this objective are outlined below.

Business Excellence and Maximum Efficiency

Growing more and more each year, Akbank aims to manage its growth by using existing resources. This can only be accomplished through an efficiency-oriented operational model. To these ends, Akbank launched the "Improvements for You" program in 2012 in order to increase business process efficiency as well as production capacity at the branch level and at the Operations Center. Thanks to its successful design and its solid 2013 results, the program received a Bronze Award at the "International Business Awards 2013" competition organized by Stevie - International Business Awards, an important global business competition platform.

The improvements rolled out with the goal of achieving business excellence made a positive contribution to efficiency while demonstrating the Bank's innovative power. The Integro Program was designed in line with the daily tasks and needs of personnel and allows

access to various applications through a single interface. The program was deemed the best of its kind in the world and won the first place prize in the "Innovation in Customer Services" category at the "Innovation in Technology Awards 2013" competition held by The Banker, a prestigious international finance publication.

As part of the "Improvements for You" program that is focused on continuous improvement, Akbank closely analyzed more than 1,000 processes and implemented over 350 process improvements. While the program was ongoing successfully, the Bank analyzed the service model at the branches with the lean approach and implemented an efficiency-focused redesign.

As a joint outcome of the "Improvements for You" and "Lean Branch" initiatives, during the 18 months from mid-2012 until year-end 2013, an additional workforce capacity equivalent to 1,900 personnel and nearly 700 actual Akbank employees were transferred from operational tasks to sales related activities.

In pursuit of the best customer experience, Akbank Operations Center made significant contributions to the processing of a larger number of operations through unmanned channels using STP by way of effective technology use. The Bank's correspondent bank network, with which it transacts large volumes of individual and commercial payments, recognized Akbank with various awards in the STP area for 2012:

- "USD Payments STP Excellence" from HSBC New York,
- "USD Clearing Certificate of Achievement Award" (99.1%) from Standard Chartered Bank New York,
- "Euro STP Award Excellent Quality" (99.18%) from Commerzbank Frankfurt,
- "STP Excellence Award for EUR Payments" from Deutsche Bank Frankfurt.

In Mastercard's 2013 benchmarking study based on previous year's data, Akbank outperformed the sector by a wide margin in the card operations main business area.

Effective Cost Management

Targeting permanent leadership in the industry, Akbank strives to always maximize profitability by increasing income while managing costs effectively. As part of this strategy, Akbank Operations Center constantly expends efforts to keep the Bank's operational costs at an optimal level. As a result of the Center's efforts, the Bank's communications costs remained unchanged while both the number of customers and number of transactions grew 4% in 2013.

Maximum Customer Satisfaction at Every Contact

Understanding that customer satisfaction is a prerequisite for permanent leadership, Akbank regularly measures the satisfaction of its customers for various services they have received from different channels. In 2013, Akbank began to track customer satisfaction from the service received via the branch and direct channels on a daily basis and on the basis of the employee providing the service. Besides the

GROWING MORE AND MORE EACH YEAR, AKBANK AIMS TO MANAGE ITS GROWTH BY USING EXISTING RESOURCES. THIS CAN ONLY BE ACCOMPLISHED THROUGH AN EFFICIENCY-ORIENTED OPERATIONAL MODEL. TO THESE ENDS, AKBANK LAUNCHED THE "IMPROVEMENTS FOR YOU" PROGRAM IN 2012 IN ORDER TO INCREASE BUSINESS PROCESS EFFICIENCY AS WELL AS PRODUCTION CAPACITY AT THE BRANCH LEVEL AND AT THE OPERATIONS CENTER. THANKS TO ITS SUCCESSFUL DESIGN AND ITS SOLID 2013 RESULTS, THE PROGRAM RECEIVED A BRONZE AWARD AT THE "INTERNATIONAL BUSINESS AWARDS 2013" COMPETITION ORGANIZED BY STEVIE - INTERNATIONAL BUSINESS AWARDS, AN IMPORTANT GLOBAL BUSINESS COMPETITION PLATFORM.

SUPPORT SERVICES

AKBANK BRANCH CHANNEL EFFICIENCY INCREASED WITHOUT COMPROMISING SERVICE QUALITY IN 2013. IN ADDITION TO THE HIGH LEVEL OF EFFICIENCY ACHIEVED, NET PROMOTING SCORE OF AKBANK SERVICE QUALITY AT THE BRANCHES SURGED 17% YEAR ON YEAR.

branch and direct channels, the quality level of the internal support services provided by Head Office staff is also monitored regularly via service level agreements (SLAs). Measurement results are shared transparently with the related staff and are used in planning training and development activities, identifying areas for improvement, and creating action plans for these areas. As part of all these efforts, the Bank implemented permanent actions geared toward sustaining the maximum level of customer satisfaction in a continuous manner.

Akbank branch channel efficiency increased without sacrificing service quality in 2013. In addition to the high level of efficiency achieved, the propensity of Akbank customers to recommend to others the service they receive from Akbank branches jumped 17% compared to the previous year.

The Bank regularly analyzes customer feedback received through various channels and develops permanent solutions for the frequently cited areas that need improvement. A high level committee within Akbank tracks the changes in the number and content of customer feedback and oversees implementation of concrete and permanent actions in improvement areas.

In 2014, Akbank Operations Center plans to continue to undertaking efforts to ease the Bank's operational workload and increase internal and external customer satisfaction while making significant contributions to achieve Akbank's goals.

Business Intelligence Applications-ARGUS

ARGUS, Akbank's management reporting system, centralized the Bank's internal management reporting processes to a great extent resulting in a flexible, effective and fast information management and decision support system.

The centralization initiative established a reliable, healthy, easily understood, comprehensible, effective, flexible and visual decision support system that provides the fastest and easiest access to accurate data where all users can meet their information needs within strictly defined access limits. In addition, the Bank administers its report generation and information management processes more effectively.

Akbank recorded major efficiency gains after all management reports began to be generated centrally and presented through ARGUS screens in a way to be accessed from a single environment as part of Central Reporting.

As part of this effort in 2013, the analyses and data contained in the system were diversified so the information needs of more users are met automatically, quickly and with higher-quality data.

During the year, the Bank carried out developments in field reporting tasks in particular and achieved optimization in this area.

Profitability System

The use of the Profitability System, developed to enable multidimensional analysis of Akbank's profitability, became more effective during 2013.

As a result of customer, product and segment profitability analyses, Akbank devised managerial and marketing strategies and identified and implemented actions that will boost profitability even further. Moreover, branch and Customer Relationship Manager profitability figures serve as important performance criteria for the Bank. The ARGUS system delivers Profitability Reports to users.

Akbank integrated the outcomes of the Profitability System with operational systems and they have begun to be utilized at various points as part of the effort to perfect the services provided to customers at the branches.

As part of the Profitability System, the Bank periodically evaluated its profitability on a weekly and monthly basis in terms of the following dimensions:

- Customer profitability,
- Customer Relationship Manager (CRM) profitability,
- Branch profitability,
- Segment profitability,
- Business unit profitability,
- Product profitability.

Expense and Investment Management

Under the various strategic expense and investment management initiatives, the Bank performed analyses and modeling efforts to further reinforce Akbank's leadership in the sector in terms of efficiency; as a result, the Bank achieved organization-wide increases in efficiency.

Budget

Akbank has an integrated, efficient and dynamic budgeting process that operates at the business unit, region and branch level.

The triennial strategic planning survey is also reviewed each year alongside the budget and the Bank's medium and long-term objectives and action plans are determined. Performance of the Bank is then monitored via monthly estimates generated throughout the year as well as by way of comparative analyses of periodic financial and operational realizations with the budget. In accordance with changes in the economic outlook, the budget is revised if and when it becomes necessary.

Information Security

Akbank analyzed, automated and monitored results of the trial product audits put in service at the Bank with the support of the Information Technology Department. In order to increase information security, the Bank implemented new processes and technical measures and made new developments in authorization data, processes and operation. Akbank updated its information security policies in accordance with contemporary changes and threats. Initiatives to increase information security awareness continued and the Bank provided users with classroom and online training sessions as well as informational messages.

AKBANK HAS AN INTEGRATED, EFFICIENT AND DYNAMIC BUDGETING PROCESS THAT OPERATES AT THE BUSINESS UNIT, REGION AND BRANCH LEVEL. THE BANK ALSO REVIEWS ITS THREE-YEARLY STRATEGIC PLANNING SURVEY EACH YEAR ALONGSIDE THE BUDGET AND DETERMINES ITS MEDIUM AND LONG-TERM OBJECTIVES AND ACTION PLANS. BANK PERFORMANCE IS THEN MONITORED VIA MONTHLY ESTIMATES GENERATED THROUGHOUT THE YEAR AS WELL AS BY WAY OF COMPARATIVE ANALYSES OF PERIODIC FINANCIAL AND OPERATIONAL REALIZATIONS WITH THE BUDGET.

SUBSIDIARIES

WITH ITS SPECIALIZED STAFF, AKSECURITIES OFFERS DIVERSE OPPORTUNITIES FOR ITS INVESTORS 24 HOURS A DAY, FIVE DAYS A WEEK.

AK Securities

Founded in 1996 to engage in capital markets operations in accordance with the provisions of the Capital Market Law and other related legislation, AKSecurities is a wholly-owned subsidiary of Akbank.

AKSecurities turned over its domestic customer accounts to Akbank, after which domestic retail customers perform their transactions through Akbank Call Center, Akbank Capital Markets Department and Akbank branches. In addition, customers have remote access to capital markets transactions via the Akbank Internet Branch 24 hours a day, seven days a week. Achieving fast and steady growth since its inception, AKSecurities focuses on institutional clients with the highest-quality service approach.

AKSecurities renders brokerage services in Turkish capital markets products to domestic and foreign institutional customers through its Institutional Sales and Trading Departments.

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

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

In addition, AKSecurities, with the International Markets Department, provides fast and reliable access to international financial markets for individual and institutional investors on a single electronic trading platform. With its experienced and dynamic specialized staff, AKSecurities offers investment opportunities in various risk and asset classes, from leveraged forex markets and futures and options contracts to international equities and equity mutual funds, for investors 24 hours a day, five days a week.

AKAsset Management

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

AKAssetManagement manages 24 mutual funds chartered by Akbank and AKSecurities, 23 Capital Protected Investment Funds launched by Akbank, 20 pension investment funds for AvivaSA Pension and Life Insurance Company, 12 pension investment funds for Groupama Pension Company, and two Akbank SICAV funds. AKAssetManagement also provides discretionary asset management services for large individual investors as well as large institutional investors, tailored to their financial expectations and risk profiles.

Total assets under management rose from TL 9.9 billion at year-end 2012 to TL 10.5 billion as of year-end 2013, corresponding to 5% growth for the year. AKAssetManagement ranked third in the Turkish asset management industry and fourth in the Turkish mutual fund sector in terms of assets under management (AUM). Total AUM of mutual fund portfolios managed by AKAssetManagement stands at TL 2.8 billion as of year-end 2013, with a market share of 9.1%.

AKAssetManagement is the market leader in the Turkish pension investment fund management sector in terms of assets under management with a market share of 21.8%. As of July 2012, AKAssetManagement assumed the management of nine pension investment funds chartered by Groupama Pension Company. Total AUM of the pension investment fund portfolios managed by the Company continued to grow steadily and reached TL 5.7 billion as of year-end 2013.

Established in 2006 and growing rapidly, Akbank's Discretionary Portfolio Management business line reached TL 1.8 billion in assets under management as of year-end and became the market leader in this segment with a 25.3% market share.

In its asset management processes, the company pursues an investment strategy that focuses on liquidity and asset diversification while prioritizing risk management based on predefined rules.

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

AKAssetManagement first entered Japan, one of the world's largest financial markets, in October 2013 as the manager of the first Turkish lira-based money market fund established by Sompo Japan Nipponkoa Asset Management. Subsequently, in November 2013, the company took the second step as the manager of the Turkish Equities Fund founded by Mizuho Financial Group.

For the second straight year, AKAssetManagement was honored with the "Best Investment Management" in Turkey award from World Finance and EMEA Finance. As a result, the company left its rivals far behind in terms of risk management, investment processes, new product development and sustainable performance criteria that it implements at international standards.

Thanks to its comprehensive, innovative and successful products in the Capital Protected Funds market, ranging from Turkish equities and commodities to European and Asian indices, AKAssetManagement last year won the "Best in Turkey" award at the Structured Products Europe Awards. The awards competition is presented by Structured Products Magazine, owned by Incisivemedia Group.

SUBSIDIARIES

AKLEASE, A 99.99%-OWNED SUBSIDIARY OF AKBANK, PROVIDES CUSTOMIZED LEASING SOLUTIONS FOR THE INVESTMENT AND FINANCING NEEDS OF SME, COMMERCIAL AND CORPORATE CLIENTS OPERATING IN ALL SECTORS THAT CONTRIBUTE TO TURKEY'S DEVELOPMENT.

AKLease

Always breaking new ground in the industry, AKLease continued on its steady growth, trust and success-oriented journey of 25 years in 2013.

AKLease, a 99.99%-owned subsidiary of Akbank, meets the investment and resource needs of SME, commercial and corporate clients operating in all sectors that contribute to Turkey's development via customized leasing solutions.

In 2013, AKLease lent its support to companies that want to grow their businesses through sector-specific leasing solutions as well as its innovative "Sell and Lease Back" product, Boomerang Leasing. As such, AKLease solidified its pioneering position in the industry while speeding up initiatives on lean process management that will enhance customer satisfaction along with developing the new website that will clearly outline the advantages of leasing.

Implementing innovative strategies in a quest for long-term, low-cost resources to be passed on to its customers, AKLease broke new ground in the sector in April 2013 and issued US$ 250 million in Eurobonds with a maturity of five years. The placement was more than 3.3 times oversubscribed thanks to heavy interest from nearly 100 banks in Europe, the UK, Asia and the Middle East.

A model company in the industry thanks to its steady and uninterrupted growth, AKLease increased net leasing receivables to TL 3.3 billion in 2013, up 60% compared to year-end 2012. AKLease solidified its financial success story by ranking among the leading companies in the leasing market in terms of net leasing receivables, return on equity (ROE) and asset quality.

In December 2013, the international rating agency Fitch Ratings affirmed AKLease's long-term Turkish lira and long-term foreign currency ratings as BBB, one notch above investment-grade, and its long-term national rating as AAA, the highest rating possible.

Leveraging on the strength and energy of its sound financials and experienced and specialized workforce, AKLease will strive to increase support for SMEs and all other segment customers to realize their investment goal in the year ahead.

AKBANK ART CENTER

AKBANK ART CENTER ESTABLISHES A BRAND FOR THE INNOVATIVE AND VISIONARY IDENTITY AKBANK PURSUES IN THE ARTS.

Celebrating its 20th anniversary in 2013, Akbank Art Center was established in 1993 in order to brand the innovative and visionary identity Akbank pursues in arts.

Having sponsored over 700 events throughout the year, the center has carried on its role as a pioneer in the development of contemporary art in Turkey and in its delivery to every segment of the society.

Akbank Art Center continued its events in various branches of arts ranging from exhibitions to concerts, from theatrical plays to films, from dance to children's workshops.

Throughout 2013, Akbank Art Gallery was the host to "The Human Adventure" exhibition by Magdalena Abakanowicz, who is one of the most significant sculptors of modern day, "The Life of Others. Repetition and Survival" titled exhibition by Mexican curator Alejandra Labastida, who was the winner of the International Curator Competition, as well as Akbank Contemporary Artists Prize Exhibition and Akbank Art Center Print Studio Exhibition. In the print exhibition, a selection of lithography and serigraphy works produced in the Akbank Print Studio for the last 20 years was displayed. With the help of these exhibitions, Turkish and international artists came together on a common platform.

Many Turkish and international artists have given concerts within the scope of "Piano Days," "Guitar Days" and "Jazz Days" in the Multi-Purpose Hall. Moreover, acclaimed authors, poets, and critics from the literary and art circles came together with art enthusiasts during panels and conversations also held in the Multi-Purpose Hall.

Akbank Art Center's Dance Workshop recorded many international achievements, organized workshops with internationally acclaimed choreographers and dance instructors, and continued dance lessons for children and adults throughout 2013 as well.

While celebrating its 41st anniversary, Akbank Children's Theatre yet again, broke new ground in 2013 and collaborated with Polka Theater in London and presented the children's play "Inside Out," which was created from the scripts written by participating children.

As part of its 20th anniversary, Akbank Art Center's published "Contemporary Art in Turkey," a book written by Hasan Bülent Kahraman. The book describes the last 30 years in Turkey and the world in terms of artistic developments along with social and cultural developments under three main sections, 1980's, 1990's, and 2000s. The publication stands as a reference book for both art sociology and art philosophy.

The 9th Akbank Short Film Festival, which is a prominent platform for short films in Turkey that strives to support new ideas and contributes to short film culture, presented cinema enthusiasts with the opportunity to enjoy important films shown in international festivals through workshops and conversations during a 10-day festival. Two short films were shown at 40 universities in 20 cities as put of the 9th Akbank Short Film Festival at Universities event.

At Contemporary Istanbul 2013, held under the sponsorship of Akbank Private Banking, Akbank Art Center brought the exhibition of "Mastering Bambi" by Dutch artists Persijn Broersen and Margit Lukacs to art enthusiasts.





Anish KAPOOR/Non-Object (Pole)/2008/Stainless steel

BOARD OF DIRECTORS

Suzan Sabancı Dinçer CBE
Chairman and Executive Board Member

Ms. Suzan Sabancı Dinçer is the Chairman and Executive Board Member of Akbank.Ms. Sabancı Dinçer began her career in banking in 1986 and joined Akbank in 1989. Ms. Sabancı Dinçer is a member of the Institute of International Finance Board of Directors and Emerging Markets Advisory Board, Harvard University's Global Advisory Council and Harvard Business School's Global Leaders Circle. Ms. Sabancı Dinçer founded Akbank's International Advisory Board, a platform to discuss and evaluate global and local economic developments and their strategic implications for Turkey. She also sits on the Chatham House Panel of Senior Advisers. She is the Chairperson of the Turkish-British Business Council of Foreign Economic Relations Board of Turkey (DEIK). Ms. Sabancı Dinçer is on the Board of Directors of the Global Relations Forum and a TÜSİAD (Turkish Industry and Business Association) member. She is also the Luxembourg Honorary Consul in Istanbul. In 2012, Her Majesty Queen Elizabeth II awarded Ms. Suzan Sabancı Dinçer the title of "Commander of the Most Excellent Order of the British Empire (CBE)" in recognition of her proactive and influential contributions to the development of Turkey-UK relations. Suzan Sabancı Dinçer is strongly committed to social responsibility activities and assumes various positions in the fields of culture, education, the promotion of entrepreneurship and environmental protection: she is a member of the Board of Trustees of Sabancı University, as well as a founding member and board member of Endeavor Turkey and of the Advisory Board of Akbank Sanat. Under her stewardship, Akbank became the first deposit bank in Turkey to issue a GRI (Global Reporting Initiative) rated Sustainability Report. It also pioneered the Carbon Disclosure Project in Turkey. Suzan Sabancı Dinçer holds a BA in Finance from Richmond College in the UK and an MBA from Boston University in the USA. Ms. Sabancı Dinçer is married with two children.

Erol Sabancı
Honorary Chairman and Consultant to the Board
Board Member

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

Hayri Çulhacı
Vice Chairman and Executive Board Member

Hayri Çulhacı was elected as Vice Chairman on July 18, 2010 and was appointed Chairman of the Audit Committee and Executive Risk Committee on January 17, 2011. Having joined Akbank as an Executive Vice President in 1990, Çulhacı was consecutively appointed as Executive Vice President in charge of Corporate Communications, Investor Relations and Strategy; as Advisor to the Chairman; and as Executive Board Member. Prior to joining Akbank, Hayri Çulhacı worked as Financial Analyst and Department Head in the Ministry of Finance. Çulhacı holds a BA degree in Economics from Ankara University, Faculty of Political Sciences and an MBA degree from Northeastern University in the USA. Hayri Çulhacı is a member of the Board of Trustees of Sabancı Foundation, a Board Member of Aksigorta A.Ş., and AvivaSA A.Ş.

Cem Mengi *
Executive Board Member

Cem Mengi was elected as Executive Board Member in charge of credits as of 10 February 2014. Prior his appointment, during his career Mengi has successfully served in different private banks as Executive Vice President and Assistant CEO. He joined Akbank in 2001 as Senior Vice President in charge of Corporate Banking and Project Finance. Later, between 2008-2011 he served the Bank as Executive Vice President in charge of Corporate Banking and Project Finance. Cem Mengi achieved 'A levels' in Mathematics and Physics in the U.K. and graduated from International University with a bachelor's degree in Management Information Systems, Faculty of Management and Administration.

James Charles Cowles
Board Member

James C. Cowles, is Citi's Chief Executive Officer for Europe, Middle East & Africa (EMEA). Prior to assuming his current position, James C. Cowles was Chief Operating Officer for EMEA and Head of Western Europe at Citi. He has also held the position of Head of Markets (EMEA), Global Head of Equities and Global Head of Equity Capital Markets (new issue product).

James C. Cowles joined Smith Barney in 1979. His previous roles have included: Head of Equities (EMEA), Deputy Head of Investment Banking, Head of Real Estate Investment Banking and Commercial Mortgage Trading, Head of Debt Capital Markets and Head of Direct Investments. James C. Cowles has also served from 2010 on the Board of Directors, Executive Committee and as Treasurer of AFME (Association for Financial Markets in Europe).

James C. Cowles graduated Phi Beta Kappa from Denison University in 1977 with a BA in Economics. He graduated with an MBA from The Wharton School, University of Pennsylvania in 1979.

*Since February 2014

Hikmet Bayar*
Board Member

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

Yaman Törüner
Board Member

Yaman Törüner became a member of the Board of Directors in March 1998. Having served as a Member of Parliament between 1995 and 1999, Yaman Törüner also served as a Minister of State in 1996. Between 1990 and 1994, Yaman Törüner served as the President of the Istanbul Stock Exchange and from 1972 until 1990 he worked in various administrative positions within the Central Bank of Turkey, also serving as the Governor of the Central Bank of Turkey between February 1994 and January 1996. Yaman Törüner is an op-ed columnist in the Milliyet daily as well as a Member of the Board of Trustees of Istanbul Aydın University.

Aykut Demiray
Board Member

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

Kaan Terzioglu
Board Member

Kaan Terzioglu joined Akbank as a Member of the Board of Directors on April 3, 2012. Terzioğlu began his career at Arthur Andersen and Company in Istanbul as an auditor and financial consultant and moved into management consulting in Chicago and Brussels focusing on information technologies, information security and knowledge management from 1990 to 2000. Terzioğlu worked for Cisco Systems for the last 12 years holding various executive responsibilities and serving in numerous international positions. A member of TUSIAD, Kaan Terzioğlu is a certified public accountant at the Istanbul Chamber of Certified Public Accountants and Sworn Financial Advisors. In addition, he is a member of the Board of Directors at Aksigorta A.Ş., Teknosa İç ve Dış Ticaret A.Ş. and Neostratus. Kaan Terzioğlu is a graduate of Bosphorus University, Faculty of Business Administration, Department of Business Administration.

**He resigned from the Board of Directors membership on January 2014.*

*** He served as an Executive Board Member until February 2014.*

Özen Göksel**
Executive Board Member

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

Hakan Binbaşgil
Board Member and CEO

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

INTERNAL AUDITOR

Internal Auditor

Eyüp Engin
Head of Internal Audit

Eyüp Engin joined Akbank in 1978 as an Assistant Internal Auditor. Following his auditing assignment, Eyüp Engin served as Department Head in Treasury, International Banking and Overseas Financial Institutions. He was appointed as the Executive Vice President in charge of International Banking in 1996. Subsequently, Engin served as Executive Vice President in charge of International Banking and Overseas Financial Institutions Marketing. Eyüp Engin was appointed to his current position of Head of Internal Audit in July 2007. He is a graduate of Middle East Technical University, Faculty of Economics and Business Administration.

INTERNATIONAL ADVISORY BOARD

Kemal Derviş
Chairperson

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

Josef Ackermann
Member

Josef Ackermann has been the Chairman of the Board of Directors of Zurich Insurance Group since March 2012. Prior to his position as Chairman, he served as Vice-Chairman for two years. After obtaining his doctorate in 1977, he joined Schweizerische Kreditanstalt (SKA). In 1990, he was appointed to the Board of Directors of SKA, becoming its Chairman in 1993. In 1996, Mr. Ackermann joined the Management Board of Deutsche Bank AG; in 2002, he became the Spokesman of the Management Board and Chairman of the Group Executive Committee and between February 2006 and May 2012 he was the Chairman of the Management Board. Mr. Ackermann is a Member of the Supervisory Board of Siemens AG, Germany (Second Deputy Chairman), a Member of the Board of Directors of Royal Dutch Shell, the Netherlands and of Investor AB, Sweden, as well as Vice-Chairman of the Board of Directors of Belenos Clean Power Holding Ltd, Biel. He also plays an active role in the World Economic Forum (Co-Chairman of the Foundation Board), the St. Gallen Foundation for International Studies (Chairman), the Foundation Lindau Nobelprizewinners Meetings at Lake Constance (Honorary Senate Member) and the Metropolitan Opera New York (Advisory Director). In 2007, Mr. Ackermann accepted an appointment as visiting professor in finance at the London School of Economics. In July 2008, he was appointed as Honorary Professor at Frankfurt's Johann Wolfgang Goethe University. Furthermore, he is an Honorary Fellow of the London Business School and holds an Honorary Doctorate from the Democritus University of Thrace in Greece. Mr. Ackermann studied economics and social sciences at the University of St. Gallen and received his PhD in 1977.

Sir Winfried Bischoff
Member

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

Gao Jian
Member

Member of the CPC China Development Bank Committee and vice governor of China Development Bank since July 2003, Gao Jian graduated with a Doctorate' s degree in Finance from the Institute of Financial Sciences of the Ministry of Finance of China. Successively held the posts of vice director of the Department of Laws and Regulations, vice director of the Department of State Debt Administration, director of the Department of State Debt Administration and director of the Department of Laws and Regulations of the Ministry of Finance between September 1990 and October 1998; assumed the post of chief economist, Director General of Treasury Department and concurrently chief representative of the Hong Kong Office of China Development Bank in October 1998; appointed member of the CPC China Development Bank Committee, assistant to governor and concurrently Director General of the Treasury Department and chief representative of the Hong Kong Office of China Development Bank in April 2001.

Michael Klein
Member

Michael Klein is the Managing Partner of M. Klein and Company, LLC, which is a leading independent financial and strategic advisor to companies, investors, and governments. Mr. Klein was previously the Chairman of Citi's Institutional Clients Group and Vice Chairman of Citi, Inc. In that capacity, Mr. Klein was responsible for managing the Bank's relationships with leading companies, investment funds, and governments in more than 100 countries. Prior to that time, Mr. Klein held a number of positions at Citigroup and Salomon Smith Barney including Head of Investment Banking. Mr. Klein led the efforts to build Citigroup's European businesses including the acquisition of the Investment Bank Schroder's PLC. He was also the founder of the firm's efforts advising and raising funds for private equity and other alternative investment firms. Mr. Klein is a member of various boards including: the Board of The Dow Chemical Company Agrosciences, IHS Inc., the Peterson Institute for International Economics, the American Academy of Berlin, Mount Sinai Medical Center and the Harvard Belfer Center. He is also an inaugural member of the United Nations' World Food Programme Investment Advisory Board.
Mr. Klein has served as a guest lecturer at Columbia, Harvard, The London School of Business, The St. Petersburg University and at various educational programs arranged by the US Government, including the Federal Reserve and the Securities and Exchange Commission.

Lubna Olayan
Member

Lubna Olayan is the Deputy Chairman and Chief Executive Officer of the Olayan Financing Company, a subsidiary of the Olayan Group, which operates in Saudi Arabia and the Middle East. Olayan is also a member of the Board of Directors of Saudi Hollandi Bank, a publicly listed company in Saudi Arabia, and has been a member of the Board of Directors of WPP since March 2005. Lubna Olayan is a member of the International Advisory Board of the Council on Foreign Relations, a member of the Board of Directors of INSEAD and serves on the Board of Trustees of Cornell University and KAUST (King Abdullah University of Science and Technology). In October 2006, Olayan joined the International Advisory Board of Rolls Royce.

Rodrigo de Rato
Member

Chairman of Caja Madrid since January 2010, Rodrigo Rato served as the managing director of the International Monetary Fund between 2004 and 2007. Previously, he had been Vice-President for Economic Affairs and Finance Minister for the Spanish government, from 1996 until 2004. During his tenure as the Finance Minister, he represented Spain at the IMF, the World Bank, the European Reconstruction and Development Bank and the European Investment Bank meetings. He holds a law degree from the Universidad Complutense in Madrid, an MBA from the University of California, and a doctorate in economics from the Universidad Complutense.

Hamid Biglari
Member

Hamid Biglari is formerly Vice-Chairman and Head of Emerging Markets at Citigroup. He was a member of Citigroup's Operating Committee and held various senior management roles throughout his tenure at the institution, including Chair of the Business Development Committee (the most senior client committee in the bank) and Chief Operating Officer of the Institutional Client Group (the investment and corporate banking arm of the bank). Prior to joining Citigroup, Dr. Biglari was a Partner at McKinsey & Company, where he co-led the Firm's investment banking consulting practice. In that role, he advised CEOs at several bulge-bracket investment banks, commercial banks, insurance companies, investment management companies, and private equity firms. His experience base spans the entire spectrum of financial services. Prior to that, Dr. Biglari was a theoretical nuclear physicist at Princeton University's Plasma Physics Laboratory, the nation's leading center for controlled thermonuclear fusion research. He is a member of Council on Foreign Relations as well as a Trustee of Asia Society. He also sits on the Advisory Board of the Bendheim Center for Finance at Princeton University.
In 2009, Dr. Biglari was awarded the Ellis Island Medal of Honor, given for outstanding contributions to the United States by immigrants. Dr. Biglari holds a Ph.D. degree in Astrophysical Sciences from Princeton University.

Suzan Sabancı Dinçer
Member

Hayri Çulhacı
Member

Cem Mengi *
Member

Hakan Binbaşgil
Member

*Since February 2014.



(3) (18) (11) (10) (19) (15) (2) (4) (5) (1)

EXECUTIVE MANAGEMENT

HAKAN BİNBAŞGİL (1)
Board Member and CEO

AHMET FUAT AYLA (2)
Executive Vice President-Credits

HÜLYA KEFELİ (3)
Executive Vice President- International Banking

K. ATIL ÖZUS (4)
Executive Vice President-CFO

A. GALİP TÖZGE (5)
Executive Vice President-Consumer Banking

BADE SİPAHİOĞLU IŞIK (6)
Executive Vice President- Human Resources

MEHMET SINDEL (7)
Executive Vice President- Payment Systems and Corporate Communication

KERIM ROTA (8)
Executive Vice President-Treasury

KAAN GÜR (9)
Executive Vice President- Commercial Banking

ALPER HAKAN YÜKSEL (10)
Executive Vice President- Corporate Banking

SALTIK GALATALI (11)
Executive Vice President- Private Banking

TURGUT GÜNEY (12)
Executive Vice President-Information Technology

ORKUN OĞUZ (13)
Executive Vice President- Direct Banking

BÜLENT OĞUZ (14)
Executive Vice President – SME Banking

ÖZLEN SANIBELLI (15)
Executive Vice President - Operations

Anish KAPOOR/ Yellow/ 1999/ Fibreglass and pigment



(8) (6) (13) (7) (16) (14) (12) (9) (17)

SUBSIDIARIES

K. BANU ÖZCAN (16)
Akbank AG Chairman of the Managing Board & CEO

S. TUNCER MUTLUCAN (17)
AKLease General Manager

ATTILA PENBECI (18)
AKSecurities General Manager

ALP KELER (19)
AKAssetManagement General Manager

CEM ATAÇ*
Akbank (Dubai) Ltd. General Manager

** Not in the photograph.*

EXECUTIVE MANAGEMENT

Hakan Binbaşgil (1)
Board Member and CEO

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

Ahmet Fuat Ayla (2)
Executive Vice President - Credits

Ahmet Fuat Ayla joined Akbank as Corporate Branch Manager in 2002, became the Senior Vice President in charge of Corporate and Commercial Credits Approval Unit in 2005 and was appointed as Executive Vice President in charge of Corporate and Commercial Credits Approval in 2007. Ahmet Fuat Ayla currently serves as Executive Vice President in charge of the Monitoring and Approval of Consumer, Corporate, Commercial and SME Loans. Before joining Akbank, Ahmet Fuat Ayla held various senior management positions at different private sector banks. Ahmet Fuat Ayla is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration

Hülya Kefeli (3)
Executive Vice President - International Banking

Hülya Kefeli has held various positions in the Foreign Relations and International Banking Divisions of Akbank since 1983 before being appointed as Executive Vice President in charge of International Banking in 2007. Kefeli is also a Member on the Board of Directors of Akbank (Dubai) Limited and AKLease. She is a member of the Executive Board of the Foreign Economic Relations Board (DEİK)'s China and UK Business Councils. After attending Robert College, Hülya Kefeli graduated from Istanbul Technical University, Faculty of Business Administration and Engineering.

K. Atıl Özus (4)
Executive Vice President - CFO

Atıl Özus joined Akbank in November 2000 as Vice President of Financial Control and Risk Management, and later became Senior Vice President. In December 2007, he was appointed as Executive Vice President (CFO) in charge of Financial Coordination. Before joining Akbank, Atıl Özus served as an Audit Manager at Ernst&Young. A graduate of Boğaziçi University, Department of Business Administration, Atıl Özus is a Board Member on all of Akbank's subsidiaries.

A. Galip Tözge (5)
Executive Vice President - Consumer Banking

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

Bade Sipahioğlu Işık (6)
Executive Vice President - Human Resources

Bade Sipahioğlu Işık joined Akbank in 2001 as Human Resources Planning Vice President. After serving as Human Resources and Organization Senior Vice President, she was appointed as Executive Vice President in charge of Human Resources in September 2010. Prior to joining Akbank, Bade Sipahioğlu Işık held various positions in the field of human resources at Intertech, Humanitas and other private sector banks. A graduate of Marmara University, Public Administration (French), Bade Sipahioğlu Işık has a Master's degree in Business Management and Corporate Social Development from Institut Des Etudes Politiques in Paris.

Mehmet Sindel (7)
Executive Vice President – Payment Systems and Corporate Communication

Mehmet Sindel joined Akbank in November, 2010 as Executive Vice President in charge of Payment Systems. Prior to joining Akbank, he held various senior management positions at different private sector banks. Mehmet Sindel is a graduate of Boğaziçi University, Faculty of Business Administration.

Kerim Rota (8)
Executive Vice President-Treasury

Kerim Rota joined Akbank in November 2010 as Executive Vice President in charge of Treasury. Before joining Akbank, Kerim Rota served as Executive Vice President at various different private sector banks. Kerim Rota is a graduate of Gazi University, Faculty of Engineering. Rota also holds a Master's degree in Business Administration from Bilgi University.

Kaan Gür (9)
Executive Vice President – Commercial Banking

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

Alper Hakan Yüksel (10)
Executive Vice President - Corporate Banking

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

Saltık Galatalı (11)
Executive Vice President - Private Banking

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

Turgut Güney (12)
Executive Vice President - Information Technology

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

Orkun Oğuz (13)
Executive Vice President - Direct Banking

Orkun Oğuz joined Akbank as Executive Vice President in charge of Direct Banking in January 2013. Oğuz began his career working as a Marketing Analyst at FedEx in the United States and later served for many years as a Managing Partner at Peppers & Rogers Group, serving as Chief Executive Officer first of the EMEA region and finally of the U.S. office and providing consultancy on Banking and Financial Services. Oğuz is a graduate of Boğaziçi University, Department of Mechanical Engineering and holds an MBA degree in Management from the University of Georgia in USA.

Bülent Oğuz (14)
Executive Vice President – SME Banking

Bülent Oğuz joined Akbank as a Manager on March 2003. He served as Vice President and Senior Vice President of SME and Consumer Banking respectively. Oğuz was appointed as Executive Vice President in charge of SME Banking as of 1 July 2013. Before joining Akbank, Oğuz held various managerial positions at Corporate Banking and Loans divisions at different private sector banks. Oğuz is a graduate of Middle East Technical University, Political Science and Public Administration and holds an Executive MBA degree from Sabancı University.

Özlen Sanıbelli (15)
Executive Vice President - Operation

Özlen Sanıbelli joined Akbank in January 2003 as Senior Vice President in charge of Branch Network Restructuring as part of the bank's Restructuring Programme and later established the Quality Management department where Ms. Sanıbelli served as Senior Vice President. Between 2007 and 2008, Ms. Sanıbelli was in charge of the project management processes of Akbank Banking Center in Gebze. In addition to Quality Management responsibility, Ms. Sanıbelli executed Process Management and contributed to improve operational efficiency of the Bank since 2009 prior to her appointment as Executive Vice President in charge of Operations in October 2013. Sanıbelli graduated from Istanbul Technical University, Industrial Engineering department. She also holds an MBA degree in Engineering Management from the same university.

SUBSIDIARIES

K. Banu Özcan (16)
Akbank AG, Chairman of the Managing Board and General Manager

K. Banu Özcan was appointed General Manager of Akbank N.V. in September 2001. Following the merger of Akbank N.V. and Akbank AG, she was appointed the Chairman of the Managing Board and General Manager of Akbank AG as of June 2012. Prior to joining Akbank, Ms. Özcan held various positions at BNP-AK-Dresdner Bank A.Ş. and other overseas financial institutions. A graduate of Ludwig-Maximilians University, Department of Business Administration, K. Banu Özcan also serves as Member of the Akbank AG Audit Committee. Ms. K. Banu Özcan serves as a Member of the Board of Directors of the Association of Foreign Banks in Germany.

S. Tuncer Mutlucan (17)
AKLease, General Manager

S. Tuncer Mutlucan was appointed General Manager of Ak Finansal Kiralama A.Ş. ("AKLease") in August 2010. Prior to joining AKLease, Mr. Mutlucan served in a number of capacities at a different private bank. In addition, he also served as General Manager and Executive Committee Member of the Netherlands-based Akbank N.V. Mr. Mutlucan is a graduate of Boğaziçi University, Department of Civil Engineering. He serves as a Member of the Board of Directors at the Association of Financial Leasing, Factoring and Financing Companies (Association of Financial Institutions) as a representative of AKLease. Mr. Mutlucan is a graduate of Boğaziçi University, Department of Civil Engineering.

Attila Penbeci (18)
AKSecurities, General Manager

Attila Penbeci joined AKSecurities in 2003 as Department Manager in order to establish the International Institutional Sales and Trading Department. He was promoted to Executive Vice President in 2008 and was appointed General Manager in 2009. Prior to joining AKSecurities, Mr. Penbeci served in the International Capital Markets (ICM) departments of various banks and brokerage houses. Attila Penbeci graduated with honors from Queen's University in Ontario, Canada and holds an MBA degree from McGill University in Quebec.

Alp Keler (19)
AKAssetManagement, General Manager

Dr. Alp Keler joined AKAssetManagement as General Manager in 2011. Prior to joining AKAssetManagement, Dr. Keler held senior executive posts at various financial institutions.

A graduate of Middle East Technical University, Department of Civil Engineering, he holds an MBA degree from Bilkent University, an MA in Economics Law from Galatasaray University and PhD in banking from Marmara University.

Cem Ataç
Akbank (Dubai) Ltd., General Manager

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

Changes in the Organizational Structure during the Year

Orkun Oğuz was appointed Executive Vice President in charge of Direct Banking, the recently established business unit of Akbank. Mr. Oğuz began his new duty on January 2, 2013.

James C. Cowles, Citigroup's Chief Executive Officer for Europe, Middle East & Africa (EMEA), was appointed to replace Hamid Biglari following his resignation from his post as Member of Akbank's Board of Directors.

Ş. Yaman Törüner was appointed Akbank Audit Committee Member to replace A. Aykut Demiray on February 26, 2013.

Zeki Tunçay, Executive Vice President in charge of the Credit Follow-Up and Support Services Business Unit, resigned from his duties and retired as of July 1, 2013.

Bülent Oğuz, who has served in managerial roles in various departments at the Bank since 2003, was appointed Akbank Executive Vice President in charge of SME Banking as of July 1, 2013.

It was resolved that Cenk Kaan Gür will continue to serve as Executive Vice President in charge of Commercial Banking as of the same date.

Executive Vice President of Operations Business Unit Sevilay Özsöz and Executive Vice President of Strategy Business Unit Tunç Akyurt resigned from their duties as of September 30, 2013.

Senior Vice President of Quality and Process Management Özlen Sanıbelli was promoted to Executive Vice President of Operations Business Unit as of October 1, 2013.

BOARD OF DIRECTORS COMMITTEES

Audit Committee

The Audit Committee carries out the auditing and oversight activities on behalf of the Board of Directors. Specifically, the Audit Committee assists the Board of Directors in executing its responsibilities with regard to the matters stipulated below:

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

The Audit Committee receives regular reports from all units created under the internal control, internal audit and risk management systems as well as from independent auditors regarding the execution of their respective duties. It is incumbent on the Committee to notify the Board of Directors of issues that may undermine the sustainability and credibility of the Bank's business and/or lead to breach of legislation and internal regulations of the Bank. The Bank's subsidiaries have also formed audit committees. Akbank's Audit Committee monitors the operations and activities of the subsidiaries' audit committees. Unless excused, all Committee members attend the meetings. The Audit Committee members do not have a set term of office. The Audit Committee convenes at least four times each year.

Hayri Çulhacı
Chairman (Vice Chairman and Executive Board Member)
Yaman Törüner
Member (Board Member)

Background Information of Executives in Charge of Internal Systems Units

Hayri Çulhacı, Board Member in charge of Internal Systems responsible for Internal Audit System, Internal Control and Compliance System and Risk Management System. Please see page 70 of the Annual Report for Hayri Çulhacı's background information.
Eyüp Engin, Head of Internal Audit
Please see page 71 of the Annual Report for Eyüp Engin's background information.

Yaşar Bozyürük, Head of Internal Control Compliance

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

Şebnem Muratoğlu, Senior Vice President of Risk Management

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

Credit Committee

The Credit Committee is the ultimate executive body to ratify lending decisions, assessing loan proposals that are cleared by the Head Office in terms of their compliance with legislation, banking principles and objectives and lending policies of the Bank. Unless excused, all Committee members attend the meetings. The Credit Committee convenes on an as-needed basis.

Suzan Sabancı Dinçer, Member (Chairman and Executive Board Member)*
Cem Mengi, Member (Executive Board Member)**
Hakan Binbaşgil, Member (Board Member and CEO)

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

** Suzan Sabancı Dinçer was a member of Credit Committee until February 2014. Since then, she has served as the Chairman of the Committee instead of Özen Göksel.*

*** Since February 2014.*

BOARD OF DIRECTORS COMMITTEES

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

Appraisal Subcommittee

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

Executive Risk Committee (ERC)

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

Unless excused, all Committee members attend the meetings. The Committee convenes at least four times each year.

Hayri Çulhacı, Chairman (Vice Chairman and Executive Board Member)
Suzan Sabancı Dinçer, Member (Chairman and Executive Board Member)
Cem Mengi, Member (Executive Board Member)
Hakan Binbaşgil, Member (Board Member and CEO)

Corporate Governance Committee

Duties, authorities and responsibilities of the Corporate Governance Committee:

- Attaining, overseeing and communicating the Bank's compliance with the Corporate Governance Principles,
- Scoping and overseeing relationships with investors as well as authorized bodies such as Capital Markets Board (CMB) and Borsa Istanbul (BIST),
- Ensuring and overseeing the establishment of an honest and transparent communications platform with the Bank's stakeholders,
- Formulating the Code of Ethics and overseeing compliance,
- Creating a transparent system in the areas of identification, evaluation and training of suitable candidates for the Board of Directors; and devising policies and strategies in this matter. The members of the Remuneration Committee are responsible for overseeing, supervising and reporting the remuneration practices on behalf of the Board of Directors.

The Committee convenes twice a year.

Hayri Çulhacı, Chairman (Vice Chairman and Executive Board Member)
Suzan Sabancı Dinçer, Member (Chairman and Executive Board Member)
Yaman Törüner, Member (Board Member)

Members of the Board of Directors:
Hayri Çulhacı and Yaman Törüner are the members of the Remuneration Committee.

Asset-Liability Committee (ALCO)

The Asset-Liability Committee (ALCO) is a subcommittee presided by the CEO. Responsible for daily liquidity and cash management, ALCO meets twice a week to take up developments in the economy and in the markets. In addition, development of investment, pricing and funding strategies as well as taking decisions regarding daily liquidity management are also among the ALCO's responsibilities. Unless excused, all Committee members attend the meetings.

Hakan Binbaşgil, Chairman (CEO)
Atıl Özus, Member (Executive Vice President-CFO)
Galip Tözge, Member (Executive Vice President-Consumer Banking)
Kerim Rota, Member (Executive Vice President-Treasury)
Kaan Gür, Member (Executive Vice President-Commercial Banking)
Bülent Oğuz, Member (Executive Vice President - SME Banking)
Alper Hakan Yüksel, Member (Executive Vice President-Corporate Banking)
Şebnem Muratoğlu, Member (Senior Vice President-Risk Management)

** He appointed to the position of Özen Göksel as of February 2013.*

SUMMARY REPORT OF THE BOARD OF DIRECTORS

Akbank had a successful performance in 2013 in terms of growth, profitability and market share gains. In 2013, Akbank's consolidated pre-tax profit reached TL 4,064 million while consolidated net profit increased to TL 3,077 million. Akbank's return on equity increased to 14% and return on assets actualized as 1.7% in 2013.

In 2013, Akbank's total consolidated assets reached TL 195.5 billion with a 19.6% annual increase, while lending surged by 27.8% to TL 118.0 billion and deposits rose 24% during the year to reach TL 112.5 billion.

Thanks to its effective risk management policies, Akbank's non-performing loan ratio stands at an extremely low level of 1.4%, significantly below the sector average of 2.6%.

With its capital adequacy ratio hovering at a lofty 14.7%, Akbank stood over the recommended ratio of 12% in the Turkish banking industry.

Despite the challenging economy related developments, Akbank continues to undertake efficiency initiatives. One of the most efficient banks in the industry, Akbank achieved an operational expenses-to-total assets ratio of 2% in 2013.

The Bank's objective is to be the Permanent Leader in every segment of the banking industry. Akbank will continue to undertake initiatives and investments in the period ahead in an attempt to further enhance this successful performance, grow efficiently, and create value for all of its stakeholders.

We would like to thank our employees as well as our shareholders and social stakeholders for their contributions and support.

Respectfully yours,
Akbank Board of Directors

HUMAN RESOURCES, BENEFITS PROVIDED TO THE BOARD OF DIRECTORS AND EXECUTIVES

Innovative and highly-skilled human capital focused on constant self-improvement is the most valuable asset and a strategic partner for the sustainable growth vision of Akbank, one of the leading and pioneering institutions of the banking industry.

Under Akbank's vision of employing the most qualified human capital in the Turkish banking industry, investing in its human resources, and creating value for all stakeholders, Akbank Human Resources Department's goal is to recruit, retain and develop talent on the way to permanent leadership.

In this direction, the Human Resources policy aims to form human resource strategies consistent with the Bank's mission and goals; to provide the continuous development of employees in line with the industry needs, emerging markets, technology and customer expectations with the innovations of the globalization; and to direct organizational structure, operation and human resources.

Within this scope, the major components of the roadmap are:

- Providing opportunities to support professional and personal development and implementing related practices,
- Constantly improving business conduct,
- Participatory career planning,
- Goal and competence-based, transparent and fair performance management,
- A rewarding mechanism that incentivizes and encourages superior performance,
- Constantly improving organizational effectiveness with a focus on employee productivity,
- Effective communication based on corporate values and culture.

When managing its human capital, the architect of the Bank's past accomplishments as well as the pillar of its future achievements, Akbank's philosophy is to provide equal opportunities to its employees in all processes, evaluating them fairly and transparency.

Akbank provides its employees who are committed to improving themselves constantly with support and equipment via various applications, an effective communication structure and a wide variety of training choices. Success in these subjects reinforces Akbank's standing among the companies which skilled and confident employees want to work for most.

Appreciating and Rewarding Superior Performance

Akbank accomplishes its corporate goals by growing alongside its highly-competent and skilled employees who make Akbank what it is. The Bank supports the performance of its employees with new applications and advanced systems that will make their professional lives easier and increase their productivity.

As part of the Bank's performance evaluation system which allows for the observation of the contribution of each employee to the Bank's success and encourages open communication between the employee and his/her supervisor, corporate goals are translated into personal goals and thus every employee works to achieve a common objective.

Akbank employs a Performance Management System based on concrete and measurable goals. Compensation and rewards within the Performance Management System, which is free from subjective elements and facilitate measurement/evaluation based on individual goals and competencies, provide periodic input into career development and training applications.

Employee Engagement

Keeping the employee motivation and performance on top and developing the business results in parallel with this motivation is directly proportional with creating desired working environment and corporate culture.

Seeing effective communication as one of the most important tools for success, Akbank conducts an "Employee Engagement Survey" each year for all personnel in order to make them feel valued and for the Bank to constantly regenerate itself.

Through this survey, Akbank elicits feedback on professional life, business processes and operations with the suggestion, loyalty and motivation breakdown and focuses on areas for improvement.

Employees' feedback are considered diligently to identify the expectations of employees truthfully and to meet at a common point the expectations and the Company's offers

The Employee Engagement Survey is implemented by an independent research company within the framework of principle of confidentiality. The results are analyzed by the Human Resources Department and provided improvements and development in line with the outputs.

The Bank created a new academic organization that will reflect the core corporate competencies and strategies to move Akbank forward into the future in terms of learning mechanisms. To this end, the Bank renovated its training building architecturally and functionally and the refreshed facility began to serve employees in a more modern and corporate setting under the "Akbank Academy" brand.

Akbank employs a Performance Management System based on concrete and measurable goals. Compensation and rewards within the Performance Management System, which is free from subjective elements and facilitate measurement/evaluation based on individual goals and competencies, provide periodic input into career development and training applications.

A Culture That Values Creativity

Akbank's human resources practices aim to create and spread a corporate culture that values ethical principles, team spirit, sharing, participation and creativity.

Elements of creativity are implemented by way of innovation teams comprised of employees, reinforced through various training applications and supported via platforms conducive to open communication.

A Constantly Improving and Learning Organization

With its human resources applications, Akbank creates a suitable environment for employees to improve themselves according to their potential and preferences and plans various tasks and responsibilities that they can assume within the organization.

Akbank established different schools under the Akbank Academy umbrella in line with Bank strategies. Programs at these schools consist of new employee, career, certification program, executive development and corporate performance training applications. As part of the executive development training programs, leaders of today are supported via classroom training, one-to-one consulting and online tools while the leaders of tomorrow are developed.

Akbank's training programs consist of new employee, career, certification program, executive development and corporate performance training applications. The competence levels of Akbank employees are improved via classroom-based training as well as distance learning methods (e-learning and video conference) and on-the-job practical training applications that support their personal and professional development. Employees can reach the "Akbank Development Center," an online channel where all e-learning training applications are made available to employees, without any time or location limitations, and pursue their professional and personal development from their homes or offices 24 hours a day, seven days a week. In addition, Akbank supports the participation of its employees in summits, conferences and seminars held in Turkey and abroad in order to keep them apprised of new developments as well as global and domestic best practices while expanding their professional relationship networks. Akbank organizes intensive training programs in line with the needs of Information Technology Business Unit employees and planned/ongoing projects; the technical and personal development of Information Technology Business Unit employees is supported via domestic, overseas and online training programs.

As part of the Bank's learning organization strategy, Akbank seeks the support of its highly experienced employees as in-house instructors as well as in mentoring and in-house coaching applications. As a result, productivity is achieved in sharing of experiences and development.

As of year-end 2013, the average number of professional training days per employee amounted to 8.91 as a result of Akbank's investment in training.

Effective Career Management

Achievement of the Bank's goals is supported through Career Management as a strategic business partner. As part of this effort, the Department's priority is to position existing human capital as effectively as possible while in the medium-to-long term flawlessly managing career plans for the development of the employee as well as the Bank. Under Career Management, Akbank tracks individual performance to ensure the Bank's sustainable performance while supporting participation in training programs related to the areas in need of development. The Bank assesses experience level, competence and technical skills of employees and formulates backup plans for the positions to ensure the continuity of the organization going forward; the Bank also implements training and development programs that will help related employees to prepare for the designated positions.

Every employee who is continually improving himself/herself makes horizontal or vertical career moves at Akbank, where career paths are defined transparently for each job.

HUMAN RESOURCES, BENEFITS PROVIDED TO THE BOARD OF DIRECTORS AND EXECUTIVES

Ethical Values

Ethical values, which consist of the indispensable values of corporate culture and governance, are also the foundations of the respect that Akbank currently enjoys in the banking industry and within society in general. The Bank's main objective is to safeguard and further enhance this respectability while sustaining stability and confidence in the sector.

Akbank takes utmost care to ensure that employees internalize the ethical values, which are presented through the Bank's internal communication channels and training programs, and behave in accordance with this awareness. In addition, an "Ethics Line" that operates under the confidentiality principle on a 24/7 basis was established to enable employees to raise their concerns about issues that they believe cannot be resolved within their departments, or for certain reasons prefer not to share with their colleagues/department managers.

Representatives of the Akbank Brand: Akbank Employees

As of December 31, 2013, Akbank has 16,249 employees, including security personnel. The Bank's staff consists of 52% women and 48% men.

Excluding security personnel, 94.4% of the Bank's employees are university graduates. The average age of the staff is 33.2 while the average job tenure stands at 7.3 years.

Monetary benefits and other administrative relationships for Akbank employees who are members of the Banking and Insurance Workers Labor Union (Banksis) are set by collective bargaining agreements made between the Bank and the unionized employees. The benefits of the non-unionized employees are determined by the Bank.

Performance-Based Bonus Payments and Incentive Compensation

The performance bonus system helps Akbank increase the efficacy of its personnel in accomplishing corporate goals, ensuring the continuity of their performance, emphasizing individual performance, differentiating successful employees and rewarding employees who create value for the organization.

During performance evaluation meetings, employees review their performance results for the previous year with respect to their goals with their supervisors on a one-on-on basis and accomplishments as well as areas for improvement are identified.

In 2013, Akbank provisioned TL 102 million for employee performance bonus payments.

Financial Benefits Provided to Members of the Board of Directors and Executives

As of December 31, 2013, Akbank paid TL 30 million on a consolidated basis to the executive management of the Group.

Akbank Staff Pension Fund Trust

Akbank Staff Pension Fund Trust has focused its activities concerning the current (employed) and retired members on the provision of healthcare services in 2013.

As of December 31, 2013, headlines of their efforts include:

- Total assets of the Foundation amounted to TL 1,162.2 million.
- Number of members receiving pension salaries rose to 11,855.
- Some TL 208.8 million was paid to retirees, people with disabilities, widows and orphans.
- Health care assistance increased to TL 97.3 million as of December 31, 2013, up from TL 89.1 million in 2012.

Other Information on Company Operations

There are no major pending lawsuits against the Company that may impact the financial position or operations of the Company.

No administrative or judicial sanctions were imposed on the Bank for breach of legislation.

No important administrative or judicial sanctions were imposed on the Members of the Board of Directors for breach of legislation.

Donations and charitable contributions made during the year are reported to the General Assembly as a separate agenda item. In addition, the Bank spent TL 11.2 million as part of its social responsibility projects in 2013.

NUMBER OF BRANCH EMPLOYEES

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total	6,972	7,606	8,103	9,088	8,653	8,817	8,969	9,604	9,430

OUTSOURCED SERVICES

Within the framework of the Regulation on Bank Procurement of Support Services, Akbank procured support services in the areas of security, courier delivery, call center, marketing, operational services and information services from the firms listed in the table below.

In addition to the firms listed in the table, Akbank received support service from 120 auto dealers for car loan marketing activities.

Support Service Provider	Activity Area of Support Service Procured
ISS Tesis Yönetimi Hizmetleri A.Ş.	Archive Services
Sestek Ses ve İletişim Bilgisayar Teknolojileri San. Tic. A.Ş.	Security Service
CMC İletişim Bilg. Reklam ve Danışmanlık Hizm. San. Tic. A.Ş.	
ATOS Bilişim Danışmanlık ve Müşteri Hizmetleri San. Tic. A.Ş.	
ISS Proser Koruma ve Güvenlik A.Ş.	Courier Services Courier Servces
E-Kart Elektronik Kart Sistemleri San. ve Tic. A.Ş. ve Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş.	Card Production and Card Personalization Services
Plastikkart Akıllı Kart İletişim Sistemleri San. ve Tic. A.Ş.	
Aktif İleti ve Kurye Hizmetleri A.Ş.	Courier Services
Kurye Net Motorlu Kuryecilik ve Dağıtım Hizmetleri A.Ş.	
Ericsson Telekomünikasyon A.Ş.	Mobile Banking
Venüs Telekomünikasyon A.Ş.	
IBM Global Services İş ve Teknoloji Hizmetleri Tic. Ltd. Şti.	Disaster Recovery Center Support Services
Secur Verdi Güvenlik Hizmetleri A.Ş.	Armored Securities, Cash Transportation
Arçelik A.Ş.	Cash Register POS Area Service and Software Application Services
E DATA Elektronik San. ve Tic. A.Ş.	
Karbil Yazılım ve Bilişim Teknolojileri Tic. Ldt. Şti.	
MT Bilgi Teknolojileri ve Dış Tic. A.Ş.	
R2 Servis Elektrik Elektronik ve Bilgisayar Teknolojileri San. ve Tic. A.Ş.	
Eksen Pazarlama ve Satış Dan. A.Ş.	Marketing
Konut Kredisi Com Tr Danışmanlık A.Ş.	
Pharos Strateji Danışmanlık Ltd. Şti.	
Bilkay Bilgi Kayıt ve Org. Tic. Ltd. Şti.	
GMG Bilgi Teknolojileri Ltd. Şti.	
Akıllı Sistemler Bilişim Teknoloji Danışmanlık Hizmetleri İthalat İhracat San. Tic. Ltd. Şti.	Software, Software Maintenance/ Troubleshooting, Patching and Product Development Services
Aksis Bilgisayar Hiz. Danışmanlık A.Ş.	
Asseco See Teknoloji A.Ş.	
Bilge Adam Bilgisayar ve Eğitim Hizmetleri San. Tic. A.Ş.	
Bilişim Bilgisayar Hizmeti Ltd. Şti. (Banksoft)	
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş.	
Boer Bilişim Sanayi ve Ticaret A.Ş.	
DTP Bilgi İşlem ve İletişim Tic. Ltd. Şti.	
Eastern Networks Çöz. Tic. A.Ş.	
EGA Elektronik Güvenlik Altyapı A.Ş.	

OUTSOURCED SERVICES

Support Service Provider	Activity Area of Support Service Procured
Eretim Bilgisayar Hizmetleri ve Dan. Ltd. Şti.	Software, Software Maintenance/ Troubleshooting, Patching and Product Development Services
Foreks Bilgi İletişim Hizmetleri A.Ş.	
Geneks International Yazılım ve İletişim Teknolojileri Ltd. Şti.	
Globit Global Bilgi Teknolojileri A.Ş	
Infina Yazılım A.Ş.	
Ingenico Ödeme Sistem Çözümleri A.Ş.	
Intelart Bilgi Sistemleri Ltd. Şti.	
Kartek Kart ve Bilişim Teknolojileri Tic. Ltd. Şti.	
Key Internet Hizmetleri Bilgisayar Yazılım, Donanım, Mühendislik, Müşavirlik San. ve Tic. Ltd. Şti.	
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	
GG SOFT Yazılım Hizm. Tic. Ltd. Şti.	
Spark Bilgi İşlem Sistemleri San. ve Tic. A.Ş.	
Logo Elektronik Ticaret Hizmetleri A.Ş.	
Logo Yazılım Sanayi ve Tic. A.Ş.	
Matriks Bilgi Dağıtım Hizmetleri A.Ş.	
Mirsis Bilgi Teknolojileri Ltd. Şti.	
Misys PLC	
NCR Bilişim Sistemleri Ltd. Şti.	
Netaş Telekominikasyon A.Ş.	
Novosoft Yazılım Teknolojiler Bilişim Sanayi ve Tic. A.Ş.	
Onuss Ortak Nokta Uluslararası Haberleşme Sistem Servis Bilgisayar Yazılım Dan. ve Dış Tic. Ltd. Şti.	
Oracle Bilgisayar Sistemleri Ltd. Şti.	
Fonoklik İletişim Hizmetleri ve Tic. A.Ş.	
Provus Bilişim Hizmetleri A.Ş.	
Prozek Bilişim Çözümleri Ltd. Şti.	
Sigma Danışmanlık ve Uygulama Merkezi A.Ş.	
Smartiks Bilgi Teknolojisi A.Ş.	
Uzman Bilişim Danışmanlık A.Ş.	
Vega Bilgisayar Hizmetleri Ltd. Şti.	
Verifone Elektronik ve Danışmanlık Ltd. Şti.	
V.R.P. Veri Raporlama Programlama Bilişim Yazılım ve Danışmanlık Hizmetleri Tic. A.Ş.	
Zenn Bilişim Teknolojileri San. ve Tic. Ltd. Şti.	

RELATED PARTY TRANSACTIONS

Pursuant to the Banking Law, related-party transactions of the Bank cover all arms-length banking transactions in the scope of ordinary bank-customer relationship under the prevailing market conditions. Detailed disclosures on these dealings can be found in Note VII of Section 5 in the publicly-announced Unconsolidated Financial Statements, Notes to these Financial Statements and Independent Auditor's Report, prepared as of December 31, 2013. In addition, the aforementioned information can also be found in Note VII of Section 5 in the Consolidated Financial Statements, Notes to these Financial Statements and the Independent Auditor's Report.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1. Declaration of Compliance with Corporate Governance Principles Corporate governance, transparency and commitment to ethical values have always been a top priority for Akbank.

Akbank's pioneering firsts in corporate governance include:

- First bank to disclose its dividend policy (2003),
- First bank to state its Corporate Governance Principles in its Annual Report (2003),
- First bank to publish its Corporate Governance Principles on its website (2004),
- First bank to buy back its founders' shares (2005),
- First Turkish bank to be a signatory to the United Nations Global Compact (2007),
- First bank to publish its Global Compact Report (2010),
- Pioneer in its support of the launch of the Carbon Disclosure Project (CDP) in Turkey (2010),
- First deposit bank to publish a sustainability report in accordance with Global Reporting Initiative (GRI) standards (2010),
- First and only Turkish company included in the Global 500 Report of the Carbon Disclosure Project (2010).

As a result of the Corporate Governance Rating process in 2013, Akbank's rating was 9.24 over 10. Akbank was included in the BIST Corporate Governance Index upon this assessment.

At the General Assembly meeting held in March 28, 2013, the Bank accepted and began to implement the amendments to the articles of association and board of directors organization in compliance with the Corporate Governance Principles stipulated in the correspondence, dated October 19, 2012, sent by the Capital Markets Board to the Banks Association of Turkey. In 2013, the Bank did comply with the obligatory articles of the Corporate Governance Principles. Furthermore, procedures are carried out regarding the issue of compliance to the non-obligatory articles.

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

Integrity
The Bank remains committed to the principle of integrity in its activities, operations and relationships with all of its stakeholders and other parties.

Credibility
Aware that customer confidence lies at the heart of banking, Akbank provides customers and all other stakeholders with clear, comprehensible and accurate information and offers timely and comprehensive services in line with the promises made by the Bank.

Non-discrimination
Akbank refrains from harboring prejudice against stakeholders based on gender, behavior, opinion or ethnic origin and does not discriminate against anyone under any condition or circumstance.

Compliance
Akbank abides by all laws, regulations and standards.

Transparency
Except for the information deemed commercial secret, the Bank informs customers and the public at large thoroughly, accurately and promptly.

Pursuing Public Interest and Respect for the Environment In all of its activities, practices and investments, Akbank acts to safeguard its image, interest and profitability as well as public interest, development of the banking industry, sustainability and the continuation of confidence in the sector while complying with laws and regulations related to the environment, consumer rights and public health.

The Bank approved and started to implement the amendments of articles of associations and restructuring the board of directors at the Ordinary General Assembly dated March 28, 2013 in terms of compliance with the Corporate Governance Principles which was sent as correspondence dated October 19, 2012 by the Capital Markets Board of Turkey to the Banks Association of Turkey stipulates that the amendments to articles of associations and board of directors organization that need to be implemented by the banks to comply with the Corporate Governance Principles. The Bank complies with the obligatory articles of the Corporate Governance Principles in 2013. Nevertheless, the Bank continues to work to comply with the nonobligatory articles.

SECTION I-SHAREHOLDERS

2. Investor Relations Division
Akbank management strives to be in transparent and close communication with shareholders. To attain this goal, Akbank management has embraced the principle of equal treatment of all shareholders. The primary objective is to make Akbank shares an attractive and predictable investment vehicle for both existing shareholders and potential investors.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

An Investor Relations Group was established in 1996 to manage and reinforce the Bank's relations with shareholders. This Group provides responses to all inquiries that are not about the Bank's commercial secrets based on the principle of equality, and works to maintain constant communication between management and the shareholders. In addition, Akbank has established a Financial Accounting and Shareholder Transactions Division to facilitate shareholder engagement and execution of shareholder rights.

Financial Accounting and Shareholder Transactions Directorate

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Telephone: +90 (212) 385 54 45
+90 (212) 385 54 77 +90 (212) 385 54 04
Osman Sezginer, Vice President
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Investor Relations and Sustainability Department
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Ayşe Aldırmaz, Manager
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Burak Berki, Manager
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The primary duties of the Financial Accounting and Shareholder Transactions Division are:

- Ensuring the compliance of the General Assembly meeting with the legislation in force, the Articles of Association and other internal company regulations;
- Performing capital increase transactions;
- Facilitating exercise of bonus share rights related to capital increases;
- Conducting dividend payment transactions;
- Providing timely responses to inquiries related to Company shares;
- Ensuring that necessary amendments are made to the Articles of Association in compliance with relevant legislation;
- Announcing all kinds of news that may have an impact on the exercise of shareholders' rights regularly via the Public Disclosure Platform (www.kap.gov.tr) as material disclosures.

The primary duties of the Investors Relations and Sustainability Department include:

- Administering relationships with current and potential institutional investors and credit rating agencies;
- Establishing communication between the Board of Directors and shareholders, responding to the questions of shareholders, and reporting shareholder opinions to the Board of Directors on a regular basis;
- Announcing developments related to Akbank and the Bank's periodic financial statements to shareholders in a timely fashion and keeping the investor relations section of the Akbank website up-to-date;
- Preparing introductory presentations about the Bank, posting these on the website, and participating in investor meetings and conferences in Turkey and abroad;
- Undertaking initiatives to improve the Bank's Corporate Governance practices.

The Investors Relations and Sustainability Department is responsible for conveying the performance and strategies of the Bank to current and potential investors in the most accurate and transparent manner. In addition, the Department plays an active role in safeguarding shareholding rights and facilitating their exercise, particularly the right to obtain and examine information.

The Investor Relations and Sustainability Department joined the Executive Management team in participating in 25 domestic and overseas investor conferences in 2013; during the year, meetings with approximately 300 international investment funds and four rating agencies were held. In addition, the Department responded to more than 500 inquiries from investors and analysts via telephone and e-mail.

3. Exercise of Shareholders' Right to Information

Information requests received from institutional investors and shareholders verbally or in writing are addressed by the Financial Accounting and Shareholder Transactions Directorate and the Investor Relations and Sustainability Department that operate under the Financial Coordination business unit, and that report to the Chief Financial Officer.

All kinds of news that may have an impact on the exercise of shareholders' rights are regularly announced via the Public Disclosure Platform (www.kap.gov.tr) as material disclosures. In addition, issues that are considered to be significant are also translated into English and posted on the website.

Akbank maintains an investor relations website in Turkish and in English.

The addresses for access to the websites are: http://www.akbank.com/yatirimci-iliskileri/sayfalar/yatirimci-iliskileri.aspx for Turkish and http://www.akbank.com/en/investor-relations/Pages/investor-relations.aspx. for English.

Since the Bank implements the provisions of the Turkish Commercial Code in relation to appointment of a special auditor, this issue has not been provided for in a separate article in the Articles of Association. There was no request for appointment of a special auditor during the period covered by this report.

4. General Assembly Meetings

During the reporting period (January 1, 2013-December 31, 2013), one Ordinary General Assembly meeting was held. The participation rate at the Ordinary General Assembly meeting was 79% and all stakeholders wishing to attend the meeting were able to do so. Invitation to the General Assembly meeting held during the period was published in the Turkish Commercial Registry Gazette and a national daily newspaper.

The invitation to the General Assembly meeting is published at least three weeks prior to the General Assembly meeting in the Turkish Commercial Registry Gazette, in a national daily newspaper, on the Bank's website, on the Public Disclosure Platform (www.kap.gov.tr), on the e-GOVERNANCE Corporate Governance and Investor Relations Portal (www.mkk.com.tr), and on the e-GEM Electronic General Assembly System (www.mkk.com.tr); and in accordance with the procedures stipulated by law in order to reach as many shareholders as possible. The Annual Report is made available to shareholders three weeks prior to the General Assembly meeting on the Bank's website and at the Financial Accounting and Shareholder Relations Directorate, as well as at the Bank's Ankara, Adana and Izmir commercial branches. In addition, the matters stipulated in Article 1.3.1 of the Capital Markets Board's Corporate Governance Principles are announced to the shareholders alongside the invitation to the General Assembly on the Bank website.

The agenda of the General Assembly is drafted so as not to provoke conflicting interpretations. Matters transmitted by shareholders to the Investor Relations and Sustainability Department in writing to be included in the agenda are taken into consideration by the Board of Directors. No motions were moved outside the agenda by shareholders during the reporting period.

Agenda items are presented in a clear and comprehensible manner at the General Assembly. Shareholders exercise their right to pose questions and all questions are answered unless they pertain to commercial secrets.

Members of the Board of Directors who are the subject matter experts on the agenda items, other relevant persons, officials who have a responsibility in the preparation of the financial statements, and the statutory auditors attend the General Assembly meeting to provide the necessary briefings and to address any questions.

Provisions of the Articles of Association provide for voting by proxy. Shareholders may cast their vote at General Assembly meetings either in person or through another person, whether a shareholder or not. Members of the media do not attend the Bank's General Assembly meetings.

General Assembly meetings are held at the Akbank Head Office building (Sabancı Center) in order to increase the participation of shareholders while ensuring their attendance at the lowest possible cost. Those eligible to attend the Bank's General Assembly meetings can also participate in these meetings and cast their votes through the electronic General Assembly system.

Donations and charitable contributions during the reporting period are made to various associations, foundations and organizations; their amounts are presented at the General Assembly as a separate agenda item.

General Assembly meeting resolutions are made available to shareholders on the Public Disclosure Platform (www.kap.gov.tr), the e-GOVERNANCE Corporate Governance and Investor Relations Portal (www.mkk.com.tr), the e-GEM Electronic General Assembly System (www.mkk.com.tr), and on the Bank websites.

5. Voting Rights and Minority Rights

Akbank avoids practices that obstruct the exercise of voting rights and provides all shareholders with equal, easy and convenient voting opportunities. The Articles of Association do not provide for privileged voting rights. The Bank is not in a cross-shareholding relationship with any company. The cumulative voting method is not used at Akbank.

In addition, Akbank expends its best efforts to facilitate the exercise of minority rights in accordance with the regulations of the Turkish Commercial Code and the Capital Markets Board of Turkey.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

6. Right to Dividend

There are no privileges in the sharing of the Bank's profit. The principles of Akbank's profit distribution are stated on the website, in Article 82 of the Bank's Articles of Association and in the Annual Report.

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

The dividend proposal is prepared in accordance with the provisions of the Turkish Commercial Code, the Banking Regulation and Supervision Agency of Turkey, Capital Markets Board of Turkey and the Bank's Articles of Association; the proposal is presented to the General Assembly for approval.

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

During the reporting period, the Bank distributed TL 571 million to its shareholders as gross cash dividends.

7. Transfer of Shares

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

SECTION II-PUBLIC DISCLOSURE AND TRANSPARENCY

8. Information Disclosure Policy

In accordance with the Capital Market Law and Corporate Governance Principles, the Information Disclosure Policy was formulated and approved by the Board of Directors and announced to the public on the Company website. The Board of Directors has the authority and the responsibility to supervise, oversee and improve the public disclosure and information dissemination policy of Akbank.

The Bank has tasked the Financial Accounting and Shareholder Transactions Directorate and the Investor Relations and Sustainability Department, jointly serving as the Investor Relations Division under the Financial Coordination business unit and the Corporate Communications Department, to supervise and oversee all matters pertaining to public disclosures.

Persons responsible for administering the Information Disclosure Policy are:
Hakan Binbaşgil, Chief Executive Officer,
Atıl Özus, Executive Vice President - Chief Financial Officer.

9. Company Website and Its Content

The Bank maintains a website in Turkish and in English.

The Turkish website can be reached at
http://www.akbank.com

and the English website can be reached at
http://www.akbank.com /en,

Information on the website is presented in accordance with the provisions of relevant legislation and is kept up-to-date.

The website contains information stipulated in the Capital Markets Board's Corporate Governance Principles; accordingly, the main categories of information that can be found on the website include:

- Information about members of the Board of Directors and Executive Management
- Board of Directors Committees
- International Advisory Board
- Detailed information about the Bank's corporate identity
- Corporate Governance Principles Report
- Ethical Principles
- Commercial registry information

Capital Information

- Shareholder and management structure
- Up-to-date Articles of Association
- Material disclosures
- Annual Reports, periodic financial statements and reports
- Agendas and meeting minutes of General Assembly meetings
- List of attendees at the General Assembly
- Voting forms
- Bribery and corruption policy
- Dividend distribution policy, history and capital increases
- Prospectuses and circulars
- Information Disclosure Policy
- Compensation Policy
- Donation and Aid Policy
- Employee indemnity policy
- Policy of Compliance with Financial Crimes Investigation Board of Turkey (MASAK) regulations
- General Assembly Internal Resolution

- General Assembly Information Document
- Frequently asked questions

Annual Reports and financial information for at least the last five years are available on the Bank website. The address of the Akbank website appears on the letterhead of the Bank.

10. Annual Report

The Annual Report is prepared in accordance with the principles stipulated in the relevant legislation in sufficient detail that allows the public at large to have complete and accurate information about the Bank's activities.

SECTION III-STAKEHOLDERS

11. Informing Stakeholders

Aware that one of the core principles of its corporate responsibility is ongoing dialogue with all its stakeholders, Akbank strives to establish regular, continuous and trust-based communications with its stakeholders by taking heed of their expectations and opinions. Akbank's website, material disclosures, Akbank branches, the Call Center, social media (e.g. Twitter, Facebook), other media, ad and public relations campaigns, the Annual Report and the Sustainability Report are the most important platforms used by the Bank to keep stakeholders informed.In addition, two-way dialogue platform samples developed exclusively for each stakeholder group to elicit their feedback and to enter into dialogue with them are available in the Sustainability Report accessible at link below:

http://www.akbank.com/en/about-us/corporate-social-responsibility/Pages/sustainability-report.aspx

Akbank's "Ethical Principles" document, which stipulates relationships with stakeholders by group type, is also posted on the Bank website.

Akbank shares with its employees all information pertaining to the Bank's activities in every area, including new product and service offerings, messages from the management, corporate goals and strategies, brand communications activities and business conduct. Sharing of this information with personnel takes place in a rapid and effective manner outside of a paper medium over the Bank's Corporate Portal.

Akbank established an "Ethics Line" to enable employees to raise their concerns about issues that they believe cannot be resolved within their business units, or for whatever reasons cannot be taken to their colleagues/ business line managers. The dedicated phone line provides personnel with support and advice when necessary in such circumstances. All calls received by the Ethics Line are reported to the Board of Internal Auditors.

Transactions in breach of legislation or ethical rules reported by the stakeholders are in turn reported to the Internal Systems Officer via the Board of Internal Auditors, Internal Control and Compliance Center, and Risk Management Divisions. When necessary, the issues are elevated to the Audit Committee.

12. Participation of Stakeholders in Management

Akbank elicits the opinions of its stakeholders through an integrated platform via the channels of the Call Center, Bank branches, Contact Us Communication Form on the website, e-mail, facsimile and postal mail. Additionally, in accordance with the Bank's policy of ensuring customer satisfaction in every channel, customer expectations and demands expressed on complaint websites as well as on social media platforms such as Facebook and Twitter are also reviewed and assessed by the Bank.

Monitoring the level of customer satisfaction via periodic surveys and on social media channels on a regular basis, Akbank plans and rapidly implements actions in areas conducive to improvement based on the opinions and suggestions expressed by customers.

In addition, participation of employees in management is always encouraged and their innovative ideas for improving and expanding the Bank's business are forwarded to the related management functions via the suggestion system; there, suggestions are evaluated carefully and rewarded when deemed appropriate. In order to establish effective and efficient labor relations and foster team spirit, the Bank regularly engages in social responsibility activities that increase personnel communications and that facilitate teamwork.

13. Human Resources Policy

The Bank's objective is to attain results that make a difference with the strength of its human capital; deliver an excellent banking experience to Turkey; and create value for its shareholders.

To sustain the Bank's success in this regard, the mission of Akbank Human Resources is to provide direction for the organizational structure, operations, human resource and business strategies in accordance with the objectives of the Bank.

The human resources policy aims to optimize the competency and productivity of employees and ensure its full manifestation in the Bank's business results. In an effort to attain excellent business results, the policy strives to create a working environment that inspires and motivates the Bank's employees, in a comfortable and professional atmosphere.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The key focal points of the Akbank human resource policy include recruiting the best candidates for the Bank and maintaining their loyalty; constantly improving the corporate culture and staff business conduct; and making effective and appropriate investments in human resources in line with the Bank's goals and strategies. In addition, the policy provides participatory career planning; goal and skills-based, transparent and fair performance management; and a rewarding mechanism that incentivizes and encourages superior performance.

The Bank's organizational structure, employee job descriptions and allocation of staff are announced to personnel and published on the Bank's Corporate Portal. Akbank has a transparent and flexible performance and rewarding system that is open to improvement and that emphasizes an objective evaluation framework. Performance and rewarding criteria are readily available to employees on the Bank's Human Resources Portal where each staff member has a dedicated, password-protected page.

Akbank conducts the "Employee Satisfaction Survey" for all personnel each year to elicit feedback on professional life, work processes and functions; to closely monitor satisfaction and the level of corporate loyalty; and to identify improvement areas. The Employee Satisfaction Survey is administered by an independent research company on a confidential basis and the results are analyzed by the Human Resources Department; the Bank implements improvements and other modifications based on the findings.

The Bank's Ethics Line operates 24/7 on a confidential basis and allows employees to raise their concerns about issues they believe cannot be resolved within their business units, or for whatever reasons cannot be taken to their colleagues/line managers.

Structured in accordance with the organizational model, needs and expectations of the Bank's business lines, the Human Resources Business Unit acts as the strategic partner of Akbank's other business units in all human resources issues and provides them support as needed.

The Banksis-Banks and Insurance Workers Labor Union also maintains relationships with employees. The monetary rights of employees covered under the collective labor agreements as well as other administrative matters between the Bank and personnel are governed by these agreements that are signed every two years between the Bank and the Union.

The Bank executes all of its business processes, and those related to human resources in particular, on the basis of the principle of equality; as a result, Akbank does not discriminate based on race, religion, language or gender. When a complaint is received in regard to this issue, the Bank assesses the situation in accordance with the principles stipulated above.

14. Rules of Ethics and Social Responsibility

Akbank's principles, code of conduct and other aspects governing relationships with persons and institutions, both internal and external to the Bank, have been compiled and documented in writing as "Ethical Principles." The Bank's Ethical Principles are communicated to all staff members. This document can be accessed on both the Turkish and English website of the Bank (http://www.akbank.com).

Akbank's Ethical Principles aim to regulate the conduct and behavior of personnel at all levels as well as their relationships with individuals and institutions within or outside the Bank. Approved on September 26, 2003 by Resolution No. 8783 of the Board of Directors and updated based on the prevailing circumstances and trends in the business world, the Bank's ethical rules are expected to be observed by all employees at all levels and fully complied with during the course of performance of their duties. Naturally, employees shall act with due diligence in line with the basic rules and principles in any situation not covered in this document. Since conduct in breach of the ethical principles can impact the Bank's activities and integrity in the eyes of its stakeholders, employees can report any irregularity to their supervisors and/or to the Ethics Line should they encounter conduct or a transaction in breach of the ethical principles or should they have a suspicion in this regard. In addition, all notifications made to the Ethics Line are kept confidential and staff members do not face a sanction for their notification.

Akbank took a major step in the area of sustainability when it became a signatory to the United Nations Global Compact in 2007. As a result, the Bank also showed its ongoing commitment and support to the universal principles of human rights, working conditions, the environment and anti-corruption by becoming the first company in the Turkish banking industry to publish a Communication on Progress (COP) Report in 2009.

After publishing its Sustainability Report in accordance with Global Reporting Initiative (GRI) standards, a first among Turkish deposit banks in 2010, Akbank released its fourth Sustainability Report in 2013.

In addition, Akbank supported the launch of the Carbon Disclosure Project (CDP) in Turkey. The CDP is implemented in 60 countries and considered one

of the world's most comprehensive and high profile environmental initiatives. Akbank also reports climate change management activities and the Company's environmental footprint to the CDP; the Bank is listed alongside the world's most reputable companies and organizations as a committed member of the Carbon Disclosure Project. Akbank has also made major revisions to its internal business processes and policies by adding environmental and social factors to its ethical principles and its loan evaluation and procurement processes.

In order to internalize sustainability initiatives and support the transition to sustainable business conduct, the Bank administered Sustainability Approach training to more than 15,000 employees over the last three years via classroom-based and e-learning courses.

Embracing the view that enlightenment of a country involves gaining diverse perspectives ranging from education to the arts, Akbank has worked diligently to shine a light to the future. Akbank will continue to contribute to society with the pioneering projects it undertakes in culture, the arts, education, youth, entrepreneurialism, savings and the environment.

SECTION IV-BOARD OF DIRECTORS

15. Structure and Composition of the Board of Directors

Akbank's Board of Directors governs and represents the Bank through the strategic decisions it makes with a rational and cautious risk management approach prioritizing the Bank's long-term interests by maintaining an optimal balance of risk, growth and return for the Bank.

Akbank's Board of Directors defines the Bank's strategic objectives, determines the human and financial resources the Bank will need, and oversees the management's performance. The Board of Directors supervises the compliance of the Bank's activities with applicable legislation and the Company's Articles of Association, internal regulations and policies.

The Board of Directors executes its activities in a transparent, accountable, fair and responsible manner. The Board of Directors plays an active role in maintaining effective communications between the Bank and its shareholders, and in obviating and resolving potential conflicts.

Section 3 of the Bank's Articles of Association stipulates the Bank's administrative structure and organization. This section states the duties and authorities of the members of the Board of Directors and executives. Within this framework, the duties, authorities and responsibilities of the Board of Directors are subject to the principles stipulated in the provisions of the Turkish Commercial Code and the Banking Law as well as the provisions of the Articles of Association.

The terms of the members of the Board of Directors who were elected in March 2013 will expire in 2014. All members of the Board of Directors attend the Board's meetings unless they have an excuse.

Suzan Sabancı Dinçer,
Chairman and Executive Board Member
Erol Sabancı,
Honorary Chairman, Consultant to the Board and Board Member
Hayri Çulhacı,
Vice Chairman and Executive Board Member
Cem Mengi,
Executive Board Member (since February 2014)
J. Charles Cowles,
Board Member
Hikmet Bayar,
Board Member (left his position as of January 2014)
Yaman Törüner,
Board Member
Aykut Demiray,
Board Member
Kaan Terzioğlu,
Board Member
Özen Göksel,
Board Member (worked as Executive Board Member until February 2014)
Hakan Binbaşgil,
Board Member and CEO

Background information for the members of the Board of Directors is presented on page 88-89 of the Annual Report, on the Akbank website at the link below, and on the e-GOVERNANCE portal (www.mkk.com.tr).

http://www.akbank.com/yatirimci-iliskileri/kurumsal-yonetim/yonetim-kurulu.aspx

There are three executive* and seven non-executive members on Akbank's Board of Directors. Suzan Sabancı Dinçer, Cem Mengi** and Hakan Binbaşgil are executive Board members.

According to the Capital Markets Board's corporate governance principles, members of bank audit committees are considered independent members of the board of directors. Hayri Çulhacı and Yaman Törüner, the members of the Audit Committee, are independent

** Özen Göksel, who performed as the executive member throughout 2013, has been maintained to work as the member of Board of Directors since February 2013.*

*** As of February 2013.*

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Board members. Akbank has made the application to the Capital Markets Board for the member who is a candidate for the other independent Board member slot. This member will be announced to the public via the Ordinary General Assembly meeting agenda following the unqualified opinion of the Capital Markets Board. In addition, the member will be presented for the approval of the General Assembly as the independent Board member candidate at the Ordinary General Assembly meeting that will be held on March 27, 2014.

The respective authorities of the Chairman of the Board of Directors and the Chief Executive Officer have been clearly separated as stipulated in the Articles of Association.

The Bank's Articles of Association stipulate that members of the Board of Directors cannot undertake commercial transactions with the Bank in areas where the Bank is actively engaged either in person or by proxy, unless they have received the approval of the General Assembly. The provisions of Article 396 of the Turkish Commercial Code pertaining to the non-compete clause and the provisions of the Banking Law are reserved. The duties of the members of the Board of Directors outside of the Bank are announced on the Bank website as well as via disclosures made to the Public Disclosure Platform (KAP).

16. Operating Principles of the Board of Directors

A secretariat is present to inform and communicate with the members of the Board of Directors. The Board of Directors meets at least 12 times per year. Members of the Board of Directors make every effort to attend every meeting and to convey their opinions. The Chairman of the Board of Directors determines the agenda of the Board of Directors meetings in consultation with the other Board members and the Chief Executive Officer. Information and documents related to the matters on the meeting agenda are made available for the examination of the members of the Board of Directors sufficiently before the meeting by adhering to the principle of equal information flow.

Members of the Board of Directors may make motions to the Chairman of the Board to amend the agenda prior to the meeting. The opinions of a member who does not attend the meeting but who submits his or her opinions to the Board of Directors in writing are communicated to the other members.

The form and conduct of Board of Directors meetings are documented in writing as stipulated by internal company regulations. Agenda items are discussed openly and from every possible perspective at the Board of Directors meetings. The Chairman of the Board of Directors makes the best effort to ensure the active participation of non-executive members in Board meetings.

For a resolution to be passed by the Board of Directors, a quorum consisting of the presence of more than half the members of the Board of Directors is necessary. A simple majority of the members in attendance is sufficient to adopt resolutions. Deliberations of the Board of Directors are regularly recorded by a secretary to be selected either from among the members or from outside of the Board. The minutes of the meeting must be signed by the members present; should there be any dissenting votes regarding the resolution(s), the reason must be recorded in the minutes and signed by the dissenting member(s). The validity of the resolution(s) is predicated upon their being documented in writing and signed. The procedures pertaining to the recording of the minutes for resolutions are stipulated in Article 31 (quorum for the gathering and resolutions of the Board of Directors) and Article 32 (minutes of Board resolutions) of Section 3 (the administrative structure and organization of the Bank) of the Articles of Association.

As stated in the Capital Markets Board decision, banks are obligated to comply with the CMB Corporate Governance Principles. Within the period, there were no non-complying transactions in contradiction of this obligation.

Pursuant to Article 32 of the Articles of Association, members of the Board of Directors cannot undertake commercial transactions with the Bank in areas where the Bank is actively engaged either in person or by proxy, unless they have received the approval of the General Assembly. The Bank implements the provisions of Article 396 of the Turkish Commercial Code pertaining to the non-compete clause and the provisions of the Banking Law. The members of the Board of Directors did not perform any transactions with the Bank outside this scope in 2013.

No member of the Board of Directors has a right to a weighted vote and/or veto power. Each member is entitled to one vote.

Pursuant to Article 32 of the Articles of Association, members of the Board of Directors may not participate in the discussion of matters concerning their personal benefit or the benefit of their relatives shown in Article 393 of the Turkish Commercial Code. In case such a matter becomes the subject of a Board discussion, the concerned member is required to inform the Board of his connection and have the same recorded in the minutes of that meeting, or, in the case of Article 390 paragraph 4, on the paper bearing the motion.

17. Number, Structure and Independence of the Committees Established under the Board of Directors

The areas of activity and the members of the committees constituted within the Bank are determined by the Board of Directors; when finalized, they are announced to the public in the Bank's Annual Report and on the website.

The Board of Directors provides all resources and support that the committees need in order to execute their functions. Committees invite the executives that they deem necessary to their meetings and elicit their opinions; they resort to independent expert opinions in matters that they deem necessary within the course of their activities.

All activities of the committees are recorded and documented in writing. Committees meet as frequently as the effectiveness of their activities require in accordance with their operating principles. They submit reports about their activities and the outcomes of their meetings to the Board of Directors.

Audit Committee: Assists the Board of Directors in its oversight and supervision functions; oversees the functioning and adequacy of the internal systems as well as the accounting and reporting systems. The Committee convenes at least four times a year.

Hayri Çulhacı,
Chairman (Vice Chairman and Executive Board Member): Independent Member
Yaman Törüner,
Member (Board Member): Independent Member

Corporate Governance Committee: Attains, oversees and communicates the Bank's compliance with the Corporate Governance Principles; oversees the activities of the Investor Relations and Sustainability Department; creates a transparent system in the areas of identification, evaluation and training of suitable candidates for the Board of Directors and devises policies and strategies related to this matter.

Remuneration Committee: Oversees, supervises and reports on the remuneration practices on behalf of the Board of Directors. The Committee convenes twice a year.

Hayri Çulhacı,
Chairman (Vice Chairman and Executive Board Member): Independent Member
Suzan Sabancı Dinçer,
Member (Chairman and Executive Board Member): Executive Member
Yaman Törüner,
Member (Board Member): Independent Member

Members of the Remuneration Committee:
Hayri Çulhacı: Independent Member
Yaman Törüner: Independent Member

Credit Committee: The ultimate executive body to ratify lending decisions and assess loan proposals processed by the Head Office to ensure that they conform to applicable legislation, banking principles and the objectives of the Bank's lending policies. Committee members attend the meetings unless they have an excuse. The Credit Committee convenes as needed.

Suzan Sabancı Dinçer,
Chairman*
Cem Mengi,
Member**
Hakan Binbaşgil,
Member
Board Member and CEO

Executive Risk Committee (ERC): Develops risk policies, determines appropriate methods for measurement and management of risks, sets commensurate risk limits and monitors their performance. All risk policies formulated are documented in writing and incorporated with the overall long-term strategy of the Bank. The Committee convenes at least four times a year.

Hayri Çulhacı,
Chairman (Vice Chairman and Executive Board Member) Independent Member
Suzan Sabancı Dinçer,
Member (Chairman and Executive Board Member)
Cem Mengi,
Member***
Hakan Binbaşgil,
Member (Board Member and CEO)

Akbank also has an Asset-Liability Committee (ALCO) presided by the Chief Executive Officer. Responsible for daily liquidity and cash management, ALCO meets twice weekly to discuss economic and capital market developments. In addition, ALCO develops investment, pricing and funding strategies for the Bank. Committee members are presented on page 80 of the Annual Report.

**Suzan Sabancı Dinçer was a member of Credit Committee until February 2014. Since then, she has served as Chairman of the Committee instead of Özen Göksel.*

***Since February 2014.*

****He has been serving since February 2014 instead of Özen Göksel.*

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

18. Risk Management and Internal Control Mechanism

The Board of Directors is responsible for formulating the Bank's fundamental approach to risk, including risk management policies and principles, strategies and risk-taking levels as well as regularly reviewing these and making modifications when necessary. The Executive Risk Committee, a committee of the Board of Directors, devises the policies and procedures related to the identification, measurement, monitoring, reporting and control of risks.

These policies are reviewed and evaluated periodically at the meetings of the Executive Risk Committee and Asset-Liability Committee.

The Chief Executive Officer ensures that the Bank's units operate in line with the risk management policies and strategies established by the Board of Directors. In addition, internal control and internal audit activities performed periodically also provide the necessary inspections for compliance with risk management policies and strategies.

The Risk Management Department, the Board of Internal Auditors and the Internal Control and Compliance Center report directly to the Board of Directors. The Audit Committee's Assessment Report is presented on page 101 of the Annual Report.

19. The Bank's Strategic Objectives

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

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

20. Financial Benefits

Article 37 of the Articles of Association states: "The General Assembly shall determine, under these Articles of Association, a monthly salary or attendance fee for members of the Board of Directors." In addition, Ordinary General Assembly meeting resolutions stipulate the portion of the Bank's profit to be distributed to the Chairman and the members of the Board of Directors. Executive members are also paid 12-monthly salaries and four bonus payments per year. The Board of Directors determines these salaries annually.

The Bank implements a compensation policy in accordance with the regulations of the Banking Regulation and Supervision Agency and the Capital Markets Board The Bank's compensation policy has been documented in writing; it will be presented for the information of the shareholders as a separate agenda item at the Ordinary General Assembly meeting that will be held on March 28, 2013 and posted on the Bank's website. In addition, salaries paid and all other benefits provided to the members of the Board of Directors and senior executives are announced to the public via the Annual Report. The disclosure is made as a sum total for the Board of Directors and senior executives.

Akbank does not use stock options or payment plans based on the Company's performance in compensating the independent members of the Board of Directors.

Article 50 of the Banking Law limits the loans to be extended by Akbank to the Directors serving on the Board within a clear framework of restrictions. No loans are made to the members of the Board of Directors outside of this scope.

SUMMARY RESULTS FOR 2013

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

In 2013, Akbank's consolidated total assets grew 19.6% over the previous year to TL 195.5 billion. Over the same period, consolidated total cash loans surged 27.8% to TL 118 billion while total deposits increased 24% to approximately TL 112.5 billion. In 2013, Akbank's market shares in loans and deposits were realized as 10.4%.

Akbank's overall loan book as of year-end 2013 is made up of 31% corporate loans, 33% SME loans and 36% consumer loans. Over the same period, consumer loans, excluding revolving credit card loans, were up 33% reaching TL 28 billion with a corresponding 0.4 percentage point increase in market share to 11.2%, while general purpose loans jumped 40% to TL 14.1 billion, mortgage loans climbed 30% to TL 12.5 billion and car loans were realized as TL 1 billion. In the same period the Bank's market share increased 0.8 percentage points to 10.9% in general purpose loans, 0.2 percentage points to 11.4% in mortgage loans, and car loans as 11.6% in car loans while Akbank's credit card lending surged 6% on the previous year to reach TL 13.5 billion in 2013.

Thanks to its uncompromising risk-oriented management approach, Akbank's non-performing loan ratio of 1.4% is significantly below the sector average of 2.6%. Akbank is currently setting aside 196% provisioning against non-performing loans when general loan loss provisions are also taken into consideration.

By the end of 2013, the Bank reported consolidated net profit of TL 3,077 million (approximately US$ 1,444 million) and unconsolidated net profit of TL 2,942 million (approximately US$ 1,381 million).

Akbank's consolidated capital adequacy ratio calculated according to Basel II Standards, standing at 14.7%, is far above the 12% minimum threshold set by Turkish banking regulations.

Akbank's return on equity (ROE) was realized as 14% while the Bank reported return on assets (ROA) of 1.7% and a leverage ratio of 8.8%.

One of the most efficient banks in the industry, Akbank's operating costs to operating income ratio came in at 41.7%.

Akbank is focused on sustainable profitability and growth. The main factors supporting the Bank in this quest are sound shareholder structure, cautious and prudent management, customer-oriented growth approach, operational excellence and efficiency.

High capital adequacy ratio, low leverage ratio, high level of liquidity and an effective risk management policy are the Bank's major strengths and support Akbank's sustainable and profitable growth.

ASSESSMENT OF FINANCIAL POSITION, PROFITABILITY AND DEBT SERVICING CAPACITY

Akbank performs its operations with high profitability and strengthens its equity capital. A very small portion of the Bank's equity capital is tied down in fixed investments such as fixed assets and subsidiaries, with free equity capital standing at high levels and invested in interest-bearing assets. Thanks to its sound capital structure and effective risk management, Akbank's capital adequacy ratio stands significantly above the minimum set by the relevant legislation and the Bank is capable of servicing its debt in every market condition due to the ample liquidity it enjoys.

FINANCIAL INFORMATION AND RISK MANAGEMENT

Risk Management

Effective risk management is among the core elements of Akbank's corporate culture as well as one of the most important strengths of the Bank's competitiveness.

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

Risk Management Policies

The risk management system is a process that involves all units of the Bank. The core elements of Akbank's overall risk management policy are:

- Effectively managing the risks within the Bank's risk profile in accordance with the materiality criterion; possessing a centralized risk structure that encompasses all major risk areas,
- Managing existing and potential risks from the very first stage with the help of steering risk strategies, policies and procedures, models and parameters,
- Acting with a risk-oriented management approach in strategic decision-making processes,
- Complying with national and local obligations in risk management in full on a consolidated basis,
- Being open to change and improvement according to changing market conditions.

Key Responsibilities

The Board of Directors is in charge of determining the Bank's fundamental attitude toward risk while setting out the risk principles as well as the level of risk exposure. The Board of Directors manages risk through the Executive Risk Committee (ERC).

ERC is responsible for formulating risk policies, determining methods to measure and manage risk, setting commensurate risk limits and monitoring their performance. All risk policies formulated by the ERC are documented in writing and incorporated with the overall long-term strategy of the Bank.

Risk Categories

Credit Risk

Credit risk is risk exposure arising from the possibility of the counterparty's failure to meet its obligations defined by an agreement. Akbank manages credit risk inherent in its banking products, such as loans, guarantees and letters of credit issued to clients, utilizing prudent lending policies and procedures. Akbank assigns an internal rating to the counterparties to assess their credit quality for all credit transactions. As part of credit risk monitoring, the Bank sets limits for each industry, client, type of credit and borrowing customer segment.

Credit risk management is a process where credit risks are assessed and monitored consistently; it encompasses all loan portfolios on a consolidated basis. As part of the credit risk management process, the Risk Management Department is responsible for measuring, monitoring and reporting credit risk using statistical models. In addition to risk limits pertaining to credit risk, various concentrations in the loan book are analyzed. Developments regarding the cost of credit and non-performing loans are reported regularly. In addition, stress tests and scenario analyses are conducted for the credit portfolio.

Credit Appraisal Process

*Corporate, Commercial and **SME** Loans*

The Bank continued to improve its lending policies and system/process applications for Corporate, Commercial and SME loans in 2013.

As part of the proactive risk management initiatives, Akbank continued to conduct monitoring-oriented frequent company and sector visits and portfolio reviews and the development of the portfolio quality was tracked by way of periodic risk analyses.

Akbank continued to conduct training programs for improving loan approval processes and the risk approach.

Akbank made improvements in micro loan application and appraisal processes that shortened the service times. In 2013, the process of developing advanced decision support models in micro loan applications is largely completed.

Consumer Loans and Credit Cards

Akbank's Consumer Loans and Credit Cards portfolio was managed through advanced lending-decision models based on data and statistical models as well as business flows consistent with customer characteristics, at low costs and in a way that minimizes the non-performing loans. The consumer loan and credit card application and appraisal process was revised according to customer characteristics and major improvements were attained in service times.

Akbank upgraded consumer loan and credit card applications with next generation applications.

As part of the process improvement project that was launched this year, Akbank identified the system and policy changes that will increase the speed, accuracy and efficiency of the existing consumer loan monitoring and collection processes and began putting them in service in accordance with a deployment plan.

Market Risk

Market risk exposure arises from fluctuations in foreign exchange rates, interest rates and market prices of equities. Foreign exchange rate risk and interest rate risks are considered to be the two most important components of market risk.

Market risk is measured via two separate methods: internal model and standard formula. According to the internal model, market risk is measured using the Value at Risk (VaR) and ES - Expected Shortfall approaches that take into consideration various risk factors. VaR is computed using historical simulations and Monte Carlo simulations. The VaR model is based on the assumptions of a 99% confidence interval and a 10-day holding period. VaR and ES analyses are conducted and reported to the executive management on a daily basis. VaR is also utilized in speculative trading as a risk and limit management tool. Limits are reviewed constantly based on market conditions. Enforcement of the limits set is subject to authorization limits, which increases the effectiveness of controls. VaR analyses are supported by scenario analyses and stress tests, as a result of which the analyses take in consideration the effects of unexpected and highly-unlikely but high-impact events as well as market fluctuations. Back tests on model outcomes are performed regularly.

Operational Risk

Within the Bank, Operational Risk Management activities are carried out under the coordination of the Risk Management Department, Internal Control and Compliance Department, and the Board of Internal Auditors. On the one hand, a permanent improvement is achieved by monitoring and controlling, on a regular basis, the operational risks regarding the Bank's existing processes, products and services. On the other hand all potential risks that new products and services of the Bank will create on the Bank's structure and activities are effectively assessed. Akbank is undertaking Basel II compliance initiatives in operational risk measurement.

FINANCIAL INFORMATION AND RISK MANAGEMENT

Akbank formed an Operational Risk Committee in 2011 in an attempt to contribute to operational risk management efforts and to create a platform where related units join forces. The Committee is at the executive management level and its meetings are attended by the Financial Coordination (CFO), Operations, IT, Human Resources, Internal Control and Compliance, and Risk Management executives as well as other business units as needed. During the four committee meetings held in 2013, assessments on important operational risk matters were conducted.

Asset-Liability Risk

Asset and liability risk is managed through the decisions taken at the ERC meetings. ALCO formulates strategies for liquidity management and determines the position the Bank will take in accordance with the daily changes in interest rates and foreign exchange rates.

The Bank's interest rate sensitivity is measured and reported weekly. In addition, daily as well as transaction-based analyses are also conducted during significant market fluctuations and under certain circumstances. 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 Bank manages the interest rate risk on a portfolio basis and tries to minimize the impacts of fluctuations in market interest rates on the profitability, financial position and cash flows by applying different strategies. Basic methods such as using fixed or floating interest rates for different portfolios and maturities, setting the fixed margin in floating rates, varying the interest structuring for the short- or long-term positions, or using derivative contracts to mitigate interest rate risk are applied actively.

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

Akbank formulated a company policy and procedures as well as a "Know Your Customer" policy and procedures as part of its effective strategy for countering the laundering of criminal proceeds and the financing of terrorism that complies with national and international legislation. The Bank continued to constantly oversee its level of compliance and followed contemporary developments to comply with the methodologies pertaining to the implementation of standards published by the United Nations Security Council and the Financial Action Task Force (FATF).

The staff at all Akbank branches and subsidiaries in Turkey and abroad continued to attend training programs covering the matter of countering laundering of criminal proceeds and financing of terrorism in the banking system in 2013.

The new projects of the Bank as well as the revisions in the functioning of the existing processes are undertaken in accordance with these risks and standards.

REPORT OF THE AUDIT COMMITTEE

Assessment of the Audit Committee regarding Operations of Internal Control, Internal Audit and Risk Management Systems and their Performance in 2013

Akbank's Audit Committee held four meetings in 2013. During these meetings, the Audit Committee undertook efforts geared toward executing its duties and responsibilities that are stipulated on page 79 of this Annual Report.

Internal audit, internal control and risk management operations, duties and responsibilities are separate from each other at the Bank. They are carried out by the Board of Internal Auditors, the Internal Control and Compliance Department, and the Risk Management Department, which are organizationally independent from one another yet function in coordination and report directly to the Board of Directors.

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

Audit

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

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

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

Based on the findings and assessments of the audits carried out in 2013, no significant failures or weaknesses have been identified that could impair the Bank's operations or its ability to meet its obligations. It has been determined that the internal control and risk management systems of the Bank function properly, operations are generally low-risk, financial and legal reports are accurate, and that the Bank complies with laws and regulations.

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

The main objective of the Internal Control and Compliance Department is to increase the effectiveness and efficiency of the Bank's activities, to ensure the reliability of the financial reports, to ensure the compliance of the activities with the laws and other regulations. Internal Control and Compliance is responsible for overseeing the effective functioning of the Bank's internal control system and continues its controls on the head office and branch units to prevent the legal compliance risk, credit risk and operational risk that may arise from the activities of the Bank.

The activities of the Bank are carried out in four main areas with personnel composed of 105 employees, 86 of whom are control staff as of 2013 year-end; segment branch controls including corporate-commercial-private branches and overseas branches, operation controls examining all processes/transactions on the basis of main activities, information system controls, and compliance controls. In branch and operation controls, local and central control methods are used while controls are performed via control staff located in the Head Office and in different regions of the country. Facts found as a result of the controlling activities, are shared with the related branches and the head office units as the process of solving the problems is monitored.

REPORT OF THE AUDIT COMMITTEE

Within the scope of the operation controls, procedures are implemented in order to internalize new legal legislation regulations issued in the area of compliance with the banking legislation. New product/service projects and internal regulation documents of the Bank are evaluated in terms of control systems and compliance with the legislation. Legal compliance controls of the Bank and domestic and overseas subsidiaries subject to consolidation and overseas branches are carried out in this scope. In order to meet the obligations stipulated by the Law Act n.5549 on "Countering Laundering of Criminal Proceeds and Financing of Terrorism," customer transactions are monitored with a risk based approach, suspicious transactions are detected (identified), tracked and reported to public authorities, monitoring and controlling activities are carried out regarding the customers and their transactions related with risky sectors and countries. in order to ensure the safety of the information systems controls and information and system security (main computer and other auxiliary systems), technical controls are carried out regarding the systems that build the information technology infrastructure, controlling activities are carried out regarding data breach and the information security of the support services companies.

Within the scope of the Banking Regulation and Supervision Agency's regulation on Banks' Procurement of Support Services, the Internal Control and Compliance Department meets the legal obligations regarding the support services purchased or planned to be purchased by the Bank, performs controlling activities with the purpose of tracking and controlling the purchased services, monitors the risks and costs, specifies the necessary rules, restrictions and principles within the scope of the Regulation. The Internal Control and Compliance Department also counsels the Bank's staff regarding the Bank's work flows prior to transmission, and supports the training activities given to the Bank's staff regarding the operational risks and "Countering Laundering of Criminal Proceeds and Financing of Terrorism."

The result of the activities of the Internal Control and Compliance Department are evaluated by the Audit Committee meetings held quarterly. In addition, Head of the Internal Control and Compliance Department and Head of The Audit Committee review the Bank operations involving risks and discuss the measures to be taken for these issues. In this manner, the activities of the Compliance Department are scrutinized and tracked in real time while the findings of controlling activities are reviewed at the quarterly held committee meetings as well as in weekly meetings; potential risks are kept under close watch while they are still at the probability stage. The result of the assessments made on the activities revealed that the activities of the Bank's Internal Control and Compliance Department are successful in effectiveness, efficiency, and in identifying/preventing/decreasing risks.

The Risk Management Department continued its activities to ensure the most accurate calculation and reporting of the Bank's potential risk exposure in accordance with the materiality criterion using effective risk management measurements and methods. Closely monitoring the financial and economic developments in global markets, Basel principles and other international regulations and developments in the risk management field, the Department made improvements in existing practices.

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

Within the scope of the Integrated Risk Project launched in 2011, for assets-liabilities risk and credit risk, Basel-II internal rating based (IRB) method and operational risk modules were installed in 2013. In consequence, five of the eight modules were activated within the scope of the project which will be completed in 2014.

In consideration of the overall activities and operations of the internal control, internal audit and risk management systems of Akbank in 2013, efforts undertaken are deemed highly effective and satisfactory.

Hayri Çulhacı, Chairman of the Audit Committee
Yaman Törüner, Member of the Audit Committee

Disclosure of Public and Private Audits:

Akbank operates pursuant to the provisions of Banking Law No. 5411 and is subject to the regulation and oversight of the Banking Regulation and Supervision Agency of Turkey (BRSA) according to the provisions of the same law. Within this scope, BRSA undertook routine auditing activities during the year.

Credit Ratings

As a result of its meticulously executed effective risk management policies and successful performance, Akbank was assigned the highest financial strength rating and baseline credit assessment that can be assigned within the Turkish banking sector by Moody's as well as the highest individual rating in the sector by Fitch Ratings. In 2013, after Fitch, Moody's also raised Turkey's credit rating to "investment grade."

MOODY'S	Rating
Long-Term TL Rating	Baa2
Short-Term TL Rating	Prime-2
Long-Term FX Rating	Baa3
Short-Term FX Rating	Prime-3
Senior Unsecured Debt Issue	Baa 2
Financial Strength Rating	D+
Baseline Credit Assessment	Baa3

FITCH RATINGS	
Long-Term TL Rating*	BBB
Short-Term TL Rating*	F3
Long-Term FX Rating	BBB
Short-Term FX Rating	F3
Long-Term National Rating	AAA(tur)
Viability Rating	bbb
Senior Unsecured Debt Issue	BBB
Support	3

** Outlook is stable.*

FIVE-YEAR SUMMARY FINANCIAL STATISTICS

Five-Year Summary Consolidated Financial Statistics (TL Million)	2009	2010	2011	2012	2013
Total Assets	102,833	120,070	139,907	163,478	195,482
Deposits	60,954	71,708	80,771	90,688	112,473
Loans	44,604	57,733	74,356	92,360	118,010
Shareholders' Equity	14,447	17,948	18,131	22,476	22,135
Net Profit	2,723	3,010	2,535	3,005	3,077

Five-Year Summary Unconsolidated Financial Statistics (TL Million)	2009	2010	2011	2012	2013
Total Assets	95,309	113,183	133,552	155,854	183,737
Deposits	55,851	67,167	76,814	86,105	105,277
Loans	39,718	52,896	70,306	87,656	110,676
Shareholders' Equity	14,191	17,565	17,554	21,913	21,339
Net Profit	2,726	2,857	2,395	2,950	2,942

DISCLOSURES RELATED TO EVENTS SUBSEQUENT TO THE BALANCE SHEET

Disclosures related to events subsequent to the balance sheet can be found in Note IX of Section 5 in the publicly-announced Unconsolidated Financial Statements, Notes to these Financial Statements and Independent Auditor's Report, prepared as of December 31, 2013. In addition, the aforementioned information can also be found in Note IX of Section 5 in the Consolidated Financial Statements, Notes to these Financial Statements and Independent Auditor's Report.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION*

PREVIOUS VERSION	NEW VERSION
Purpose and Scope of Business: Article: 4 - I - The Bank has been founded in order to offer all kinds of banking services, including, but not limited to, the services and transactions specifically listed below, and to enter into all kinds of economic, financial and commercial ventures and activities not banned by the applicable laws pertaining thereto, and to engage in all fields of business of every kind as and to the extent allowed for banks by the applicable laws.	Purpose and Scope of Business: Article: 4 - I - The Bank has been founded in order to offer all kinds of banking services, including, but not limited to, the services and transactions specifically listed below, and to enter into all kinds of economic, financial and commercial ventures and activities not banned by the applicable laws pertaining thereto, and to engage in all fields of business of every kind as and to the extent allowed for banks by the applicable laws.
II - The Bank may, at home and abroad, extend and offer all types of term or demand loans, call loans, revolvable loans, secured or unsecured, New Turkish Lira or foreign exchange, cash, non-cash or commodity credits; and enter into discounting, purchase and negotiation, advances against bills or commodities, and rediscounting transactions and establish or participate in, transfer or take over credit syndications.	II - The Bank may, at home and abroad, extend and offer all types of term or demand loans, call loans, revolvable loans, secured or unsecured, Turkish Lira or foreign exchange, cash, non-cash or commodity credits; and enter into discounting, purchase and negotiation, advances against bills or commodities, and rediscounting transactions and establish or participate in, transfer or take over credit syndications.
III - The Bank may accept all deposits of any kind.	III - The Bank may accept all deposits of any kind.
IV - The Bank may engage in all kinds of payment transactions, particularly checks, letters of credit, remittances, and payment against documents or goods; and enter into mutual, parallel-linked or multilateral trading organizations, particularly switch, swap and barter.	IV - The Bank may engage in all kinds of payment transactions, particularly checks, letters of credit, remittances, and payment against documents or goods; and enter into mutual, parallel-linked or multilateral trading organizations, particularly switch, swap and barter.
V - The Bank may deal with all types of transactions with or through the Turkish Central Bank.	V - The Bank may deal with all types of transactions with or through the Turkish Central Bank.
VI - The Bank may enter into any kind of capital market transactions and engage in capital market activities, and may take actions on or with, and may dispose of, any capital market instruments, and may act as an intermediary in issue, sales and distribution of capital market instruments, and may issue asset based securities, may establish, operate, transfer, accept assignment of, and dispose of any and all funds specified in the capital market laws and regulations, and as an auxiliary capital market institution may be occupied with other activities of banks recognized by and pursuant to the capital markets laws and regulations.	VI - Subject to the Capital Markets Law and other applicable laws relating thereto, the Bank may enter into capital market transactions and engage in capital market activities, and may take actions on or with, and may dispose of, capital market instruments, and may act as an intermediary in issue, sales and distribution of capital market instruments, and may issue asset based securities, and may be occupied with other activities of banks recognized by and pursuant to the capital markets laws and regulations.
VII - The Bank may deal with all and any kinds of exchange transactions, and may serve as an intermediary institution and take necessary actions pertinent thereto, within the meaning ascribed thereto by the capital markets laws and regulations.	VII - The Bank may deal with all and any kinds of exchange transactions, and may serve as an intermediary institution and take necessary actions pertinent thereto, within the meaning ascribed thereto by the capital markets laws and regulations..
VIII - The Bank may enter into all foreign exchange and guarantee transactions of every kind.	VIII - The Bank may enter into all foreign exchange and guarantee transactions of every kind.
IX - To the extent allowed by the applicable laws, the Bank may be occupied within investment and merchant banking, and may organize and finance mergers and acquisitions.	IX - To the extent allowed by the applicable laws, the Bank may be occupied with investment and merchant banking, and may organize and finance mergers and acquisitions.
X - The Bank may offer and provide open and closed deposit, safe-deposit box and collective custody services, as well as custody and dematerialization services within the meaning ascribed thereto by the Capital Markets Law, or may perform or cause others perform these services and activities together with third parties, or may organize the same.	X - The Bank may offer and provide open and closed deposit, safe-deposit box and collective custody services, as well as custody and dematerialization services within the meaning ascribed thereto by the Capital Markets Law, or may perform or cause others perform these services and activities together with third parties, or may organize the same.

** Convenience translation*

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

XI - The Bank may engage in all kinds of banking transactions, and establish consortiums, and enter into all and any kinds of cooperation, with national and/or international crediting institutions and banks.	XI - The Bank may engage in all kinds of banking transactions, and establish consortiums, and enter into all and any kinds of cooperation, with national and/or international crediting institutions and banks.
XII - The Bank may deal with the transactions and ventures listed above directly or jointly with local or foreign persons or entities or in the name and in the account of or as a representative or agent of them, and if deemed necessary and useful therein for, may promote and found new companies or may participate in existing local or foreign companies or may acquire all or some shares of existing companies and ventures.	XII - The Bank may deal with the transactions and ventures listed above directly or jointly with local or foreign persons or entities or in the name and in the account of or as a representative or agent of them, and if deemed necessary and useful therein for, may promote and found new companies or may participate in existing local or foreign companies or may acquire all or some shares of existing companies and ventures.
XIII - The Bank may found holding companies, and may perform holding transactions, and may finance businesses and transactions for achievement of its objectives and within its fields of business, and may procure foreign capital investments and participations pursuant to the relevant laws and regulations of Turkey.	XIII - The Bank may found holding companies, and may perform holding transactions, and may finance businesses and transactions for achievement of its objectives and within its fields of business, and may procure foreign capital investments and participations pursuant to the relevant laws and regulations of Turkey.
XIV - The Bank may organize courses and scholarships in order to improve qualifications of its personnel, and may send officers or students to foreign countries for studies, practical training or education.	XIV - The Bank may organize courses and scholarships in order to improve qualifications of its personnel, and may send officers or students to foreign countries for studies, practical training or education.
XV - The Bank may establish new or participate in existing social and cultural premises and facilities, and may make donations and grants within the frame of regulations of the Capital Markets Board.	XV - The Bank may establish new or participate in existing social and cultural premises and facilities, and may make donations and grants within the frame of regulations of the Capital Markets Board.
XVI - In order to achieve the objectives listed above or for its own needs, the Bank may rent, lease, purchase or otherwise acquire, and build real properties and estates and may transfer or assign the same to third parties, and may establish mortgages thereon, and may otherwise dispose of them.	XVI - In order to achieve the objectives listed above or for its own needs, the Bank may rent, lease, purchase or otherwise acquire, and build real properties and estates and may transfer or assign the same to third parties, and may establish mortgages thereon, and may otherwise dispose of them.
XVII - The Bank may accept mortgages and pledges within the frame of provisions of the Banking Law, and in addition, may accept mortgages as a security for debts owed to it or for indemnification of losses of the Bank arising out of tortuous acts of third parties, and may change the conditions of, or annul and remove, the mortgages.	XVII - The Bank may accept mortgages and pledges within the frame of provisions of the Banking Law, and in addition, may accept mortgages as a security for debts owed to it or for indemnification of losses of the Bank arising out of tortuous acts of third parties, and may change the conditions of, or annul and remove, the mortgages.
XVIII - The Bank may purchase or acquire real properties and estates of third parties as a security for debts owed to it or for indemnification of losses of the Bank arising out of tortuous acts.	XVIII - The Bank may purchase or acquire real properties and estates of third parties as a security for debts owed to it or for indemnification of losses of the Bank arising out of tortuous acts.
XIX - The Bank may render all and any consulting and counseling services within its fields of business. The activities and operations listed above are not restrictive, and the Bank may deal with the activities and operations cited above to the extent allowed by the pertinent laws of the Republic of Turkey.	XIX - The Bank may render all and any consulting and counseling services within its fields of business. The activities and operations listed above are not restrictive, and the Bank may deal with the activities and operations cited above to the extent allowed by the pertinent laws of the Republic of Turkey.
XX - The Bank may engage in all kinds of fields of business stipulated in the Banking Law and other ancillary laws and regulations enacted under the said Banking Law, also including all and any revisions and amendments that may be made in provisions of the said laws pertaining to these fields of business, providing that the required licenses and permissions are obtained for such businesses and activities pursuant to the relevant laws and regulations.	XX - The Bank may engage in all kinds of fields of business stipulated in the Banking Law and other ancillary laws and regulations enacted under the said Banking Law, also including all and any revisions and amendments that may be made in provisions of the said laws pertaining to these fields of business, providing that the required licenses and permissions are obtained for such businesses and activities pursuant to the relevant laws and regulations.

Temporary Receipt, Interim Share, Share:
Article: 13 -
Applicable laws and regulations apply for temporary receipts, interim shares, and shares, and conversion of same into shares.

Assignment of Shares:
Article: 14 -
Bank maintains a share ledger pursuant to Article 417 of the Turkish Commercial Code. Transfer of registered shares takes place upon delivery of same to the transferee in accordance with Articles 416 and 559, provided, however, that this transfer shall be effective and valid vis-à-vis Bank only after registration of same in share ledger of Bank.

Transferee may not be named in share ledger as a shareholder unless it is evidenced that transfer of a registered share has taken place in accordance with the requirement specified above. Without prejudice to legal provisions regarding shares acquired through inheritance, only persons whose name are recorded in share ledger of Bank shall be considered shareholders vis-à-vis Bank.

Integrity of Shares:
Article: 15 -
1- Each share constitutes an undividable integral unit towards the Bank. If and when a share is owned by more than one person, the provisions of article 477 of the Turkish Commercial Code are applicable.

2- Bank may not take its shares in its possession, nor may accept pledge of same. Any contract resulting in acquisition of, acceptance of pledge of same shall be void, provided, however, that this provision shall not apply:

a) If shares are bought back as per a resolution stipulating reduction of the share-capital of Bank;

b) If shares are bought back in consideration of the reimbursement of sums due to Bank other than share subscriptions arising from incorporation of, or increase of share capital of Bank;

c) If shares are taken by Bank in possession as a result of acquisition of an estate or an enterprise together with its liabilities and receivables;

d) If discretion to transfer or accept pledge of shares is left to Bank in accordance with the Articles of Association;

e) If shares are pledged by directors, managers, and officers of Bank towards their respective obligations for acting in such capacities; and

f) If shares are taken in possession without any consideration.

Notwithstanding sub-paragraph (a), all acquired shares shall be immediately destroyed, and report taken in this regard shall be submitted to the Trade Registration Office. In all other event shares shall be disposed off in the earliest opportunity.

Temporary Receipt, Interim Share, Share:
Article: 13 -
Deleted from the Articles of Association.

Transfer of Shares:
Article: 14 -
Shares may be transferred freely, without prejudice to the relevant articles of the Turkish Commercial Code, Capital Markets laws and regulations, Banking Law and associated laws and regulations, and provisions of this Articles of Association.

Integrity of Shares:
Article: 15 -
1- Each share constitutes an undividable integral unit towards the Bank. If and when a share is owned by more than one person, the provisions of article 477 of the Turkish Commercial Code are applicable.

2- The Bank may acquire or accept as pledge its own shares, subject to the limitations specified in article 379 et seq. of the Turkish Commercial Code and other relevant laws and regulations.

In the case of purchase by the Bank of its own shares, the Capital Markets laws and other pertinent laws and regulations are complied with, and the required public disclosures are made in connection therewith.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Transactions of this kind shall be reported in Annual Report. It is not permissible that shares acquired by Bank are represented in the General Assembly of Shareholders.	Shares of the Bank acquired by the Bank itself are not permitted to be represented in the General Assembly of Shareholders.
Situation of Creditors and Successors: Article: 17 - By owning and holding a share, the holder thereof is deemed to have given his consent in advance both to the contents and provisions of this Articles of Association and to the decisions of the General Assembly of Shareholders. This provision is enforceable also on those who acquire the shares subsequently through inheritance or other ways.	Situation of Creditors and Successors: Article: 17 - By owning and holding a share, the holder thereof is deemed to have given his consent in advance both to the contents and provisions of this Articles of Association and to the decisions of the General Assembly of Shareholders. This provision is enforceable also on those who acquire the shares subsequently through inheritance or other ways.
Inheritors or creditors of a shareholder may by no means and for no reason claim attachment of assets and properties of the Bank or intervene with business affairs and management of the Bank. In order to recover their receivables, they are obligated to accept the Bank's accounting books and the decisions of the General Assembly of Shareholders.	Inheritors or creditors of a shareholder may by no means and for no reason claim attachment of assets and properties of the Bank or intervene with business affairs and management of the Bank. In order to recover their receivables, they are obligated to accept the Bank's accounting books and the decisions of the General Assembly of Shareholders.
The provisions of article 145 of the Turkish Commercial Code are, however, reserved.	The provisions of article 133 of the Turkish Commercial Code are, however, reserved.
Reduction in Capital: Article: 20 - Reduction of share capital is subject to and governed by provisions of articles 396, 397, and 398 of the Turkish Commercial Code.	Reduction in Capital: Article: 20 - Reduction of share capital is subject to and governed by provisions of articles 473, 474 and 475 of the Turkish Commercial Code, and Capital Markets laws and other relevant laws and regulations.
Issue of Securities: Article: 21 - Within the frame of the applicable laws, the Bank may issue all kinds of capital market instruments, particularly bonds, commercial papers and asset based securities.	Issue of Securities: Article: 21 - Within the frame of the applicable laws, the Bank may issue all kinds of capital market instruments, particularly bonds, commercial papers and asset based securities. The Board of Directors is indefinitely authorized to decide and resolve that all kinds of bonds, commercial papers, bank bonds and debentures, asset based securities and other instruments of debt recognized in the applicable laws be issued at home or abroad up to the maximum limits permitted by the laws and other legislative instruments, within the frame of the Turkish Commercial Code, Banking Law, Capital Markets Law and other current laws and regulations, and to take decisions as and when required for completion of issue procedures. Limits for the bonds and debentures to be issued shall be governed by the pertinent provisions of the Capital Markets Law and other relevant laws.
Interest on Paid Capital: Article: 22 - No interest is payable over the share capital. The provisions of articles 470 and 471 of the Turkish Commercial Code are, however, reserved	Interest on Paid Capital: Article: 22 - No interest is payable over the share capital. The provisions of articles 509 and 510 of the Turkish Commercial Code are, however, reserved.

Administrative Body and Organization of the Bank:
Article: 23 -
The Bank is directed, managed and audited by the following authorized bodies operating in accordance with the pertinent provisions of the Turkish Commercial Code and the Banking Law:

A - General Assembly of Shareholders,
B - Board of Directors,
C - Credit Committee,
D - Internal Auditors,
E - General Management

Administrative Body and Organization of the Bank:
Article: 23 -
The Bank is directed, managed and audited by the following authorized bodies operating in accordance with the pertinent provisions of the Turkish Commercial Code and the Banking Law:

A) General Assembly of Shareholders
B) Board of Directors
C) Credit Committee and other committees
D) Internal Auditors
E) General Management.

Security to be Deposited by Members of the Board:
Article: 26 -
Chairman, and all members of the Board of Directors are obliged to provide company with shares with nominal value of at least one percent of registered capital of the company each, provided, however, that it is not mandatory to provide shares in excess of one percent if one percent of registered capital exceeds the amount specified in relevant article of the Turkish Commercial Code.

Obligation of members of the Board of Directors of Bank to provide shares shall be fulfilled by companies represented by them.

Security to be Deposited by Members of the Board:
Article: 26 -
Deleted from the Articles of Association.

Board of Directors:
Article: 28 -
1 - Pursuant to article 319 the Turkish Commercial Code, the Board of Directors may take decisions as to distribution and allocation of its management and representation duties, or delegate all or some of its administrative duties and representation powers to executive director or directors being members of the Board of Directors, or to General Manager or Managers, or to others to be determined by itself.

Authorized Signatures and Circular:
Article: 28 -
1 - Pursuant to article 367 and second paragraph of article 370 of the Turkish Commercial Code, the Board of Directors may, without prejudice to the pertinent provisions of the Banking Law and other applicable laws, take decisions as to distribution and allocation of its management and representation duties, or delegate all or some of its administrative duties and representation powers to executive director or directors being members of the Board of Directors, or to General Manager or Managers, or to others to be determined by itself. At least one member of the Board of Directors is required to have the representation powers.

2 - The Board of Directors may restrict the representation powers solely for affairs of head offices or certain branch or branches or for particular affairs or businesses pursuant to article 321 of the Turkish Commercial Code, or if and when required, may decide that these powers be used jointly by head offices and branch(es) within certain limits and for certain purposes as may be designated.

2 - The Board of Directors may restrict the representation powers solely for affairs of head offices or certain branch or branches or for particular affairs or businesses pursuant to article 371 of the Turkish Commercial Code, or if and when required, may decide that these powers be used jointly by head offices and branch(es) within
certain limits and for certain purposes as may be designated.

3 - In order to be valid and binding on the Bank, all kinds of documents and certificates issued in the name of the Bank must, in addition to being in strict compliance with the requirements of the preceding paragraphs:

a) be signed jointly by any two of the authorized signatories of the Bank, or

3 - In order to be valid and binding on the Bank, all kinds of documents and certificates issued in the name of the Bank must, in addition to being in strict compliance with the requirements of the preceding paragraphs:

a) be signed jointly by any two of the authorized signatories of the Bank, or

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

b) be signed jointly by two authorized signatories, one being of the first degree and the other being of the second degree, under the name or common seal or seal of the Bank.

4 - The Bank issues a signature circular, containing the names and specimen signatures of members of its Board of Directors duly authorized to sign and act for and on behalf of the Bank, together with clauses reflecting the provisions of the preceding paragraphs, and sends the copies of its signature circular to the relevant institutions, entities and banks and other persons as and to the extent deemed necessary.

5 - Decisions taken in reliance upon this article and all and any changes thereon will be registered and announced in accordance with provisions of the Turkish Commercial Code.

Quorum and Decisions:
Article: 31 -
The Board of Directors may hold its meetings subject to presence of at least one more than the half of the entire number of its members. Decisions are taken by affirmative vote of majority of the members present in the meeting. Directors are not allowed to vote for and on behalf of each other. In the case of equality of votes, the topic is postponed to the next meeting of the Board of Directors. In the case of equality of votes in the next meeting as well, the motion is deemed to have been refused.
Discussions in the Board meetings are regularly recorded by a secretary to be appointed from among Directors or from outside. Meeting minutes are required to be signed by the Directors present in the meeting, and in case of dissenters, the dissenting opinions are also required to be included in the minutes, and signed by the dissenters. Unless one of the Directors specifically requests a meeting, the decisions of the Board of Directors may further be taken by obtaining written consents of other members for a written motion issued in the form of a Board decision by any one of Directors on a specific topic. Validity of the Board decisions is subject to their being duly written and signed.

Minutes of Board Decisions:
Article: 32 -
In meetings of the Board of Directors, the Directors are entitled to request information and explanations about the progress of business or about particular affairs from all and any persons authorized to represent the Bank and to conduct businesses of the Bank. The Board of Directors may even decide to request submission and delivery of books and files to it.

The Directors are not permitted to take part in negotiation of any matters concerning their own personal interests or interests of their relatives as described in article 349 of the Turkish Commercial Code. Upon inclusion of such a matter in the agenda, the relevant Director is under obligation to report his conflict of interest to the Board of Directors and to have such conflict of interest recorded in the meeting minutes. Upon occurrence of the event mentioned in 2nd paragraph of article 330 of the Turkish Commercial Code, the event is written in the document of proposal

b) be signed jointly by two authorized signatories, one being of the first degree and the other being of the second degree, under the name or common seal or seal of the Bank.

4 - The Bank issues a signature circular, containing the names and specimen signatures of members of its Board of Directors duly authorized to sign and act for and on behalf of the Bank, together with clauses reflecting the provisions of the preceding paragraphs, and sends the copies of its signature circular to the relevant institutions, entities and banks and other persons as and to the extent deemed necessary.

5 - Decisions taken in reliance upon this article and all and any changes thereon will be registered and announced in accordance with provisions of the Turkish Commercial Code.

Quorum and Decisions:
Article: 31 -
The Board of Directors may hold its meetings subject to presence of majority of the full number of its members. Decisions are taken by affirmative vote of majority of the members present in the meeting. Directors are not allowed to vote for and on behalf of each other. In the case of equality of votes, the topic is postponed to the next meeting of the Board of Directors. In the case of equality of votes in the next meeting as well, the motion is deemed to have been refused.

Discussions in the Board meetings are regularly recorded by a secretary to be appointed from among Directors or from outside. Meeting minutes are required to be signed by the Directors present in the meeting, and in case of dissenters, the dissenting opinions are also required to be included in the minutes, and signed by the dissenters. Unless one of the Directors specifically requests a meeting, the decisions of the Board of Directors may further be taken as per article 390 of the Turkish Commercial Code by obtaining written consents of at least majority of the full number of members for a written motion issued in the form of a Board decision by any one of Directors on a specific topic. Validity of the Board decisions is subject to their being duly written and signed.

Minutes of Board Decisions:
Article: 32 -
In meetings of the Board of Directors, the Directors are entitled to request information and explanations about the progress of business or about particular affairs from all and any persons authorized to represent the Bank and to conduct businesses of the Bank. The Board of Directors may even decide to request submission and delivery of books and files to it.

The Directors are not permitted to take part in negotiation of any matters concerning their own personal interests or interests of their relatives as described in article 393 of the Turkish Commercial Code. Upon inclusion of such a matter in the agenda, the relevant Director is under obligation to report his conflict of interest to the Board of Directors and to have such conflict of interest recorded in the meeting minutes. Upon occurrence of the event mentioned in 4th paragraph of article 390 of the Turkish Commercial Code, the event is written in the document of proposal.

Any Director acting in conflict with the rules envisaged in the preceding paragraph is under obligation to indemnify and hold the Bank harmless from all kinds of losses that may be suffered by the Bank due to such conflict of interest. The pertinent provisions of the Banking Law are, however, reserved.

Unless and until they are permitted to do so by a decision of the General Assembly of Shareholders, members of the Board of Directors cannot directly or indirectly enter into any commercial or trading relation with the Bank within the fields of business of the Bank in their own name or in the name of third parties. The provisions of article 335 of the Turkish Commercial Code pertaining to noncompetition, and relevant provisions of the Banking Law are, however, reserved.

The Duties and Powers of the Board of Directors:
Article: 33 -
Duties, powers and responsibilities of the Board of Directors are subject to and governed by the principles set forth in the Turkish Commercial Code, and Banking Law pertaining thereto, and the provisions of this Articles of Association, and the Board of Directors is authorized to take decisions on all and any matters other than the matters specifically requiring a decision of the General Assembly of Shareholders, and to absolutely use its powers of settlement, release, arbitration and waiver, and to decide on topics which are left outside the limits of authorization of the Credit Committee and General Manager or any other executive in his position.

Accordingly, the Board of Directors is authorized:

I - to prepare, issue and approve an internal bylaws showing which affairs relating to the administration of the Bank may be decided by the General Manager or any other executive in his position, and which affairs may be performed under decisions of the Credit Committee or the Board of Directors, and how the internal affairs of the Bank will be conducted; and

II - to perform all and any transactions relating to real properties and estates which are not clearly prohibited by the applicable laws or by this Articles of Association, and to manage all and any movable and immovable assets and properties under the control and disposition of the Bank; and

III - to prepare and issue the Bank's financial statements in accordance with provisions of the Banking Law; and

IV - to delegate to the Credit Committee and the General Manager all and any powers deemed fit and necessary for administration of the Bank, within the frame of provisions of the Banking Law; and,

Any Director acting in conflict with the rules envisaged in the preceding paragraph is under obligation to indemnify and hold the Bank harmless from all kinds of losses that may be suffered by the Bank due to such conflict of interest. The pertinent provisions of the Banking Law are, however, reserved.

Unless and until they are permitted to do so by a decision of the General Assembly of Shareholders, members of the Board of Directors cannot directly or indirectly enter into any commercial or trading relation with the Bank within the fields of business of the Bank in their own name or in the name of third parties. The provisions of article 396 of the Turkish Commercial Code pertaining to noncompetition, and relevant provisions of the Banking Law are, however, reserved.

The Duties and Powers of the Board of Directors
Article: 33 -
Duties, powers and responsibilities of the Board of Directors are subject to and governed by the principles set forth in the Turkish Commercial Code Capital Markets Law and Banking Law pertaining thereto, and the provisions of this Articles of Association, and the Board of Directors is authorized to take decisions on all and any matters other than the matters specifically requiring a decision of the General Assembly of Shareholders, and to absolutely use its powers of settlement, release, arbitration and waiver, and to decide on topics which are left outside the limits of authorization of the Credit Committee and other committees and General Manager or any other executive in his position.

Accordingly, the Board of Directors is authorized:

I - to prepare, issue and approve an internal bylaws showing which affairs relating to the administration of the Bank may be decided by the General Manager or any other executive in his position, and which affairs may be performed under decisions of the Credit Committee and other committees or the Board of Directors, and how the internal affairs of the Bank will be conducted; and

II - to perform all and any transactions relating to real properties and estates which are not clearly prohibited by the applicable laws or by this Articles of Association, and to manage all and any movable and immovable assets and properties under the control and disposition of the Bank; and

III - to prepare and issue the Bank's financial statements in accordance with provisions of the Banking Law; and

IV - to delegate to the Credit Committee and other committees and the General Manager all and any powers deemed fit and necessary for administration of the Bank, within the frame of provisions of the Banking Law; and

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V - to keep the books listed in article 325 of the Turkish Commercial Code, and to issue the balance sheet of the past accounting year within certain periods of time in accordance with provisions of the Turkish Commercial Code and the Banking Law, and to present the balance sheet to inspection of shareholders no later than fifteen days prior to the annual ordinary meeting of the General Assembly of Shareholders, and to keep the books listed in article 326 of the same Code; and	V - to keep the books listed in article 375 of the Turkish Commercial Code, and to issue the balance sheet of the past accounting year within certain periods of time in accordance with provisions of the Turkish Commercial Code and the Banking Law, and to present the balance sheet to inspection of shareholders no later than fifteen days prior to the annual ordinary meeting of the General Assembly of Shareholders; and
VI - to issue the yearly report mentioned in article 327 of the Turkish Commercial Code, and to timely call the General Assembly of Shareholders for meetings and to complete the required preparations in accordance with procedural and substantive law provisions pertaining thereto; and,	VI - to issue the yearly report mentioned in article 375 of the Turkish Commercial Code, and to timely call the General Assembly of Shareholders for meetings and to complete the required preparations in accordance with procedural and substantive law provisions pertaining thereto; and
VII - to review and determine the staff positions of officers and servants at least once a year and to appoint officers and servants pursuant to article 328 of the Turkish Commercial Code, and to appoint and dismiss General Manager and other Managers even for a term of office in excess of the term of office of the appointing Board of Directors in accordance with articles 342, 343, and 345 of the same Code; and	VII - to review and determine the staff positions of officers and servants at least once a year and to appoint officers and servants pursuant to article 375 of the Turkish Commercial Code, and to appoint and dismiss General Manager and other Managers even for a term of office in excess of the term of office of the appointing Board of Directors; and
VIII - to duly and diligently perform all other duties and services vested in the Board of Directors by the Turkish Commercial Code, the Banking Law and other applicable laws and this Articles of Association; and,	VIII - to duly and diligently perform all other duties and services vested in the Board of Directors by the Turkish Commercial Code, the Banking Law and other applicable laws and this Articles of Association; and
IX – to pledge or mortgage the movable and immovable assets and properties of the Bank,	IX - to pledge or mortgage the movable and immovable assets and properties of the Bank.
The Board of Directors may perform all and any of these duties either directly or may delegate all or some of these duties, deemed possible and feasible, to the Credit Committee , executive directors or to committees or commissions it is authorized to appoint as per the provisions of this Articles of Association, or to the Bank General Manager.	Without prejudice to provisions of article 375 of the Turkish Commercial Code, the Board of Directors may perform all and any of these duties either directly or may delegate all or some of these duties, deemed possible and feasible, to the Credit Committee or other committees, executive directors or to committees or commissions it is authorized to appoint as per the provisions of this Articles of Association, or to the Bank General Manager.
Managing Director: Article: 34 - The Board of Directors may delegate some of its powers and authorizations to any one or more of its members, or may empower any one or more of its members to manage the business of the Bank and to enforce the decisions of the Board of Directors, and members appointed as such are called “Executive Directors”. If the Executive Directors are numerous, they take their decisions by majority vote. Duties and powers to be delegated and fees to be paid to the Executive Directors are determined by the Board of Directors, and these fees are debited to the general expenses of the Bank.	Managing Director: Article: 34 - The Board of Directors may delegate some of its powers and authorizations to any one or more of its members, or may empower any one or more of its members to manage the business of the Bank and to enforce the decisions of the Board of Directors, and members appointed as such are called “Executive Directors”. If the Executive Directors are numerous, they take their decisions by majority vote. Duties and powers to be delegated and fees to be paid to the Executive Directors are determined by the Board of Directors, and these fees are debited to the general expenses of the Bank. Non-transferrable duties and powers mentioned in article 375 and other articles of the Turkish Commercial Code are, however, reserved.

Credit Committee:
Article: 38 -
The Board of Directors is authorized to make credit facilities available. The Board of Directors may delegate this authorization to credit committee or general management within the frame of principles and procedures to be determined by the Banking Regulation and Supervision Board. Composition and working and decision making principles of the Credit Committee are also determined by the Banking Regulation and Supervision Board.

Internal Auditors:
Article: 39 -
At least two internal auditors shall be selected by the General Assembly of Shareholders among shareholders or non-shareholders for a period of three years maximum to perform audit duties in accordance with the provisions of this Articles of Association.

a) In case of election of two auditors, both auditors and in case of subsequent election of auditors more than one of the half of the full number of auditors elected must be Turkish.

b) Multiple auditors shall constitute a committee.

c) It is permissible that any auditor whose term of office has expired may be re-elected. Auditors may not be elected to act as a member of the Board of Directors, nor be retained as officer of the Bank. None of members of the Board of Directors whose term of office has expired may be elected as internal auditor unless he is released by the General Assembly of Shareholders from his liabilities

d)No one who is related by lineal consanguinity to any member of the Board of Directors, or spouse, or relative of such member within the third degree (including), whether related by blood or marriage may be elected as internal auditor. Even if s/he is elected s/he must immediately inform the Bank and resign from his/her office.

e) The General Assembly of Shareholders may at any time dismiss and replace any internal auditor. An internal auditor who is elected among shareholders may not demand compensation in the event he is dismissed.

f) In the event of termination of any internal auditor due to the death, resignation, or inability to perform his duties for any impediment whatsoever, or bankruptcy, or judicial incapacity of an internal auditor, or in the event an internal auditor is sentenced to heavy imprisonment, or convicted for crimes, such as forgery, embezzlement, theft, or fraud the General Assembly of Shareholders shall elect another person to replace him in the first meeting of the General Assembly of Shareholders

Credit Committee and Other Committees:
Article: 38 -
The Board of Directors is authorized to make credit facilities available. The Board of Directors may delegate this authorization to credit committee or general management within the frame of principles and procedures to be determined by the Banking Regulation and Supervision Board. Composition and working and decision making principles of the Credit Committee are also determined by the Banking Regulation and Supervision Board.

Composition and working and decision making principles of other committees required to be established pursuant to pertinent provisions of the Banking Law, the Capital Markets Law and the Turkish Commercial Code will be governed by the relevant legislative instruments.

Internal Auditor:
Article: 39 -
The Bank will be audited by an internal auditor to be elected on yearly basis by the General Assembly of Shareholders from among the persons bearing the qualifications specified in the pertinent provisions of the Turkish Commercial Code.

Internal auditor is announced in the Turkish Trade Registry Gazette and the internet website of the Bank. Internal auditor is dismissed according to the pertinent provisions of the Turkish Commercial Code. The provisions of article 399(2) of the Turkish Commercial Code are, however, reserved.

Fee payable to internal auditors will be determined by a contract to be signed with internal auditor every year.

Duties, powers and responsibilities of and other matters relating to internal auditors shall be governed by the relevant provisions of the Turkish Commercial Code and the Capital Markets Law.

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g) The General Assembly of Shareholders not only immediately causes the election and dismissal of an internal auditor to be registered by the Trade Registration Office, but also to be promulgated by the same Office in accordance with article 37 of the Turkish Commercial Code.

h) Internal auditors are obliged to disclose any and all matters which they become aware of while performing their duties to individual shareholders and third parties.

i) Internal auditors are jointly liable for all damages arising out of their omission of performing, or failure to duly perform their duties given to them under the Law and the Articles of Association unless they prove that they were not at fault. This liability is subject to the provisions of articles 309 and 341 of the Turkish Commercial Code.

Duties of Internal Auditors:
Article: 40 -
The duty of internal auditors is to audit businesses and dealings of Bank in accordance with the Turkish Commercial Code. Internal auditor must state such non-compliances and substantiate them with appropriate documentary evidences in a report to be submitted to the General Assembly of Shareholders if they discover any non-compliance of Chairman or members of the Board of Directors, or members of the Credit Committee, or managers or officers of Bank with applicable Law and the Articles of Association.

Duties of Internal Auditors:
Article: 41 -
Internal auditors are obliged to submit a report, which includes their comments on status and standing of Bank, and on the report and other documents to be prepared by the Board of Directors with respect to balance sheet prepared by the Board of Directors and other accounts, and profit distribution proposal of the Board of Directors to the General Assembly of Shareholders at the end of each year. The General Assembly of Shareholders may not resolve on the Balance Sheet without receiving such report. Internal auditors are obliged to report any deficiency or corruption, or violation of applicable Law or the Articles of Association which they become aware of with respect to administrative duties while performing their duties to line manager of person who is responsible for such deficiencies or corruption, or violations, and to Chairman of the Board of Directors, and to the General Assembly of Shareholders in material events.

Duties of Auditors:
Article: 40 -
Deleted from the Articles of Association.

Compliance With Corporate Governance Principles:
Article: 40 -
The Bank will comply with the Corporate Governance Principles issued as mandatory principles by the Capital Markets Board. Transactions performed and decisions of the Board of Directors taken in conflict with these mandatory principles are invalid and are deemed to be contradictory with this Articles of Association.

In all material transactions for the purposes of implementation of the Corporate Governance Principles and in all material related party transactions of the Bank, the Bank will comply with the corporate governance guidelines and regulations of the Capital Markets Board.

Number and qualifications of independent members of the Board of Directors are to be determined in accordance with the corporate governance guidelines and regulations of the Capital Markets Board.

Duties of Auditors:
Article: 41 –
Deleted from the Articles of Association.

In addition to annual report to be prepared in accordance with the above paragraph, internal auditors are also obliged to prepare a report on position of Bank vis-à-vis the Law and other laws and regulation at such intervals specified in the Law starting from the beginning of period, and to submit this report to the Board of Directors and the authority identified in the Law within one month immediately following period to which the report is related.

Duties of Internal Auditors:
Article: 42 -
Internal auditors are obliged to call a meeting of the General Assembly of Shareholders to hold a meeting whenever there are necessary and pressing reasons.

Article: 42 -
Deleted from the Articles of Association.

Duties of Internal Auditors:
Article: 43 -
Any shareholder may refer to internal auditors against any member of the Board of Directors or managers of Bank. Internal auditors are obliged to investigate such applications. In the event it becomes evident that the complaint is found to be valid the matter will be stated in internal auditors' annual report.

If total number of shares held by complainants is at least one-twentieth of issued capital of Bank internal auditors are obliged to state their opinions and remarks on the complaint in their report, and to immediately call the General Assembly of Shareholders to hold an ad-hoc meeting if they deem necessary.

Those who file a complaint with internal auditors in reliance upon paragraph two above should place the number of shares stated above in escrow with Bank. Such shares will be kept by Bank until the end of immediate next meeting of the General Assembly of Shareholders

Article: 43 -
Deleted from the Articles of Association.

Duties of Internal Auditors:
Article: 44 -
The General Assembly of Shareholders may choose a special internal auditor for inspecting and investigating certain matters. In the event of an allegation made by shareholders who hold, without any dispute, at least one-twentieth of share capital of Bank which is effective for at least six months prior to meeting of the General Assembly of Shareholders, asserting that there has been a misuse in the establishment of, or administrative dealings of Bank, or a material violation of Law or the Articles of Association in the last two years, they may request from the General Assembly of Shareholders to appoint a special internal auditor to investigate such allegations, or trueness of the balance sheet. Should the General Assembly of Shareholders refuse this request they are entitled to file a complaint with a competitive court, provided that it must pay all necessary court costs in advance, and place total number of shares they hold in escrow with a reputable bank until the case is over. In order for the court to grant this motion it must be substantiated with sufficient evidences and indications on allegations. If the court dismiss the motion, or if allegations are found to be unsubstantiated based of results of investigation, shareholders, who are proved to have acted in bad faith, shall be jointly held liable for all damages sustained by Bank because of such

Article: 44 -
Deleted from the Articles of Association.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

allegations. If the request for the appointment of a special internal auditor is dismissed by the court, or if such request is found to be without just cause shareholders, who are proved to have acted in bad faith, shall be jointly held liable for all damages sustained by Bank because of such allegations.	
Duties of Internal Auditors: Article: 45 - If the General Assembly of Shareholders resolves that a lawsuit be brought against the Board of Directors internal auditors shall be responsible for executing this resolution.	Article: 45 - Deleted from the Articles of Association.
Duties of Internal Auditors: Article: 46 - Internal auditors may be present at any meeting of the Board of Directors, provided, however, that they are not allowed to vote at, or participate in discussions during meeting, and may have any business that they deem fit be included in ordinary or ad-hoc agenda of the Board of Directors, or the General Assembly of Shareholders	Article: 46 - Deleted from the Articles of Association.
Remuneration of Internal Auditors: Article: 47 - Internal auditors are entitled to monthly or annual remuneration to be determined by the General Assembly of Shareholders.	Auditors' Fees Article: 47 - Deleted from the Articles of Association.
General Management: Article: 49 - Members of the Board of Directors cannot be held liable for the damages and losses caused by General Manager. Providing, however, that provisions of article 346 of the Turkish Commercial Code pertaining to appointment of incompetent managers, or tolerance shown to harmful acts and transactions of managers, or authorization of managers for topics and matters which are indeed not within the limits of authorization of the Board of Directors are reserved.	General Manager: Article: 49 - Members of the Board of Directors cannot be held liable for the damages and losses caused by General Manager. Providing, however, that provisions of article 553 of the Turkish Commercial Code pertaining to appointment of incompetent managers, or tolerance shown to harmful acts and transactions of managers, or authorization of managers for topics and matters which are indeed not within the limits of authorization of the Board of Directors are reserved.
General Assembly: Article: 59 - In the event of ordinary (regular) and extraordinary (ad-hoc) meetings of the General Assembly of Shareholders, article 368 of the Turkish Commercial Code shall not apply.	General Assembly: Article: 59 - The General Assembly of Shareholders meets for ordinary (regular) and extraordinary (special) meetings subject to pertinent provisions of the Turkish Commercial Code and the capital markets legislation.
Shareholders' Voting Right: Article: 63 - a) Each shareholder has voting rights equal to the number of shares held in the Company at a General Meeting.	Shareholders' Voting Right: Article: 63 - a) Shareholders use their voting rights in proportion to total nominal value of their shares pursuant to article 434 of the Turkish Commercial Code.
b) If a share certificate giving the right to vote is owned by more than one person, the share certificate cannot be divided towards the Bank, and such shareholders may use their votes only through a proxy of them.	b) If a share certificate giving the right to vote is owned by more than one person, the share certificate cannot be divided towards the Bank, and such shareholders may use their votes only through a proxy of them.

c) None of the shareholders can use his/her voting rights on personal matters or on lawsuits and legal proceedings between himself/herself or his wife/her husband or his/her ascendants and descendants on one side and the Bank on the other side, nor can those who have by any means been involved in the Bank's affairs or businesses use their voting rights on decisions relating to release of the Directors.

Representation:
Article: 64 -
Shareholders use their rights pertaining to the Bank's affairs and businesses, such as appointment of members to the Bank's bodies, or approval of the Bank's accounts, or distribution of the Bank's profit, in the meetings of the General Assembly of Shareholders.

a) A shareholder may use his voting rights in the meetings of the General Assembly of Shareholders either directly himself, or indirectly through a proxy to be appointed from among other shareholders.

All limitations and conditions specified in the applicable laws with respect to voting by proxy, including, but not limited to, persons authorized to vote as a proxy in the meetings of the General Assembly of Shareholders, and number of votes usable by one proxy, are reserved.

b)Representation power relating to registered share certificates must be given in writing. Format of this writing will be determined and announced by the Board of Directors.

c) Voting right belongs to the holder of share. However, a possessor authorized to represent may also use the voting right in place of the holder, providing that the representation power is granted by a separate document.

d) Regulations and guidelines of the Capital Markets Board pertaining to voting by proxy are, however, reserved.

e) Voting right arising out of a share certificate restricted by a beneficial interest is used by the holder of beneficial interest.

Delivery of share certificates to a third party for use of voting rights in the meetings of the General Assembly of Shareholders, with a view to neutralizing any one of restrictions or limitations on voting rights is unacceptable.

Each of shareholders may raise an objection to the Board of Directors against participation of non-eligible persons in a meeting of the General Assembly of Shareholders, and may further have his objections recorded in the meeting minutes of the General Assembly of Shareholders

If persons non-eligible for participation in a meeting of the General Assembly of Shareholders have already voted in a decision taken therein, each of shareholders may, even if he has not previously objected against it, go to the competent court for nullification of such decision; providing, however, that such claim of nullification is dismissed if the Bank proves that their votes have not been effective on the decision.

c) None of the shareholders can use his/her voting rights on personal matters or on lawsuits and legal proceedings between himself/herself or his wife/her husband or his/her ascendants and descendants on one side and the Bank on the other side, nor can those who have by any means been involved in the Bank's affairs or businesses use their voting rights on decisions relating to release of the Directors.

Representation
Article: 64 -
Shareholders use their rights pertaining to the Bank's affairs and businesses, such as appointment of members to the Bank's bodies, or approval of the Bank's accounts, or distribution of the Bank's profit, in the meetings of the General Assembly of Shareholders.

a) A shareholder may use his voting rights in the meetings of the General Assembly of Shareholders either directly himself, or indirectly through a proxy to be appointed from among other shareholders or from outside.

All limitations and conditions specified in the applicable laws with respect to voting by proxy, including, but not limited to, persons authorized to vote as a proxy in the meetings of the General Assembly of Shareholders, and number of votes usable by one proxy, are reserved.

b) Representation power relating to registered share certificates must be given in writing. Format of this writing will be determined and announced by the Board of Directors.

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If persons non-eligible for participation in a meeting of the General Assembly of Shareholders have already voted in a decision taken therein, each of shareholders may, even if he has not previously objected against it, go to the competent court for nullification of such decision; providing, however, that such claim of nullification is dismissed if the Bank proves that their votes have not been effective on the decision.

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Admission Card:
Article: 65 -
In order to be able to verify quorum for meeting, shareholders, who will attend the General Meeting, bring shares they personally hold or represent via proxy, or documents evidencing such shares to Bank in accordance with provisions of the Turkish Commercial Code and of the Capital Market Board, and may receive an admission card showing the number of shares and votes they hold.

The admission cards shall be valid for the second meeting should quorum for meeting not be achieved.

Holders of bearer shares whose name are registered in share ledger, however, reserve their right to directly attend the General Meeting.

List of Attending Shareholders:
Article: 66 -
A list showing full names of shareholders, or of proxies or representatives thereof who are to attend the General Meeting and number of shares to be represented by them at the General Meeting should be prepared, and after approval by the Chairman of the General Meeting a copy thereof should be so displayed that all shareholders could access to it, and a copy thereof should be submitted to the Secretary of the General Meeting.

Chairman, Secretary, Vote-Collectors and List of Attendee:
Article: 67 -
The Board of Directors takes the required actions in order to determine whether the shareholders are required to be called to the meeting and have the right to participate in discussions and to use voting rights therein or not. The Board of Directors further ensures that meeting minutes are kept in order to record the decisions taken and the elections made and the statements of shareholders therein.

Meetings of the General Assembly of Shareholders are chaired by President of the Board of Directors. In absence of President, the meeting is chaired by Vice President. In absence of Vice President as well, the meeting chairman is elected by the General Assembly of Shareholders.

Persons eligible for participation in meetings of the General Assembly of Shareholders of the Bank may participate in these meetings via electronic media as well pursuant to article 1527 of the Turkish Commercial Code. Pursuant to the Regulation on General Assembly Meetings of Joint-Stock Companies To Be Held via Electronic Media, the Bank may either establish an electronic general assembly system enabling the right-owners to participate, express their comments and opinions, raise proposals and motions, and vote in meetings of the General Assembly of Shareholders via electronic media, or purchase service from already existing systems established to this end. In all meetings of the General Assembly of Shareholders, the right-owners and their representatives and agents are enabled to use their rights arising out of the provisions of the aforementioned Regulation, through the system established as above.

Right to Participate in the Meeting:
Article: 65 -
All shareholders named in the list prepared by the Board of Directors will have the right to participate in meetings of the General Assembly of Shareholders.

The list of persons eligible for participation in meetings of the General Assembly of Shareholders is to be signed by natural person shareholders by submitting their identity document, or by legal entity shareholders by submitting identity documents and authorization certificates of persons authorized to represent and bind the legal entity shareholder. Proxies intending to participate in a meeting of the General Assembly of Shareholders by proxy to natural person or legal entity shareholders are further liable to submit their powers of attorney as well.

List of Attendee:
Article: 66 -
The list of persons eligible for participation in meetings of the General Assembly of Shareholders, prepared by the Board of Directors, is signed by the shareholders or their proxies present in the meeting, and by meeting chairman and representative of the Ministry, and is then termed as the list of attendants.

Chairman, Secretary, Vote-Collectors and List of Attendee:
Article: 67 -
The Board of Directors takes the required actions in order to determine whether the shareholders are required to be called to the meeting and have the right to participate in discussions and to use voting rights therein or not. The Board of Directors further ensures that meeting minutes are kept in order to record the decisions taken and the elections made and the statements of shareholders therein.

Meetings of the General Assembly of Shareholders are chaired by President of the Board of Directors. In absence of President, the meeting is chaired by Vice President. In absence of Vice President as well, the meeting chairman is elected by the General Assembly of Shareholders.

It is the duty of meeting chairman to ensure that negotiations and discussions are duly managed and handled, and meeting minutes are kept in accordance with pertinent provisions of laws and this Articles of Association.

Two shareholders attending the General Meeting and having the highest number of shares represented at the General Meeting perform the role of scrutineer. If any of them refuses to perform this role next largest shareholders are offered with role, and the one who accepts the offer will be asked to perform this role.

The secretary of the General Meeting is nominated and selected by the Chairman and the scrutineers among shareholders or among non-shareholders.

A list showing the names and residence addresses, and shares and votes of shareholders or their proxies or agents present in the meeting of the General Assembly of Shareholders is issued, and after approved by those present in the meeting, this list is attached to the meeting minutes and is submitted to relevant persons upon demand.

Powers of the General Assembly:
Article: 69 -
Powers of the General Assembly of Shareholders are:

a)To discuss and decide all and any topics outside the limits of authorization of the Board of Directors; and

b)To grant special permissions and consents to the Board of Directors, and determine the conditions thereof, and regulate the method of management of business of the Bank; and

c) To approve or disapprove the reports to be issued by the Board of Directors and the internal auditors about business of the Bank, and the balance sheet, profit & loss statement and book of assets, or to order re-issuance of them, and to release the Board of Directors or to decide to hold the Board of Directors liable, and to decide on depreciations, and to determine the dividend shares, and to appoint or if deemed necessary, dismiss and replace the members of the Board of Directors and the internal auditors, and to determine and fix the fees, wages and remunerations payable to the members of the Board of Directors and internal auditors; and

d) To decide whether to give permission or not on topics for which a personal permission is required to be taken by the members of the Board of Directors.

It is the duty of meeting chairman to ensure that negotiations and discussions are duly managed and handled, and meeting minutes are kept in accordance with pertinent provisions of laws and this Articles of Association.

The meeting chairman appoints a secretary and if deemed necessary a vote-collector to form the chairmanship committee of meeting.

A list showing the names and residence addresses, and shares and votes of shareholders or their proxies or agents present in the meeting of the General Assembly of Shareholders is issued, and after approved by those present in the meeting, this list is attached to the meeting minutes and is submitted to relevant persons upon demand.

Powers of the General Assembly:
Article: 69 -
Powers of the General Assembly of Shareholders are:

a) To discuss and decide all and any topics outside the limits of authorization of the Board of Directors; and

b) To grant special permissions and consents to the Board of Directors, and determine the conditions thereof, and regulate the method of management of business of the Bank; and

c) To approve or disapprove the reports to be issued by the Board of Directors and the internal auditors about business of the Bank, and the balance sheet, profit & loss statement and book of assets, or to order re-issuance of them, and to release the Board of Directors or to decide to hold the Board of Directors liable, and to decide on depreciations, and to determine the dividend shares, and to appoint or if deemed necessary, dismiss and replace the members of the Board of Directors and the internal auditors, and to determine and fix the fees, wages and remunerations payable to the members of the Board of Directors; and

d) To decide whether to give permission or not on topics for which a personal permission is required to be taken by the members of the Board of Directors.

Provisions of article 408 of the Turkish Commercial Code are, however, reserved.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Discharge: Article: 72 - Profit and loss statement, balance sheet, yearly report and proposals on the method of distribution of net profit, as well as the audit report, are kept ready and available for inspection by shareholders in the head offices and branches of the Bank no later than fifteen days prior to the annual ordinary meeting of the General Assembly of Shareholders. Profit and loss statement, balance sheet and yearly report remain ready and available for inspection by shareholders for a period of one year following the date of annual ordinary meeting. Each shareholder may request a copy of profit and loss statement, and balance sheet. The Bank's commercial books and correspondences may be inspected only with a clear consent and permission of the General Assembly of Shareholders or upon a decision of the Board of Directors. Except for the secrets that may be learned from the books and documents permitted to be inspected, none of the shareholders is authorized to learn the business secrets of the Bank. Each shareholder is under obligation to keep at all times in strict confidence all of the business secrets of the Bank, which have come to his knowledge by any means or ways whatsoever, even if he subsequently loses his shareholding rights. Any shareholder who breaches this confidentiality obligation will not only be held liable to indemnify and hold the Bank harmless from all of the resulting damages, but also be prosecuted upon a complaint of the Bank pursuant to Article 363 of the Turkish Commercial Code. This right cannot be eliminated or restricted by a decision of any one of the bodies of the Bank.	Discharge: Article: 72 - Profit and loss statement, balance sheet, yearly report and proposals on the method of distribution of net profit, as well as the audit report, are kept ready and available for inspection by shareholders in the head offices and branches of the Bank no later than fifteen days prior to the annual ordinary meeting of the General Assembly of Shareholders. Profit and loss statement, balance sheet and yearly report remain ready and available for inspection by shareholders for a period of one year following the date of annual ordinary meeting. Each shareholder may request a copy of profit and loss statement, and balance sheet. The Bank's commercial books and correspondences may be inspected only with a clear consent and permission of the General Assembly of Shareholders or upon a decision of the Board of Directors. Except for the secrets that may be learned from the books and documents permitted to be inspected, none of the shareholders is authorized to learn the business secrets of the Bank. Each shareholder is under obligation to keep at all times in strict confidence all of the business secrets of the Bank, which have come to his knowledge by any means or ways whatsoever, even if he subsequently loses his shareholding rights. Any shareholder who breaches this confidentiality obligation will not only be held liable to indemnify and hold the Bank harmless from all of the resulting damages, but also be prosecuted upon a complaint of the Bank. This right cannot be eliminated or restricted by a decision of any one of the bodies of the Bank.
Amendment to Articles of Association: Article: 75 - The general meetings to be held to discuss and resolve on matters specified in paragraphs two and three of article 388 of the Turkish Commercial Code are subject to quorum requirement specified in article 372 of the Turkish Commercial Code. Provided, however, that article 82 of the Articles of Association pertaining to distribution of profit may be amended only by affirmative vote of at least sixty-seven percent of shareholders present in the relevant meeting of the General Assembly of Shareholders. Provisions of articles 385, 386, and 390 of the Turkish Commercial Code and relevant provisions of the Banking Law are, however, reserved	Amendment to Articles of Association: Article: 75 - Decisions on amendments to the Articles of Association are governed by the pertinent provisions of the Turkish Commercial Code. The provisions of the Capital Markets Law are also reserved. Provided, however, that article 82 of the Articles of Association pertaining to distribution of profit may be amended only by affirmative vote of at least sixty-seven percent of shareholders present in the relevant meeting of the General Assembly of Shareholders. Provisions of articles 452, 453 and 455 of the Turkish Commercial Code and relevant provisions of the Banking Law are, however, reserved.

Manner of Voting: Article: 76 - In meetings of the General Assembly of Shareholders, the votes are used by show of hands. However, balloting is essential upon demand of holders of at least one tenth of the capital represented by the shareholders present in the meeting.	Manner of Voting: Article: 76 - In meetings of the General Assembly of Shareholders, the votes are used by show of hands. As for the shareholders participating in a meeting via electronic media, the provisions as to electronic general assembly meetings are reserved. However, balloting is essential upon demand of holders of at least one tenth of the capital represented by the shareholders present in the meeting.
Votes used by proxy shall be governed by pertinent provisions of the Capital Markets Board laws and regulations.	Votes used by proxy shall be governed by pertinent provisions of the Capital Markets laws and regulations..
Distribution of Net Profit: Article: 82 - A- Net profit of the Bank is equal to the gross income of operations of the Bank in an accounting period, minus all kinds of expenses, depreciations, provisions, paid interests and commissions, and wages, fees, bonuses, travel allowances and all other types of moneys decided to be paid to all employees of the Bank, also including the members and executive directors of the Board of Directors, and all other types of costs incurred for management and maintenance of businesses and affairs of the Bank, and all social and charitable payments of every kind, and indemnities paid for damages and losses according to a contract or by virtue of a court judgment or law provisions and requirements. After deduction of all legal liabilities, out of this net profit:	Distribution of Net Profit: Article: 82 - A- Net profit of the Bank is equal to the gross income of operations of the Bank in an accounting period, minus all kinds of expenses, depreciations, provisions, paid interests and commissions, and wages, fees, bonuses, travel allowances and all other types of moneys decided to be paid to all employees of the Bank, also including the members and executive directors of the Board of Directors, and all other types of costs incurred for management and maintenance of businesses and affairs of the Bank, and all social and charitable payments of every kind, and indemnities paid for damages and losses according to a contract or by virtue of a court judgment or law provisions and requirements. After deduction of all legal liabilities, out of this net profit:
B- As initial separations,	B- As initial separations:
a) 5% of net profit is allocated to legal reserves; and	a) 5% of net profit is allocated to legal reserves; and
b) an amount equal to 5% of the paid capital is allocated to shareholders as the first dividend	b) an amount equal to 5% of the paid capital is allocated to shareholders as the first dividend.
C- Maximum 2% of the balance remaining after setting aside the reserves and dividends mentioned in paragraph (B) hereinabove is allocated and paid equally to President and Members of the Board of Directors.	C- Maximum 2% of the balance remaining after setting aside the reserves and dividends mentioned in paragraph (B) hereinabove is allocated and paid equally to President and Members of the Board of Directors.
D- The General Assembly of Shareholders is authorized to decide to distribute the remaining profit fully or partially to shareholders or transfer the same to extraordinary reserves.	D- The General Assembly of Shareholders is authorized to decide to distribute the remaining profit fully or partially to shareholders or transfer the same to extraordinary reserves.
E- Furthermore, pursuant to sub-paragraph 3 of 2nd paragraph of article 466 of the Turkish Commercial Code, after deduction of not only the general legal reserves mentioned in 1st paragraph of article 466 of the Code, but also a profit share of 5% for the shareholders, from net profit, one-tenth of the portion decided to be distributed and allocated to shareholders and other persons sharing the profit will be allocated as the second separation to the general legal reserves	E- Furthermore, pursuant to sub-paragraph C of 2nd paragraph of article 519 of the Turkish Commercial Code, after deduction of not only the general legal reserves mentioned in 1st paragraph of article 519 of the Code, but also a profit share of 5% for the shareholders, from net profit, one-tenth of the portion decided to be distributed and allocated to shareholders and other persons sharing the profit will be allocated as the second separation to the general legal reserves.
Profit share cannot be distributed unless and until legal reserves and optional reserves and other moneys required to be reserved pursuant to the laws and this Articles of Association are fully set aside from net profit.	Profit share cannot be distributed unless and until legal reserves and optional reserves and other moneys required to be reserved pursuant to the laws and this Articles of Association are fully set aside from net profit.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Dissolution and Liquidation: Article: 93 - The Board of Directors may call the General Assembly of Shareholders for a meeting in order to discuss and negotiate the initiation or continuity of process of dissolution and liquidation of the Bank for any reason whatsoever. In these meetings of the General Assembly of Shareholders, shareholders representing at least three-fourths of the capital of the Bank by person or by proxy must be present, and in order for any resolution taken in the meeting to be valid the resolution must be made by affirmative vote of at least two-thirds of the capital of the Bank.	Dissolution and Liquidation: Article: 93 - The Board of Directors may call the General Assembly of Shareholders for a meeting in order to discuss and negotiate the initiation or continuity of process of dissolution and liquidation of the Bank for any reason whatsoever. In these meetings of the General Assembly of Shareholders, affirmative vote of shareholders representing at least three-fourth of the capital of the Bank by person or by proxy is essential.
Dissolution and Liquidation: Article: 94 - The Bank is dissolved upon occurrence of any one of the causes listed in article 434 of the Turkish Commercial Code or by a court judgment. In addition, the Bank may be dissolved also by a decision of the General Assembly of Shareholders in accordance with the relevant laws.	Dissolution and Liquidation: Article: 94 - The Bank is dissolved upon occurrence of any one of the causes listed in article 529 of the Turkish Commercial Code or by a court judgment. In addition, the Bank may be dissolved also by a decision of the General Assembly of Shareholders in accordance with the relevant laws..
Announcements: Article: 100 - Out of the advertisements required to be published by the Bank in the course of implementation of this Articles of Association, the advertisements required to be published in the Gazette mentioned in article 37 of the Turkish Commercial Code, and the advertisements required to be published in the Official Gazette in certain cases as specified by the Banking Law will be published in the said gazettes, and in addition, the advertisements deemed fit by a decision of the Board of Directors or the General Manager or pursuant to the Banking Law will also be published in a daily newspaper being published in the city of headquarters of the Bank. The advertisements shall comply with the pertinent provisions of the Turkish Commercial Code, the Capital Markets Law and other applicable laws.	Announcements: Article: 100 - Out of the advertisements required to be published by the Bank in the course of implementation of this Articles of Association, the advertisements required to be published in the Gazette mentioned in article 35 of the Turkish Commercial Code, and the advertisements required to be published in the Official Gazette in certain cases as specified by the Banking Law will be published in the said gazettes, and in addition, the advertisements deemed fit by a decision of the Board of Directors or the General Manager or pursuant to the Banking Law will also be published in a daily newspaper being published in the city of headquarters of the Bank. The advertisements shall comply with the pertinent provisions of the Turkish Commercial Code, the Capital Markets Law and other applicable laws.

Article: 101 -
The following table indicates the meanings of terms and expressions used in the text of this Articles of Association:

Articles of Association	Articles of Association
Board of Directors	Board of Directors
General Manager	General Manager
Assistant General Managers	Assistant General Managers
General Assembly of Shareholders	General Assembly of Shareholders
President and Members of Board of Directors	President and Members of Board of Directors
Banking Law	Banking Law
Turkish Commercial Code	Turkish Commercial Code
Internal Auditor	Internal Auditor
Customs and Trade Ministry	Customs and Trade Ministry
Representative of Ministry	Representative of Ministry
List of Attendee	List of Attendee
Chairmanship Committee	Chairmanship Committee
Shares	Shares

This article is deleted from the Articles of Association.

CONVENIENCE TRANSLATION OF THE REPORT ON VARIOUS AUDIT RESPONSIBILITIES ARISING FROM TURKISH COMMERCIAL CODE NO 397-406

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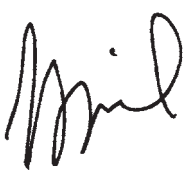
To the Board of Directors of Akbank T.A.Ş,

1. The financial statements of Akbank T.A.Ş ("Bank") as at December 31, 2013 have been audited to confirm its compliancy with the prevailing accounting principles and standards set out as per Articles 37 and 38 of the Banking Act No: 5411 and other regulations, circulars, communiqués and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting and auditors' report dated February 05, 2014 have been issued on these financial statements.

2. In accordance with Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January – 31 December 2013 are not in compliance with the code and provisions of the Banks's articles of association in relation to financial reporting.

3. Pursuant to Article 378 of Turkish Commercial Code No. 6102, Board of Directors of publicly listed companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4, Article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the Public Oversight Accounting Board ("POA"), shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditors' report. As of the date of the financial statements, POA has not announced the principles of this report yet accordingly no separate report has been drawn up relating to it. On the other hand, the Bank has Executive Risk Committee and this Committee reports to Board of Directors.

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



Fatma Ebru Yücel
Partner, SMMM

28 February 2014
Istanbul,

AKBANK T.A.Ş.

PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT 31 DECEMBER 2013 TOGETHER WITH REVIEW REPORT

(Convenience translation of publicly announced unconsolidated financial statements, related disclosures and audit report originally issued in Turkish, See Note. I.b of Section three)

Building a better working world

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

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

We have audited the unconsolidated balance sheet of Akbank T.A.Ş. ("the Bank") at 31 December 2013 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the year then ended and the summary of significant accounting policies and other explanatory notes.

Disclosure for the responsibility of the Bank's Board of Directors:

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our audit has been performed in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

Basis for Qualified Opinion:

The accompanying unconsolidated financial statements as at 31 December 2013 include a general reserve amounting to TL 270.000 thousands provided by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Independent Auditors' Opinion:

In our opinion, except for the effect of the matter referred in the preceding paragraph on the unconsolidated financial statements, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Akbank T.A.Ş. at 31 December 2013 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No.5411 and other regulations, circulars, communiqués and interpretations published by the BRSA on accounting and financial reporting principles.

Additional paragraph for convenience translation to English:

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

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

Fatma Ebru Yücel
SMMM, Partner
İstanbul, 5 February 2014

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS, RELATED DISCLOSURES ORIGINALLY ISSUED IN TURKISH, SEE NOTE I.b IN SECTION THREE

THE UNCONSOLIDATED FINANCIAL REPORT OF AKBANK T.A.Ş. AS OF 31 DECEMBER 2013

Adress : Sabancı Center 34330, 4. Levent / İstanbul
Telephone : (0 212) 385 55 55
Fax : (0 212) 269 73 83
Website : www.akbank.com
E-mail : http://www.akbank.com/bize-ulasin/gorus-onerileriniz-icin.aspx

The unconsolidated financial report includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- **Section One** - GENERAL INFORMATION ABOUT THE BANK
- **Section Two** - UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- **Section Five** - EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** - OTHER EXPLANATIONS
- **Section Seven** - EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The accompanying audited unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira (TL), have been prepared based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and the related appendices and interpretations on these, and are independently audited.

5 February 2014

Suzan SABANCI DİNÇER Chairman of the Board of Directors	Hayri ÇULHACI Head of the Audit Committee	Yaman TÖRÜNER Member of the Audit Committee	S. Hakan Binbaşgil President	K. Atıl ÖZUS Executive Vice President	Türker TUNALI Senior Vice President

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

Name-Surname / Title : Türker TUNALI / Senior Vice President
Phone No : (0 212) 385 55 55
Fax No : (0 212) 325 12 31

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

**AKBANK T.A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2013**
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION ONE
GENERAL INFORMATION ABOUT THE BANK

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

Akbank T.A.Ş. ("the Bank" or "Akbank") was established on 30 January 1948 as a private commercial bank, in accordance with the decision of the Council of Ministers, No.3/6710 and is authorized to perform all economic, financial and commercial activities which are allowed by the laws of the Turkish Republic ("T.C."). The status of the Bank has not changed since its foundation.

II. EXPLANATION ABOUT THE BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE BANK BELONGS TO:

The Bank's shares have been quoted on the Borsa Istanbul (''BIST'') (Formerly name was 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 2013, approximately 41% of the shares are publicly traded, including the ADRs (31 December 2012: 41%).

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:

Title	Name	Responsibility	Education
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	Vice Chairman and Executive Board Member	Graduate
	Özen GÖKSEL	Executive Board Member	Undergraduate
	M. Hikmet BAYAR	Board Member	Graduate
	Ş. Yaman TÖRÜNER	Board Member	Undergraduate
	James Charles COWLES	Board Member	Graduate
	A. Aykut DEMİRAY	Board Member	Undergraduate
	M. Kaan TERZİOĞLU	Board Member	Undergraduate
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
President and CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Director of Internal Audit:	Eyüp ENGİN	Head of Internal Audit	Undergraduate

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

AKBANK T.A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

Title	Name	Responsibility	Education
Executive Vice Presidents:	A. Fuat AYLA	Loans	Undergraduate
	Hülya KEFELİ	International Banking	Undergraduate
	K. Atıl ÖZUS	Financial Coordination	Undergraduate
	A. Galip TÖZGE	Consumer Banking	Graduate
	Bade SİPAHİOĞLU IŞIK	Human Resources	Graduate
	O. Mehmet SİNDEL	Payment System and Corporate Communication	Undergraduate
	Kerim ROTA	Treasury	Graduate
	C. Kaan GÜR	Commercial Banking	Undergraduate
	A. Hakan YÜKSEL	Corporate Banking	Undergraduate
	O. Saltık GALATALI	Private Banking	Graduate
	Turgut GÜNEY	Information Technologies	Graduate
	Orkun OĞUZ	Direct Banking	Graduate
	Bülent OĞUZ	SME Banking	Graduate
	Özlen SANIBELLİ	Operations	Graduate
Internal Audit Committee:	Hayri ÇULHACI	Head of the Audit Committee	Graduate
	Ş. Yaman TÖRÜNER	Member of the Audit Committee	Undergraduate

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

According to the Board of Directors' decision dated 26 February 2013, Ş. Yaman Törüner has been appointed as a Member of the Audit Committee in lieu of A. Aykut Demiray.

According to the decision taken in the Board of Directors meeting dated 28 March 2013, James Charles Cowles has been appointed as Board Member in lieu of Hamid Biglari, who resigned from the position.

As of July 1, 2013, Executive Vice President Zeki Tunçay, responsible from Loans Follow-Up and Support.

According to the decision taken in Board of Directors meeting, the Commercial and SME Banking Work Unit has been structured as two different work units. As of July 1, 2013, Bülent Oğuz has been assigned as Executive Vice President responsible from SME Banking. As of July 1, 2013, C. Kaan Gür has been assigned as Executive Vice President responsible from Commercial Banking.

As of October 1, 2013, Özlen Sanıbelli has been appointed as Operation Unit's Executive Vice President in lieu of Sevilay Özsöz.

As of September 30, 2013, Strategy Unit's Executive Vice President Tunç Akyurt has resigned from the position. As part of organizational change, Strategy Department has been closed and Strategy functions have been directly merged with General Management.

According to the Board of Directors' decision dated 24 January 2014, Mehmet Hikmet Bayar has resigned from the Board membership as of 31 January 2014.

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	-

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

**AKBANK T.A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2013**
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

V. EXPLANATION ON THE BANK'S SERVICE TYPES AND FIELDS OF OPERATION:

The Bank's core business activities include retail banking, commercial banking, SME banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş and AvivaSA Emeklilik ve Hayat A.Ş. As of 31 December 2013, the Bank has 985 branches dispersed throughout the country and 1 branch operating abroad (31 December 2012: 961 branches and 1 branch operating abroad). As of 31 December 2013, the Bank employed 16.249 people (31 December 2012: 16.315).

AKBANK T.A.Ş.
I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2013 (STATEMENT OF FINANCIAL POSITION)

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

	ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2013) TL	FC	Total	PRIOR PERIOD (31/12/2012) TL	FC	Total
I.	**CASH AND BALANCES WITH CENTRAL BANK**	**(I-a)**	**935.764**	**17.287.348**	**18.223.112**	**3.358.403**	**13.304.438**	**16.662.841**
II.	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)**	**(I-b)**	**957.805**	**814.603**	**1.772.408**	**187.227**	**363.378**	**550.605**
2.1	Trading Financial Assets		957.805	814.603	1.772.408	187.227	363.378	550.605
2.1.1	Government Debt Securities		3.555	2.167	5.722	6.338	2.969	9.307
2.1.2	Share Certificates		55.903	-	55.903	10.172	-	10.172
2.1.3	Trading Derivative Financial Assets		898.347	812.436	1.710.783	170.717	360.409	531.126
2.1.4	Other Marketable Securities		-	-	-	-	-	-
2.2	Financial Assets Designated at Fair Value through Profit or (Loss)		-	-	-	-	-	-
2.2.1	Government Debt Securities		-	-	-	-	-	-
2.2.2	Share Certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other Marketable Securities		-	-	-	-	-	-
III.	**BANKS**	**(I-c)**	**156**	**4.945.062**	**4.945.218**	**4.124**	**2.694.090**	**2.698.214**
IV.	**MONEY MARKETS**		**-**	**-**	**-**	**-**	**-**	**-**
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	**AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)**	**(I-d)**	**23.261.613**	**9.180.175**	**32.441.788**	**30.349.121**	**11.571.522**	**41.920.643**
5.1	Share Certificates		10.996	161	11.157	6.753	161	6.914
5.2	Government Debt Securities		23.173.174	6.902.971	30.076.145	30.254.483	10.014.708	40.269.191
5.3	Other Marketable Securities		77.443	2.277.043	2.354.486	87.885	1.556.653	1.644.538
VI.	**LOANS and RECEIVABLES**	**(I-e)**	**75.788.443**	**34.887.177**	**110.675.620**	**58.784.965**	**28.871.351**	**87.656.316**
6.1	Loans and Receivables		75.695.593	34.887.177	110.582.770	58.692.115	28.871.351	87.563.466
6.1.1	Loans to Bank's Risk Group	**(VI)**	1.562.158	1.319.319	2.881.477	855.591	1.700.744	2.556.335
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3	Other		74.133.435	33.567.858	107.701.293	57.836.524	27.170.607	85.007.131
6.2	Loans under Follow-up		1.676.682	-	1.676.682	1.115.341	-	1.115.341
6.3	Specific Provisions (-)		1.583.832	-	1.583.832	1.022.491	-	1.022.491
VII.	**FACTORING RECEIVABLES**		**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**HELD-TO-MATURITY SECURITIES (Net)**	**(I-f)**	**7.218.811**	**4.934.430**	**12.153.241**	**3.637.257**	**-**	**3.637.257**
8.1	Government Debt Securities		7.218.811	4.934.430	12.153.241	3.637.257	-	3.637.257
8.2	Other Marketable Securities		-	-	-	-	-	-
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)**	**236.332**	**643.489**	**879.821**	**186.339**	**396.605**	**582.944**
10.1	Financial Subsidiaries		236.332	643.489	879.821	186.339	396.605	582.944
10.2	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)**	**-**	**-**	**-**	**-**	**-**	**-**
12.1	Financial Lease Receivables		-	-	-	-	-	-
12.2	Operating Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
XIII.	**HEDGING DERIVATIVE FINANCIAL ASSETS**	**(I-j)**	**582.455**	**47.722**	**630.177**	**-**	**-**	**-**
13.1	Fair Value Hedge		582.455	47.722	630.177	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	**PROPERTY AND EQUIPMENT (Net)**	**(I-k)**	**845.583**	**1.797**	**847.380**	**794.261**	**1.809**	**796.070**
XV.	**INTANGIBLE ASSETS (Net)**	**(I-l)**	**160.796**	**19**	**160.815**	**112.528**	**74**	**112.602**
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		160.796	19	160.815	112.528	74	112.602
XVI.	**INVESTMENT PROPERTY (Net)**	**(I-m)**	**-**	**-**	**-**	**-**	**-**	**-**
XVII.	**TAX ASSET**		**43.926**	**22.917**	**66.843**	**-**	**-**	**-**
17.1	Current Tax Asset		-	-	-	-	-	-
17.2	Deferred Tax Asset	**(I-n)**	43.926	22.917	66.843	-	-	-
XVIII.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)**	**(I-o)**	**10.005**	**-**	**10.005**	**3.215**	**-**	**3.215**
18.1	Held for Sale Purpose		10.005	-	10.005	3.215	-	3.215
18.2	Related to Discontinued Operations		-	-	-	-	-	-
XIX.	**OTHER ASSETS**	**(I-p)**	**890.391**	**36.580**	**926.971**	**1.182.508**	**46.400**	**1.228.908**
	TOTAL ASSETS		**110.936.003**	**72.801.319**	**183.737.322**	**98.603.871**	**57.249.667**	**155.853.538**

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

AKBANK T.A.Ş.

I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2013 (STATEMENT OF FINANCIAL POSITION)

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

	LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2013) TL	FC	Total	PRIOR PERIOD (31/12/2012) TL	FC	Total
I.	**DEPOSITS**	**(II-a)**	**56.570.668**	**48.705.970**	**105.276.638**	**51.217.305**	**34.887.413**	**86.104.718**
1.1	Deposits of Bank's Risk Group	**(VI)**	2.719.928	1.506.283	4.189.789	2.566.995	1.905.330	4.472.325
1.2	Other		53.850.740	47.199.687	101.086.849	48.650.310	32.982.083	81.632.393
II.	**TRADING DERIVATIVE FINANCIAL LIABILITIES**	**(II-b)**	**240.019**	**877.778**	**1.117.797**	**181.559**	**351.883**	**533.442**
III.	**BORROWINGS**	**(II-c)**	**297.422**	**17.819.855**	**18.117.277**	**258.722**	**13.779.577**	**14.038.299**
IV.	**MONEY MARKETS**		**3.178.146**	**19.220.562**	**22.398.708**	**8.453.950**	**11.259.976**	**19.713.926**
4.1	Funds from Interbank Money Market		-	-	-	-	-	-
4.2	Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Funds Provided Under Repurchase Agreements		3.178.146	19.220.562	22.398.708	8.453.950	11.259.976	19.713.926
V.	**SECURITIES ISSUED (Net)**	**(II-d)**	**2.988.072**	**5.064.847**	**8.052.919**	**2.380.919**	**4.083.764**	**6.464.683**
5.1	Bills		924.388	-	924.388	1.020.093	-	1.020.093
5.2	Asset Backed Securities		-	-	-	-	-	-
5.3	Bonds		2.063.684	5.064.847	7.128.531	1.360.826	4.083.764	5.444.590
VI.	**FUNDS**		**-**	**-**	**-**	**-**	**-**	**-**
6.1	Borrower Funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	**MISCELLANEOUS PAYABLES**		**2.777.305**	**628.500**	**3.405.805**	**2.394.834**	**332.443**	**2.727.277**
VIII.	**OTHER LIABILITIES**	**(II-e)**	**1.181.355**	**189.129**	**1.370.484**	**1.367.386**	**123.114**	**1.490.500**
IX.	**FACTORING PAYABLES**		**-**	**-**	**-**	**-**	**-**	**-**
X.	**FINANCIAL LEASE PAYABLES (Net)**	**(II-f)**	**97.332**	**-**	**97.332**	**77.896**	**-**	**77.896**
10.1	Financial Lease Payables		124.814	-	124.814	100.780	-	100.780
10.2	Operational Lease Payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred Financial Lease Expenses (-)		27.482	-	27.482	22.884	-	22.884
XI.	**HEDGING DERIVATIVE FINANCIAL LIABILITIES**	**(II-g)**	**-**	**63.810**	**63.810**	**528.525**	**130.320**	**658.845**
11.1	Fair Value Hedge		-	63.810	63.810	313.531	-	313.531
11.2	Cash Flow Hedge		-	-	-	214.994	130.320	345.314
11.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XII.	**PROVISIONS**	**(II-h)**	**1.784.874**	**468.074**	**2.252.948**	**1.144.388**	**328.877**	**1.473.265**
12.1	General Loan Loss Provision		1.247.585	453.052	1.700.637	850.672	328.336	1.179.008
12.2	Restructuring Provisions		-	-	-	-	-	-
12.3	Reserve for Employee Rights		108.478	-	108.478	99.488	-	99.488
12.4	Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5	Other Provisions		428.811	15.022	443.833	194.228	541	194.769
XIII.	**TAX LIABILITY**	**(II-i)**	**234.206**	**10.220**	**244.426**	**652.231**	**5.778**	**658.009**
13.1	Current Tax Liability		234.206	10.220	244.426	578.711	5.778	584.489
13.2	Deferred Tax Liability		-	-	-	73.520	-	73.520
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)**	**22.024.717**	**(685.539)**	**21.339.178**	**21.545.263**	**367.415**	**21.912.678**
16.1	Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2	Capital Reserves		2.382.084	(685.539)	1.696.545	4.272.727	367.415	4.640.142
16.2.1	Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.000
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Marketable Securities Valuation Differences	**(II-k)**	(702.498)	(652.916)	(1.355.414)	1.253.332	422.592	1.675.924
16.2.4	Property and Equipment Revaluation Differences		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		2.729	-	2.729	236	-	236
16.2.8	Hedging Funds (Effective portion)		(71.145)	(32.623)	(103.768)	(133.839)	(55.177)	(189.016)
16.2.9	Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.10	Other Capital Reserves		1.405.892	-	1.405.892	1.405.892	-	1.405.892
16.3	Profit Reserves		12.700.591	-	12.700.591	10.322.674	-	10.322.674
16.3.1	Legal Reserves		1.218.319	-	1.218.319	1.181.252	-	1.181.252
16.3.2	Status Reserves		-	-	-	-	-	-
16.3.3	Extraordinary Reserves		11.378.405	-	11.378.405	9.044.421	-	9.044.421
16.3.4	Other Profit Reserves		103.867	-	103.867	97.001	-	97.001
16.4	Income or (Loss)		2.942.042	-	2.942.042	2.949.862	-	2.949.862
16.4.1	Prior Years' Income or (Loss)		-	-	-	-	-	-
16.4.2	Current Year Income or (Loss)		2.942.042	-	2.942.042	2.949.862	-	2.949.862
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**91.374.116**	**92.363.206**	**183.737.322**	**90.202.978**	**65.650.560**	**155.853.538**

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

AKBANK T.A.Ş.
II. UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2013

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

	INCOME AND EXPENSE ITEMS	Note (Section Five)	CURRENT PERIOD (01/01-31/12/2013)	PRIOR PERIOD (01/01-31/12/2012)
I.	**INTEREST INCOME**	**(III-a)**	**11.422.042**	**11.289.479**
1.1	Interest on loans	**(III-a-1)**	8.101.052	7.190.129
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks	**(III-a-2)**	6.269	6.325
1.4	Interest Received from Money Market Transactions		9.953	32.126
1.5	Interest Received from Marketable Securities Portfolio	**(III-a-3)**	3.287.587	4.057.346
1.5.1	Trading Financial Assets		487	35.265
1.5.2	Financial Assets at Fair Value Through Profit or (loss)		-	-
1.5.3	Available-for-sale Financial Assets		3.035.546	3.533.062
1.5.4	Held to maturity Investments		251.554	489.019
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		17.181	3.553
II.	**INTEREST EXPENSE**	**(III-b)**	**5.248.205**	**6.089.132**
2.1	Interest on Deposits	**(III-b-4)**	3.938.904	4.707.016
2.2	Interest on Funds Borrowed	**(III-b-1)**	264.013	309.987
2.3	Interest Expense on Money Market Transactions		573.943	642.379
2.4	Interest on Securities Issued	**(III-b-3)**	442.661	401.341
2.5	Other Interest Expenses		28.684	28.409
III.	**NET INTEREST INCOME (I - II)**		**6.173.837**	**5.200.347**
IV.	**NET FEES AND COMMISSIONS INCOME**		**2.163.749**	**1.735.092**
4.1	Fees and Commissions Received		2.447.713	2.053.841
4.1.1	Non-cash Loans		110.882	92.539
4.1.2	Other		2.336.831	1.961.302
4.2	Fees and Commissions Paid		283.964	318.749
4.2.1	Non-cash Loans		548	424
4.2.2	Other		283.416	318.325
V.	**DIVIDEND INCOME**	**(III-c)**	**29.227**	**55.743**
VI.	**TRADING INCOME/(LOSS) (Net)**	**(III-d)**	**467.704**	**400.101**
6.1	Trading Gains / (Losses) on Securities		643.047	1.254.249
6.2	Gains / (Losses) on Derivative Financial Transactions		803.271	(1.403.125)
6.3	Foreign Exchange Gains / (Losses)		(978.614)	548.977
VII.	**OTHER OPERATING INCOME**	**(III-e)**	**371.187**	**417.047**
VIII.	**TOTAL OPERATING INCOME (III+IV+V+VI+VII)**		**9.205.704**	**7.808.330**
IX.	**PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)**	**(III-f)**	**1.904.096**	**1.107.559**
X.	**OTHER OPERATING EXPENSES (-)**	**(III-g)**	**3.448.001**	**2.897.702**
XI.	**NET OPERATING INCOME/(LOSS) (VIII-IX-X)**		**3.853.607**	**3.803.069**
XII.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		**-**	**-**
XIII.	**INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD**		**-**	**-**
XIV.	**INCOME/(LOSS) ON NET MONETARY POSITION**		**-**	**-**
XV.	**PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)**		**3.853.607**	**3.803.069**
XVI.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(III-i)**	**911.565**	**853.207**
16.1	Current Tax Provision		625.107	849.135
16.2	Deferred Tax Provision		286.458	4.072
XVII.	**CURRENT YEAR PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)**		**2.942.042**	**2.949.862**
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-k)**	**2.942.042**	**2.949.862**
	Earnings/(Loss) per share (in TL full)		0,00736	0,00737

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

AKBANK T.A.Ş.

III. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2013

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

		Note (Section Five)	CURRENT PERIOD (31/12/2013) TL	FC	Total	PRIOR PERIOD (31/12/2012) TL	FC	Total
A.	**OFF-BALANCE SHEET COMMITMENTS (I+II+III)**		**93.277.061**	**155.522.394**	**248.799.455**	**58.074.574**	**78.043.645**	**136.118.219**
I.	**GUARANTEES AND WARRANTIES**	**(IV-a-2, 3)**	**13.047.291**	**17.412.377**	**30.459.668**	**6.587.981**	**12.234.529**	**18.822.510**
1,1	Letters of Guarantee		11.714.502	7.567.231	19.281.733	6.401.280	5.873.339	12.274.619
1.1.1	Guarantees Subject to State Tender Law		287.732	1.340.785	1.628.517	280.076	958.552	1.238.628
1.1.2	Guarantees Given for Foreign Trade Operations		-	3.538.098	3.538.098	-	3.125.400	3.125.400
1.1.3	Other Letters of Guarantee		11.426.770	2.688.348	14.115.118	6.121.204	1.789.387	7.910.591
1.2	Bank Acceptances		-	1.705.986	1.705.986	15	199.849	199.864
1.2.1	Import Letter of Acceptance		-	1.705.986	1.705.986	15	199.849	199.864
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		1.355	6.209.670	6.211.025	18.620	4.610.478	4.629.098
1.3.1	Documentary Letters of Credit		1.355	5.643.767	5.645.122	18.620	4.101.485	4.120.105
1.3.2	Other Letters of Credit		-	565.903	565.903	-	508.993	508.993
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		-	23.852	23.852	-	16.330	16.330
1.8	Other Guarantees		59.250	1.881.909	1.941.159	27.246	1.487.035	1.514.281
1.9	Other Collaterals		1.272.184	23.729	1.295.913	140.820	47.498	188.318
II.	**COMMITMENTS**	**(IV-a-1)**	**40.718.575**	**10.790.473**	**51.509.048**	**31.898.434**	**6.517.507**	**38.415.941**
2.1	Irrevocable Commitments		40.213.652	10.790.473	51.004.125	31.512.475	6.517.507	38.029.982
2.1.1	Asset Purchase Commitments		4.892.917	5.552.036	10.444.953	1.144.330	2.726.229	3.870.559
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		4.887.523	1.513.814	6.401.337	1.241.361	1.149.586	2.390.947
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		5.051.733	-	5.051.733	4.432.859	-	4.432.859
2.1.8	Tax and Fund Liabilities from Export Commitments		1.242	-	1.242	808	-	808
2.1.9	Commitments for Credit Card Limits		21.362.853	-	21.362.853	18.697.008	-	18.697.008
2.1.10	Promotion Commitments for Credit Cards and Banking Services		130.439	-	130.439	77.204	-	77.204
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		3.886.945	3.724.623	7.611.568	5.918.905	2.641.692	8.560.597
2.2	Revocable Commitments		504.923	-	504.923	385.959	-	385.959
2.2.1	Revocable Loan Granting Commitments		504.923	-	504.923	385.959	-	385.959
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(IV-b)**	**39.511.195**	**127.319.544**	**166.830.739**	**19.588.159**	**59.291.609**	**78.879.768**
3.1	Hedging Derivative Financial Instruments		2.640.102	9.876.850	12.516.952	5.301.445	7.528.533	12.829.978
3.1.1	Transactions for Fair Value Hedge		2.640.102	9.876.850	12.516.952	2.739.445	2.667.536	5.406.981
3.1.2	Transactions for Cash Flow Hedge		-	-	-	2.562.000	4.860.997	7.422.997
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Transactions		36.871.093	117.442.694	154.313.787	14.286.714	51.763.076	66.049.790
3.2.1	Forward Foreign Currency Buy/Sell Transactions		5.498.056	6.544.438	12.042.494	1.850.811	2.852.168	4.702.979
3.2.1.1	Forward Foreign Currency Transactions-Buy		1.993.163	4.036.950	6.030.113	746.460	1.598.417	2.344.877
3.2.1.2	Forward Foreign Currency Transactions-Sell		3.504.893	2.507.488	6.012.381	1.104.351	1.253.751	2.358.102
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		18.465.835	60.502.381	78.968.216	5.814.505	33.557.482	39.371.987
3.2.2.1	Foreign Currency Swap-Buy		2.514.729	19.396.265	21.910.994	1.059.134	7.238.804	8.297.938
3.2.2.2	Foreign Currency Swap-Sell		13.731.940	6.730.862	20.462.802	3.636.205	3.853.922	7.490.127
3.2.2.3	Interest Rate Swap-Buy		1.109.583	17.187.627	18.297.210	559.583	11.232.378	11.791.961
3.2.2.4	Interest Rate Swap-Sell		1.109.583	17.187.627	18.297.210	559.583	11.232.378	11.791.961
3.2.3	Foreign Currency, Interest rate and Securities Options		12.444.886	48.639.479	61.084.365	6.505.552	13.627.108	20.132.660
3.2.3.1	Foreign Currency Options-Buy		5.310.223	8.230.190	13.540.413	2.975.260	3.866.414	6.841.674
3.2.3.2	Foreign Currency Options-Sell		6.715.937	6.702.419	13.418.356	3.052.880	3.786.848	6.839.728
3.2.3.3	Interest Rate Options-Buy		-	16.853.435	16.853.435	-	3.075.803	3.075.803
3.2.3.4	Interest Rate Options-Sell		-	16.853.435	16.853.435	178.100	2.898.043	3.076.143
3.2.3.5	Securities Options-Buy		209.363	-	209.363	149.656	-	149.656
3.2.3.6	Securities Options-Sell		209.363	-	209.363	149.656	-	149.656
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		462.316	1.756.396	2.218.712	115.846	1.726.318	1.842.164
B.	**CUSTODY AND PLEDGES RECEIVED (IV+V+VI)**		**458.947.775**	**111.049.836**	**569.997.611**	**322.298.088**	**84.547.718**	**406.845.806**
IV.	**ITEMS HELD IN CUSTODY**		**44.212.817**	**6.897.506**	**51.110.323**	**30.174.416**	**3.632.824**	**33.807.240**
4.1	Customer Fund and Portfolio Balances		3.327.038	-	3.327.038	2.977.305	-	2.977.305
4.2	Investment Securities Held in Custody		13.193.868	935.571	14.129.439	14.219.139	637.064	14.856.203
4.3	Cheques Received for Collection		24.842.054	439.276	25.281.330	10.787.255	4.453	10.791.708
4.4	Commercial Notes Received for Collection		2.362.060	694.580	3.056.640	2.016.489	728.850	2.745.339
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		487.797	4.828.079	5.315.876	174.228	2.262.457	2.436.685
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGES RECEIVED**		**117.260.856**	**36.696.189**	**153.957.045**	**68.459.232**	**29.223.540**	**97.682.772**
5.1	Marketable Securities		26.778.749	102.646	26.881.395	2.894.607	108.512	3.003.119
5.2	Guarantee Notes		807.461	213.183	1.020.644	737.842	117.629	855.471
5.3	Commodity		6.100	19.942	26.042	-	12.175	12.175
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		48.921.981	25.569.779	74.491.760	32.872.665	21.894.140	54.766.805
5.6	Other Pledged Items		40.746.565	10.790.639	51.537.204	31.954.118	7.091.084	39.045.202
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED INDEPENDENT GUARANTEES AND WARRANTEES**		**297.474.102**	**67.456.141**	**364.930.243**	**223.664.440**	**51.691.354**	**275.355.794**
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		**552.224.836**	**266.572.230**	**818.797.066**	**380.372.662**	**162.591.363**	**542.964.025**

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

AKBANK T.A.Ş.
IV. UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY
AT 31 DECEMBER 2013

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

	INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (31/12/2013)	PRIOR PERIOD (31/12/2012)
I.	**ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS**	**(3.789.172)**	**2.325.289**
II.	**PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES**	**-**	**-**
III.	**INTANGIBLE FIXED ASSETS REVALUATION DIFFERENCES**	**-**	**-**
IV.	**FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS**	**-**	**-**
V.	**PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)**	**106.560**	**(41.350)**
VI.	**PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)**	**-**	**-**
VII.	**EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS**	**-**	**-**
VIII.	**OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS**	**(1.594)**	**-**
IX.	**TAX RELATED TO VALUATION DIFFERENCES**	**736.841**	**(456.788)**
X.	**NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)**	**(2.947.365)**	**1.827.151**
XI.	**CURRENT YEAR INCOME / LOSS**	**2.942.042**	**2.949.862**
11,1	Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	634.254	1.029.260
11,2	Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(49.172)	-
11,3	Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	(105.547)
11,4	Other	2.356.960	2.026.149
XII.	**TOTAL ACCOUNTED INCOME/LOSS RELATED TO CURRENT PERIOD (X±XI)**	**(5.323)**	**4.777.013**

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

AKBANK T.A.Ş.

V. UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2013

(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 Shareholders' Equity
	PRIOR PERIOD (31/12/2012)																	
I.	Period Opening Balance		4.000.000	1.405.892	1.700.000	-	1.102.219	-	7.244.523	-	2.394.527	-	(184.307)	47.106	236	(155.936)	-	17.554.260
II.	Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)	**(II-j)**	4.000.000	1.405.892	1.700.000	-	1.102.219	-	7.244.523	-	2.394.527	-	(184.307)	47.106	236	(155.936)	-	17.554.260
	Changes in the period																	
IV.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	1.860.231	-	-	-	-	1.860.231
VI.	Hedging transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	(33.080)	-	(33.080)
6.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(33.080)	-	(33.080)
6.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	(17.593)	17.593	-	-	-	-	-	-	-	-
XIX.	Current Year Income or (Loss)		-	-	-	-	-	-	-	-	2.949.862	-	-	-	-	-	-	2.949.862
XX.	Profit distribution		-	-	-	-	79.033	-	1.817.491	79.408	(2.394.527)	-	-	-	-	-	-	(418.595)
20.1	Dividends paid		-	-	-	-	-	-	-	-	(418.595)	-	-	-	-	-	-	(418.595)
20.2	Transfers to Reserves		-	-	-	-	79.033	-	1.817.491	79.408	(1.975.932)	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (III+IV+V+.....+XVIII+XIX+XX)		**4.000.000**	**1.405.892**	**1.700.000**	**-**	**1.181.252**	**-**	**9.044.421**	**97.001**	**2.949.862**	**-**	**1.675.924**	**47.106**	**236**	**(189.016)**	**-**	**21.912.678**
	CURRENT PERIOD (31/12/2013)																	
I.	Prior Period End Balance		4.000.000	1.405.892	1.700.000	-	1.181.252	-	9.044.421	97.001	2.949.862	-	1.675.924	47.106	236	(189.016)	-	21.912.678
	Changes in the period																	
II.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	**(II-k)**	-	-	-	-	-	-	-	-	-	-	(3.031.338)	-	-	-	-	(3.031.338)
IV.	Hedging transactions	**(V-b)**	-	-	-	-	-	-	-	-	-	-	-	-	-	85.248	-	85.248
4.1	Cash flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	85.248	-	85.248
4.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	2.493	-	-	2.493
VIII.	Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effects of changes in equity of investments in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	(1.275)	-	-	-	-	-	-	-	(1.275)
XVII.	Current Year Income or (Loss)		-	-	-	-	-	-	-	-	2.942.042	-	-	-	-	-	-	2.942.042
XVIII.	Profit Distribution	**(V-a)**	-	-	-	-	37.067	-	2.333.984	8.141	(2.949.862)	-	-	-	-	-	-	(570.670)
18.1	Dividends paid		-	-	-	-	-	-	-	-	(570.670)	-	-	-	-	-	-	(570.670)
18.2	Transfers to Reserves		-	-	-	-	37.067	-	2.333.984	8.141	(2.379.192)	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (I+II+III+...+XVI+XVII+XVIII)		**4.000.000**	**1.405.892**	**1.700.000**	**-**	**1.218.319**	**-**	**11.378.405**	**103.867**	**2.942.042**	**-**	**(1.355.414)**	**47.106**	**2.729**	**(103.768)**	**-**	**21.339.178**

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

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

AKBANK T.A.Ş.
VI. UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2013

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

		Note (Section Five)	CURRENT PERIOD (31/12/2013)	PRIOR PERIOD (31/12/2012)
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	Operating Profit before changes in operating assets and liabilities		1.920.308	5.063.438
1.1.1	Interest received		10.902.089	11.790.545
1.1.2	Interest paid		(5.146.146)	(6.090.782)
1.1.3	Dividend received		29.227	55.743
1.1.4	Fees and commissions received		2.476.454	2.172.897
1.1.5	Other income		(291.584)	398.763
1.1.6	Collections from previously written-off loans and other receivables		441.919	277.549
1.1.7	Payments to personnel and service suppliers		(3.097.182)	(2.589.653)
1.1.8	Taxes paid		(682.452)	(1.150.652)
1.1.9	Other	**(VI-b)**	(2.712.017)	199.028
1.2	Changes in operating assets and liabilities		609.844	(5.590.765)
1.2.1	Net decrease in trading securities		(42.649)	111.572
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		(1.559.268)	(187.532)
1.2.4	Net (increase) / decrease in loans		(23.756.093)	(17.394.774)
1.2.5	Net (increase) / decrease in other assets		(1.151.065)	(2.796.527)
1.2.6	Net increase / (decrease) in bank deposits		8.656.540	4.951.691
1.2.7	Net increase / (decrease) in other deposits		13.079.762	11.814.428
1.2.8	Net increase / (decrease) in funds borrowed		4.097.319	(3.276.512)
1.2.9	Net increase / (decrease) in payables		-	-
1.2.10	Net increase / (decrease) in other liabilities	**(VI-b)**	1.285.298	1.186.889
I.	Net cash provided from banking operations		2.530.152	(527.327)
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	Net cash provided from investing activities		(3.465.160)	(341.146)
2.1	Cash paid for acquisition of investments, associates and subsidiaries		(190.933)	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries		-	397.383
2.3	Purchases of property and equipment		(190.161)	(66.227)
2.4	Disposals of property and equipments		3.370	14.296
2.5	Cash paid for purchase of investments available-for-sale		(22.654.425)	(22.763.594)
2.6	Cash obtained from sale of investments available-for-sale		18.226.026	20.982.425
2.7	Cash paid for purchase of investment securities		-	-
2.8	Cash obtained from sale of investment securities		1.788.154	1.096.193
2.9	Other		(447.191)	(1.622)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	Net cash provided from financing activities		885.901	1.457.062
3.1	Cash obtained from funds borrowed and securities issued		4.676.512	4.590.691
3.2	Cash used for repayment of funds borrowed and securities issued		(3.145.093)	(2.643.000)
3.3	Issued capital instruments		-	-
3.4	Dividends paid		(570.670)	(418.595)
3.5	Payments for finance leases		(74.848)	(72.034)
3.6	Other		-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		570.565	(127.662)
V.	Net increase in cash and cash equivalents (I+II+III+IV)		521.458	460.927
VI.	Cash and cash equivalents at beginning of the year	**(VI-a)**	3.517.477	3.056.550
VII.	Cash and cash equivalents at end of the year	**(VI-a)**	4.038.935	3.517.477

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

AKBANK T.A.Ş.
VII. PROFIT APPROPRIATION STATEMENT
(Amounts are expressed in thousands of Turkish Lira (TL)).

		CURRENT PERIOD (31/12/2013)	PRIOR PERIOD (31/12/2012)
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
1.1	CURRENT YEAR INCOME	3.853.607	3.803.069
1.2	TAXES AND DUTIES PAYABLE	911.565	853.207
1.2.1	Corporate Tax (Income Tax)	625.107	849.135
1.2.2	Income Withholding Tax	-	-
1.2.3	Other taxes and duties	286.458	4.072
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	**2.942.042**	**2.949.862**
1.3	PRIOR YEAR LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	57.173
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**2.942.042**	**2.892.689**
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	200.000
1.6.1	To Owners of Ordinary Shares	-	200.000
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	670
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	370.000
1.9.1	To Owners of Ordinary Shares	-	370.000
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	37.067
1.11	STATUTORY RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	-	2.333.984
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	8.141
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	0,007
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,7	0,7
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
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.

NOTES:

(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.

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SECTION THREE
ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION:

a. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures numbered 5411 Regarding Banks' Accounting Application and Keeping Documents:

The unconsolidated financial statements are prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 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 unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective, have no impact on the accounting policies, financial condition and performance of the Bank. The Bank assesses the impact of TFRS 9 Financial Instruments standard.

b. Explanation for convenience translation into English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

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

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

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

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

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of "Net foreign exchange income/expense". Foreign currency denominated subsidiaries, which are accounted with acquisition cost method, are translated with the foreign exchange rates prevailing at the acquisition date.

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 EURO 220 million. EURO 220 million of syndication loans used by the Bank have been classified as "hedge instruments."

As of 31 December 2013, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,1304, TL 2,9344 and TL 2,0240 for USD, EURO and Yen respectively.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

Investments in associates and subsidiaries are accounted in accordance with the "Turkish Accounting Standard on Financial Instruments: Recognition and Measurement" ("TAS 39") in the unconsolidated financial statements. Subsidiaries that have a quoted market price in an active market and whose fair value can be reliably measured are carried at fair value. Investments in associates and subsidiaries that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less provision for impairment.

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IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:

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

The Bank classifies its derivative instruments as "Held-for-hedging" or "Held-for-trading" in accordance with "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement" ("TAS 39"). Although certain derivative transactions provide effective economic hedges under the Bank's risk management position, in accordance with TAS 39 they are treated as derivatives "Held-for-trading".

Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Trading derivative financial assets" or "Hedging derivative financial assets"; if the fair value difference is negative, it is recorded to "Trading derivative financial liabilities" or "Hedging derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and are accounted according to the standard applied to the host contract.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income by using the "Effective interest method". The Bank ceases accruing interest income on non-performing loans and reverses any interest income accrued from such loans. No income is accounted until the collection is made according to the related regulation.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest method" according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

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VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Bank categorizes its financial assets as "Fair value through profit/loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". Sale and purchase transactions of the financial assets mentioned above are recognized and derecognized at the "Settlement dates". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of the investment.

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

This category has two 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 Bank has no financial assets designated as financial assets at fair value through profit or loss.

b. Financial assets available-for-sale:

Financial assets available-for-sale consist of financial assets other than "Loans 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 amortized cost and the fair value of securities classified as available-for-sale are recognized in the account of "Marketable securities valuation differences" under shareholder's equity, unless these assets are impaired, collected, sold, or disposed of. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

c. Loans and Receivables:

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding

acquisition cost which reflect fair value to transaction costs and subsequently recognized at the discounted value calculated using the "Effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

If the collectability of any receivable is identified as limited or doubtful by the management through assessments and estimates, the Bank provides general and specific provisions for these loans and receivables in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette dated 1 November 2006, no.26333. 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 losses 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 receviables. 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 months before. The estimated inflation rate used is updated during the year when necessary.

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.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest method" and its carrying value. Regarding available-for-sale financial assets, when there is objective evidence that the asset is impaired the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. An explanation about the impairment of loans and receivables is given in Note VII-c of Section Three.

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IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:

Securities subject to repurchase agreements ("Repos") are classified as "Financial assets at fair value difference through profit or loss", "Available-for-sale securities" and "Held-to-maturity securities" in the balance sheet according to the investment purposes and measured according to the portfolio of the Bank to which they belong. Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the "Effective interest (internal return) method".

Funds given against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the "Effective interest method". The Bank has no securities lending transactions.

XI. EXPLANATIONS ON PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS:

The Bank has no discontinued operations.

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, no.26333.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

As of 31 December 2013, the Bank has no goodwill.

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement.

Subsequently, property and equipment is carried at cost less accumulated depreciation and provision for value decrease.

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

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

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "Lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is impairment in value of the leased asset, an impairment is recognized. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not provide financial leasing services as a "Lessor".
Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

Provisions and contingent liabilities are accounted in accordance with, "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the periodicity principle. When the amount of the obligation cannot be reliably estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

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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").

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 Bank arising from this liability. In accordance with IAS 19, actuarial gains and losses are recognized in equity.

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. With the change in the first clause of 20th 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. Accordingly the turnover process has been postponed for one more year with the decision of the Council of Ministers dated 3 May 2013.

According to the New Law, following the transfer of the members of the fund to the SSI, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.

With respect to that, according to the technical balance sheet report as at 31 December 2013 prepared considering the related articles of the New Law regarding the transferrable benefit obligations and in accordance with TAS 19 for the non-transferrable social benefits and payments which are included in the articles of association and audited within the framework stated in the first paragraph above. The fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for the Bank.

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

In Turkey, corporate tax rate is 20%. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses, tax-exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 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.

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

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until the 25th day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year following the date of filing during which time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Current tax, related to items recognized directly in equity is also credited or charged directly to equity.

b. Deferred tax:

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

Deferred tax assets and liabilities are presented as net in the financial statements.

Deferred tax, related to items recognized directly in equity is also credited or charged directly to equity.

XIX. EXPLANATIONS ON BORROWINGS:

Derivative financials instruments are carried at their fair values and other financial liabilities are carried at amortized cost using the "Effective interest method".

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no security issuance as of 31 December 2013.

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 2013 and 31 December 2012, there is no government grant for the Bank.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

(c) for which discrete financial information is available.

Reporting according to the operational segment is presented in Note XV of Section Four.

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

Under the Turkish Commercial Code, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, but Holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

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 2013	Prior Period 31 December 2012
Net Profit for the Year	2.942.042	2.949.862
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	**0,00736**	**0,00737**

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 2013 (2012: (-)).

XXVI. RELATED PARTIES:

Parties defined in article 49 of the Banking Law No.5411, Bank's senior management, and Board Members are deemed as related parties. Transactions regarding related parties are presented in Note VII of Section Five.

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

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XXVIII. RECLASSIFICATIONS:

In order to be consistent with the presentation of financial statements dated 31 December 2013, there are certain reclassifications made on off-balance sheet accounts, statement of income and expenses accounted under shareholders' equity and cash flow statement of 31 December 2012.

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SECTION FOUR
INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

a. The 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, is 14.95% (31 December 2012 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 the Bank's capital adequacy ratio and Bank's equity calculations.

c. Information related to capital adequacy ratio:

	Risk Weights									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Weighted Credit Risk	**-**	**-**	**1.761.832**	**21.991.318**	**20.021.719**	**67.120.074**	**3.278.289**	**24.785.478**	**2.448.133**	**-**
Risk classifications:										
Conditional and unconditional receivables from central governments and Central Banks	47.319.838	-	-	13.031.957	-	175.173	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	45	-	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	86.283	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	748.548	-	8.809.056	9.939.660	-	24.049	-	-	-	-
Conditional and unconditional receivables from corporates	5.281	-	-	-	-	57.019.051	-	-	-	-
Conditional and unconditional receivables from retail portfolios	-	-	-	-	26.695.625	3.722.373	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	21.010.973	-	2.966.832	-	-	-	-
Past due receivables	-	-	-	-	-	92.850	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	2.185.526	12.392.739	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	979.253	-
Investments similar to collective investment funds	-	-	-	-	-	336.307	-	-	-	-
Other receivables	1.532.326	-	105	-	-	2.697.156	-	-	-	-

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d. Summary information related to capital adequacy ratio:

	Current period 31 December 2013	Prior period 31 December 2012
Capital Requirement for Credit Risk (Amount subject to credit risk*0,08) (CRCR)	11.312.547	8.633.748
Capital Requirement for Market Risk (CRMRI)	252.559	72.815
Capital Requirement for Operational Risk (CROR)	832.024	820.701
Shareholders' equity	23.170.989	22.187.996
Shareholders' equity / ((CRCR+CRMR+CROR) * 12,5) * 100	14,95	18,63

e. Information about shareholders' equity items:

	Current Period 31 December 2013	Prior Period 31 December 2012
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	1.405.892
Share Premium	1.700.000	1.700.000
Share Cancellation Profits	-	-
Legal Reserves, Status Reserves, Extraordinary Reserves	12.700.591	10.322.674
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	2.942.042	2.949.862
Net Income for the Period	2.942.042	2.949.862
Prior Period Profit	-	-
Provisions for Possible Risks up to 25% of Core Capital	270.000	-
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Share Capital	47.106	47.106
Primary Subordinated Loans up to 15% of Core Capital	-	-
Uncovered Portion of Loss with Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-)	59.628	54.740
Intangible Assets (-)	160.815	112.602
Deferred Tax Asset Amount Exceeding 10% of Core Capital (-)	-	-
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of	-	-
Total Core Capital	**22.845.188**	**20.258.192**

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	Current Period 31 December 2013	Prior Period 31 December 2012
SUPPLEMENTARY CAPITAL		
General Provisions	1.700.637	1.179.008
45% of the Increase in Movables Revaluation Fund	-	-
45% of the Increase in Immovables Revaluation Fund	-	-
Bonus Shares from Investment and Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.729	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	(1.355.414)	754.166
Inflation Adjustment to Capital Reserves, Profit Reserves and Prior Years' Income or Loss (Excluding Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
Total Supplementary Capital	**347.952**	**1.933.410**
CAPITAL	**23.193.140**	**22.191.602**
DEDUCTIONS FROM THE CAPITAL	**22.151**	**3.606**
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 Suplementary 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	378	336
Securitization positions to be deducted from Equity	-	-
Other	21.773	3.270
TOTAL CAPITAL	**23.170.989**	**22.187.996**

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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 internal capital requirement calculations in addition to 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 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"

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Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Conditional and unconditional receivables from central governments and Central Banks	62.039.577	62.448.576
Conditional and unconditional receivables from regional or local governments	225	310
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	115.401	81.912
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	52.814.495	44.303.895
Conditional and unconditional receivables from corporates	74.007.992	68.730.391
Conditional and unconditional receivables from retail portfolios	54.800.899	54.994.376
Conditional and unconditional receivables secured by mortgages	24.749.592	14.196.140
Past due receivables	92.850	92.850
Receivables defined under high risk category by BRSA	15.557.518	12.677.033
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	1.653.407	1.876.951
Other receivables	4.229.587	3.822.931
Total	**290.061.543**	**263.225.365**

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

b. Control limits exist on forward transaction and option agreements and other positions that are held in terms of similar other agreements. Credit risk born out 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 regulary 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 in their relevant groups until all receivables from the loans are collected. Monitoring also continues until the receivables from the loans are completely collected.

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

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

When considered within the financial activities of other financial institutions, the Bank as an active participant in the national and international banking market is not exposed to significant credit risk concentration.

As seen in the Bank's balance sheet, the ratio of loans under follow-up to total loans is as low as 1,5% (31 December 2012: 1,3%).

f. 1. The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is 25% and 30% respectively. (31 December 2012: 27% and 33%).

2. The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 63% and 72%. (31 December 2012 60% and 72%)

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 is 19% and 23% respectively. (31 December 2012 17% and 22%)

g. The Bank provided a general loan loss provision amounting to TL 1.700.637 (31 December 2012: TL 1.179.008).

h. Information on loan types and provisions:

Current Period - 31 December 2013	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	66.699.630	26.638.453	13.694.013	**107.032.096**
Close Monitoring Loans	1.446.216	1.105.140	999.318	**3.550.674**
Loans Under Follow-up	543.860	449.485	683.337	**1.676.682**
Specific Provision (-)	451.010	449.485	683.337	**1.583.832**
Total	**68.238.696**	**27.743.593**	**14.693.331**	**110.675.620**

Prior Period - 31 December 2012	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	52.386.169	19.594.860	12.637.817	**84.618.846**
Close Monitoring Loans	608.822	1.349.237	986.561	**2.944.620**
Loans Under Follow-up	484.834	299.777	330.730	**1.115.341**
Specific Provision (-)	391.984	299.777	330.730	**1.022.491**
Total	**53.087.841**	**20.944.097**	**13.624.378**	**87.656.316**

As of 31 December 2013, the Bank has set 100% specific provision amounting to TL 41 million (31 December 2012: TL 41 million) after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 million (31 December 2012: TL 134 million).

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

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2013	**391.984**	**299.777**	**330.730**	**1.022.491**
Transferred during the period	236.576	393.211	648.445	**1.278.232**
Collection	(98.106)	(148.040)	(137.473)	**(383.619)**
Write-off(*)	(79.444)	(95.463)	(158.365)	**(333.272)**
31 December 2013	**451.010**	**449.485**	**683.337**	**1.583.832**

(*) TL 250,5 million of the Bank's non-performing loan portfolio has been sold to Efes Varlık Yönetimi A.Ş. for TL 58,3 million on 20 May 2013. Specific provision previously allocated for this amount, is shown under "Write-offs" in the above table.

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2012	**549.369**	**307.183**	**313.137**	**1.169.689**
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)**
31 December 2012	**391.984**	**299.777**	**330.730**	**1.022.491**

(*)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. Specific provision previously allocated for this amount, is shown under "Write-offs" in the above table.

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

Current Period - 31 December 2013 Moody's Rating	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to-Maturity Securities	Total
Aaa	-	-	-	**-**
A1, A2, A3	-	-	-	**-**
Baa1, Baa2, Baa3	5.722	32.181.941	12.153.241	**44.340.904**
Ba1	-	-	-	**-**
Ba2	-	-	-	**-**
Total	**5.722**	**32.181.941**	**12.153.241**	**44.340.904**

Prior Period - 31 December 2012 Moody's Rating	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to-Maturity Securities	Total
Aaa	-	17.731	-	**17.731**
A1, A2, A3	-	-	-	**-**
Baa1, Baa2, Baa3	-	956.250	-	**956.250**
Ba1	9.307	40.700.626	3.637.257	**44.347.190**
Ba2	-	-	-	**-**
Total	**9.307**	**41.674.607**	**3.637.257**	**45.321.171**

j. Profile on significant risks in significant regions:

	Risk Categories (*)																
31-Dec-13	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	Total
Domestic	61.763.113	44	99.184	-	-	7.806.869	56.603.241	30.644.058	23.964.210	92.850	15.554.626	-	-	-	1.653.407	4.229.587	202.411.189
European Union Countries	175.173	-	225	-	-	21.362.802	576.853	1.260	9.758	-	2.394	-	-	-	-	-	22.128.465
OECD Countries(**)	-	-	-	-	-	1.978.094	6.001	585	2.829	-	78	-	-	-	-	-	1.987.587
Off- Shore Regions	-	-	-	-	-	588	11	-	65	-	355	-	-	-	-	-	1.019
USA, Canada	-	-	-	-	-	5.426.276	210.707	76	1.626	-	2	-	-	-	-	-	5.638.687
Other Countries	-	-	11	-	-	451.787	233.280	285	2.803	-	63	-	-	-	-	-	688.229
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	975.051	-	-	-	-	-	-	-	-	-	-	975.051
Undistributed Assets / Liabilities***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
total	**61.938.286**	**44**	**99.420**	**-**	**-**	**38.001.467**	**57.630.093**	**30.646.264**	**23.981.291**	**92.850**	**15.557.518**	**-**	**-**	**-**	**1.653.407**	**4.229.587**	**233.830.227**

	Risk Categories (*)																
31-Dec-12	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	Total
Domestic	62.780.250	45	34.029	-	-	8.283.953	50.119.001	29.686.981	10.347.990	92.850	9.104.651	-	-	-	239.123	3.451.737	174.140.610
European Union Countries	149.185	-	216	-	-	13.954.697	856.754	1.887	9.253	-	1.620	-	-	-	-	-	14.973.612
OECD Countries(**)	-	-	-	-	-	1.410.320	1	97	1.562	-	-	-	-	-	-	-	1.411.980
Off- Shore Regions	-	-	-	-	-	6.140	13	-	83	-	430	-	-	-	-	-	6.666
USA, Canada	-	-	-	-	-	3.700.907	122.838	110	1.061	-	1	-	-	-	-	-	3.824.917
Other Countries	-	-	-	-	-	462.807	161.560	312	2.138	-	55	-	-	-	-	-	626.872
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	2.059.170	-	-	-	-	-	-	-	-	-	-	2.059.170
Undistributed Assets / Liabilities***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
total	**62.929.435**	**45**	**34.245**	**-**	**-**	**29.877.994**	**51.260.167**	**29.689.387**	**10.362.087**	**92.850**	**9.106.757**	**-**	**-**	**-**	**239.123**	**3.451.737**	**197.043.827**

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

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

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

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

k. Risk Profile according to sectors and counterparties:

	Risk Classifications (*)																		
31 December 2013	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**TL**	**FC**	**Total**
Agricultural	-	-	50.389	-	-	-	137.722	133.687	61.427	-	22.272	-	-	-	-	-	367.531	37.966	405.497
Farming and raising livestock	-	-	50.389	-	-	-	109.992	91.915	38.714	-	21.337	-	-	-	-	-	292.206	20.141	312.347
Forestry	-	-	-	-	-	-	22.653	39.926	19.666	-	510	-	-	-	-	-	64.930	17.825	82.755
Fishing	-	-	-	-	-	-	5.077	1.846	3.047	-	425	-	-	-	-	-	10.395	-	10.395
Manufacturing	-	2	700	-	-	-	26.410.715	2.215.851	3.911.607	-	62.163	-	-	-	-	-	13.483.906	19.117.132	32.601.038
Mining	-	-	-	-	-	-	855.324	53.092	48.306	-	604	-	-	-	-	-	172.392	784.934	957.326
Production	-	2	698	-	-	-	17.756.650	2.135.111	3.077.415	-	60.693	-	-	-	-	-	10.841.985	12.188.584	23.030.569
Electricity, Gas, Water	-	-	2	-	-	-	7.798.741	27.648	785.886	-	866	-	-	-	-	-	2.469.529	6.143.614	8.613.143
Construction	-	-	622	-	-	-	4.920.851	520.339	3.123.083	-	10.208	-	-	-	-	-	3.811.805	4.763.298	8.575.103
Services	-	32	34.818	-	-	37.667.568	23.386.267	8.055.769	7.895.292	92.850	330.603	-	-	-	-	887.969	25.493.564	52.857.604	78.351.168
Wholesale and retail trade	-	8	300	-	-	33	10.858.212	6.345.969	4.311.788	-	212.522	-	-	-	-	-	15.953.284	5.775.548	21.728.832
Hotel, Food, Beverage services	-	-	39	-	-	-	1.291.327	285.126	1.146.920	92.850	17.892	-	-	-	-	-	962.251	1.871.903	2.834.154
Transportation and telecommunication	-	-	8	-	-	-	4.365.210	718.868	262.921	-	22.130	-	-	-	-	-	1.517.477	3.851.660	5.369.137
Financial Institutions	-	3	170	-	-	37.648.835	1.478.677	4.125	167.088	-	1.414	-	-	-	-	886.131	4.447.929	35.738.514	40.186.443
Real Estate and Lending Service	-	-	27	-	-	-	179.829	34.847	189.965	-	4.461	-	-	-	-	-	181.448	227.681	409.129
Self employment service	-	-	154	-	-	-	228.004	105.850	67.811	-	26.814	-	-	-	-	-	250.250	178.383	428.633
Education Service	-	-	7.340	-	-	-	136.286	54.638	107.869	-	3.272	-	-	-	-	-	277.467	31.938	309.405
Health and social services	-	21	26.780	-	-	18.700	4.848.722	506.346	1.640.930	-	42.098	-	-	-	-	1.838	1.903.458	5.181.977	7.085.435
Other	61.938.286	10	12.891	-	-	333.899	2.774.538	19.720.618	8.989.882	-	15.132.272	-	-	-	1.653.407	3.341.618	98.773.190	15.124.231	113.897.421
Total	**61.938.286**	**44**	**99.420**	**-**	**-**	**38.001.467**	**57.630.093**	**30.646.264**	**23.981.291**	**92.850**	**15.557.518**	**-**	**-**	**-**	**1.653.407**	**4.229.587**	**141.929.996**	**91.900.231**	**233.830.227**

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

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

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I. Term distribution of risks with term structure:

	Time to Maturity					
Risk Categories	**1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**Over 1 year**	**Total**
Conditional and unconditional receivables from central governments and Central Banks	3.412.480	19.292.872	6.654.492	3.619.734	28.958.708	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	44	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	19.341	444	423	50.503	28.709	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	11.218.750	5.191.237	4.136.633	3.071.604	14.383.243	-
Conditional and unconditional receivables from corporates	3.282.768	5.367.216	7.104.710	11.526.911	30.348.488	-
Conditional and unconditional receivables from retail portfolios	480.379	8.356.610	4.947.533	3.490.143	13.371.599	-
Conditional and unconditional receivables secured by mortgages	271.608	606.820	1.011.886	2.777.911	19.313.066	-
Past due receivables	-	-	-	-	-	92.850
Receivables defined under high risk category by BRSA	-	-	-	1.386.030	14.171.488	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	1.404.717	248.690	-	-	-	-
Other Receivables	-	-	-	-	-	4.229.587
Total	**20.090.043**	**39.063.889**	**23.855.677**	**25.922.836**	**120.575.345**	**4.322.437**

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m. 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 ratings 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 to the Turkish central management. Below are 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%	250%	1250%	Deducted from Equity
Amount Before Credit Risk Mitigation	51.017.594	-	15.289.726	34.970.966	38.766.455	78.227.968	2.185.526	12.392.739	979.253	-	11.751
Amount After Credit Risk Mitigation	49.605.993	-	8.809.161	43.982.635	26.695.625	67.120.074	2.185.526	12.392.739	979.253	-	11.751

n. Miscellaneous Information regarding Important Sectors or Counterparty Type:

Methods related to impairment and provisions and notes related to past due and impaired receivables are provided in Note 2-a of Section Four.

Sectors/Counterparties	Loans(*)		Impairment	Provisions
	Impaired Receivables	Past Due Receivables		
Agricultural	6.437	989	25	6.437
Farming and raising livestock	5.741	760	15	5.741
Forestry	641	229	10	641
Fishing	55	-	-	55
Manufacturing	86.520	42.612	1.860	86.520
Mining	1.579	387	14	1.579
Production	83.004	42.194	1.845	83.004
Electricity, Gas, Water	1.937	31	1	1.937
Construction	75.899	20.186	105	75.899
Services	460.102	272.938	6.995	367.252
Wholesale and retail trade	266.767	61.163	2.037	266.767
Hotel, Food, Beverage services	150.759	189.720	4.445	57.909
Transportation and Telecommunication	20.011	6.366	162	20.011
Financial Institutions	254	-	-	254
Real Estate and Lending Service	1.262	15	-	1.262
Self employment service	2.005	149	3	2.005
Education Service	944	172	3	944
Health and social services	18.100	15.353	345	18.100
Other	1.047.724	882.994	25.930	1.047.724
Total	**1.676.682**	**1.219.719**	**34.915**	**1.583.832**

(*) Breakdown of cash loans

o. Information related to Impairment and Loan Loss Provisions:

	Opening Balance	Provisions provided during the period	Provision Reversals	Other Adjustments (*)	Closing Balance
Special Provisions	1.022.491	1.278.232	(383.619)	(333.272)	1.583.832
General Provisions	1.179.008	521.629	-	-	1.700.637

(*) Represents balances erased from assets. NPL sales are also shown under this column.

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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.

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 2013, 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. 28337 on 28 June 2012.

a. Information related to Market Risk:

	Balance
(I) Capital requirement for general market risk – Standard Method	67.854
(II) Capital requirement for specific risk – Standard Method	12.642
(III) Capital requirement for specific risk in securitisation positions- Standard Method	-
(IV) Capital requirement for currency risk – Standard Method	69.365
(V) Capital requirement for stocks – Standard Method	-
(VI) Capital requirement for clearing risk – Standard Method	-
(VII) Capital requirement for market risk from options – Standard Method	1.498
(VIII) Capital requirement for counterparty credit risk - Standard Method	101.200
(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)	252.559
(XI) Amount subject to market risk (12,5 x IX) or (12,5 x X)	3.156.987

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

	Current Period 31 December 2013			Current Period 31 December 2012(*)		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	64.248	67.235	38.643	89.758	145.599	52.019
Share Certificates Risk	3.283	864	9.665	5.119	15.049	979
Currency Risk	51.165	140.560	-	25.682	93.066	-
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	3.342	1.115	2.090	2.326	153	1.831
Counterparty Credit Risk	80.031	143.476	20.011	25.937	55.705	11.149
Total Amount Subject to Risk	**202.069**	**353.250**	**70.409**	**148.822**	**309.572**	**65.978**

(*) Prior period information is prepared starting from July 1, 2012 according to the Communiqué on " Regulation on Measurement and Assessment of Capital Adequecy 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 the 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."

Counterparty credit risk is the sum of potential credit risk amounts and positively valued replacement costs. Limit allocations regarding operations are determined by taking into consideration the maximum risk amounts. 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 derivative transactions' counterparty risk management. Within the scope of these agreements cash guarentees 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.

Quantitative information on Counterparty Risk:

	Amount
Interest Rate Based Contracts	27.182.349
Foreign Currency Based Contracts	28.318.420
Commodity Based Contracts	129.045
Stock-Based Contracts	193.437
Other	225.922
Positive Fair Value Gross Amount	1.144.278
Benefits of Offsetting	-
Offsetting Current Risk Amount	-
Retained Guarantee	-
Net Positions on derivatives	1.857.800

d. 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 operational risk calculation of the Bank. The amount subject to the operational risk is calculated once a year by using the gross income of the Bank in 2010, 2011 and 2012.

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.

	31.12.2010	31.12.2011	31.12.2012	Total/Positive GI year number	Ratio (%)	Total
Gross income	5.339.476	5.171.318	6.129.693	3	15	832.024
Amount subject to Operational Risk (Amount*12,5)						10.400.304

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V. EXPLANATIONS ON CURRENCY RISK

The difference between the Bank's foreign currency denominated and foreign currency indexed assets and liabilities is defined as the "Net Foreign Currency Position" and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. The Bank keeps the foreign exchange exposure amount within the limits set by the EMRC.

The Board, taking into account the recommendations by the EMRC, sets a limit for the size of a foreign exchange exposure, which is closely monitored by ALCO. Those limits are individually determined and followed for both the net overall foreign currency position and for the foreign exchange exposure. Derivative financial instruments like forward foreign exchange contracts and currency swaps are used as tools for foreign exchange exposure management.

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

	USD	EURO	Yen
Balance Sheet Evaluation Rate	2,1304 TL	2,9344 TL	2,0240 TL
1.Day bid rate	2.1343 TL	2,9365 TL	2,0231 TL
2.Day bid rate	2,1604 TL	2,9844 TL	2,0557 TL
3.Day bid rate	2,0957 TL	2,8693 TL	1,9955 TL
4.Day bid rate	2,0710 TL	2,8353 TL	1,9795 TL
5.Day bid rate	2,0812 TL	2,8466 TL	1,9908 TL

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

USD : 1,9705 TL
EURO : 2,6305 TL
Yen : 1,9931 TL

As of 31 December 2012;

	USD	EURO	Yen
Balance Sheet Evaluation Rate	1,7776 TL	2,3452 TL	2,0641 TL

Information related to Bank's Currency Risk: (Thousands of TL)

The table below summarizes the Bank's exposure to foreign currency exchange rate risk, categorized by currency. Foreign currencies indexed assets, classified as Turkish lira assets according to the Uniform Chart of Accounts are considered as foreign currency assets for the calculation of Net Foreign Currency Position. In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; in assets trading derivative financial assets, hedging derivative financial assets, deferred tax assets, prepaid expenses, in liabilities general loan loss provision, deferred tax liability, trading derivative financial liabilities, hedging derivative financial 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 Group's real position, both in financial and economic terms, is presented in the table below:

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Current Period – 31 December 2013	EURO	USD	Other FC(*)	Total
Assets				
Cash Equivalents and Central Bank	5.143.247	9.208.241	2.935.860	**17.287.348**
Banks	1.128.359	3.752.554	64.149	**4.945.062**
Financial Assets at Fair Value through Profit or Loss (Net)	196	1.971	-	**2.167**
Interbank Money Market Placements	-	-	-	**-**
Available-for-sale Financial Assets (Net)	1.617.458	7.562.717	-	**9.180.175**
Loans	11.718.047	26.612.071	62.965	**38.393.083**
Investments in Associates, Subsidiaries and Joint Ventures	641.246	2.243	-	**643.489**
Held-to-maturity Investments (Net)	2.397.109	2.537.321	-	**4.934.430**
Hedging Derivative Financial Assets	-	-	-	**-**
Tangible Assets (Net)	-	1.797	-	**1.797**
Intangible Assets (Net)	-	19	-	**19**
Other Assets	1.947	15.078	768	**17.793**
Total Assets	**22.647.609**	**49.694.012**	**3.063.742**	**75.405.363**
Liabilities				
Bank Deposits	2.238.068	5.155.694	1.051.181	**8.444.943**
Foreign Currency Deposits (***)	15.961.851	21.493.649	2.805.527	**40.261.027**
Funds from Interbank Money Market	622.971	18.597.591	-	**19.220.562**
Borrowings	5.825.264	11.991.907	2.684	**17.819.855**
Marketable Securities Issued (Net)	-	5.064.847	-	**5.064.847**
Miscellaneous Payables	427.288	200.145	1.067	**628.500**
Hedging Derivative Financial Liabilities	-	-	-	**-**
Other Liabilities	105.191	106.646	2.534	**214.371**
Total Liabilities	**25.180.633**	**62.610.479**	**3.862.993**	**91.654.105**
Net on Balance Sheet Position	**(2.533.024)**	**(12.916.467)**	**(799.251)**	**(16.248.742)**
Net off-Balance Sheet Position (**)	**3.022.484**	**12.687.316**	**786.815**	**16.496.615**
Financial Derivative Assets	9.254.906	25.417.266	2.236.541	**36.908.713**
Financial Derivative Liabilities	6.232.422	12.729.950	1.449.726	**20.412.098**
Non-cash Loans	6.934.698	10.114.708	362.971	**17.412.377**
Prior Period - 31 December 2012				
Total Assets	17.346.035	38.971.542	2.422.748	**58.740.325**
Total Liabilities	16.865.546	44.559.144	3.047.916	**64.472.606**
Net on-Balance Sheet Position	480.489	(5.587.602)	(625.168)	**(5.732.281)**
Net off-Balance Sheet Position (**)	(307.484)	6.251.720	594.919	**6.539.155**
Financial Derivative Assets	2.661.387	13.154.570	1.867.920	**17.683.877**
Financial Derivative Liabilities	2.968.871	6.902.850	1.273.001	**11.144.722**
Non-cash Loans	3.863.882	8.074.766	295.881	**12.234.529**

(*) Of the "Other FC" total assets amounting to TL 3.063.742 (31 December 2012: TL 2.422.748), TL 67.927 is in English Pounds (31 December 2012: TL 48.293), and TL 37.439 is in Swiss Francs (31 December 2012: TL 37.085), TL 17.121 is in Japanese Yen (31 December 2012: TL 23.536). Of the total liabilities amounting to TL 3.862.993 (31 December 2012: TL 3.047.916) TL 1.136.009 is in English Pounds (31 December 2012: TL 897.993) and TL 640.700 is in Swiss Francs (31 December 2012: TL 389.167), TL 22.055 is in Japanese Yen (31 December 2012: TL 23.471).

(**) 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 cash equivalents and Central Bank TL 2.892.268 and of the foreign currency deposits, TL 1.766.526 is precious metal deposit account in demand.

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VI. EXPLANATIONS ON INTEREST RATE RISK:

"Interest Rate Risk" can be defined as the impact of interest rate changes on interest-sensitive asset and liability items of both on and off-balance sheets of the Group. The EMRC sets limits for the interest rate sensitivity of on and off-balance sheet items and the sensitivity is closely monitored and reported weekly. In the case of high market fluctuations, daily transaction based reporting and analyses are made.

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

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

Current Period – 31 December 2013	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	-	-	-	-	-	18.223.112	**18.223.112**
Banks	1.009.300	303.213	-	-	-	3.632.705	**4.945.218**
Financial Assets at Fair Value Through Profit or Loss (Net)	343.405	475.975	667.119	49.114	180.892	55.903	**1.772.408**
Interbank Money Market Placements	-	-	-	-	-	-	**-**
Available-for-sale Financial Assets (Net)	5.018.417	5.330.244	11.007.528	3.811.268	7.014.484	259.847	**32.441.788**
Loans	33.477.950	26.906.466	21.241.363	24.533.958	4.423.033	92.850	**110.675.620**
Held-to-maturity Investments (Net)	1.820.058	2.679.008	1.265.436	3.077.666	3.311.073	-	**12.153.241**
Other Assets	483.846	250.894	11.499	-	-	2.779.696	**3.525.935**
Total Assets	**42.152.976**	**35.945.800**	**34.192.945**	**31.472.006**	**14.929.482**	**25.044.113**	**183.737.322**
Liabilities							
Bank Deposits	7.312.938	2.971.806	485.461	-	-	682.593	**11.452.798**
Other Deposits	51.837.799	18.787.159	6.685.130	135.852	-	16.377.900	**93.823.840**
Funds from Interbank Money Market	7.188.252	3.470.357	4.872.048	2.516.990	4.351.061	-	**22.398.708**
Miscellaneous Payables	-	-	-	-	-	3.405.805	**3.405.805**
Marketable Securities Issued (Net)	254.519	1.203.349	625.456	4.889.299	1.080.296	-	**8.052.919**
Borrowings	1.722.907	11.204.301	4.966.429	223.640	-	-	**18.117.277**
Other Liabilities (*)	130.258	379.153	627.338	244.884	220.878	24.883.464	**26.485.975**
Total Liabilities	**68.446.673**	**38.016.125**	**18.261.862**	**8.010.665**	**5.652.235**	**45.349.762**	**183.737.322**
Balance Sheet Long Position	-	-	15.931.083	23.461.341	9.277.247	-	**48.669.671**
Balance Sheet Short Position	(26.293.697)	(2.070.325)	-	-	-	(20.305.649)	**(48.669.671)**
Off-balance Sheet Long Position	2.193.192	4.255.546	-	-	-	-	**6.448.738**
Off-balance Sheet Short Position	-	-	(1.286)	(2.255.747)	(3.326.672)	-	**(5.583.705)**
Total Position	**(24.100.505)**	**2.185.221**	**15.929.797**	**21.205.594**	**5.950.575**	**(20.305.649)**	**865.033**

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

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Prior 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	-	-	-	-	-	16.662.841	**16.662.841**
Banks	590.359	277.646	62.251	-	-	1.767.958	**2.698.214**
Financial Assets at Fair Value Through Profit or Loss (Net)	67.418	77.556	336.048	44.307	15.104	10.172	**550.605**
Interbank Money Market Placements	-	-	-	-	-	-	**-**
Available-for-sale Financial Assets (Net)	8.060.689	3.160.141	12.864.094	7.832.999	9.756.684	246.036	**41.920.643**
Loans	29.091.296	19.718.099	19.009.938	16.688.221	3.055.912	92.850	**87.656.316**
Held-to-maturity Investments (Net)	-	3.433.128	204.129	-	-	-	**3.637.257**
Other Assets	290.148	-	-	-	-	2.437.514	**2.727.662**
Total Assets	**38.099.910**	**26.666.570**	**32.476.460**	**24.565.527**	**12.827.700**	**21.217.371**	**155.853.538**
Liabilities							
Bank Deposits	6.677.812	3.208.843	540.229	-	-	318.810	**10.745.694**
Other Deposits	53.614.996	5.883.156	3.033.298	63.678	-	12.763.896	**75.359.024**
Funds from Interbank Money Market	10.202.917	913.592	4.399.611	1.279.666	2.918.140	-	**19.713.926**
Miscellaneous Payables	-	-	-	-	-	2.727.277	**2.727.277**
Marketable Securities Issued (Net)	437.976	686.788	1.079.503	2.660.137	1.600.279	-	**6.464.683**
Borrowings	574.192	9.954.628	3.333.566	175.913	-	-	**14.038.299**
Other Liabilities (*)	301.312	483.171	527.592	193.545	48.871	25.250.144	**26.804.635**
Total Liabilities	**71.809.205**	**21.130.178**	**12.913.799**	**4.372.939**	**4.567.290**	**41.060.127**	**155.853.538**
Balance Sheet Long Position	-	5.536.392	19.562.661	20.192.588	8.260.410	-	**53.552.051**
Balance Sheet Short Position	(33.709.295)	-	-	-	-	(19.842.756)	**(53.552.051)**
Off-balance Sheet Long Position	1.779.740	3.608.967	1.284.559	-	-	-	**6.673.266**
Off-balance Sheet Short Position	-	-	-	(3.246.609)	(3.623.479)	-	**(6.870.088)**
Total Position	**(31.929.555)**	**9.145.359**	**20.847.220**	**16.945.979**	**4.636.931**	**(19.842.756)**	**(196.822)**

(*) 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 2013	EURO	USD	Yen	TL
Assets	**%**	**%**	**%**	**%**
Cash Equivalents and Central Bank	-	-	-	-
Banks	0,04	0,03	-	-
Financial Assets at Fair Value Through Profit or Loss (Net)	2,89	3,92	-	9,06
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	3,40	3,48	-	9,44
Loans	4,51	4,85	4,23	11,22
Held-to-maturity Investments (Net)	3.00	3.42	-	9,96
Liabilities				
Bank Deposits	1,28	1,53	-	6,55
Other Deposits	2,16	2,16	0,19	6,67
Funds from Interbank Money Market	1,65	1,20	-	6,18
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	5,22	-	6,89
Borrowings	0,95	1,58	-	5,61

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Prior Period - 31 December 2012	EURO	USD	Yen	TL
Assets	**%**	**%**	**%**	**%**
Cash Equivalents and Central Bank	-	-	-	-
Banks	0,01	0,29	-	6,74
Financial Assets at Fair Value Through Profit or Loss (Net)	2,89	3,93	-	8,73
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	4,13	3,65	-	9,97
Loans	4,61	4,93	4,15	12,79
Held-to-maturity Investments (Net)	-	-	-	9,56
Liabilities				
Bank Deposits	1,47	1,73	-	6,81
Other Deposits	2,17	2,21	0,26	6,53
Funds from Interbank Money Market	-	1,58	-	5,79
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	5,22	-	7,53
Borrowings	1,24	1,95	1,99	7,10

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.

The Bank's interest rate risk related to banking book has been given below:

Currency	Applied Shock (+/- x basis points)	Gains / Losses	Gains / Shareholders' Equity - Losses / Shareholders' Equity
TRY	-400	2.695.336	11,63%
TRY	500	(2.795.750)	(12,06%)
USD	-200	456.478	1,97%
USD	200	(359.067)	(1,55%)
EURO	-200	314.017	1,35%
EURO	200	(347.341)	(1,50%)
Total (for negative shocks)		**3.465.831**	**14,95%**
Total (for positive shocks)		**(3.502.158)**	**(15,11%)**

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

The Bank doesn't have any subsidaries and affiliates that are traded on the ''BIST''.

VIII. EXPLANATIONS ON LIQUIDITY RISK:

The Bank manages liquidity risk through broad deposit base, strong capital structure and diversified foreign borrowing facilities. The Bank maintains additional resources to provide liquidity when necessary through allocated limits in Central Bank of Turkey, BIST 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 liqudity 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 2013 and 2012 are presented below:

Current Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
31 December 2013	FC	FC+TL	FC	FC+TL
Average (%)	158,1	140,3	120,0	109,0
Maximum (%)	244,2	190,7	136,2	120,0
Minimum (%)	109,8	108,0	108,7	100,4

Prior Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
31 December 2012	FC	FC+TL	FC	FC+TL
Average (%)	154,1	162,1	109,6	112,4
Maximum (%)	229,8	186,9	133,4	122,8
Minimum (%)	103,4	129,0	87,0	101,0

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2013	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	18.223.112	-	-	-	-	-	-	**18.223.112**
Banks	3.632.705	1.009.300	303.213	-	-	-	-	**4.945.218**
Financial Assets at Fair Value Through Profit or Loss (Net)	55.903	309.142	212.374	514.644	223.905	456.440	-	**1.772.408**
Interbank Money Market Placements	-	-	-	-	-	-	-	**-**
Available-for-sale Financial Assets (Net)	259.847	1.727.745	616.063	10.238.626	6.894.254	12.705.253	-	**32.441.788**
Loans	-	19.672.225	17.726.024	20.451.143	35.046.547	17.686.831	92.850	**110.675.620**
Held-to-maturity Investments (Net)	-	-	1.776.502	-	3.916.884	6.459.855	-	**12.153.241**
Other Assets	131.842	532.002	1.493	-	497.345	199.675	2.163.578	**3.525.935**
Total Assets	**22.303.409**	**23.250.414**	**20.635.669**	**31.204.413**	**46.578.935**	**37.508.054**	**2.256.428**	**183.737.322**
Liabilities								
Bank Deposits	682.593	7.312.938	2.971.806	485.461	-	-	-	**11.452.798**
Other Deposits	16.377.900	51.837.799	18.787.159	6.685.130	135.852	-	-	**93.823.840**
Borrowings	-	1.003.426	3.602.862	10.096.848	3.283.141	131.000	-	**18.117.277**
Funds from Interbank Money Market	-	7.188.252	3.470.357	4.872.048	2.516.990	4.351.061	-	**22.398.708**
Marketable Securities Issued (Net)	-	132.110	933.802	625.456	5.281.255	1.080.296	-	**8.052.919**
Miscellaneous Payables	-	2.026.164	1.379.641	-	-	-	-	**3.405.805**
Other Liabilities (**)	-	1.211.915	359.258	559.618	2.478.818	537.188	21.339.178	**26.485.975**
Total Liabilities	**17.060.493**	**70.712.604**	**31.504.885**	**23.324.561**	**13.696.056**	**6.099.545**	**21.339.178**	**183.737.322**
Net Liquidity Gap	**5.242.916**	**(47.462.190)**	**(10.869.216)**	**7.879.852**	**32.882.879**	**31.408.509**	**(19.082.750)**	**-**
Prior Period - 31 December 2012								
Total Assets	18.819.077	21.845.146	14.227.405	21.500.832	49.286.096	28.352.604	1.822.378	**155.853.538**
Total Liabilities	13.082.706	73.802.101	15.514.116	16.417.815	9.846.719	5.277.403	21.912.678	**155.853.538**
Net Liquidity Gap	**5.736.371**	**(51.956.955)**	**(1.286.711)**	**5.083.017**	**39.439.377**	**23.075.201**	**(20.090.300)**	**-**

(*) 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 shown in this column.

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

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Breakdown of liabilities according to their remaining contractual maturities:

Current Period - 31 December 2013	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities						
Deposits	76.669.003	22.026.418	7.350.292	167.739	38	**106.213.490**
Funds borrowed from other financial institutions	1.004.592	3.667.448	10.284.022	3.510.944	138.403	**18.605.409**
Funds from interbank money market	7.615.919	3.669.231	5.158.944	2.648.184	4.599.908	**23.692.186**
Marketable Securities Issued (Net)	187.997	1.020.559	905.489	6.228.902	1.193.160	**9.536.107**
Non-cash loans	46.603	698.541	9.304.087	5.224.679	15.185.758	**30.459.668**

Prior Period - 31 December 2012	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities						
Deposits	73.799.202	9.144.498	3.594.161	64.046	-	**86.601.907**
Funds borrowed from other financial institutions	415.080	3.813.248	6.356.195	3.558.508	286.118	**14.429.149**
Funds from interbank money market	10.227.121	946.147	4.505.659	1.532.788	3.142.395	**20.354.110**
Marketable Securities Issued (Net)	44.886	313.615	1.716.891	3.781.745	1.840.331	**7.697.468**
Non-cash loans	9.338	282.359	4.632.944	4.653.733	9.244.136	**18.822.510**

(*) 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 2013	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	15.517.366	9.827.501	10.038.027	3.934.402	338.939
- Outflow	(13.394.868)	(7.978.645)	(9.912.663)	(6.393.074)	(882.169)
Interest rate derivatives:					
- Inflow	1.569	31.025	245.889	890.541	300.397
- Outflow	(2.618)	(44.125)	(268.940)	(954.797)	(279.098)
Derivatives held for hedging					
Foreign exchange derivatives:					
- Inflow	2.587	802	7.747	2.638.422	691.930
- Outflow	(19.270)	(6.609)	(157.205)	(2.623.522)	(610.367)
Interest rate derivatives:					
- Inflow	9.226	30.638	127.624	802.532	888.052
- Outflow	(12.789)	(41.812)	(144.753)	(860.245)	(844.498)
Total Inflow	**15.530.748**	**9.889.966**	**10.419.287**	**8.265.897**	**2.219.318**
Total Outflow	**(13.429.545)**	**(8.071.191)**	**(10.483.561)**	**(10.831.638)**	**(2.616.132)**

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Prior 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	7.930.180	4.497.561	3.647.940	2.322.248	-
- Outflow	(6.229.229)	(2.659.374)	(3.795.109)	(5.578.018)	(502.000)
Interest rate derivatives:					
- Inflow	1.897	30.440	97.974	369.080	292.546
- Outflow	(2.677)	(21.648)	(70.625)	(199.525)	(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	**7.936.025**	**4.559.729**	**3.920.249**	**6.027.770**	**1.101.555**
Total Outflow	**(6.257.625)**	**(2.735.821)**	**(4.328.605)**	**(10.205.118)**	**(1.675.465)**

IX. EXPLANATIONS ON SECURITIZATION POSITIONS:

None.

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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 relevants requirements are taken into account. Basic financial covenants considered in the calculation of Bank's capital adequacy are foreign currency and TL deposit pledges.

Risk classifications:	Amount(*)	Financial Guarantees	Other/Physical Guarantees	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments and Central Banks	62.039.577	1.411.317	-	-
Conditional and unconditional receivables from regional or local governments	225	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	115.401	13.136	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	52.814.495	18.480.153	-	-
Conditional and unconditional receivables from corporates	74.007.992	2.555.034	-	-
Conditional and unconditional receivables from retail portfolios	54.800.899	228.266	-	-
Conditional and unconditional receivables secured by mortgages	24.749.592	3.488	-	-
Past due receivables	92.850	-	-	-
Receivables defined under high risk category by BRSA	15.557.518	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	1.653.407	1.317.100	-	-
Other receivables	4.229.587	-	-	-
Total	**290.061.543**	**24.008.494**	**-**	**-**

(*) Before Credit Risk Mitigation, before credit conversion factor risk amounts are given.

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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.

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") 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 to. The effectiveness and efficiency of the risk mitigation techniques are regularly monitored.

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XII. EXPLANATIONS ON PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:

a. Calculations of financial assets and liabilites 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.

	Carrying Value		Fair Value	
	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Financial Assets	**160.215.867**	**135.912.430**	**159.397.916**	**139.931.347**
Interbank Money Market Placements	-	-	-	-
Banks	4.945.218	2.698.214	4.945.218	2.698.214
Available-for-Sale Financial Assets (Net)	32.441.788	41.920.643	32.441.788	41.920.643
Held-to-Maturity Investments (Net)	12.153.241	3.637.257	11.983.445	3.702.226
Loans	110.675.620	87.656.316	110.027.465	91.610.264
Financial Liabilities	**134.852.639**	**109.334.977**	**134.438.069**	**109.645.658**
Bank Deposits	11.452.798	10.745.694	11.472.287	10.778.992
Other Deposits	93.823.840	75.359.024	93.711.444	75.364.959
Borrowings	18.117.277	14.038.299	17.932.800	14.029.157
Marketable Securities Issued (Net)	8.052.919	6.464.683	7.915.733	6.745.676
Miscellaneous Payables	3.405.805	2.727.277	3.405.805	2.726.874

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b. Fair value hierarchy:

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

Aforesaid fair value hierarchy is determined as follows.

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:

Current Period - 31 December 2013	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	5.722	-	-	5.722
- Share Certificates	55.903	-	-	55.903
- Trading Derivative Financial Assets	79.013	1.631.770	-	1.710.783
Available-For-Sale Financial Assets				
- Government Debt Securities	30.076.145	-	-	30.076.145
- Share Certificates	-	-	-	-
- Other Marketable Securities	1.859.323	495.163	-	2.354.486
Hedging Derivative Financial Assets	-	630.177	-	630.177
Total Assets	**32.076.106**	**2.757.110**	**-**	**34.833.216**
- Trading Derivative Financial Liabilities	31.312	1.086.485	-	1.117.797
- Hedging Derivative Financial Liabilities	-	63.810	-	63.810
Total Liabilities	**31.312**	**1.150.295**	**-**	**1.181.607**

Prior Period - 31 December 2012	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	9.307	-	-	9.307
- Share Certificates	10.172	-	-	10.172
- Trading Derivative Financial Assets	50.529	480.597	-	531.126
Available-For-Sale Financial Assets				
- Government Debt Securities	40.269.191	-	-	40.269.191
- Share Certificates	-	-	-	-
- Other Marketable Securities	989.335	655.203	-	1.644.538
Hedging Derivative Financial Assets	-	-	-	-
Total Assets	**41.328.534**	**1.135.800**	**-**	**42.464.334**
- Trading Derivative Financial Liabilities	48.065	485.377	-	533.442
- Hedging Derivative Financial Liabilities	-	658.845	-	658.845
Total Liabilities	**48.065**	**1.144.222**	**-**	**1.192.287**

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 ineffective part is accounted in the income statement. At instances when cash flows relating to hedged item (interest expense) affect the income statement, profit/loss of the related hedging instrument is taken out of the equity and reflected on the income statement.

The Bank also hedges its TL and foreign denominated fixed rate financial assets and foreign currency fixed rate denominated financial liabilities with cross currency swaps and interest swaps. Within the scope of fair value hedge, fair value changes of hedging instrument and hedged item are accounted in the income statement. As long as the hedge relationship is effective, fair value change of the hedged item is disclosed together with its related asset or liability in the balance sheet for TL denominated fixed rate mortgage loans and foreign currency fixed rate financial liabilities respectively. Fair value changes which have already been booked in equity, have been reclassified from equity to income statement for TL and FC denominated fixed rate available-for-sale financial assets.

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 designaton 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 expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked;

- 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 case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

In accordance with TAS 39, the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy.

The Bank also applies fair value hedge against currency risk resulting from investments abroad. As long as the subject fair value hedge transaction is effective, fair value changes of the hedged item are reflected to income statement.

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1. Explanations on Fair Value Hedge:

Information on derivative transactions subject to fair value hedge:

	Current Period 31.12.2013			Prior Period 31.12.2012		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	2.640.102	582.455	-	2.739.445	-	313.531
-FC	9.876.850	47.722	63.810	2.667.536	-	-
Total	**12.516.952**	**630.177**	**63.810**	**5.406.981**	**-**	**313.531**

The Bank's transactions subject to fair value hedge accounting as of 31 December 2013 are as follows:

- The Bank hedges certain part of its fixed rate foreign currency denominated investment securities against fair value changes due to interest rate fluctuations with interest rate swap transactions. The fair value change of the hedged item since the beginning of hedge accounting is TL (44.658).

- The Bank 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. The fair value change of the hedged item since the beginning of hedge accounting is TL (83.450).

- The Bank 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 swaps. The fair value change of the hedged item since the beginning of hedge accounting is TL (37.013) and this amount has been reclassified from equity to income statement.

- The Bank hedges certain part of its fixed rate FC denominated available-for-sale investment securities against fair value changes due to interest rate fluctuations with interest rate swap transactions. The change in the fair value of the hedged item since the beginning of hedge accounting is TL (23.711) and this amount has been reclassified from equity to income statement.

- The Bank also applies fair value hedge strategy against the foreign currency risk arising from share premiums and paid-in-capital of Akbank AG, one of Bank's subsidiaries, amounting to EUR 220 Million. EUR 220 Million of syndication loans used by the Bank have been determined as "hedging instruments."

As of 31 December 2013 fair value hedge transactions have been proven to be effective.

In addition, information in regards to the fair value hedge transactions revoked by the Bank in 2013 is as follows:

- Hedge designation for certain part of the Bank's fixed rate TL denominated available for sale government bonds against fair value risk arising from the fluctuations in the market interest rates and

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certain part of its foreign currency denominated borrowings from the fluctuations in the foreign exchange rates with cross currency swaps has been revoked. As of 31 December 2013, the remaining amount of the fair value change of the hedged item since the begining of hedge accounting, after amortization has been reflected to profit/loss accounts, is TL 15.300

- Hedge designation for 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 has been revoked. As of 31 December 2013, the remaining amount of the the fair value change of the hedged item since the beginning of hedge accounting, after amortization has been reflected to profit/loss accounts, is TL 66.010.

2. Explanations on Cash Flow Hedge:

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

	Current Period 31 December 2013			Prior Period 31 December 2012		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	-	-	-	2.562.000	-	214.994
-FC	-	-	-	4.860.997	-	130.320
Total	**-**	**-**	**-**	**7.422.997**	**-**	**345.314**

Hedge designation against cash flow risk arising from floating rate TL and FC repo transactions with interest rate swap and cross currency swap transactions has been revoked in 2013. As of 31 December 2013, the remaining amount of the fair value change of the hedging instruments, after amortization has been reflected to profit/loss accounts, is TL (92.239).

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

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Current Period – 31.12.2013:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in equity 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	-	-	12.458	(28.269)	-
TL Cross Currrency Swap	FC Repo Portfolio	Cash Flow risk due to changes in interest rate and foreign currency of funds provided from repo transactions	-	-	21.776	(13.273)	-
FC Interest Rate Swap	FC Securitization Loans	Cash flow risk due to changes in interest rate (labor) of funds provided from securitization loans	-	-	10.861	(828)	-

The amount of ceased hedge transactions which has been recycled from equity to the income statement is TL (19.096).

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Prior Period – 31.12.2012:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in equity during the period	Net gain(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
TL Interest Rate swap	TL Repo Portfolio	Cash flow risk due to the changes in the interest rates of funds from repo transactions	-	155.556	(59.598)	(67.183)	-
TL Cross Currency Swap	FC Repo Portfolio	Cash flow risk due to the changes in interest rate and foreign currency of funds provided from repo transactions	-	59.438	(72.109)	(26.788)	-
FC Interest rate swap	FC Securitiziation Credits	Cash flow risk due to changes in interest rate (labor) of funds provided from securitization loans	-	115.318	(24.632)	(18.857)	-
FC Interest rate swap	FC Repo Portfolio	Cash flow risk due to the changes in interest rate of funds provided from repo transactions	-	15.002	(16.945)	(1.853)	-

The amount of ceased hedge transactions which has been recycled from equity to the income statement is TL (17.254).

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 VIII of Section Four.

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XV. EXPLANATIONS ON BUSINESS SEGMENTS:

The Bank operates in five main business segments including retail banking, corporate banking, SME banking, treasury activities, private banking and international banking. These segments have been determined considering customer segments and branch network providing services to customers in accordance with the Bank's organizational structure.

The profitability system generating segment information provides profitability information on the basis of account customer, customer relationship manager, branch segment and product. This information is made available to the branch and Head Office personnel through a web-based management reporting system.

In scope of retail banking, the Bank offers a variety of retail services such as deposit accounts, consumer loans, commercial installment loans, credit cards, insurance products and asset management services. The retail banking products and services also include bank cards, investment funds trading, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking, telephone and internet banking.

Corporate banking and commercial banking and SME banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans. financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Bank provides timely and permanent solutions for corporate customers' working capital management, delivers cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities.

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 Bank provides services for foreign trade financing, foreign currency and TL clearances and money transfers through agent financial institutions. The international banking unit serves in fundamental areas such as providing long-term funding opportunities, creating funding facility at lower prices that fully reflect country risk, diversifying funding resources and creating a base of international investors for that purpose.

Information on business segments as of 31 December 2013 and 31 December 2012 is presented on the following table. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

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	Retail Banking	Corporate Banking and Commercial and SME Banking(*)	Treasury	Private Banking	International Banking	Other and Unallocated	Bank's Total Activities
Current Period – 31 December 2013							
Operating Income	3.678.763	3.033.391	2.006.013	273.639	184.671	-	9.176.477
Profit from Operating Activities	718.545	1.702.563	1.659.790	190.794	121.065	(568.377)	3.824.380
Income from Subsidiaries	-	-	-	-	-	29.227	29.227
Profit before Tax	718.545	1.702.563	1.659.790	190.794	121.065	(539.150)	3.853.607
Corporate Tax	-	-	-	-	-	(911.565)	(911.565)
Net Profit for the Period	718.545	1.702.563	1.659.790	190.794	121.065	(1.450.715)	2.942.042
Segment Assets	47.307.717	72.006.412	52.171.148	1.237.150	6.488.081	-	179.210.508
Investments in Associates	-	-	-	-	-	-	883.744
Undistributed Assets	-	-	-	-	-	-	3.643.070
Total Assets	-	-	-	-	-	-	183.737.322
Segment Liabilities	52.165.723	35.695.581	45.304.002	14.888.255	8.640.775	-	156.694.336
Undistributed Liabilities	-	-	-	-	-	-	5.703.808
Shareholders' Equity	-	-	-	-	-	-	21.339.178
Total Liabilities	-	-	-	-	-	-	183.737.322
Other Segment Items							
Capital Investment	118.337	3	5.215	207	-	153.409	277.171
Amortization	(98.636)	(7.748)	(1.196)	(1.492)	(274)	(59.907)	(169.253)
Non-cash Other Income-Expense	(543.640)	(882.772)	(203.500)	(4.184)	-	(270.000)	(1.904.096)
Restructuring Costs	-	-	-	-	-	-	-

(*) As of 1 July 2013 the Bank has restructured Commercial and SME Banking into two separate segments, Commercial Banking and SME Banking.

	Retail Banking	Corporate Banking and SME Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Bank's Total Activities
Prior Period – 31 December 2012 (*)							
Operating Income	2.843.951	2.349.731	2.143.444	293.153	122.308	-	7.752.587
Profit from Operating Activities	642.367	1.262.047	1.725.065	199.246	73.767	(155.166)	3.747.326
Income from Subsidiaries						55.743	55.743
Profit before Tax	642.367	1.262.047	1.725.065	199.246	73.767	(99.423)	3.803.069
Corporate Tax						(853.207)	(853.207)
Net Profit for the Period	642.367	1.262.047	1.725.065	199.246	73.767	(952.630)	2.949.862
Segment Assets	40.265.268	56.892.653	48.905.036	1.004.183	4.570.116	-	151.637.256
Investments in Associates.	-	-	-	-	-	-	586.867
Undistributed Assets	-	-	-	-	-	-	3.629.415
Total Assets	-	-	-	-	-	-	155.853.538
Segment Liabilities	46.094.649	25.100.432	35.963.159	13.568.856	7.916.330	-	128.643.426
Undistributed Liabilities	-	-	-	-	-	-	5.297.434
Shareholders' Equity	-	-	-	-	-	-	21.912.678
Total Liabilities	-	-	-	-	-	-	155.853.538
Other Segment Items							
Capital Investment	69.196	74	6.265	547	-	114.601	190.683
Amortization	(90.195)	(7.437)	(988)	(1.260)	(272)	(55.014)	(155.166)
Non-cash Other Income-Expense	(408.397)	(631.902)	(76.987)	(570)	(28)	(5.672)	(1.123.556)
Restructuring Costs	-	-	-	-	-	-	-

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SECTION FIVE
INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

a. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the "CBRT"):

1. Information on cash equivalents and the account of the CBRT:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Cash/Foreign Currency	814.114	717.556	803.928	589.262
The CBRT	121.630	16.569.052	2.553.797	12.688.205
Other(*)	20	740	678	26.971
Total	**935.764**	**17.287.348**	**3.358.403**	**13.304.438**

(*) As of 31 December 2013, precious metal account amounts to TL 655 (31 December 2012: TL 26.926).

2. Information related to the account of the CBRT:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Demand Unrestricted Account	8.475	-	10.351	-
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	113.155	16.569.052	2.543.446	12.688.205
Total	**121.630**	**16.569.052**	**2.553.797**	**12.688.205**

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, EURO and standard gold.

The reserve rates for TL liabilities vary between 5% and 11,5% for TL deposits and other liabilities according to their maturities as of 31 December 2013 (31 December 2012: 5% and 11% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 6% and 13% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2013 (31 December 2012: 6% and 11,5% 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. The Bank has met its additional reserve requirements as of 30 January 2014 and as of this date there have been no additional reserve requirements left. However, 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 2013, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2012: TL (-)) or given as collateral/blocked (31 December 2012: TL (-)).

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

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Forward Transactions	207.282	-	29.421	-
Swap Transactions	607.237	344.547	91.344	304.844
Futures Transactions	52.398	26.615	47.785	2.744
Options	31.430	441.274	2.167	52.821
Other	-	-	-	-
Total	**898.347**	**812.436**	**170.717**	**360.409**

c. Information on banks account:

1. Information on banks account:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Banks	156	4.945.062	4.124	2.694.090
Domestic	156	106.520	4.124	99.547
Foreign	-	4.838.542	-	2.594.543
Head Quarters and Branches Abroad	-	-	-	-
Total	**156**	**4.945.062**	**4.124**	**2.694.090**

2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount (**)	
	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
European Union Countries	1.349.343	858.866	2.660.013	1.474.994
USA, Canada	488.228	171.874	308.602	52.184
OECD Countries (*)	19.032	32.475	-	-
Off-Shore Banking Regions	-	-	-	-
Other	13.324	4.150	-	-
Total	**1.869.927**	**1.067.365**	**2.968.615**	**1.527.178**

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

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

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

1. As of 31 December 2013, available-for-sale financial assets subject to repurchase agreements amount to TL 19.229.961 (31 December 2012: TL 23.097.568); and those given as collateral/blocked amounting to TL 3.242.577 (31 December 2012: TL: 5.832.785).

2. Information on available-for-sale financial assets:

	Current Period 31 December 2013	Prior Period 31 December 2012
Debt Securities	33.301.159	41.922.440
Quoted to Stock Exchange	32.805.996	41.267.237
Not Quoted to Stock Exchange	495.163	655.203
Share Certificates	11.157	6.914
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	11.157	6.914
Impairment Provision (-)	870.528	8.711
Total	**32.441.788**	**41.920.643**

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 2013		Prior Period 31 December 2012	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	250.320	378	-	250
Corporate Shareholders	250.320	378	-	250
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	2.111.891	2.413.481	2.078.786	326.744
Loans Granted to Employees	101.100	-	92.280	-
Total	**2.463.311**	**2.413.859**	**2.171.066**	**326.994**

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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	107.032.096	624.211	-	3.550.674	1.395.991	-
Business Loans	18.610.371	510.312	-	1.149.922	127.958	-
Export Loans	4.889.654	14.831	-	11.758	-	-
Import Loans	-	-	-	-	-	-
Loans Granted to Financial Sector	2.457.947	-	-	-	-	-
Consumer Loans (Including Overdraft Loans)	26.638.453	44.775	-	1.105.140	395.139	-
Credit Cards	13.694.013	-	-	999.318	798.595	-
Other	40.741.658	54.293	-	284.536	74.299	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	**107.032.096**	**624.211**	**-**	**3.550.674**	**1.395.991**	**-**

Number of Extension	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	619.632	1.349.570
Extended by 3,4 or 5 times	4.579	46.400
Extended by more than 5 times	-	21
Total	**624.211**	**1.395.991**

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	89.806	113.979
6 - 12 Months	25.010	194.889
1 - 2 Years	44.655	325.053
2 - 5 Years	429.604	683.439
5 Years and over	35.136	78.631
Total	**624.211**	**1.395.991**

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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	30.774.740	138.599	1.211.568	1.219.681
Non-Specialized Loans	30.774.740	138.599	1.211.568	1.219.681
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	76.257.356	485.612	2.339.106	176.310
Non-Specialized Loans	76.257.356	485.612	2.339.106	176.310
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	**107.032.096**	**624.211**	**3.550.674**	**1.395.991**

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

Current Period – 31.12.2013	Short-term	Medium and Long-term	Total
Consumer Loans-TL	**74.979**	**27.093.914**	**27.168.893**
Mortgage Loans	2.135	12.552.324	12.554.459
Automotive Loans	636	992.941	993.577
Consumer Loans	67.723	12.728.122	12.795.845
Other	4.485	820.527	825.012
Consumer Loans- Indexed to FC	**-**	**38.165**	**38.165**
Mortgage Loans	-	36.837	36.837
Automotive Loans	-	-	-
Consumer Loans	-	77	77
Other	-	1.251	1.251
Consumer Loans-FC	**-**	**11.808**	**11.808**
Mortgage Loans	-	11.808	11.808
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	**11.320.667**	**2.205.250**	**13.525.917**
With Installment	5.035.137	2.205.250	7.240.387
Without Installment	6.285.530	-	6.285.530
Consumer Credit Cards-FC	**22.247**	**-**	**22.247**
With Installment	11.861	-	11.861
Without Installment	10.386	-	10.386
Personnel Loans-TL	**1.483**	**55.116**	**56.599**
Mortgage Loans	-	1.080	1.080
Automotive Loans	-	158	158
Consumer Loans	1.483	53.868	55.351
Other	-	10	10
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	**42.634**	**1.524**	**44.158**
With Installment	18.567	1.524	20.091
Without Installment	24.067	-	24.067
Personnel Credit Cards-FC	**343**	**-**	**343**
With Installment	205	-	205
Without Installment	138	-	138
Credit Deposit Account-TL (Real Person)	**468.128**	**-**	**468.128**
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	**11.930.481**	**29.405.777**	**41.336.258**

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

Current period – 31.12.2013	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	**87.079**	**5.365.443**	**5.452.522**
Mortgage Loans	1.162	147.568	148.730
Automotive Loans	1.000	240.777	241.777
Consumer Loans	76.445	4.851.425	4.927.870
Other	8.472	125.673	134.145
FC Indexed Commercial Installment Loans	**11.202**	**152.801**	**164.003**
Mortgage Loans	-	13.520	13.520
Automotive Loans	75	41.094	41.169
Consumer Loans	74	70.392	70.466
Other	11.053	27.795	38.848
Commercial Installment Loans-FC	**-**	**279.110**	**279.110**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	279.110	279.110
Corporate Credit Cards-TL	**1.084.576**	**14.225**	**1.098.801**
With Installment	508.836	14.225	523.061
Without Installment	575.740	-	575.740
Corporate Credit Cards-FC	**1.865**	**-**	**1.865**
With Installment	226	-	226
Without Installment	1.639	-	1.639
Credited Deposit Account-TL (Legal Person)	**465.343**	**-**	**465.343**
Credited Deposit Account-FC (Legal person)	**-**	**-**	**-**
Total	**1.650.065**	**5.811.579**	**7.461.644**

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Prior 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
Commercial Installment Loans- Indexed to FC	**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**

6. Loans according to types of borrowers:

	Current Period 31 December 2013	Prior Period 31 December 2012
Public	1.423.127	1.300.417
Private	109.159.643	86.263.049
Total	**110.582.770**	**87.563.466**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Domestic Loans	110.288.680	86.794.186
Foreign Loans	294.090	769.280
Total	**110.582.770**	**87.563.466**

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8. Loans granted to investments in associates and subsidiaries:

	Current Period 31 December 2013	Prior Period 31 December 2012
Direct Loans Granted to Investments in Associates and Subsidiaries	519.266	477.540
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
Total	**519.266**	**477.540**

9. Specific provisions accounted for loans:

	Current Period 31 December 2013	Prior Period 31 December 2012
Loans and receivables with limited collectibility	342.385	224.361
Loans and receivables with doubtful collectibility	492.160	266.596
Uncollectible loans and receivables	749.287	531.534
Total	**1.583.832**	**1.022.491**

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 2013			
(Gross Amounts Before Specific Provisions)	22.617	34.908	28.903
Restructured Loans and Other Receivables	21.845	33.566	28.541
Rescheduled Loans and Other Receivables	772	1.342	362
Prior 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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2012	**224.361**	**266.596**	**624.384**
Additions (+)	1.249.551	8.267	20.414
Transfers from Other Categories of Non-performing Loans (+)	-	1.011.944	633.335
Transfers to Other Categories of Non-Performing Loans (-)	1.011.944	633.335	-
Collections (-)	119.233	129.916	134.470
Write-offs (-)(*)	350	31.396	301.526
Corporate and Commercial Loans	78	1.359	78.007
Retail Loans	74	5.009	90.380
Credit Cards	198	25.028	133.139
Other	-	-	-
Balance at the End of the Period	**342.385**	**492.160**	**842.137**
Specific Provisions (-)	342.385	492.160	749.287
Net Balance(**)	**-**	**-**	**92.850**

(*) TL 250,5 million of the Bank's non-performing loan portfolio has been sold to Efes Varlık Yönetimi A.Ş. for TL 58,3 million on 20 May 2013. The amount that has been sold is shown under "Write-offs" in the above table.

(**)As of 31 December 2013, the Bank has set 100% specific provision amounting to TL 41 million (31 December 2012: 41 million TL) after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 million (31 December 2012: 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 2013			
Balance at the End of the Period	27.107	6.135	154.261
Specific Provisions (-)	27.107	6.135	61.411
Net Balance on Balance Sheet	-	-	92.850
Prior Period: 31 December 2012			
Balance at the End of the Period	5.234	6.610	161.702
Specific Provisions (-)	5.234	6.610	68.852
Net Balance	-	-	92.850

Non-performing loans granted as foreign currency are followed under TL accounts of balance sheet.

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 31 December 2013			
Loans granted to corporate entities and real persons (Gross)	342.385	492.160	842.137
Specific Provisions Amount(-)	342.385	492.160	749.287
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 2012			
Loans granted to corporate entities and real persons (Gross)	224.361	266.596	624.384
Specific Provisions Amount(-)	224.361	266.596	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)	-	-	-

11. Information on the collection policy of non-performing loans and other receivables:

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

12. Information on the write-off policy:

Write-off policy of the Bank for receivables under follow-up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

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f. Held-to-maturity investments:

1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Given as collateral/blocked	1.910.742	1.964.710	3.145.186	-
Subject to repurchase agreements	4.178.386	2.886.067	358.131	-
Total	**6.089.128**	**4.850.777**	**3.503.317**	**-**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Government Bonds	12.153.241	3.637.257
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	**12.153.241**	**3.637.257**

3. Information on Held-to-maturity investments:

	Current Period 31 December 2013	Prior Period 31 December 2012
Debt Securities	12.153.241	3.679.039
Quoted to Stock Exchange	12.153.241	3.679.039
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	-	41.782
Total	**12.153.241**	**3.637.257**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Beginning Balance	3.637.257	4.823.377
Foreign Currency Differences on Monetary Assets	172.739	(90.677)
Purchases During Year(*)	9.969.319	-
Disposals Through Sales and Redemptions (**)	1.788.154	1.096.193
Impairment Provision (-)	-	41.782
Change in Amortized Cost	162.080	42.532
Balance at the End of the Period	**12.153.241**	**3.637.257**

(*) The Bank has reclassified debt securities of the nominal value of thousands TL 4.863.357, thousands EURO 721.540 and thousands USD 1.092.397 from available-for-sale portfolio to held-to-maturity portfolio due to change in the intention to hold such securities. Reclassified debt securities have a fair value of TL 5.398.459, thousands EURO 815.927 and thousands USD 1.189.524 respectively as of reclassification date Valuation differences of these securities which have been accounted under equity before, are being amortize using effective interest method over the remaining maturity.

(**) 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%. The prior period balance of TL 925.162 of Disposal Through Sales and Redemptions line includes foreign currency denominated securities issued by the Treasury of Republic of Turkey with nominal values of thousands EURO 300.476 and thousands USD 160.288 that were reclassified from Held-to-Maturity portfolio to Available-for-Sale portfolio with intention of sale and in accordance with IAS 39 Financial Instruments: Recognition and Measurement Standard. As of 31 December 2013, nominal value amounting to thousands EURO 280.476 and thousands USD 160.288 out of reclassified portfolio has been sold.

g. Information on investments in associates (Net):

1. Information about investments in associates:

	Title	Address (City / Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1	Bankalararası Kart Merkezi A.Ş.	İstanbul/Turkey	9,98	9,98
2	Kredi Kayıt Bürosu A.Ş.	İstanbul/Turkey	9,09	9,09

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

The financial figures have been obtained from the financial statements dated 30 September 2013.

	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	33.001	23.773	19.197	347	14	4.171	4.238	-
2	91.353	78.926	48.825	1.637	18	28.150	24.044	-

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3. Movement schedule of investments in associates:

	Current Period 31 December 2013	Prior Period 31 December 2012
Balance at the Beginning of the Period	3.923	3.923
Movements During the Period		
Additions	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Balance at the End of the Period	3.923	3.923
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

h. Information on subsidiaries (Net):

1. Information on shareholders' equity of subsidiaries:

The amounts below are obtained from the 31 December 2013 financial data which were subject to the regulations of the related companies.

	Akbank AG	Ak Leasing	Ak Securities	Ak Portfolio Managemen	Akbank (Dubai) Limited
Tier I Capital					
Paid in Capital	125.006	30.000	1.000	293.440	2.243
Adjustment to paid-in capital	-	16.802	-	-	-
Share Premium	-	-	-	464.378	-
Other Profit Reserves	244.927	22.642	7.979	187.363	2.180
Profit/Loss	43.449	62.927	13.987	58.933	8.233
Net Current Period Profit	*40.735*	*16.001*	*11.921*	*58.933*	*5.363*
Prior year Profit/Loss	*2.714*	*46.926*	*2.066*	-	*2.870*
Development Cost of Operating Lease (-)	386	499	-	58	-
Intangible Assets (-)	573	308	56	463	-
Total Core Capital	**412.423**	**131.564**	**22.910**	**1.003.593**	**12.656**
Supplementary Capital	**8.007**	**-**	**-**	**-**	**-**
Capital	**420.430**	**131.564**	**22.910**	**1.003.593**	**12.656**
NET USABLE SHAREHOLDERS' EQUITY	**420.430**	**131.564**	**22.910**	**1.003.593**	**12.656**

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.

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

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3. Information on subsidiaries:

	Title	Address (City / Country)	Bank's Share Percentage-If Different Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
1	Ak Finansal Kiralama A.Ş.	İstanbul/Turkey	99,99	99,99
2	Ak Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	100,00	100,00
3	Ak Portföy Yönetimi A.Ş.	İstanbul/Turkey	100,00	100,00
4	Akbank AG	Frankfurt/Germany	100,00	100,00
5	Akbank (Dubai) Limited	Dubai/The United Arab Emirates	100,00	100,00

4. 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 2013 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	3.574.680	413.382	26.431	206.120	-	40.735	41.546	-
2	681.578	132.371	1.641	35.497	3.763	16.001	16.543	-
3	29.898	22.966	572	1.433	-	11.921	11.067	-
4	9.655.853	1.004.114	1.258	292.707	39.244	58.933	31.015	-
5	13.451	12.656	32	-	-	5.363	2.335	-

5. Movement schedule of subsidiaries:

	Current Period 31 December 2013	Prior Period 31 December 2012
Balance at the Beginning of the Period	582.944	1.013.894
Movements During the Period		
Additions(*)	190.933	259
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation (**)	-	(308.089)
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	105.944	(123.120)
Balance at the End of the Period	879.821	582.944
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) TL 140.940 of the amount shown in the "Additions" line of current period is due to the increase of thousands EURO 50.000 of Akbank AG's share capital. TL 49.993 of it is due to the increase of TL 50.000 of Aklease's share capital. TL 258 of prior year's "Additions" is derived from the increase of Bank's shares in Ak Yatırım Menkul Değerler A.Ş. from 99,8% to 100%. TL 1 is derived from the increase of Bank's shares in Ak Portföy Yönetimi A.Ş. from 99,99% to 100%.

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(**) Within the scope of foreign subsidiaries restructuring, Bank's 100% subsidiary based in Holland, Akbank N.V., and Akbank N.V.'s 100% subsidiary Akbank AG based in Germany have merged due to discontinuation of activities of Akbank N.V. effective from 15 June 2012. The prior period balances amounting to TL (-) 292.708 on "Sales / Liquidation" line and 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. 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.

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

Subsidiaries	Current Period 31 December 2013	Prior Period 31 December 2012
Banks	641.246	394.362
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	171.081	121.088
Finance Companies	-	-
Other Financial Subsidiaries	67.494	67.494

7. Subsidiaries quoted on a stock Exchange: None.

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

j. Information on the Hedging Derivative Financial Assets:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Fair Value Hedge	582.455	47.722	-	-
Cash Flow Hedge	-	-	-	-
Net Investment Hedge abroad	-	-	-	-
Total	**582.455**	**47.722**	**-**	**-**

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k. Information on property and equipment:

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2012				
Cost	818.744	821.603	2.578	1.642.925
Accumulated Depreciation(-)	276.386	570.469	-	846.855
Net Book Value	**542.358**	**251.134**	**2.578**	**796.070**
Current Period End: 31 December 2013				
Net Book Value at the Beginning of the Period	542.358	251.134	2.578	796.070
Additions	28.164	134.488	14.242	176.894
Transferred	16.617	-	(16.617)	-
Disposals (-), net	1.732	1.276	-	3.008
Depreciation (-)	27.290	95.286	-	122.576
Impairment	-	-	-	-
Cost at Period End	838.335	876.277	203	1.714.815
Accumulated Depreciation at Period End (-)	280.218	587.217	-	867.435
Closing Net Book Value	**558.117**	**289.060**	**203**	**847.380**

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2012				
Cost	793.718	793.491	217	1.587.426
Accumulated Depreciation(-)	252.077	549.459	-	801.536
Net Book Value	**541.641**	**244.032**	**217**	**785.890**
Current Period End: 31 December 2013				
Net Book Value at the Beginning of the Period	541.641	244.032	217	785.890
Additions	19.138	109.413	10.914	139.465
Transferred	8.553	-	(8.553)	-
Disposals(-), net	1.737	11.598	-	13.335
Depreciation (-)	25.237	90.713	-	115.950
Impairment	-	-	-	-
Cost at Period End	818.744	821.603	2.578	1.642.925
Accumulated Depreciation at Period End (-)	276.386	570.469	-	846.855
Closing Net Book Value	**542.358**	**251.134**	**2.578**	**796.070**

As of 31 December 2013, net book value of the tangible fixed assets obtained by financial leasing is TL 194.977 (31 December 2012: TL 154.155).

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l. Information on deferred tax asset:

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Cost	366.126	271.358
Accumulated Amortization (-)	205.311	158.756
Net Book Value	**160.815**	**112.602**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Opening Balance Net Book Value	**112.602**	**100.562**
Additions	100.277	51.218
Disposals (-), net	5.510	10
Depreciation (-)	46.554	39.168
Closing Net Book Value	**160.815**	**112.602**

m. Information on the investment properties:

None.

n. Information on deferred tax asset :

As of 31 December 2013 the Bank's deferred tax asset is TL 66.843 (31 December 2012:TL (-)). Provisional differences subject to deferred tax calculation result from mainly the differences between the book values and tax values of fixed assets, financial assets and liabilities and provision for employee rights.

Deferred tax assets and liabilities which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation are netted-off and accounted. There are no carry forward tax losses that can be used as deductions for the tax calculation. An explanation about the net deferred tax liability is given in Note II-i-2 of Section Five.

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	Accumulated temporary differences		Deferred tax assets/(liabilities)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Employee benefits	108.477	99.488	21.695	19.898
Differences between fair value and book value of financial assets	1.243.418	283.929	248.893	56.786
Other	310.757	269.011	62.152	53.802
Deferred tax asset			**332.740**	**130.486**
Differences between book value and tax base of property, plant and equipment	71.392	89.757	(14.278)	(17.951)
Differences between book value and tax base of financial assets	1.257.047	930.275	(251.619)	(186.055)
Deferred tax liability			**(265.897)**	**(204.006)**
Deferred tax asset/(liability), net			**66.843**	**(73.520)**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Cost	10.263	3.362
Accumulated Depreciation (-)	258	147
Net Book Value	**10.005**	**3.215**

	Current Period 31 December 2013	Prior Period 31 December 2012
Opening Balance Net Book Value	3.215	2.129
Additions	7.274	2.095
Disposals (-), net	361	961
Depreciation (-)	123	48
Closing Net Book Value	**10.005**	**3.215**

p. Information on other assets:

Other assets amount to TL 926.971 (31 December 2012: TL 1.228.908) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

1. Information on maturity structure of the deposits:

There are no seven-day notification deposits.

1(i). Current Period – 31 December 2013:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	1-5 Year Cumulative	Total
Saving Deposits	3.898.691	8.444.283	18.763.388	942.910	578.295	1.338.972	111.187	34.077.726
Foreign Currency Deposits	5.048.734	9.776.778	13.387.224	3.557.251	4.895.461	1.823.120	5.933	38.494.501
Residents in Turkey	4.846.322	9.574.413	11.848.496	1.038.317	924.220	1.389.869	5.822	29.627.459
Residents Abroad	202.412	202.365	1.538.728	2.518.934	3.971.241	433.251	111	8.867.042
Public Sector Deposits	761.362	17.976	100.940	12.591	3.805	3.809	-	900.483
Commercial Deposits	4.805.339	5.700.309	5.671.296	229.658	73.456	100.716	-	16.580.774
Other Institutions Deposits	140.922	136.103	1.044.701	404.079	132.594	145.431	-	2.003.830
Gold Vault	1.722.852	3.914	8.435	26.889	4.436	-	-	1.766.526
Bank Deposits	682.593	2.105.221	6.547.618	1.590.562	526.804	-	-	11.452.798
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	11.589	1.345.098	7.205	-	16.034	-	-	1.379.926
Foreign Banks	344.539	760.123	6.540.413	1.590.562	510.770	-	-	9.746.407
Special Finance Institutions	326.465	-	-	-	-	-	-	326.465
Other	-	-	-	-	-	-	-	-
Total	**17.060.493**	**26.184.584**	**45.523.602**	**6.763.940**	**6.214.851**	**3.412.048**	**117.120**	**105.276.638**

1(ii). Prior period - 31 December 2012:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	1-5 Year 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	3.839.612	5.490.455	11.999.057	766.750	2.244.577	1.110.139	5.124	25.455.714
Residents in Turkey	3.690.527	4.995.225	11.455.686	560.938	631.261	884.947	5.051	22.223.635
Residents Abroad	149.085	495.230	543.371	205.812	1.613.316	225.192	73	3.232.079
Public Sector Deposits	706.007	23.739	209.576	4.014	566	3.592	-	947.494
Commercial Deposits	3.653.602	5.345.850	6.226.534	174.015	55.534	23.740	-	15.479.275
Other Institutions Deposits	124.275	429.150	1.377.116	288.052	51.189	55.914	-	2.325.696
Gold Vault	1.461.072	-	-	-	-	-	-	1.461.072
Bank Deposits	318.810	1.532.695	6.651.202	1.577.025	642.881	23.081	-	10.745.694
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	20.847	1.010.510	12.028	18.043	14.033	6.014	-	1.081.475
Foreign Banks	66.939	522.185	6.639.174	1.558.982	628.848	17.067	-	9.433.195
Special Finance Institutions	231.024	-	-	-	-	-	-	231.024
Other	-	-	-	-	-	-	-	-
Total	**13.082.706**	**19.199.129**	**45.425.819**	**3.613.488**	**3.193.292**	**1.492.912**	**97.372**	**86.104.718**

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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:

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Saving Deposits	16.560.665	11.015.060	17.007.941	18.210.996
Foreign Currency Saving Deposits	6.104.124	3.917.152	14.291.268	13.170.907
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

In accordance with the "Communiqué on the Change of the Regulation on Deposits and Participation Funds subject to Insurance and Premiums Collected by Savings Deposit Insurance Fund" published in Official Gazette No. 28560 dated 15 February 2013, insurance limit has been increased from "TL 50 Thousand" to "TL 100 Thousand."

2(ii). Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	Current Period 31 December 2013	Prior Period 31 December 2012
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	1.021.540	899.644
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	-	-

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b. Information on trading derivative financial liabilities:

Table of negative differences for trading derivative financial liabilities:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Forward Transactions	142.013	-	37.691	-
Swap Transactions	56.809	493.045	100.871	284.974
Futures Transactions	22.001	9.311	41.871	6.194
Options	19.196	375.422	1.126	60.715
Other	-	-	-	-
Total	**240.019**	**877.778**	**181.559**	**351.883**

c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	203.201	196.819	166.592	153.358
From Foreign Banks, Institutions and Funds	94.221	17.623.036	92.130	13.626.219
Total	**297.422**	**17.819.855**	**258.722**	**13.779.577**

2. Information on maturity structure of borrowings:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Short-term	202.841	12.662.262	166.592	8.897.365
Medium and Long-term	94.581	5.157.593	92.130	4.882.212
Total	**297.422**	**17.819.855**	**258.722**	**13.779.577**

The liabilities providing the funding sources of the Bank are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Bank and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitized borrowings and post-finance obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Bank.

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d. Information on securities issued (Net):

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Bank bills	924.388	-	1.020.093	-
Bonds	2.063.684	5.064.847	1.360.826	4.083.764
Total	**2.988.072**	**5.064.847**	**2.380.919**	**4.083.764**

The Bank has established the bond issuance program (Global Medium Term Note Program) valued USD 3 Billion from which the Bank's subsidiary Ak Finansal Kiralama A.Ş. can also make issuance from.

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 1.370.484 (31 December 2012: TL 1.490.500) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

f. Information on financial leasing agreements:

The contingent rent installments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which cause significant commitments for the Bank.

Liabilities incurred due to financial leasing agreements:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	Gross	Net	Gross	Net
Less Than 1 Year	85.101	65.101	77.616	59.118
Between 1-4 Years	39.713	32.231	23.164	18.778
More Than 4 Years	-	-	-	-
Total	**124.814**	**97.332**	**100.780**	**77.896**

g. Information on the hedging derivative financial liabilities:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Fair value Hedge	-	63.810	313.531	-
Cash Flow Hedge	-	-	214.994	130.320
Net investment Hedge	-	-	-	-
Total	**-**	**63.810**	**528.525**	**130.320**

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h. Information on provisions:

1. Information on general provisions:

	Current Period 31 December 2013	Prior Period 31 December 2012
General Provisions	**1.700.637**	**1.179.008**
Provisions for Group I. Loans and Receivables	1.415.553	923.044
- Additional Provision for loans with extended payment period	20.850	19.760
Provisions for Group II. Loans and Receivables	138.423	107.674
- Additional Provision for loans with extended payment period	45.731	20.850
Provisions for Non-cash Loans	105.108	91.023
Other	41.553	57.267

2. Information on reserve for employment termination benefits:

Balance Sheet Obligations for:	Current Period 31 December 2013	Prior Period 31 December 2012
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	58.806	57.816
- Reserve for unused vacation	49.672	41.672
Total	**108.478**	**99.488**

As explained in Note 2(ii) below, there is no liability that needs to be accounted under the balance sheet since the Fund's fair value compensates for defined benefit obligations as explained in Note 2(ii).

Income Statement Charge for:	Current Period 31 December 2013	Prior Period 31 December 2012
- Post-employment benefits (pension and medical)	(133.857)	(118.282)
- Reserve for employment termination benefits	(28.044)	(31.464)
- Reserve for unused vacation	(8.000)	(8.079)
Toplam	**(169.901)**	**(157.825)**

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 133.857 (31 December 2012: TL 118.282) 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 is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires.

The amount payable consists of one month's salary limited to a maximum of TL 3.254,44 (in full TL amount) (31 December 2012: TL 3.033,98 (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 Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	Current Period 31 December 2013	Prior Period 31 December 2012
Discount Rate (%)	4,43	3,57
Rate for the Probability of Retirement (%)	94,25	94,01

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. The amount of TL 3.438,22 (1 January 2013: TL 3.125,01) effective from 1 January 2014 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 2013	Prior Period 31 December 2012
Balance at the Beginning of the Period	**57.816**	**41.819**
Provisions Recognized During the Period	28.044	31.464
Paid During the Period	(27.054)	(15.467)
Balance at the End of the Period	**58.806**	**57.816**

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 Group's obligation related to other non-transferrable benefits has been calculated in accordance with TAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%), except for the non-transferrable other benefits. Accordingly, including the obligation for non-transferable other benefits amounting TL 225.809 (31 December 2012: TL 294.543), the surplus of the Fund amounts to TL 444.642 as of 31 December 2013 (31 December 2012: TL 302.398).

	Current Period 31 December 2013	Prior Period 31 December 2012
Present value of funded obligations	(681.635)	(687.438)
- Pension benefits transferrable to SSI	(1.008.716)	(883.461)
- Post-employment medical benefits transferrable to SSI	552.890	490.566
- Other non-transferrable benefits	(225.809)	(294.543)
Fair value of plan assets	1.126.277	989.836
Surplus	**444.642**	**302.398**

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The amount of the post-employment medical benefits transferrable to SSI are calculated over the net present value of medical liabilities and health premiums.

The principal actuarial assumptions used were as follows:

Discount rate	Current Period 31 December 2013	Prior Period 31 December 2012
- Pension benefits transferrable to SSI	%9,80	% 9,80
- Post-employment medical benefits transferrable to SSI	%9,80	% 9,80
- Other non-transferrable benefits(*)	% 4,34	% 2,55

(*) Represents 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 2013	Prior Period 31 December 2012
Prior period end	**989.836**	**927.186**
Actual return on plan assets	193.840	117.758
Employer contributions	133.857	118.282
Employee contributions	114.785	101.417
Benefits paid	(306.041)	(274.807)
Period end	**1.126.277**	**989.836**

Plan assets are comprised as follows:

	Current Period 31 December 2013		Prior Period 31 December 2012	
Bank placements	781.086	% 69	638.406	% 64
Premises and equipment	19.354	% 2	29.788	% 3
Marketable securities and share certificates	290.025	% 26	292.516	% 30
Other	35.812	% 3	29.126	% 3
Period end	**1.126.277**	**% 100**	**989.836**	**% 100**

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

As of 31 December 2013, the provision related to foreign currency differences of foreign indexed loans amounts to TL 1.442 (31 December 2012: TL 16.345), which is offset with the balance of foreign currency indexed loans in these financial statements.

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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 2013 is amounting to TL 52.027 (31 December 2012: TL 21.715)

5. Information on other provisions:

5(i). Information on general reserves for possible risks: TL 270.000 (31 December 2012: TL (-)).

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 113.443 (31 December 2012: TL 165.124).

i. Explanations on tax liability :

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVIII of Section Three. As of 31 December 2013, the corporate tax liability after the deduction of temporary taxes paid is TL 65.731 (31 December 2012: TL 412.887).

1(i). Information on taxes payable:

	Current Period 31 December 2013	Prior Period 31 December 2012
Corporate Taxes Payable	65.731	412.887
Taxation on Marketable Securities	68.506	79.751
Property Tax	1.488	1.265
Banking Insurance Transaction Tax (BITT)	59.836	49.705
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	3.815	4.042
Other	42.527	34.527
Total	**241.903**	**582.177**

1(ii). Information on premium payables:

	Current Period 31 December 2013	Prior Period 31 December 2012
Social Security Premiums – Employee	-	-
Social Security Premiums – Employer	1	1
Bank Social Aid Pension Fund Premium- Employee	6	3
Bank Social Aid Pension Fund Premium – Employer	6	3
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	825	757
Unemployment Insurance – Employer	1.650	1.514
Other	35	34
Total	**2.523**	**2.312**

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2. Information on deferred tax liability:

As of 31 December 2013, the deferred tax liability of the Bank is: None (31 December 2012: TL 73.520). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

b. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period 31 December 2013	Prior Period 31 December 2012
Common Stock	4.000.000	4.000.000
Preferred Stock	-	-

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

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

3. Information on the share capital increases during the period and their sources: None.

4. Information on share capital increases from capital reserves during the current period: None.

5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.

6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainities at these indicators;

The Bank has been continuing its operations with high profitability and has been retaining most of its net profit in the equity, either by increasing its capital or transferring it into reserves. On the other hand, only a small part of the equity is allocated to investment such as associates and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and interest bearing assets. Considering all these factors, the Bank continues to its operations with strong shareholders' equity.

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

c. Information on marketable securities value increase fund:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(702.498)	(652.916)	1.253.332	422.592
Foreign Currency Differences	-	-	-	-
Total	**(702.498)**	**(652.916)**	**1.253.332**	**422.592**

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III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Short-term Loans	2.496.366	93.916	2.763.455	215.168
Medium and Long-term Loans	4.092.964	1.396.652	2.949.140	1.235.747
Interest on Loans Under Follow-Up	21.154	-	26.619	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	**6.610.484**	**1.490.568**	**5.739.214**	**1.450.915**

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

2. Information on interest income on banks:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	1.054	1.693	1.252	1.293
From Foreign Banks	-	3.522	9	3.771
From Headquarters and Branches Abroad	-	-	-	-
Total	**1.054**	**5.215**	**1.261**	**5.064**

3. Information on interest income on marketable securities:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
From Trading Financial Assets	378	109	30.235	5.030
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	2.543.989	491.557	3.223.420	309.642
From Held-to-Maturity Investments	246.398	5.156	446.534	42.485
Total	**2.790.765**	**496.822**	**3.700.189**	**357.157**

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. For the valuation of these marketable securities the Bank users and estimated inflation rate based on CPI. Estimated inflation rate is updated when necessary during the year. As of 31 December 2013, the valuation of these securities is made by considering the real coupon rates together with the changes in the CPI references between the issuance date and balance sheet date.

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Interests Received From Investments in Associates and Subsidiaries	29.018	20.537

b. Information on interest expense:

1. Information of interest expense on borrowings (*) :

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Banks	17.137	243.836	20.740	284.224
The CBRT	-	-	-	-
Domestic Banks	11.823	3.883	14.875	3.814
Foreign Banks	5.314	239.953	5.865	280.410
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	3.040	-	5.023
Total	**17.137**	**246.876**	**20.740**	**289.247**

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

2. Information on interest expense given to associates and subsidiaries :

	Current Period 31 December 2013	Prior Period 31 December 2012
To Associates and Subsidiaries	18.060	16.179

3. Information on interest expense given to securities issued :

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Interest expense on securities issued	213.679	228.982	234.652	166.689

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4. Maturity structure of the interest expense on deposits :

There are no deposits with 7-days notification deposits.

		Time Deposit					
Current Period – 31.12.2013	**Demand Deposits**	**Up to 1 Month**	**Up to 3 Months**	**Up to 6 Months**	**Up to 1 Year**	**1 Year and Over**	**Total**
TL							
Bank Deposits	-	100.937	78.528	27.772	4.606	-	**211.843**
Saving Deposits	52	438.224	1.380.109	72.279	80.868	96.729	**2.068.261**
Public Sector Deposits	1	1.249	9.263	942	2.120	275	**13.850**
Commercial Deposits	384	386.110	295.903	21.437	27.238	7.257	**738.329**
Other Deposits	7	16.255	68.499	11.553	56.267	13.960	**166.541**
Total	444	942.775	1.832.302	133.983	171.099	118.221	**3.198.824**
FC							
Foreign Currency Deposits	63	147.021	286.578	38.420	95.431	40.134	**607.647**
Bank Deposits	-	23.267	81.228	17.242	10.423	18	**132.178**
Precious Metals Deposits	-	-	-	-	249	6	**255**
Total	63	170.288	367.806	55.662	106.103	40.158	**740.080**
Grand Total	**507**	**1.113.063**	**2.200.108**	**189.645**	**277.202**	**158.379**	**3.938.904**

		Time Deposit					
Prior Period – 31.12.2012	**Demand Deposits**	**Up to 1 Month**	**Up to 3 Months**	**Up to 6 Months**	**Up to 1 Year**	**1 Year and Over**	**Total**
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	320.868	416.715	83.462	64.775	40.081	**928.143**
Other Deposits	37	10.515	79.660	62.083	805	3.693	**156.793**
Total	3.143	695.860	2.590.974	309.687	93.900	71.730	**3.765.294**
FC							
Foreign Currency Deposits	579	160.981	442.509	48.535	72.746	36.266	**761.616**
Bank Deposits	-	24.699	117.870	23.998	13.227	312	**180.106**
Precious Metals Deposits	-	-	-	-	-	-	**-**
Total	579	185.680	560.379	72.533	85.973	36.578	**941.722**
Grand Total	**3.722**	**881.540**	**3.151.353**	**382.220**	**179.873**	**108.308**	**4.707.016**

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c. Explanations on dividend income:

	Current Period 31 December 2013	Prior Period 31 December 2012
From Trading Financial Assets	693	1
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-Sale Financial Assets	2.597	393
Other (*)	25.937	55.349
Total	**29.227**	**55.743**

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

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Profit	**266.071.740**	**195.575.696**
Income From Capital Market Transactions	1.668.517	1.651.034
Income From Derivative Financial Transactions (*)	5.243.587	1.939.217
Foreign Exchange Gains	259.159.636	191.985.445
Loss (-)	**265.604.036**	**195.175.595**
Loss from Capital Market Transactions	1.025.470	396.785
Loss from Derivative Financial Transactions (*)	4.440.316	3.342.342
Foreign Exchange Loss	260.138.250	191.436.468
Total (Net)	**467.704**	**400.101**

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL (1.084.014) (31 December 2012: TL (513.329))

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 Bank:

	Current Period 31 December 2013	Prior Period 31 December 2012
Specific Provisions for Loans and Other Receivables	1.066.526	657.062
III. Group Loans and Receivables	333.124	224.908
IV. Group Loans and Receivables	496.485	285.033
V.Group Loans and Receivables	236.917	147.121
General Provision Expenses	521.629	387.161
Provision Expense for Possible Risks	270.000	-
Marketable Securities Impairment Expense	45.941	21.554
Financial Assets at Fair Value through Profit or Loss	17	67
Available-for-sale Financial Assets	45.924	21.487
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	41.782
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	-	41.782
Other	-	-
Total	**1.904.096**	**1.107.559**

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g. Information related to other operating expenses:

	Current Period 31 December 2013	Prior Period 31 December 2012
Personnel Expenses	1.379.445	1.163.879
Reserve for Employee Termination Benefits	-	15.997
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	122.576	115.950
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	46.554	39.168
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	123	48
Impairment Expenses of Fixed Assets Held for Resale	-	-
Other Operating Expenses	1.422.350	1.158.045
Operational Leasing Expenses	142.185	123.596
Maintenance Expenses	25.286	24.781
Advertisement Expenses	118.938	101.250
Other Expenses	1.135.941	908.418
Loss on Sales of Assets	385	414
Other(*)	476.568	404.201
Total	**3.448.001**	**2.897.702**

(*) The investigation initiated by the Competition Board on November 2011 in accordance with Law No. 4054 on the Protection of Competition 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 has been finalized and the Competition Board has decided for an administrative fine amounting to TL 172.165. The current period balance in the "Other" line includes the three-fourth of the subject administrative fine amounting to TL 129.124, which was paid within the framework of 17th clause of Misdemeanor Law. The Bank has filed a lawsuit against Ankara Regional Administrative Court for the cancellation of the Court's decision and repayment of the paid fine.

h. Information on profit/(loss) from continued and discontinued operations before tax:

The Bank's income before tax consists of net interest income amounting to TL 6.173.837, net fees and commission income amounting to TL 2.163.749 and the amount of other operating expense is TL 3.448.001.
The Bank has no discontinued operations.

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

As of 31 December 2013, the Bank has a current tax expense of TL 625.107 and deferred tax expense of TL 286.458. The amount of deferred tax income that occurred due to the temporary differences is TL 56.177 and deferred tax expense is TL 224.511; the amounts of deferred tax income and deferred tax expense that occurred due to the closing of temporary differences are TL 27.740 and TL 145.864 respectively.
The Bank has no discontinued operations.

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j. Explanation on current period net profit and loss of continued and discontinued operations:

Net profit of the Bank is TL 2.942.042

The Bank has no discontinued operations.

k. Explanation on current period net profit and loss:

1. Explanation on the quality, amount and frequency of the figures of the income and expense stemming from ordinary banking operations, if necessary to understand the performance of the Bank for the current period: None.

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

l. Other figures on profit and loss statement:

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

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

a. Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 10.444.953 asset purchase commitments (31 December 2012: TL 3.870.559). TL 21.362.853 commitment for credit card limits (31 December 2012: TL 18.697.008) TL 5.051.733 commitments for cheque books (31 December 2012:TL 4.432.859)

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

   The Bank has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments".

   2 (i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits:

	Current Period 31 December 2013	Prior Period 31 December 2012
Bank Acceptance Loans	1.705.986	199.864
Letters of Credit	6.211.025	4.629.098
Other Commitments and Contingencies	3.260.924	1.718.929
Total	**11.177.935**	**6.547.891**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Revocable Letters of Guarantee	470.540	626.752
Irrevocable Letters of Guarantee	11.177.820	7.406.718
Letters of Guarantee Given in Advance	2.620.959	2.327.218
Guarantees Given to Customs	2.761.667	638.254
Other Letters of Guarantee	2.250.747	1.275.677
Total	**19.281.733**	**12.274.619**

3. Total amount of non-cash loans:

	Current Period 31 December 2013	Prior Period 31 December 2012
Non-cash Loans Given against Cash Loans	1.755.667	998.674
With Original Maturity of 1 Year or Less Than 1 Year	1.289.555	795.957
With Original Maturity of More Than 1 Year	466.112	202.717
Other Non-cash Loans	28.704.001	17.823.836
Total	**30.459.668**	**18.822.510**

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

	Current Period 31 December 2013				Prior Period 31 December 2012			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	12.899	0,10	14.902	0,09	18.295	0,27	1.512	0.01
Farming and Raising Livestock	2.296	0,02	-	-	8.792	0.13	97	-
Forestry	10.544	0,08	14.902	0,09	9.415	0.14	1.415	0.01
Fishing	59	-	-	-	88	-	-	-
Manufacturing	6.330.201	48,51	5.269.601	30,26	2.022.391	30.70	4.293.028	35.09
Mining	48.891	0,37	28.172	0,16	11.820	0.18	5.341	0.04
Production	3.883.350	29,76	4.706.734	27,03	1.665.238	25.28	4.022.288	32.88
Electric, Gas and Water	2.397.960	18,38	534.695	3,07	345.333	5.24	265.399	2.17
Construction	1.395.505	10,70	1.403.315	8,06	1.136.418	17.25	1.200.444	9.81
Services	5.108.158	39,14	10.047.397	57,70	3.040.990	46.17	4.681.739	38.28
Wholesale and Retail Trade	3.064.923	23,49	5.672.120	32,58	1.764.459	26.78	1.186.216	9.70
Hotel, Food and Beverage Services	47.270	0,36	237.082	1,36	69.104	1.05	30.164	0.25
Transportation and Telecommunication	170.100	1,30	335.992	1,93	126.053	1.91	264.513	2.16
Financial Institutions	1.574.055	12,06	3.301.677	18,96	994.603	15.10	2.831.879	23.15
Real Estate and Leasing Services	9.096	0,07	3.891	0,02	4.540	0.07	2.217	0.02
Self-Employment Services	20.641	0,16	31.896	0,18	18.140	0.28	14.250	0.12
Education Services	14.334	0,11	1.127	0,01	13.542	0.21	6.062	0.05
Health and Social Services	207.739	1,59	463.612	2,66	50.549	0.77	346.438	2.83
Other	200.528	1,55	677.162	3,89	369.887	5.61	2.057.806	16.81
Total	**13.047.291**	**100,00**	**17.412.377**	**100,00**	**6.587.981**	**100,00**	**12.234.529**	**100,00**

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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	**12.950.430**	**17.315.881**	**96.861**	**96.496**
Letters of Guarantee	11.619.018	7.477.154	95.484	90.077
Bank Acceptances	-	1.705.986	-	-
Letters of Credit	1.355	6.203.251	-	6.419
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	23.852	-	-
Other Commitments and Contingencies	1.330.057	1.905.638	1.377	-

4. Mutual Funds :

As of 31 December 2013, the Bank is the founder of 50 mutual funds (31 December 2012: 40) with an unaudited total fund value of TL 2.978.298 (31 December 2012: TL 3.222.578). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by İstanbul Settlement and Custody Bank, Inc.

b. Information on derivative transactions:

	Current Period 31 December 2013	Prior Period 31 December 2012
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	81.375.059	34.172.445
FC Trading Forward Transactions	12.042.494	4.702.979
Trading Swap Transactions	42.373.796	15.788.065
Futures Transactions	-	-
Trading Option Transactions	26.958.769	13.681.401
Interest Related Derivative Transactions (II)	70.301.290	29.735.868
Forward Interest Rate Agreements	-	-
Interst Rate Swaps	36.594.420	23.583.922
Interest Rate Options	33.706.870	6.151.946
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	2.637.438	2.141.477
A. Total Trading Derivative Transactions (I+II+III)	154.313.787	66.049.790
Types of Hedging Transactions		
Fair Value Hedges	12.516.952	5.406.981
Cash Flow Hedges	-	7.422.997
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	12.516.952	12.829.978
Total Derivative Transactions (A+B)	**166.830.739**	**78.879.768**

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c. Explanations on credit derivatives and risks beared due to these

Credit derivative transactions are also part of Bank's trading activities due to which the Bank is exposed to fair value risk. The transactions made are credit default swaps that carry Turkish Treasury credit risk. As of 31 December 2013 the Bank holds credit default swaps with 5 year maturity and a nominal value of TL 149.128.

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 7.773 (31 December 2012: 7.861 TL) for the contingent liabilities with a high probability of realization about continuing opposing trials.

2. Contingent Assets:

None.

e. Explanations on the activities carried out on behalf and account of other persons:

The policy is explained on note XIII in Section Four.

V. EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

a. Information on distribution of profit:

The Ordinary General Assembly Meeting of the Parent Bank was held on 28 March 2013. In the Ordinary General Assembly, it was resolved to distribute a TL 570.670 cash dividend over the TL 2.949.862 net unconsolidated income from 2012 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 8.141 to tangible assets revaluation differences, to allocate TL 37.067 as legal and TL 2.333.984 as extraordinary reserves.

General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of these financial statements.

b. Information on hedge funds:

Information on cash flow hedge:

Due to facts described in "Explanations of Hedging Transactions" section in Note XIV. of Section Four, there are discontinued hedge accounting transactions. As of 31 December 2013, the fair value change of the hedging instrument since the beginning of hedge accounting left after amortization has been reflected to profit/loss accounts that is shown under "hedging funds" in equity is TL (-) 103.768 (31 December 2012: TL (-) 189.016)

c. Information on available-for-sale financial assets:

"Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities valuation differences" account under equity, until the financial assets are sold, disposed of or impaired.

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VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

1. 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 2013	Prior Period 31 December 2012
Cash	**1.860.493**	**1.501.224**
Cash, Foreign Currency and Other	1.393.913	1.040.469
Demand Deposits in Banks (*)	466.580	460.755
Cash Equivalents	**1.656.984**	**1.555.326**
Interbank Money Market Placements	-	-
Time Deposits in Banks	867.870	1.183.593
Marketable Securities	789.114	371.733
Total Cash and Cash Equivalents	**3.517.477**	**3.056.550**

(*) The restricted demand accounts are not included.

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Cash	**2.507.551**	**1.860.495**
3Cash, Foreign Currency and Other	1.531.775	1.393.914
Demand Deposits in Banks (*)	975.776	466.581
Cash Equivalents	**1.531.384**	**1.656.984**
Interbank Money Market Placements	-	-
Time Deposits in Banks	1.009.300	867.870
Marketable Securities	522.084	789.114
Total Cash and Cash Equivalents	**4.038.935**	**3.517.479**

(*) The restricted demand accounts are not included.

b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to (-) TL 2.712.017 (31 December 2012: (-) TL199.028) 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 1.285.289 (31 December 2012: TL1.186.889) 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 570.565 as of 31 December 2013. (31 December 2012: TL 127.662).

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VII. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP

Information on the volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period:

1. Current Period – 31 December 2013:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	477.540	190.325	2.078.786	326.994	9	-
Balance at the End of the Period	519.266	234.643	2.362.211	2.413.859	-	-
Interest and Commission Income Received	29.018	484	104.956	2.426	-	-

According to the German deposit insurance law, the Bank has given a "letter of undertaking" to the German Banking Institute related to Akbank AG which is assigned to Akbank NV, a subsidiary of the Bank by way of real capital as of 31 May 2007. Based on the "Regulation Regarding Loan Transactions of Banks" effective from 1 November 2006, this letter of undertaking amounts to TL 3.721.715 as of 31 December 2013 (31 December 2012: TL 2.641.692).

2. Prior Period -31 December 2012:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	350.191	223.015	1.549.379	454.864	-	-
Balance at the End of the Period	477.540	190.325	2.078.786	326.994	9	-
Interest and Commission Income Received	20.537	258	129.306	1.719	-	-

3. Information on deposits of the Bank's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
Deposit	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Balance at the Beginning of the Period	355.076	241.625	2.387.829	2.453.369	1.729.420	869.115
Balance at the End of the Period	421.675	355.076	1.809.480	2.387.829	1.995.056	1.729.420
Interest on Deposits(*)	18.060	16.179	131.805	128.240	86.874	90.954

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4. Information on forward and option agreements and other similar agreements made with the Bank's risk group:

Bank's risk group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	193.107	263.679	2.177.864	2.945.172	-	1.219.583
Balance at the End of the Period	239.027	193.107	2.626.534	2.177.864	-	-
Total Income/Loss(*)	(92)	(3.463)	9.026	(28.100)	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	188.890	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss(*)	-	-	-	(916)	-	-

Figures presented in the table above show the total of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Bank. As of 31 December 2013, the net exposure for investments in associates and subsidiaries is TL 12.560 (31 December 2012: TL (-) 215). For direct and indirect shareholders of the Bank TL 6.775 (31 December 2012: TL 5.956).

5. Information regarding benefits provided to the Bank's key management:

As of 31 December 2013 benefits provided to the Bank's key management amount to TL 22.129 (31 December 2012: TL 18.045).

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

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

	Number	Number of Employees			
Domestic Branch	985	16.236			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch	-	-	-	-	-
Off-shore Banking Region Branches	1	13	Malta	35.723.163	-

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2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure: In 2013, the Bank has opened 58 domestic branches and closed up 34 domestic branches.

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX
OTHER EXPLANATIONS

I. OTHER EXPLANATIONS

None.

SECTION SEVEN
EXPLANATIONS ON AUDITOR'S REPORT

I. EXPLANATIONS ON AUDITOR'S REPORT

The unconsolidated financial statements for the period ended 31 December 2013 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 5 February 2014 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

AKBANK T.A.Ş.

PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT 31 DECEMBER 2013 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)

Building a better working world

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

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

We have audited the consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") at 31 December 2013 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 1November 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.

Basis for Qualified Opinion:

The accompanying unconsolidated financial statements as at 31 December 2013 include a general reserve amounting to TL 270.000 thousands provided by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Independent Auditors' Opinion:

In our opinion, except for the effect of the matter referred in the preceding paragraph on the unconsolidated financial statements, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Akbank T.A.Ş. at 31 December 2013 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No.5411 and other regulations, circulars, communiqués and interpretations published by the BRSA on accounting and financial reporting principles.

Additional paragraph for convenience translation to English:

As explained in detail in Note I.b. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 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, 5 February 2014

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 2013

Adress : Sabancı Center 34330, 4. Levent / İstanbul
Telephone : (0 212) 385 55 55
Fax : (0 212) 269 73 83
Website : www.akbank.com
E-mail : http://www.akbank.com/bize-ulasin/gorus-onerileriniz-icin.aspx

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.

5 February 2014

Suzan SABANCI DİNÇER	Hayri ÇULHACI	Yaman TÖRÜNER	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
Fax No : (0 212) 325 12 31

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

**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2013**
(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 Borsa Istanbul (BIST) (Formerly 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 2013, approximately 41% of the shares are publicly traded, including the ADRs (31 December 2012: 41%).

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:

Title	Name	Responsibility	Education
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	Vice Chairman and Executive Board Member	Graduate
	Özen GÖKSEL	Executive Board Member	Undergraduate
	M. Hikmet BAYAR	Board Member	Graduate
	Ş. Yaman TÖRÜNER	Board Member	Graduate
	James Charles COWLES	Board Member	Graduate
	A. Aykut DEMİRAY	Board Member	Undergraduate
	M. Kaan TERZİOĞLU	Board Member	Undergraduate
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
President and CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Director of Internal Audit:	Eyüp ENGİN	Head of Internal Audit	Undergraduate

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

AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

Executive Vice Presidents:	A. Fuat AYLA	Loans	Undergraduate
	Hülya KEFELİ	International Banking	Undergraduate
	K. Atıl ÖZUS	Financial Coordination	Undergraduate
	A. Galip TÖZGE	Consumer Banking	Graduate
	Bade SİPAHİOĞLU IŞIK	Human Resources	Graduate
	O. Mehmet SİNDEL	Payment Systems and Corporate Communication	Undergraduate
	Kerim ROTA	Treasury	Graduate
	C. Kaan GÜR	Commercial Banking	Undergraduate
	A. Hakan YÜKSEL	Corporate Banking	Undergraduate
	O. Saltık GALATALI	Private Banking	Graduate
	Turgut GÜNEY	Information Technologies	Graduate
	Orkun OĞUZ	Direct Banking	Graduate
	Bülent OĞUZ	SME's Banking	Graduate
	Ozlen SANIBELLİ	Operation	Graduate
Internal Audit Committee:	Hayri ÇULHACI	Head of the Audit Committee	Graduate
	Ş. Yaman TORUNER	Member of the Audit Committee	Undergraduate

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

According to the Board of Directors' decision dated 26 February 2013, Ş. Yaman Törüner has been appointed as a Member of the Audit Committee in lieu of A. Aykut Demiray.

According to the decision taken in the Board of Directors meeting dated 28 March 2013, James Charles Cowles has been appointed as Board Member in lieu of Hamid Biglari, who resigned from the position.

As of July 1, 2013, Executive Vice President Zeki Tunçay, responsible from Loans Follow-Up and Support Services has retired.

According to the decision taken in Board of Directors meeting, the Commercial and SME Banking Work Unit has been structured as two different work units. As of July 1, 2013, Bülent Oğuz has been assigned as Executive Vice President responsible from SME Banking. As of July 1, 2013, C. Kaan Gür has been assigned as Executive Vice President responsible from Commercial Banking.

As of October 1, 2013, Özlen Sanıbelli has been appointed as Operation Unit's Executive Vice President in lieu of Sevilay Özsöz.

As of September 30, 2013, Strategy Unit's Executive Vice President Tunç Akyurt has resigned from the position. As part of organizational change, Strategy Department has been closed and Strategy functions have been directly merged with General Management.

According to the Board of Directors' decision dated 24 January 2014, Mehmet Hikmet Bayar has resigned from the Board membership as of 31 January 2014.

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	-

**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 2013**
(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 banking 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 2013, the Bank has 985 branches dispersed throughout the country and 1 branch operating abroad (31 December 2012: 961 branches and 1 branch operating abroad). As of 31 December 2013, the Bank employed 16.249 people (31 December 2012: 16.315).

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 2013, the Group employed 16.473 people (31 December 2012: 16.515).

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 2013 (STATEMENT OF FINANCIAL POSITION)

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

	ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2013) TL	FC	Total	PRIOR PERIOD (31/12/2012) TL	FC	Total
I.	**CASH AND BALANCES WITH CENTRAL BANK**	**(I-a)**	**935.764**	**17.287.355**	**18.223.119**	**3.358.403**	**13.304.449**	**16.662.852**
II.	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)**	**(I-b)**	**1.021.067**	**870.543**	**1.891.610**	**200.834**	**369.818**	**570.652**
2.1	Trading Financial Assets		1.021.067	870.543	1.891.610	200.834	369.818	570.652
2.1.1	Government Debt Securities		8.701	2.167	10.868	7.495	2.969	10.464
2.1.2	Share Certificates		58.377	-	58.377	18.825	-	18.825
2.1.3	Trading Derivative Financial Assets		898.494	868.376	1.766.870	170.825	366.849	537.674
2.1.4	Other Marketable Securities		55.495	-	55.495	3.689	-	3.689
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)**	**201.368**	**5.637.731**	**5.839.099**	**427.100**	**2.763.572**	**3.190.672**
IV.	**MONEY MARKETS**		**-**	**-**	**-**	**-**	**-**	**-**
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	**AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)**	**(I-d)**	**23.261.560**	**9.903.422**	**33.164.982**	**30.350.124**	**12.271.428**	**42.621.552**
5.1	Share Certificates		11.159	161	11.320	7.756	161	7.917
5.2	Government Debt Securities		23.173.174	6.902.969	30.076.143	30.254.483	10.017.219	40.271.702
5.3	Other Marketable Securities		77.227	3.000.292	3.077.519	87.885	2.254.048	2.341.933
VI.	**LOANS and RECEIVABLES**	**(I-e)**	**75.531.639**	**42.477.866**	**118.009.505**	**58.890.183**	**33.470.066**	**92.360.249**
6.1	Loans and Receivables		75.438.789	42.477.866	117.916.655	58.797.333	33.470.066	92.267.399
6.1.1	Loans to Bank's Risk Group	**(VI)**	1.562.015	806.082	2.368.097	855.488	1.235.361	2.090.849
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3	Other		73.876.774	41.671.784	115.548.558	57.941.845	32.234.705	90.176.550
6.2	Loans under Follow-up		1.676.682	-	1.676.682	1.115.341	115	1.115.456
6.3	Specific Provisions (-)		1.583.832	-	1.583.832	1.022.491	115	1.022.606
VII.	**FACTORING RECEIVABLES**		**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**HELD-TO-MATURITY SECURITIES (Net)**	**(I-f)**	**7.219.023**	**4.934.430**	**12.153.453**	**3.637.468**	**-**	**3.637.468**
8.1	Government Debt Securities		7.219.023	4.934.430	12.153.453	3.637.468	-	3.637.468
8.2	Other Marketable Securities		-	-	-	-	-	-
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)**	**569.198**	**2.648.318**	**3.217.516**	**361.305**	**1.646.580**	**2.007.885**
12.1	Financial Lease Receivables		709.963	3.012.978	3.722.941	440.993	1.891.985	2.332.978
12.2	Operating Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		140.765	364.660	505.425	79.688	245.405	325.093
XIII.	**HEDGING DERIVATIVE FINANCIAL ASSETS**	**(I-j)**	**582.455**	**47.722**	**630.177**	**-**	**-**	**-**
13.1	Fair Value Hedge		582.455	47.722	630.177	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	**PROPERTY AND EQUIPMENT (Net)**	**(I-k)**	**848.596**	**2.624**	**851.220**	**797.198**	**2.705**	**799.903**
XV.	**INTANGIBLE ASSETS (Net)**	**(I-l)**	**161.733**	**482**	**162.215**	**113.362**	**395**	**113.757**
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		161.733	482	162.215	113.362	395	113.757
XVI.	**INVESTMENT PROPERTY (Net)**	**(I-m)**	**-**	**-**	**-**	**-**	**-**	**-**
XVII.	**TAX ASSET**		**49.102**	**25.903**	**75.005**	**920**	**4.183**	**5.103**
17.1	Current Tax Asset		-	-	-	-	-	-
17.2	Deferred Tax Asset	**(I-n)**	49.102	25.903	75.005	920	4.183	5.103
XVIII.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)**	**(I-o)**	**34.699**	**-**	**34.699**	**15.048**	**-**	**15.048**
18.1	Held for Sale Purpose		34.699	-	34.699	15.048	-	15.048
18.2	Related to Discontinued Operations		-	-	-	-	-	-
XIX.	**OTHER ASSETS**	**(I-p)**	**1.133.108**	**92.632**	**1.225.740**	**1.399.190**	**90.080**	**1.489.270**
	TOTAL ASSETS		**111.553.235**	**83.929.028**	**195.482.263**	**99.555.058**	**63.923.276**	**163.478.334**

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 2013 (STATEMENT OF FINANCIAL POSITION)

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

	LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2013) TL	FC	Total	PRIOR PERIOD (31/12/2012) TL	FC	Total
I.	**DEPOSITS**	**(II-a)**	**56.262.093**	**56.210.590**	**112.472.683**	**50.997.029**	**39.691.259**	**90.688.288**
1.1	Deposits of Bank's Risk Group	**(VI)**	2.391.083	1.413.538	3.804.621	2.288.290	1.830.355	4.118.645
1.2	Other		53.871.010	54.797.052	108.668.062	48.708.739	37.860.904	86.569.643
II.	**TRADING DERIVATIVE FINANCIAL LIABILITIES**	**(II-b)**	**240.019**	**938.729**	**1.178.748**	**181.559**	**372.380**	**553.939**
III.	**BORROWINGS**	**(II-c)**	**638.486**	**19.260.114**	**19.898.600**	**465.613**	**15.132.458**	**15.598.071**
IV.	**MONEY MARKETS**		**3.509.017**	**19.721.734**	**23.230.751**	**8.861.453**	**11.259.976**	**20.121.429**
4.1	Funds from Interbank Money Market		331.154	-	331.154	407.551	-	407.551
4.2	Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Funds Provided Under Repurchase Agreements		3.177.863	19.721.734	22.899.597	8.453.902	11.259.976	19.713.878
V.	**SECURITIES ISSUED (Net)**	**(II-d)**	**3.139.050**	**5.588.792**	**8.727.842**	**2.530.679**	**4.083.764**	**6.614.443**
5.1	Bills		923.917	-	923.917	1.018.625	-	1.018.625
5.2	Asset Backed Securities		-	-	-	-	-	-
5.3	Bonds		2.215.133	5.588.792	7.803.925	1.512.054	4.083.764	5.595.818
VI.	**FUNDS**		**-**	**-**	**-**	**-**	**-**	**-**
6.1	Borrower Funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	**MISCELLANEOUS PAYABLES**		**2.987.598**	**737.393**	**3.724.991**	**2.583.863**	**383.980**	**2.967.843**
VIII.	**OTHER LIABILITIES**	**(II-e)**	**1.193.502**	**285.227**	**1.478.729**	**1.374.239**	**188.375**	**1.562.614**
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)**	**-**	**63.810**	**63.810**	**528.525**	**130.320**	**658.845**
11.1	Fair Value Hedge		-	63.810	63.810	313.531	-	313.531
11.2	Cash Flow Hedge		-	-	-	214.994	130.320	345.314
11.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XII.	**PROVISIONS**	**(II-h)**	**1.798.972**	**468.603**	**2.267.575**	**1.171.403**	**359.979**	**1.531.382**
12.1	General Loan Loss Provision		1.252.095	444.023	1.696.118	862.492	345.692	1.208.184
12.2	Restructuring Provisions		-	-	-	-	-	-
12.3	Reserve for Employee Rights		111.036	123	111.159	101.539	202	101.741
12.4	Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5	Other Provisions		435.841	24.457	460.298	207.372	14.085	221.457
XIII.	**TAX LIABILITY**	**(II-i)**	**243.529**	**60.026**	**303.555**	**660.121**	**45.591**	**705.712**
13.1	Current Tax Liability		243.529	16.793	260.322	582.732	21.899	604.631
13.2	Deferred Tax Liability		-	43.233	43.233	77.389	23.692	101.081
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)**	**22.833.450**	**(698.471)**	**22.134.979**	**22.110.499**	**365.269**	**22.475.768**
16.1	Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2	Capital Reserves		2.213.524	(698.471)	1.515.053	4.188.859	365.269	4.554.128
16.2.1	Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.000
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Marketable Securities Valuation Differences	**(II-k)**	(702.498)	(665.848)	(1.368.346)	1.253.332	420.446	1.673.778
16.2.4	Property and Equipment Revaluation Differences		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		2.729	-	2.729	236	-	236
16.2.8	Hedging Funds (Effective portion)		(239.705)	(32.623)	(272.328)	(217.707)	(55.177)	(272.884)
16.2.9	Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.10	Other Capital Reserves		1.405.892	-	1.405.892	1.405.892	-	1.405.892
16.3	Profit Reserves		13.333.443	-	13.333.443	10.572.393	-	10.572.393
16.3.1	Legal Reserves		1.259.069	-	1.259.069	1.213.707	-	1.213.707
16.3.2	Status Reserves		-	-	-	-	-	-
16.3.3	Extraordinary Reserves		11.631.754	-	11.631.754	9.115.974	-	9.115.974
16.3.4	Other Profit Reserves		442.620	-	442.620	242.712	-	242.712
16.4	Income or (Loss)		3.286.398	-	3.286.398	3.349.174	-	3.349.174
16.4.1	Prior Years' Income or (Loss)		209.221	-	209.221	344.264	-	344.264
16.4.2	Current Year Income or (Loss)		3.077.177	-	3.077.177	3.004.910	-	3.004.910
16.5	Minority Interest	**(II-l)**	85	-	85	73	-	73
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**92.845.716**	**102.636.547**	**195.482.263**	**91.464.983**	**72.013.351**	**163.478.334**

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 2013

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

	INCOME AND EXPENSE ITEMS	Note (Section Five)	CURRENT PERIOD (01/01-31/12/2013)	PRIOR PERIOD (01/01-31/12/2012)
I.	**INTEREST INCOME**	**(III-a)**	**11.891.833**	**11.649.475**
1.1	Interest on loans	**(III-a-1)**	8.317.433	7.345.599
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks	**(III-a-2)**	32.736	25.000
1.4	Interest Received from Money Market Transactions		25.497	43.441
1.5	Interest Received from Marketable Securities Portfolio	**(III-a-3)**	3.311.800	4.094.443
1.5.1	Trading Financial Assets		3.272	37.335
1.5.2	Financial Assets at Fair Value Through Profit or (loss)		-	-
1.5.3	Available-for-sale Financial Assets		3.056.974	3.568.089
1.5.4	Held to maturity Investments		251.554	489.019
1.6	Financial Lease Income		186.186	131.438
1.7	Other Interest Income		18.181	9.554
II.	**INTEREST EXPENSE**	**(III-b)**	**5.510.286**	**6.291.675**
2.1	Interest on Deposits	**(III-b-4)**	4.062.573	4.804.202
2.2	Interest on Funds Borrowed	**(III-b-1)**	330.875	365.633
2.3	Interest Expense on Money Market Transactions		627.980	683.262
2.4	Interest on Securities Issued	**(III-b-3)**	469.917	413.566
2.5	Other Interest Expenses		18.941	25.012
III.	**NET INTEREST INCOME (I - II)**		**6.381.547**	**5.357.800**
IV.	**NET FEES AND COMMISSIONS INCOME**		**2.233.319**	**1.788.881**
4.1	Fees and Commissions Received		2.523.649	2.105.554
4.1.1	Non-cash Loans		111.204	92.886
4.1.2	Other		2.412.445	2.012.668
4.2	Fees and Commissions Paid		290.330	316.673
4.2.1	Non-cash Loans		3.197	1.785
4.2.2	Other		287.133	314.888
V.	**DIVIDEND INCOME**	**(III-c)**	**4.970**	**730**
VI.	**TRADING INCOME/(LOSS) (Net)**	**(III-d)**	**491.008**	**403.189**
6.1	Trading Gains / (Losses) on Securities		656.935	1.264.697
6.2	Gains / (Losses) on Derivative Financial Transactions		755.735	(1.402.626)
6.3	Foreign Exchange Gains / (Losses)		(921.662)	541.118
VII.	**OTHER OPERATING INCOME**	**(III-e)**	**418.409**	**415.363**
VIII.	**TOTAL OPERATING INCOME (III+IV+V+VI+VII)**		**9.529.253**	**7.965.963**
IX.	**PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)**	**(III-f)**	**1.936.548**	**1.120.889**
X.	**OTHER OPERATING EXPENSES (-)**	**(III-g)**	**3.528.724**	**2.968.464**
XI.	**NET OPERATING INCOME/(LOSS) (VIII-IX-X)**		**4.063.981**	**3.876.610**
XII.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**			
	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES		**-**	**-**
XIII.	**CONSOLIDATED BASED ON EQUITY METHOD**		**-**	**-**
XIV.	**INCOME/(LOSS) ON NET MONETARY POSITION**		**-**	**-**
XV.	**PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)**		**4.063.981**	**3.876.610**
XVI.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(III-j)**	**986.800**	**871.662**
16.1	Current Tax Provision		707.290	857.535
16.2	Deferred Tax Provision		279.510	14.127
XVII.	**CURRENT YEAR PROFIT/LOSS FROM CONTINUED**		**3.077.181**	**3.004.948**
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)**	**3.077.181**	**3.004.948**
23.1	**Income/(Loss) from the Group**		**3.077.177**	**3.004.910**
23.2	Income/(Loss) from Minority Interest	**(III-h)**	4	38
	Earning/(Loss) per share (in TL full)		0,00769	0,00751

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

AKBANK T.A.Ş.

III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2013

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

		Note (Section Five)	CURRENT PERIOD (31/12/2013) TL	FC	Total	PRIOR PERIOD (31/12/2012) TL	FC	Total
A.	**OFF-BALANCE SHEET COMMITMENTS (I+II+III)**		**93.866.401**	**157.656.403**	**251.522.804**	**58.669.395**	**79.113.621**	**137.783.016**
I.	**GUARANTEES AND WARRANTIES**	**(IV-a-2, 3)**	**13.049.180**	**17.228.728**	**30.277.908**	**6.589.712**	**12.079.975**	**18.669.687**
1.1	Letters of Guarantee		11.716.391	7.469.072	19.185.463	6.403.011	5.800.910	12.203.921
1.1.1	Guarantees Subject to State Tender Law		287.732	1.340.785	1.628.517	280.076	958.552	1.238.628
1.1.2	Guarantees Given for Foreign Trade Operations		-	3.547.914	3.547.914	-	3.125.400	3.125.400
1.1.3	Other Letters of Guarantee		11.428.659	2.580.373	14.009.032	6.122.935	1.716.958	7.839.893
1.2	Bank Acceptances		-	1.705.986	1.705.986	15	199.849	199.864
1.2.1	Import Letter of Acceptance		-	1.705.986	1.705.986	15	199.849	199.864
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		1.355	6.205.829	6.207.184	18.620	4.528.353	4.546.973
1.3.1	Documentary Letters of Credit		1.355	5.639.926	5.641.281	18.620	4.018.244	4.036.864
1.3.2	Other Letters of Credit		-	565.903	565.903	-	510.109	510.109
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		-	23.852	23.852	-	16.330	16.330
1.8	Other Guarantees		59.250	1.800.260	1.859.510	27.246	1.487.035	1.514.281
1.9	Other Collaterals		1.272.184	23.729	1.295.913	140.820	47.498	188.318
II.	**COMMITMENTS**	**(IV-a-1)**	**41.086.857**	**7.289.273**	**48.376.130**	**32.342.588**	**4.089.135**	**36.431.723**
2.1	Irrevocable Commitments		40.581.934	7.289.273	47.871.207	31.956.629	4.089.135	36.045.764
2.1.1	Asset Purchase Commitments		4.892.917	5.552.036	10.444.953	1.144.330	2.726.229	3.870.559
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		4.887.523	1.616.081	6.503.604	1.241.361	1.264.240	2.505.601
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		5.051.733	-	5.051.733	4.432.859	-	4.432.859
2.1.8	Tax and Fund Liabilities from Export Commitments		1.242	-	1.242	808	-	808
2.1.9	Commitments for Credit Card Limits		21.362.853	-	21.362.853	18.697.008	-	18.697.008
2.1.10	Promotion Commitments for Credit Cards and Banking Services		130.439	-	130.439	77.204	-	77.204
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		4.255.227	121.156	4.376.383	6.363.059	98.666	6.461.725
2.2	Revocable Commitments		504.923	-	504.923	385.959	-	385.959
2.2.1	Revocable Loan Granting Commitments		504.923	-	504.923	385.959	-	385.959
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(IV-b)**	**39.730.364**	**133.138.402**	**172.868.766**	**19.737.095**	**62.944.511**	**82.681.606**
3.1	Hedging Derivative Financial Instruments		2.640.102	9.876.850	12.516.952	5.301.445	7.660.968	12.962.413
3.1.1	Transactions for Fair Value Hedge		2.640.102	9.876.850	12.516.952	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
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Transactions		37.090.262	123.261.552	160.351.814	14.435.650	55.283.543	69.719.193
3.2.1	Forward Foreign Currency Buy/Sell Transactions		5.498.056	6.577.166	12.075.222	1.920.872	2.916.836	4.837.708
3.2.1.1	Forward Foreign Currency Transactions-Buy		1.993.163	4.053.487	6.046.650	829.001	1.586.244	2.415.245
3.2.1.2	Forward Foreign Currency Transactions-Sell		3.504.893	2.523.679	6.028.572	1.091.871	1.330.592	2.422.463
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		18.685.004	66.288.511	84.973.515	5.893.380	37.013.281	42.906.661
3.2.2.1	Foreign Currency Swap-Buy		2.810.181	21.228.640	24.038.821	1.059.134	8.629.950	9.689.084
3.2.2.2	Foreign Currency Swap-Sell		13.655.657	8.916.441	22.572.098	3.715.080	5.162.127	8.877.207
3.2.2.3	Interest Rate Swap-Buy		1.109.583	18.071.715	19.181.298	559.583	11.610.602	12.170.185
3.2.2.4	Interest Rate Swap-Sell		1.109.583	18.071.715	19.181.298	559.583	11.610.602	12.170.185
3.2.3	Foreign Currency, Interest rate and Securities Options		12.444.886	48.639.479	61.084.365	6.505.552	13.627.108	20.132.660
3.2.3.1	Foreign Currency Options-Buy		5.310.223	8.230.190	13.540.413	2.975.260	3.866.414	6.841.674
3.2.3.2	Foreign Currency Options-Sell		6.715.937	6.702.419	13.418.356	3.052.880	3.786.848	6.839.728
3.2.3.3	Interest Rate Options-Buy		-	16.853.435	16.853.435	-	3.075.803	3.075.803
3.2.3.4	Interest Rate Options-Sell		-	16.853.435	16.853.435	178.100	2.898.043	3.076.143
3.2.3.5	Securities Options-Buy		209.363	-	209.363	149.656	-	149.656
3.2.3.6	Securities Options-Sell		209.363	-	209.363	149.656	-	149.656
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		462.316	1.756.396	2.218.712	115.846	1.726.318	1.842.164
B.	**CUSTODY AND PLEDGES RECEIVED (IV+V+VI)**		**466.664.034**	**113.879.322**	**580.543.356**	**323.673.752**	**85.918.119**	**409.591.871**
IV.	**ITEMS HELD IN CUSTODY**		**51.929.076**	**6.897.506**	**58.826.582**	**31.550.080**	**3.632.824**	**35.182.904**
4.1	Customer Fund and Portfolio Balances		3.327.038	-	3.327.038	2.977.305	-	2.977.305
4.2	Investment Securities Held in Custody		20.909.927	935.571	21.845.498	15.594.603	637.064	16.231.667
4.3	Cheques Received for Collection		24.842.054	439.276	25.281.330	10.787.255	4.453	10.791.708
4.4	Commercial Notes Received for Collection		2.362.060	694.580	3.056.640	2.016.489	728.850	2.745.339
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		487.997	4.828.079	5.316.076	174.428	2.262.457	2.436.885
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGES RECEIVED**		**117.260.856**	**39.525.675**	**156.786.531**	**68.459.232**	**30.593.941**	**99.053.173**
5.1	Marketable Securities		26.778.749	102.646	26.881.395	2.894.607	108.512	3.003.119
5.2	Guarantee Notes		807.461	213.183	1.020.644	737.842	117.629	855.471
5.3	Commodity		6.100	19.942	26.042	-	12.175	12.175
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		48.921.981	25.569.779	74.491.760	32.872.665	21.894.140	54.766.805
5.6	Other Pledged Items		40.746.565	13.620.125	54.366.690	31.954.118	8.461.485	40.415.603
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED INDEPENDENT GUARANTEES AND WARRANTEES**		**297.474.102**	**67.456.141**	**364.930.243**	**223.664.440**	**51.691.354**	**275.355.794**
	TOTAL OF OFF-BALANCE SHEET COMMITMENT (A+B)		**560.530.435**	**271.535.725**	**832.066.160**	**382.343.147**	**165.031.740**	**547.374.887**

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 2013

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

	INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (31/12/2013)	PRIOR PERIOD (31/12/2012)
I.	**ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS**	**(3.802.655)**	**2.296.361**
II.	**PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES**	**-**	**-**
III.	**INTANGIBLE FIXED ASSETS REVALUATION DIFFERENCES**	**-**	**-**
IV.	**FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS**	**193.042**	**(135.076)**
V.	**PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)**	**106.639**	**(41.429)**
VI.	**PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes) (*)**	**(105.944)**	**134.739**
VII.	**EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS**	**-**	**-**
VIII.	**OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS**	**(1.594)**	**-**
IX.	**TAX RELATED TO VALUATION DIFFERENCES**	**760.711**	**(477.934)**
X.	**NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)**	**(2.849.801)**	**1.776.661**
XI.	**CURRENT YEAR INCOME / LOSS**	**3.077.181**	**3.004.948**
1.1	Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	634.254	1.029.260
1.2	Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(49.235)	(105.551)
1.3	Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4	Other	2.492.162	2.081.239
XII.	**TOTAL ACCOUNTED INCOME / LOSS RELATED TO CURRENT PERIOD (X±XI)**	**227.380**	**4.781.609**

(*) 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 2013

(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	-	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
II.	Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)	**(II-j)**	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																			
IV.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	1.837.089	-	-	-	-	1.837.089	-	1.837.089
VI.	Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	74.648	-	74.648	-	74.648
6.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(33.144)	-	(33.144)	-	(33.144)
6.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	107.792	-	107.792	-	107.792
VII.	Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Differences		-	-	-	-	-	-	-	(135.076)	-	-	-	-	-	-	-	(135.076)	-	(135.076)
XI.	Changes due to the Disposal of Assets		-	(5.242)	(30)	-	(1.390)	-	-	-	-	(2.236)	-	-	-	-	-	(8.898)	(9.425)	(18.323)
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		-	-	-	-	-	-	(17.593)	17.593	-	-	-	-	-	-	-	-	(258)	(258)
XIX.	Current Year Income or (Loss)		-	-	-	-	-	-	-	-	3.004.910	-	-	-	-	-	-	3.004.910	38	3.004.948
XX.	Profit distribution		-	-	-	-	83.220	-	1.817.491	79.408	(2.536.375)	137.661	-	-	-	-	-	(418.595)	(44)	(418.639)
20.1	Dividends paid		-	-	-	-	-	-	-	-	(418.595)	-	-	-	-	-	-	(418.595)	(44)	(418.639)
20.2	Transfers to Reserves		-	-	-	-	83.220	-	1.817.491	79.408	(2.117.780)	137.661	-	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (III+IV+V+.....+XVIII+XIX+XX)		**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**	**22.475.768**
	CURRENT PERIOD (31/12/2013)																			
I.	Prior Period End Balance		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	22.475.768
	Changes in the period																			
II.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	**(II-k)**	-	-	-	-	-	-	-	-	-	-	(3.042.124)	-	-	-	-	(3.042.124)	-	(3.042.124)
IV.	Hedging Transactions	**(V-b)**	-	-	-	-	-	-	-	-	-	-	-	-	-	556	-	556	-	556
4.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	85.311	-	85.311	-	85.311
4.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(84.755)	-	(84.755)	-	(84.755)
V.	Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	2.493	-	-	2.493	-	2.493
VIII.	Foreign Exchange Differences		-	-	-	-	-	-	-	193.042	-	-	-	-	-	-	-	193.042	-	193.042
IX.	Changes due to the Disposal of Assets (**)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes due to the Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	8
12.1	Cash Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	8
12.2	Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other (***)		-	-	-	-	8.295	-	181.796	(1.275)	-	(190.091)	-	-	-	-	-	(1.275)	-	(1.275)
XVII.	Current Year Income or (Loss)		-	-	-	-	-	-	-	-	3.077.177	-	-	-	-	-	-	3.077.177	4	3.077.181
XVIII.	Profit distribution	**(V-a)**	-	-	-	-	37.067	-	2.333.984	8.141	(3.004.910)	55.048	-	-	-	-	-	(570.670)	-	(570.670)
18.1	Dividends paid		-	-	-	-	-	-	-	-	(570.670)	-	-	-	-	-	-	(570.670)	-	(570.670)
18.2	Transfers to Reserves		-	-	-	-	37.067	-	2.333.984	8.141	(2.434.240)	55.048	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (I+II+III+...+XVI+XVII+XVIII)		**4.000.000**	**1.405.892**	**1.700.000**	**-**	**1.259.069**	**-**	**11.631.754**	**442.620**	**3.077.177**	**209.221**	**(1.368.346)**	**47.106**	**2.729**	**(272.328)**	**-**	**22.134.894**	**85**	**22.134.979**

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

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

AKBANK T.A.Ş.
VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2013

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

		Note (Section Five)	CURRENT PERIOD (31/12/2013)	PRIOR PERIOD (31/12/2012)
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	Operating Profit before changes in operating assets and liabilities		2.107.911	5.023.851
1.1.1	Interest received		11.345.260	12.160.179
1.1.2	Interest paid		(5.373.274)	(6.298.549)
1.1.3	Dividend received		4.970	730
1.1.4	Fees and commissions received		2.552.390	2.224.610
1.1.5	Other income		(334.318)	300.848
1.1.6	Collections from previously written-off loans and other receivables		441.919	277.549
1.1.7	Payments to personnel and service suppliers		(3.138.147)	(2.644.256)
1.1.8	Taxes paid		(800.906)	(1.180.029)
1.1.9	Other	**(VI-b)**	(2.589.983)	182.769
1.2	Changes in operating assets and liabilities		(29.120)	(5.700.281)
1.2.1	Net decrease in trading securities		(92.265)	129.645
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		(1.630.034)	(135.116)
1.2.4	Net (increase) / decrease in loans		(26.342.068)	(18.050.123)
1.2.5	Net (increase) / decrease in other assets		(2.390.622)	(3.535.066)
1.2.6	Net increase / (decrease) in bank deposits		9.120.037	4.761.642
1.2.7	Net increase / (decrease) in other deposits		15.694.658	12.450.876
1.2.8	Net increase / (decrease) in funds borrowed		4.242.539	(2.675.872)
1.2.9	Net increase / (decrease) in payables		-	-
1.2.10	Net increase / (decrease) in other liabilities	**(VI-b)**	1.368.635	1.353.733
I.	Net cash provided from banking operations		2.078.791	(676.430)
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	Net cash provided from investing activities		(3.322.653)	(479.451)
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		(310.474)	(205.172)
2.4	Disposals of property and equipments		20.036	89.690
2.5	Cash paid for purchase of investments available-for-sale		(22.899.653)	(23.132.380)
2.6	Cash obtained from sale of investments available-for-sale		18.418.129	21.708.975
2.7	Cash paid for purchase of investment securities		-	-
2.8	Cash obtained from sale of investment securities		1.788.154	1.097.298
2.9	Other		(338.845)	(66.404)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	Net cash provided from financing activities		1.485.912	1.678.925
3.1	Cash obtained from funds borrowed and securities issued		5.201.675	2.097.564
3.2	Cash used for repayment of funds borrowed and securities issued		(3.145.093)	-
3.3	Issued capital instruments		-	-
3.4	Dividends paid		(570.670)	(418.639)
3.5	Payments for finance leases		-	-
3.6	Other		-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		618.792	(153.176)
V.	Net increase in cash and cash equivalents (I+II+III+IV)		860.842	369.868
VI.	Cash and cash equivalents at beginning of the year	**(VI-a)**	4.072.442	3.702.574
VII.	Cash and cash equivalents at end of the year	**(VI-a)**	4.933.284	4.072.442

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

AKBANK T.A.Ş.
VII. PROFIT APPROPRIATION STATEMENT

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

		CURRENT PERIOD (31/12/2013)	PRIOR PERIOD (31/12/2012)
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
1.1	CURRENT YEAR INCOME	3.853.607	3.803.069
1.2	TAXES AND DUTIES PAYABLE	911.565	853.207
1.2.1	Corporate Tax (Income Tax)	625.107	849.135
1.2.2	Income Withholding Tax	-	-
1.2.3	Other taxes and duties	286.458	4.072
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	**2.942.042**	**2.949.862**
1.3	PRIOR YEAR LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	57.173
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	**NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**2.942.042**	**2.892.689**
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	200.000
1.6.1	To Owners of Ordinary Shares	-	200.000
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	670
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	370.000
1.9.1	To Owners of Ordinary Shares	-	370.000
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	37.067
1.11	STATUTORY RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	-	2.333.984
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	8.141
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	0,007
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,7	0,7
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
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.

NOTES:

(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.

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 2013

(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"), put into effect by Public Oversight Accounting and Auditing Standarts Authority ("KGK"), 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 published as of reporting date but have not been effective, have no impact on the accounting policies, financial condition and performance of the Group. The Group assess the impact of TFRS 9 Financial Instruments standard.

b. Explanation for convenience translation into English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2013
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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 banking 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".

Also the Bank applies net investment hedge to hedge the foreign currency risk arising from share premium and paid-in capital of Akbank AG, one of Bank's subsidiaries amounting EURO 220 Million. EURO 220 Million of syndication loans used by the Bank have been classified as "hedge instruments."

As of 31 December 2013, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,1304 TL 2,9344 and TL 2,0240 for USD, EURO and Yen respectively.

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III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

Consolidated financial statements are prepared in accordance with the "Turkish Financial Reporting Standards for Consolidated and Separate Financial Statements" ("TFRS 10").

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 is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

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 Yonetimi 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 through capital in kind. Based on restructuring of Bank's foreign subsidiaries, Akbank NV and Akbank AG have merged in Akbank AG with the discontinuation of activities of Akbank N.V effective from 15 June 2012.

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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 Bank are currency and interest rate swaps, cross currency swaps, currency options and currency forwards.

The Bank classifies its derivative instruments as "Held-for-hedging" or "Held-for-trading" in accordance with "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement" ("TAS 39"). In accordance with TAS 39, although certain derivative transactions provide effective economic hedges under the Bank's risk management position, in accordance with TAS 39 they are treated as derivatives "Held-for-trading."

Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Trading derivative financial assets" or "Hedging derivative financial assets"; if the fair value difference is negative, it is recorded to "Trading derivative financial liabilities" or "Hedging derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and are accounted according to the standard applied to the host contract.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income by using the "Effective interest method". The Group ceases accruing interest income on non-performing loans and reverses any interest income accrued from such loans. No income is accounted until the collection is made according to the related regulation.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest method" according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

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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 consist of financial assets other than "Loans and receivables", "Held-to-maturity", "Financial assets at fair value through profit or loss" and non-derivative financial assets. Financial assets available-for-sale are recorded by adding transaction cost to acquisition cost reflecting the fair value of the financial asset.

After the recognition, financial assets available-for-sale are remeasured at fair value. Interest income arising from available-for-sale calculated with "Effective interest method" and dividend income from equity securities are reflected to income statement. "Unrealized gains and losses" arising from the difference between the amortised cost and the fair value of securities classified as available-for-sale are recognized in the account of "Marketable securities valuation differences" under shareholder's equity, unless these assets are impaired, collected, sold, or disposed of. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

c. Loans and Receivables:

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding

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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" and with the scope of IAS, published in the Official Gazette dated 1 November 2006, no. 26333. 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 Loans 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 receviables. 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 months before. The estimated inflation rate used is updated during the year when necessary.

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.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest method" and its carrying value. Regarding available-for-sale financial assets, when there is objective evidence that the asset is impaired the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. An explanation about the impairment of loans and receivables is given in Note VII-c of Section Three.

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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 2013, the Group has no goodwill.

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement.

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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.

The Group provides specific provisions for financial lease receivables in accordance with the "Communiqué Regarding the Principles and Procedures for the Provisions Provided for Receivables by Financial Leasing, Factoring and Finance Companies" published in Official Gazette no. 26588, dated 20 July 2007. The Group provides general provisions for non-impaired financial lease receivables.

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

Provisions and contingent liabilities are accounted in accordance with, "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the periodicity principle. When the amount of the obligation cannot be reliably estimated and there is no possibility of an outflow of resources from the Group, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

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. In accordance with IAS 19, actuarial gains and losses are recognized in equity.

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

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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. 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. Accordingly the turnover process has been postponed for one more year with the decision of the Council of Ministers dated 3 May 2013. According to the New Law, following the transfer of the members of the fund to the SSI, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.

With respect to that, according to the technical balance sheet report as at 31 December 2013 prepared considering the related articles of the New Law regarding the transferrable benefit obligations and in accordance with TAS 19 for the non-transferrable social benefits and payments which are included in the articles of association and audited within the framework stated in the first paragraph above. The fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for the Bank.

The consolidated affiliates do not have the above mentioned retirement benefit plans for their employees. The retirement related benefits of the employees of the consolidated affiliates are subject to the Social Security Institution and other defined contribution plans.

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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.

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.

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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 liabilities are carried at their fair values and other financial liabilities are carried at amortized cost using "Effective interest rate method" for the periods following their recognition.

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no security issuance as of 31 December 2013.

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 2013 and 31 December 2012, 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 XV of Section Four.

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

Under the Turkish Commercial Code, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, but Holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

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XXV. EARNINGS PER SHARE:

Earnings per share disclosed in the income statement are calculated by dividing net profit for the year the weighted average number of shares outstanding during the period concerned.

	Current Period 31 December 2013	Prior Period 31 December 2012
Net Profit for the Year	3.077.177	3.004.910
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	**0.00769**	**0,00751**

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 bonus shares issued in 2013 (2012: (-))

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 2013, there are certain reclassifications made on off-balance sheet accounts, statement of income and expenses accounted under shareholders' equity and cash flow statements as of 31 December 2012.

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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 14,71% (31 December 2012: 17,88%) and 14,95% (31 December 2012: 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									
	Risk weights									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Weighted credit risk	**-**	**-**	**1.862.429**	**22.609.087**	**20.104.556**	**74.651.368**	**3.281.069**	**24.785.478**	**2.448.133**	**-**
Risk classifications:										
Conditional and unconditional receivables from central governments and Central Banks	47.726.296	-	-	13.061.453	-	177.248	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	45	-	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	86.298	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	9.312.037	11.145.701	-	56.622	-	-	-	-
Conditional and unconditional receivables from corporates	5.281	-	-	-	-	65.089.949	-	-	-	-
Conditional and unconditional receivables from retail portfolios	-	-	-	-	26.806.074	3.722.373	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	21.010.974	-	2.966.831	-	-	-	-
Past due receivables	-	-	-	-	-	104.515	1.853	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	2.185.526	12.392.739	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	979.253	-
Investments similar to collective investment funds	-	-	-	-	-	336.307	-	-	-	-
Other receivables	1.532.331	-	106	-	-	2.111.225	-	-	-	-

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	Bank									
	Risk weights									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Weighted credit risk	**-**	**-**	**1.761.832**	**21.991.318**	**20.021.719**	**67.120.074**	**3.278.289**	**24.785.478**	**2.448.133**	**-**
Risk classifications:										
Conditional and unconditional receivables from central governments and Central Banks	47.319.838	-	-	13.031.957	-	175.173	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	45	-	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	86.283	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	748.548	-	8.809.056	9.939.660	-	24.049	-	-	-	-
Conditional and unconditional receivables from corporates	5.281	-	-	-	-	57.019.051	-	-	-	-
Conditional and unconditional receivables from retail portfolios	-	-	-	-	26.695.625	3.722.373	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	21.010.973	-	2.966.832	-	-	-	-
Past due receivables	-	-	-	-	-	92.850	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	2.185.526	12.392.739	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	979.253	-
Investments similar to collective investment funds	-	-	-	-	-	336.307	-	-	-	-
Other receivables	1.532.326	-	105	-	-	2.697.156	-	-	-	-

d. Summary information related to capital adequacy ratio:

	Bank		Consolidated	
	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Capital Requirement for Credit Risk (Value at credit risk *0,08) (CRCR)	11.312.547	8.633.748	11.979.369	9.254.277
Capital Requirement for Market Risk (CRMR)	252.559	72.815	183.182	85.374
Capital Requirement for Operational Risk (CROR)	832.024	820.701	868.247	851.725
Shareholders' equity	23.170.989	22.187.996	23.959.927	22.779.043
Shareholders' equity /((CRCR+CRMR+CROR) * 12,5) * 100	14,95	18,63	14,71	17,88

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e. Information about consolidated shareholders' equity items:

	Current Period 31 December 2013	Prior Period 31 December 2012
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	1.405.892
Share Premium	1.700.000	1.700.000
Share Cancellation Profits	-	-
Legal Reserves, Status Reserves and Extraordinary Reserves	13.164.882	10.488.587
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	3.286.398	3.349.174
Net Income for the Period	3.077.177	3.004.910
Prior Period Profit	209.221	344.264
Provisions for Possible Risks up to 25% of Core Capital	270.000	-
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Primary Subordinated Loans up to 15% of Core Capital.	47.106	47.106
Minority Rights	-	-
Uncovered Portion of Loss with Reserves (-)	85	73
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-)	-	-
Intangible Assets (-)	60.571	56.046
Deferred Tax Asset Amount Exceeding 10% of Core Capital (-)	162.215	113.757
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	-	-
Consolidation Goodwill (net)	-	-
Total Core Capital	**23.651.577**	**20.821.029**
SUPPLEMENTARY CAPITAL		
General Provisions	1.696.118	1.208.184
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	2.729	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	(1.368.346)	753.200
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	**330.501**	**1.961.620**
CAPITAL	**23.982.078**	**22.782.649**

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	Current Period 31 December 2013	Prior Period 31 December 2012
DEDUCTIONS FROM CAPITAL	**22.151**	**3.606**
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 Suplementary 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	378	336
Securitization positions to be deducted from Equity	-	-
Other	21.773	3.270
TOTAL CAPITAL	**23.959.927**	**22.779.043**

f. The approach used to evaluate the internal capital requirement for the purpose of evaluating its adeaquacy 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, 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.

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II. EXPLANATIONS ON CREDIT RISK :

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

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits 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."

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Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Conditional and unconditional receivables from central governments and Central Banks	62.478.823	63.156.664
Conditional and unconditional receivables from regional or local governments	225	287
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	115.415	101.239
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	50.285.602	43.871.735
Conditional and unconditional receivables from corporate	84.949.926	80.010.267
Conditional and unconditional receivables from retail portfolios	54.911.349	55.108.362
Conditional and unconditional receivables secured by mortgages	24.749.592	16.356.855
Past due receivables	106.368	114.601
Receivables defined under high risk category by BRSA	15.557.518	13.202.847
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	1.653.407	2.329.963
Other receivables	3.643.662	3.633.625
Total	**298.451.887**	**277.886.445**

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

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 regulary 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 concentration.

As seen in the Group's balance sheet, the ratio of loans under follow-up to total loans is as low as 1,4% (31 December 2012: 1,2%)and 100% provision has been provided.

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f. 1. The proportion of the Parent Bank's top 100 and 200 cash loan balances in total cash loans is 27% and 33% respectively. (31 December 2012: 28% and 34%).

2. The proportion of the Parent Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 63% and 72%. (31 Decemer 2012 61% and 73%)

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 is 20% and 24% respectively. (31 December 2012 18% and 22%)

g. The Bank provided a general loan loss provision amounting to TL 1.696.118 (31 December 2012: TL 1.208.184).

h. Information on loan types and provisions:

Current Period - 31 December 2013	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	74.033.515	26.638.453	13.694.013	**114.365.981**
Close Monitoring Loans	1.446.216	1.105.140	999.318	**3.550.674**
Loans Under Follow-up	543.860	449.485	683.337	**1.676.682**
Specific Provision (-)	451.010	449.485	683.337	**1.583.832**
Total	**75.572.581**	**27.743.593**	**14.693.331**	**118.009.505**

Prior 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**

As of 31 December 2013, the Bank has set 100% specific provision amounting to TL 41 million (31 December 2012: TL 41 million) after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 million (31 December 2012: TL 134 million).

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

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2013	**392.099**	**299.777**	**330.730**	**1.022.606**
Transferred during the period	236.576	393.211	648.445	**1.278.232**
Collection	(98.106)	(148.040)	(137.473)	**(383.619)**
Write-off (*)	(79.559)	(95.463)	(158.365)	**(333.387)**
Currency difference	-	-	-	**-**
31 December 2013	**451.010**	**449.485**	**683.337**	**1.583.832**

(*)TL 250,5 million of the Bank's non-performing loan portfolio were sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 58.3 million as of 20 May 2013. Specific provision previously allocated for this amount is, included in "write-off" section in above table.

	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. Specific provision previously allocated for this amount is, included in "write-off" section in above table.

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

Current Period - 31 December 2013 Moody's Rating	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to-Maturity Securities	Total
Aaa	-	-	-	**-**
Aa1, Aa2, Aa3	6.138	-	-	**6.138**
A1, A2, A3	17.883	452.596	-	**470.479**
Baa1, Baa2, Baa3	42.342	32.312.917	12.153.453	**44.508.712**
Ba1	-	69.696	-	**69.696**
Ba2	-	69.763	-	69.763
Total	**66.363**	**32.904.972**	**12.153.453**	**45.124.788**

Prior Period - 31 December 2012 Moody's Rating	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to-Maturity Securities	Total
Aaa	-	17.731	-	**17.731**
Aa1, Aa2, Aa3	-	-	-	**-**
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**

k. Profile on significant risks in significant regions:

Current Period 31 December 2013	Risk Categories (*) 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Domestic	61.763.113	44	99.198	-	-	8.684.659	66.894.681	30.754.508	23.964.210	106.369	15.554.626	-	-	-	1.653.407	-	209.474.815
European Union Countries	613.169	-	225	-	-	22.182.848	914.740	1.260	9.758	-	2.394	-	-	-	-	-	23.724.394
OECD Countries(**)	920	-	-	-	-	1.978.224	6.193	585	2.829	-	78	-	-	-	-	-	1.988.829
Off- Shore Regions	-	-	-	-	-	588	11	-	65	-	355	-	-	-	-	-	1.019
USA, Canada	-	-	-	-	-	5.580.378	210.794	76	1.626	-	2	-	-	-	-	-	5.792.876
Other Countries	-	-	11	-	-	567.532	507.368	285	2.803	-	63	-	-	-	-	-	1.078.062
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets / Liabilities***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.643.662	3.643.662
Total	**62.377.202**	**44**	**99.434**	**-**	**-**	**38.994.229**	**68.533.787**	**30.756.714**	**23.981.291**	**106.369**	**15.557.518**	**-**	**-**	**-**	**1.653.407**	**3.643.662**	**245.703.657**

Prior Period 31 December 2012	Risk Categories (*) 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
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**

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

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

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

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

a. Risk Profile according to sectors and counterparties:

	Risk Classifications (*)																		
31 December 2013	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**TL**	**FC**	**Total**
Agricultural	-	-	50.389	-	-	-	151.143	133.687	61.427	84	22.272	-	-	-	-	-	368.000	51.002	419.002
Farming and raising livestock	-	-	50.389	-	-	-	110.727	91.915	38.714	84	21.337	-	-	-	-	-	292.675	20.491	313.166
Forestry	-	-	-	-	-	-	35.339	39.926	19.666	-	510	-	-	-	-	-	64.930	30.511	95.441
Fishing	-	-	-	-	-	-	5.077	1.846	3.047	-	425	-	-	-	-	-	10.395	-	10.395
Manufacturing	-	2	700	-	-	-	30.682.173	2.222.885	3.911.607	3.906	62.163	-	-	-	-	-	13.629.670	23.253.766	36.883.436
Mining	-	-	-	-	-	-	907.615	53.092	48.306	77	604	-	-	-	-	-	198.802	810.892	1.009.694
Production	-	2	698	-	-	-	21.607.114	2.142.145	3.077.415	3.829	60.693	-	-	-	-	-	10.961.203	15.930.693	26.891.896
Electricity, Gas, Water	-	-	2	-	-	-	8.167.444	27.648	785.886	0	866	-	-	-	-	-	2.469.665	6.512.181	8.981.846
Construction	-	-	622	-	-	-	5.734.363	524.501	3.123.083	1.462	10.208	-	-	-	-	-	3.915.042	5.479.197	9.394.239
Services	-	32	34.832	-	-	38.851.889	28.262.353	8.066.876	7.895.293	99.686	330.603	-	-	-	-	8.148	24.950.374	58.599.338	83.549.712
Wholesale and retail trade	-	8	300	-	-	33	11.638.237	6.355.086	4.311.788	844	212.522	-	-	-	-	-	16.076.555	6.442.263	22.518.818
Hotel, Food, Beverage services	-	-	39	-	-	-	1.324.356	285.126	1.146.920	96.119	17.892	-	-	-	-	-	967.577	1.902.875	2.870.452
Transportation and telecommunication	-	-	8	-	-	-	5.001.888	719.091	262.921	341	22.130	-	-	-	-	-	1.534.184	4.472.195	6.006.379
Financial Institutions	-	3	170	-	-	38.833.156	1.615.127	4.125	167.088	-	1.414	-	-	-	-	6.310	3.659.834	36.967.559	40.627.393
Real Estate and Lending Service	-	-	27	-	-	-	273.590	34.847	189.965	-	4.461	-	-	-	-	-	181.448	321.442	502.890
Self employment service	-	-	154	-	-	-	323.702	105.850	67.811	-	26.814	-	-	-	-	-	253.032	271.299	524.331
Education Service	-	-	7.354	-	-	-	144.076	54.638	107.870	-	3.272	-	-	-	-	-	277.908	39.302	317.210
Health and social services	-	21	26.780	-	-	18.700	7.941.377	508.113	1.640.930	2.382	42.098	-	-	-	-	1.838	1.999.836	8.182.403	10.182.239
Other	62.377.202	10	12.891	-	-	142.340	3.703.755	19.808.765	8.989.881	1.231	15.132.272	-	-	-	1.653.407	3.635.514	99.233.600	16.223.668	115.457.268
Total	**62.377.202**	**44**	**99.434**	**-**	**-**	**38.994.229**	**68.533.787**	**30.756.714**	**23.981.291**	**106.369**	**15.557.518**	**-**	**-**	**-**	**1.653.407**	**3.643.662**	**142.096.686**	**103.606.971**	**245.703.657**

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

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

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b. Term distribution of risks with term structure:

	Time to Maturity					
Risk Categories	**1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**Over 1 year**	**Total**
Conditional and unconditional receivables from central governments and Central Banks	3.819.730	19.292.872	6.655.380	3.619.734	28.989.486	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	44	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	19.341	444	423	50.503	28.723	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	11.722.111	5.245.987	4.396.468	2.928.447	14.701.216	-
Conditional and unconditional receivables from corporates	3.674.191	5.810.751	7.362.694	11.936.241	39.749.910	-
Conditional and unconditional receivables from retail portfolios	480.380	8.356.636	4.947.638	3.490.718	13.481.342	-
Conditional and unconditional receivables secured by mortgages	271.608	606.820	1.011.887	2.777.910	19.313.066	-
Past due receivables	-	-	-	-	-	106.369
Receivables defined under high risk category by BRSA	-	-	-	1.386.030	14.171.488	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	1.404.717	248.690	-	-	-	-
Other Receivables	-	-	-	-	-	3.643.662
Total	**21.392.078**	**39.562.200**	**24.374.490**	**26.189.583**	**130.435.275**	**3.750.031**

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c. 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 to the Turkish central management. Below are 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%	250%	1250%	Deducted from Equity
Amount Before Credit Risk Mitigation	50.675.224	-	15.792.708	36.206.503	38.876.905	88.592.947	2.187.379	12.392.739	979.253	-	11.751
Amount After Credit Risk Mitigation	49.263.908	-	9.312.143	45.218.173	26.806.074	74.651.368	2.187.379	12.392.739	979.253	-	11.751

d. Miscellaneous Information regarding Important Sectors or Counterparty Type:

Methods related to impairment and provisions and notes related to passed due and impaired receivables are provided in Note 2-a of Section Four.

	Loans(*)			
Sectors/Counterparties	Impaired Receivables	Past Due Receivables	Impairment	Provisions
Agricultural	6.437	989	25	6.437
Farming and raising livestock	5.741	760	15	5.741
Forestry	641	229	10	641
Fishing	55	-	-	55
Manufacturing	86.520	42.612	1.860	86.520
Mining	1.579	387	14	1.579
Production	83.004	42.194	1.845	83.004
Electricity, Gas, Water	1.937	31	1	1.937
Construction	75.899	20.186	105	75.899
Services	460.102	272.938	6.995	367.252
Wholesale and retail trade	266.767	61.163	2.037	266.767
Hotel, Food, Beverage services	150.759	189.720	4.445	57.909
Transportation and Telecommunication	20.011	6.366	162	20.011
Financial Institutions	254	-	-	254
Real Estate and Lending Service	1.262	15	-	1.262
Self-employment service	2.005	149	3	2.005
Education Service	944	172	3	944
Health and social services	18.100	15.353	345	18.100
Other	1.047.724	882.994	25.930	1.047.724
Total	**1.676.682**	**1.219.719**	**34.915**	**1.583.832**

(*) Represents cash loans.

p. Information related to Impairment and Loan Loss Provisions:

	Opening Balance	Provisions made within the term	Provision Cancellations	Other Adjustments (*)	Closing Balance
Special Provisions	1.022.606	1.278.232	(383.619)	(333.387)	1.583.832
General Provisions	1.208.184	487.934	-	-	1.696.118

(*) Determined according to currency differences, operation mergings, acquision 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 legalreporting.

The following table indicates the details of the market risk calculation as of 31 December 2013, 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	67.530
(II) Capital requirement for specific risk – Standard Method	12.954
(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 fromoptions – Standard Method	1.498
(VIII) Capital requirement for counterparty credit risk - Standard Method	101.200
(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)	183.182
(XI) Amount subject to market risk (12,5 x IX) or (12,5 x X)	2.289.772

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

	Current Period 31 December 2013			Prior Period 31 December 2012 (**)		
	Average	**Maximum**	**Minimum**	**Average**	**Maximum**	**Minimum**
Interest Rate Risk	69.453	82.977	57.404	94.460	130.739	58.182
Share Certificates Risk	1.411	595	3.306	1.785	748	2.821
Currency Risk	25.608	-	-	-	-	-
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	1.518	1.516	1.450	2.850	742	4.957
Counterparty Credit Risk	96.864	190.522	39.185	11.588	3.762	19.414
Total Amount Subject to Risk	**194.854**	**275.610**	**101.345**	**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.
(**) Prior period information is prepared starting from July 1, 2012 period according to the Communiqué on "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 guarentees 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:

	Amount
Interest Rate Based Contracts	27.149.178
Foreign Currency Based Contracts	28.225.796
Commodity Based Contracts	129.045
Stock Based Contracts	193.437
Other	225.922
Positive Fair Value Gross Amount	1.129.831
Benefits of Offsetting	-
Offsetting Current Risk Amount	-
Retained Guarantee	-
Net Positions on derivatives	1.842.261

d. 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 2010, 2011, and 2012.

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.

	31.12.2010	31.12.2011	31.12.2012	Total/Positive BG year number	Ratio (%)	Total
Gross income	5.590.175	5.429.329	6.345.429	3	15	868.247
Amount subject to Operational Risk (Amount*12,5)						10.853.083

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V. EXPLANATIONS ON CURRENCY RISK:

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

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

	USD	EURO	Yen
Balance Sheet Evaluation Rate	2,1304 TL	2,9344 TL	2,0240 TL
1.Day bid rate	2.1343 TL	2,9365 TL	2,0231 TL
2.Day bid rate	2,1604 TL	2,9844 TL	2,0557 TL
3.Day bid rate	2,0957 TL	2,8693 TL	1,9955 TL
4.Day bid rate	2,0710 TL	2,8353 TL	1,9795 TL
5.Day bid rate	2,0812 TL	2,8466 TL	1,9908 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 : 1,9705 TL
EURO : 2,6305 TL
Yen : 1,9931 TL

As of 31 December 2012;

	USD	EURO	Yen
Balance Sheet Evaluation Rate	1,7776 TL	2,3452 TL	2,0641 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"; trading derivative financial assets and liabilities, deferred tax 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 2013	EURO	USD	Other FC(*)	Total
Assets				
Cash Equivalents and Central Bank(***)	5.143.253	9.208.242	2.935.860	**17.287.355**
Banks	1.738.540	3.834.613	64.578	**5.637.731**
Financial Assets at Fair Value through Profit or Loss (Net)	196	1.971	-	**2.167**
Interbank Money Market Placements	-	-	-	**-**
Available-for-sale Financial Assets (Net)	2.359.222	7.544.200	-	**9.903.422**
Loans	14.832.038	31.088.769	62.965	**45.983.772**
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	**-**
Held-to-maturity Investments (Net)	2.397.109	2.537.321	-	**4.934.430**
Hedging Derivative Financial Assets	-	-	-	**-**
Tangible Assets (Net)	795	1.829	-	**2.624**
Intangible Assets (Net)	463	19	-	**482**
Other Assets	1.405.150	1.315.509	1.504	**2.722.163**
Total Assets	**27.876.766**	**55.532.473**	**3.064.907**	**86.474.146**
Liabilities				
Bank Deposits	2.201.898	5.159.248	1.052.658	**8.413.804**
Foreign Currency Deposits (***)	20.804.135	24.183.551	2.809.100	**47.796.786**
Funds from Interbank Money Market	888.583	18.833.151	-	**19.721.734**
Borrowings	6.910.489	12.346.941	2.684	**19.260.114**
Marketable Securities Issued (Net)	-	5.588.792	-	**5.588.792**
Miscellaneous Payables	448.448	287.878	1.067	**737.393**
Hedging Derivative Financial Liabilities	-	-	-	**-**
Other Liabilities	173.560	146.846	6.194	**326.600**
Total Liabilities	**31.427.113**	**66.546.407**	**3.871.703**	**101.845.223**
Net on Balance Sheet Position	**(3.550.347)**	**(11.013.934)**	**(806.796)**	**(15.371.077)**
Net off-Balance Sheet Position (**)	**4.538.484**	**10.813.621**	**791.652**	**16.143.757**
Financial Derivative Assets	11.126.996	25.388.900	2.241.730	**38.757.626**
Financial Derivative Liabilities	6.588.512	14.575.279	1.450.078	**22.613.869**
Non-cash Loans	6.718.605	10.122.593	387.530	**17.228.728**
Prior Period - 31 December 2012				
Total Assets	20.543.828	42.435.647	2.423.836	**65.403.311**
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**

(*) Of the "Other FC" total assets amounting to TL 3.064.907 (31 December 2012: TL 2.423.836), TL 68.979 is in English Pounds (31 December 2012: TL 49.265), and TL 37.611 is in Swiss Francs (31 December 2012: TL 37.085), 17.121 is in Japanese Yen (31 December 2012: TL 23.536). Of the total liabilities amounting to TL 3.871.703 (31 December 2012: TL 3.051.614) TL 141.166 is in English Pounds (31 December 2012: TL 901.689) and TL 643.150 is in Swiss Francs (31 December 2012: TL 389.167), TL 22.055 is in Japanese Yen (31 December 2012: TL 23.471).

(**) 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 cash equivalents and Central Bank TL 2.892.268 and of the foreign currency deposits TL 1.766.526 are precious metal deposit account in demand.

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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 2013	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	-	-	-	-	-	18.223.119	**18.223.119**
Banks	1.810.355	303.086	-	-	-	3.725.658	**5.839.099**
Financial Assets at Fair Value Through Profit or Loss (Net)	384.177	516.155	682.213	69.796	180.892	58.377	**1.891.610**
Interbank Money Market Placements	-	-	-	-	-	-	**-**
Available-for-sale Financial Assets (Net)	5.220.043	5.654.176	11.205.832	3.811.421	7.013.500	260.010	**33.164.982**
Loans	33.928.299	27.286.063	22.217.461	30.086.403	4.398.429	92.850	**118.009.505**
Held-to-maturity Investments (Net)	1.820.058	2.679.219	1.265.436	3.077.666	3.311.074	-	**12.153.453**
Other Assets	1.414.722	641.704	487.548	1.297.440	198.123	2.160.958	**6.200.495**
Total Assets	**44.577.654**	**37.080.403**	**35.858.490**	**38.342.726**	**15.102.018**	**24.520.972**	**195.482.263**
Liabilities							
Bank Deposits	7.312.938	2.935.599	485.461	-	-	687.555	**11.421.553**
Other Deposits	53.029.384	19.292.836	8.012.292	4.097.715	235.057	16.383.846	**101.051.130**
Funds from Interbank Money Market	7.703.947	3.630.120	4.911.257	2.634.366	4.351.061	-	**23.230.751**
Miscellaneous Payables	106.379	-	-	-	-	3.618.612	**3.724.991**
Marketable Securities Issued (Net)	254.519	1.203.349	625.456	5.564.222	1.080.296	-	**8.727.842**
Borrowings	1.932.832	11.410.559	5.940.489	558.172	56.548	-	**19.898.600**
Other Liabilities (*)	171.841	377.049	608.587	211.060	221.129	25.837.730	**27.427.396**
Total Liabilities	**70.511.840**	**38.849.512**	**20.583.542**	**13.065.535**	**5.944.091**	**46.527.743**	**195.482.263**
Balance Sheet Long Position	-	-	15.274.948	25.277.191	9.157.927	-	**49.710.066**
Balance Sheet Short Position	(25.934.186)	(1.769.109)	-	-	-	(22.006.771)	**(49.710.066)**
Off-balance Sheet Long Position	2.374.046	4.915.509	-	-	-	-	**7.289.555**
Off-balance Sheet Short Position	-	-	(129.765)	(2.919.864)	(3.356.016)	-	**(6.405.645)**
Total Position	**(23.560.140)**	**3.146.400**	**15.145.183**	**22.357.327**	**5.801.911**	**(22.006.771)**	**883.910**

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

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Prior 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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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 2013	EURO	USD	Yen	TL
Assets	**%**	**%**	**%**	**%**
Cash Equivalents and Central Bank	-	-	-	-
Banks	0,12	0,21	-	9,37
Financial Assets at Fair Value Through Profit or Loss (Net)	2,89	3,92	-	11,38
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	3,75	3,52	-	9,44
Loans	4,31	4,67	4,23	11,23
Held-to-maturity Investments (Net)	3,00	3,42	-	9,96
Liabilities				
Bank Deposits	1,28	1,53	-	6,55
Other Deposits	1,97	2,28	0,19	6,67
Funds from Interbank Money Market	1,65	1,20	-	6,38
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	5,22	-	6,89
Borrowings	1,19	1,58	-	7,70

Prior 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

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	2.720.119	11,35%
TL	500	(2.822.999)	(11,78%)
USD	-200	433.706	1,81%
USD	200	(339.961)	(1,42%)
EURO	-200	299.027	1,24%
EURO	200	(348.120)	(1,45%)
Total (for negative shocks)		**3.452.852**	**14,40%**
Total (for positive shocks)		**(3.511.080)**	**(14,65%)**

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

The Bank doesn't have any subsidaries and affilates that are traded on the "BIST".

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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, BIST 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 liqudity 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 2013 and 31 December 2012 are presented below:

Current Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
31 December 2013	FC	FC+TL	FC	FC+TL
Average (%)	158,1	140,3	120,0	109,0
Maximum (%)	244,2	190,7	136,2	120,0
Minimum (%)	109,8	108,0	108,7	100,4

Prior Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
31 December 2012	FC	FC+TL	FC	FC+TL
Average (%)	154.1	162.1	109,6	112,4
Maximum (%)	229.8	186.9	133,4	122,8
Minimum (%)	103,4	129.0	87,0	101,0

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2013	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	18.223.119	-	-	-	-	-	-	**18.223.119**
Banks	3.725.658	1.810.355	303.086	-	-	-	-	**5.839.099**
Financial Assets at Fair Value Through Profit or Loss (Net)	58.377	321.599	225.865	524.771	259.396	501.602	-	**1.891.610**
Interbank Money Market Placements	-	-	-	-	-	-	-	**-**
Available-for-sale Financial Assets (Net)	260.010	1.727.745	674.911	10.476.476	7.261.650	12.764.190	-	**33.164.982**
Loans	-	20.122.574	18.105.621	21.179.797	40.894.024	17.614.639	92.850	**118.009.505**
Held-to-maturity Investments (Net)	-	-	1.776.714	-	3.916.884	6.459.855	-	**12.153.453**
Other Assets	366.529	645.131	124.868	990.116	2.127.482	613.535	1.332.834	**6.200.495**
Total Assets	**22.633.693**	**24.627.404**	**21.211.065**	**33.171.160**	**54.459.436**	**37.953.821**	**1.425.684**	**195.482.263**
Liabilities								
Bank Deposits	687.555	7.312.938	2.935.599	485.461	-	-	-	**11.421.553**
Other Deposits	17.458.945	51.954.285	19.292.836	8.012.292	4.097.715	235.057	-	**101.051.130**
Borrowings	-	1.159.615	3.751.639	10.620.536	4.102.051	264.759	-	**19.898.600**
Funds from Interbank Money Market	-	7.703.947	3.630.120	4.911.257	2.634.366	4.351.061	-	**23.230.751**
Marketable Securities Issued (Net)	-	132.110	933.802	625.456	5.956.178	1.080.296	-	**8.727.842**
Miscellaneous Payables	213.053	2.132.297	1.379.641	-	-	-	-	**3.724.991**
Other Liabilities (**)	154.518	1.257.446	352.768	532.589	2.457.658	537.438	22.134.979	**27.427.396**
Total Liabilities	**18.514.071**	**71.652.638**	**32.276.405**	**25.187.591**	**19.247.968**	**6.468.611**	**22.134.979**	**195.482.263**
Net Liquidity Gap	**4.119.622**	**(47.025.234)**	**(11.065.340)**	**7.983.569**	**35.211.468**	**31.485.210**	**(20.709.295)**	**-**
Prior Period - 31 December 2012								
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
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)**	**-**

(*) 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 shown 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 2013	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Liabilities						
Deposits	78.131.623	22.636.484	8.777.908	4.337.428	256.939	**114.140.382**
Funds borrowed from other financial institutions	1.168.029	4.096.881	10.799.015	4.434.029	321.093	**20.819.047**
Funds from interbank money market	8.113.019	3.847.765	5.198.333	2.767.416	4.599.908	**24.526.441**
Marketable Securities Issued (Net)	187.997	1.174.177	928.374	6.847.475	1.193.160	**10.331.183**
Non-cash Loans						
Prior Period - 31 December 2012	47.939	726.175	9.314.792	5.199.334	14.989.668	**30.277.908**
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**

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

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Breakdown of derivative instruments according to their remaining contractual maturities:

Current Period – 31 December 2013	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	16.106.075	10.544.854	10.910.829	5.673.868	338.939
– Outflow	(13.802.600)	(8.044.564)	(10.909.243)	(8.773.597)	(911.513)
Interest rate derivatives:					
– Inflow	1.876	31.044	247.285	894.651	300.600
– Outflow	(3.449)	(45.895)	(280.699)	(976.680)	(279.444)
Derivatives held for hedging					
Foreign exchange derivatives:					
– Inflow	2.587	802	7.747	2.638.422	691.930
– Outflow	(19.270)	(6.609)	(157.205)	(2.623.522)	(610.367)
Interest rate derivatives:					
– Inflow	9.226	30.638	127.624	802.532	888.052
– Outflow	(12.789)	(41.812)	(144.753)	(860.245)	(844.498)
Total Inflow	**16.119.764**	**10.607.338**	**11.293.485**	**10.009.473**	**2.219.521**
Total Outflow	**(13.838.108)**	**(8.138.880)**	**(11.491.900)**	**(13.234.044)**	**(2.645.822)**

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Prior 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)**

IX. EXPLANATIONS ON SECURITIZATION POSITIONS: None.

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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 relevants requirements are taken into account. Basic financial covenants considered in the calculation of Bank's capital adequacy are foreign currency and TL deposit pledges.

Risk classifications:	Amount(*)	Financial Guarantees	Other/Physical Guarantees	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments and Central Banks	62.478.823	1.412.206	-	-
Conditional and unconditional receivables from regional or local governments	225	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	115.415	13.136	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	50.285.602	18.479.870	-	-
Conditional and unconditional receivables from corporates	84.949.926	5.387.830	-	-
Conditional and unconditional receivables from retail portfolios	54.911.349	228.266	-	-
Conditional and unconditional receivables secured by mortgages	24.749.592	3.488	-	-
Past due receivables	106.368	-	-	-
Receivables defined under high risk category by BRSA	15.557.518	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	1.653.407	1.317.100	-	-
Other receivables	3.643.662	-	-	-
Total	**298.451.887**	**26.841.896**	**-**	**-**

(*) 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.

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") 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.

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XII. EXPLANATIONS ON PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:

a. Calculations of financial assets and liabilites 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.

	Carrying Value		Fair Value	
	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Financial Assets	**169.167.039**	**141.809.941**	**168.104.989**	**145.796.889**
Interbank Money Market Placements	-	-	-	-
Banks	5.839.099	3.190.672	5.839.099	3.190.672
Available-for-sale Financial Assets (Net)	33.164.982	42.621.552	33.164.982	42.621.552
Held-to-maturity Investments (Net)	12.153.453	3.637.468	11.983.445	3.702.226
Loans	118.009.505	92.360.249	117.117.463	96.282.439
Financial Liabilities	**144.824.116**	**115.868.645**	**144.527.211**	**116.218.779**
Bank Deposits	11.421.553	10.750.453	11.441.043	10.783.751
Other Deposits	101.051.130	79.937.835	101.112.454	79.928.298
Borrowings	19.898.600	15.598.071	19.670.246	15.640.394
Marketable Securities Issued (Net)	8.727.842	6.614.443	8.578.477	6.898.896
Miscellaneous Payables	3.724.991	2.967.843	3.724.991	2.967.440

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b. Fair value hierarchy:

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

Aforesaid fair value hierarchy is determined as follows.

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:

Current Period - 31 December 2013	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	10.868	-	-	10.868
- Share Certificates	58.377	-	-	58.377
- Trading Derivative Financial Assets	79.013	1.687.857	-	1.766.870
- Other Marketable Securities	55.495	-	-	55.495
Available-For-Sale Financial Assets				
- Government Debt Securities	30.076.143	-	-	30.076.143
- Share Certificates	-	-	-	-
- Other Marketable Securities	2.807.417	270.102	-	3.077.519
Hedging Derivative Financial Assets	-	630.177	-	630.177
Total Assets	**33.087.313**	**2.588.136**	**-**	**35.675.449**
- Trading Derivative Financial Liabilities	31.312	1.147.436	-	1.178.748
- Hedging Derivative Financial Liabilities	-	63.810	-	63.810
Total Liabilities	**31.312**	**1.211.246**	**-**	**1.242.558**

Prior Period - 31 December 2012	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	10.464	-	-	10.464
- Share Certificates	18.825	-	-	18.825
- Trading Derivative Financial Assets	50.529	487.145	-	537.674
- Other Marketable Securities	3.689	-	-	3.689
Available-For-Sale Financial Assets				
- Government Debt Securities	40.271.702	-	-	40.271.702
- Share Certificates	-	-	-	-
- Other Marketable Securities	1.886.505	455.428	-	2.341.933
Hedging Derivative Financial Assets	-	-	-	-
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**

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

The Bank also hedges its TL and foreign denominated fixed rate financial assets and foreign currency fixed rate denominated financial liabilities with cross currency swaps and interest swaps. Within the scope of fair value hedge, fair value changes of hedging instrument and hedged item are accounted in the income statement. As long as the hedge relationship is effective, fair value change of the hedged item is disclosed together with its related asset or liability in the balance sheet for TL denominated fixed rate mortgage loans and foreign currency fixed rate financial liabilities respectively. Fair value changes which have already been booked in equity, have been reclassified from equity to income statement for TL and FC denominated fixed rate available-for-sale financial assets.

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 designaton 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 expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked;

- 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 case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement

In accordance with TAS 39, the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy.

The Group also applies fair value hedge to hedge the foreign currency risk arising from investments abroad. Effective portion of the fair vaue change of the hedging instrument is accounted under "Hedging funds"under equity. Ineffective portion is accounted under income statement.

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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 EURO 220 million which represents share premiums and paid-in-capital of Akbank AG, one of its subsidiaries. EUR0 220 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 2013			Prior Period 31 December 2012		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	2.640.102	582.455	-	2.739.445	-	313.531
-FC	9.876.850	47.722	63.810	2.667.536	-	-
Total	**12.516.952**	**630.177**	**63.810**	**5.406.981**	**-**	**313.531**

The Bank's transactions subject to fair value hedge accounting as of 31 December 2013 are as follows:

- The Bank hedges certain part of its fixed rate foreign currency denominated investment securities against fair value changes due to interest rate fluctuations with interest rate swap transactions. The fair value change of the hedged item since the beginning of hedge accounting is TL (44.658).

- The Bank 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. The fair value change of the hedged item since the beginning of hedge accounting is TL (83.450).

- The Bank 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 swaps. The fair value change of the hedged item since the beginning of hedge accounting is TL (37.013) and this amount has been reclassified from equity to income statement.

- The Bank hedges certain part of its fixed rate FC denominated available-for-sale investment securities against fair value changes due to interest rate fluctuations with interest rate swap transactions. The change in the fair value of the hedged item since the beginning of hedge accounting is TL (23.711) and this amount has been reclassified from equity to income statement.

- The Bank also applies fair value hedge strategy against the foreign currency risk arising from share premiums and paid-in-capital of Akbank AG, one of Bank's subsidiaries, amounting to EUR 220 Million. EUR 220 Million of syndication loans used by the Bank have been determined as "hedging instruments."

As of 31 December 2013 fair value hedge transactions have been proven to be effective.

In addition, information in regards to the fair value hedge transactions revoked by the Bank in 2013 is as follows:

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- Hedge designation for certain part of the Bank's 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 swaps has been revoked. As of 31 December 2013, the remaining amount of the fair value change of the hedged item since the begining of hedge accounting, after amortization has been reflected to profit/loss accounts, is TL 15.300.
- Hedge designation for 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 has been revoked. As of 31 December 2013, the remaining amount of the the fair value change of the hedged item since the beginning of hedge accounting, after amortization has been reflected to profit/loss accounts, is TL 66.010.

3. Explanation on Cash Flow Hedge

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

	Current Period 31 December 2013			Prior Period 31 December 2012		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	-	-	-	2.562.000	-	214.994
-FC	-	-	-	4.993.432	-	130.239
Total	**-**	**-**	**-**	**7.555.432**	**-**	**345.233**

Hedge designation against cash flow risk arising from floating rate TL and FC repo transactions with interest rate swap and cross currency swap transactions has been revoked in 2013. As of 31 December 2013, the remaining amount of the fair value change of the hedging instruments, after amortization has been reflected to profit/loss accounts, is TL (92.239).

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

Current Period – 31.12.2013:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in equity 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	-	-	12.458	(28.348)	-
TL Cross Currrency Swap	FC Repo Portfolio	Cash Flow risk due to changes in interest rate and foreign currency of funds provided from repo transactions	-	-	21.776	(13.273)	-
FC Interest Rate Swap	FC Repo Portfolio	Cash Flow risk due to changes in interest rate of funds provided from repo transactions	-	-	10.861	(828)	

The amount of ceased hedge transactions which has been recycled from equity to the income statement is TL (19.096).

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Prior Period – 31.12.2012:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in equity during the period	Net gain(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
TL Interest Rate swap	TL Repo Portfolio	Cash flow risk due to the changes in the interest rates of funds from repo transactions	-	155.556	(59.598)	(67.183)	-
TL Cross Currrency Swap	FC 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 has been recycled from equity to the income statement is TL (17.254).

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

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

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XV. EXPLANATIONS ON BUSINESS SEGMENTS:

The Group operates in five main business segments including retail banking, commercial banking and SME banking, corporate 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, commercial banking and SME banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans, financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Group provides timely and permanent solutions for corporate customers' working capital management, delivers cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities.

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.

Information on business segments as of 31 December 2013 and 31 December 2012 are presented on the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

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	Retail Banking	Corporate Banking and Commercial and SME Banking(*)	Treasury	Private Banking	International Banking	Other and Unallocated	Bank's Total Activities
Current Period – 31 December 2013							
Operating Income	3.681.643	3.206.766	2.076.366	273.639	186.236	99.633	9.524.283
Profit from Operating Activities	718.940	1.839.088	1.683.497	190.794	121.547	(494.855)	4.059.011
Income from Subsidiaries	-	-	-	-	-	4.970	4.970
Profit before Tax	718.940	1.839.088	1.683.497	190.794	121.547	(489.885)	4.063.981
Corporate Tax	-	-	-	-	-	(986.800)	(986.800)
Minority Shares	-	-	-	-	-	(4)	(4)
Net Profit for the Period	718.940	1.839.088	1.683.497	190.794	121.547	(1.476.689)	3.077.177
Segment Assets	47.307.720	79.340.202	53.184.605	1.237.150	6.488.081	3.470.108	191.027.866
Investments in Associates	-	-	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	-	-	4.450.474
Total Assets	-	-	-	-	-	-	195.482.263
Segment Liabilities	53.922.281	41.418.193	46.607.578	14.888.255	8.236.576	2.471.744	167.544.627
Undistributed Liabilities	-	-	-	-	-	-	5.802.657
Shareholders' Equity	-	-	-	-	-	-	22.134.979
Total Liabilities	-	-	-	-	-	-	195.482.263
Other Segment Items							
Capital Investment	119.116	3	5.249	207	-	154.419	278.994
Amortization	(98.895)	(7.768)	(1.747)	(1.492)	(275)	(60.835)	(171.012)
Non-cash Other Income-Expense	(552.524)	(897.195)	(206.879)	(4.252)	-	(275.820)	(1.936.670)
Restructuring Costs	-	-	-	-	-	-	-

(*) As of 1 July 2013 the Bank has restructured Commercial and SME Banking into two separate segments, Commercial Banking and SME Banking.

	Retail Banking	Corporate Banking and SME Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Bank's Total Activities
Prior 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)
Minority Shares						(38)	(38)
Net Profit for the Period	619.405	1.313.302	1.737.572	199.246	73.093	(937.708)	3.004.910
Segment Assets	40.265.268	61.596.584	50.129.806	1.004.183	4.570.116	2.104.067	159.670.024
Investments in Associates.	-	-	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	-	-	3.804.387
Total Assets	-	-	-	-	-	-	163.478.334
Segment Liabilities	47.101.892	28.918.422	36.369.809	13.568.855	8.382.494	1.243.450	135.584.922
Undistributed Liabilities	-	-	-	-	-	-	5.417.644
Shareholders' Equity	-	-	-	-	-	-	22.475.768
Total Liabilities	-	-	-	-	-	-	163.478.334
Other Segment Items							
Capital Investment	69.823	75	6.322	547	-	115.640	192.407
Amortization	(66.690)	(5.499)	(1.193)	(1.260)	(201)	(41.246)	(116.089)
Non-cash Other Income-Expense	(413.038)	(639.000)	(77.852)	(574)	(29)	(6.664)	(1.137.157)
Restructuring Costs	-	-	-	-	-	-	-

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SECTION FIVE
INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

a. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the "CBRT"):

1. Information on cash equivalents and the account of the CBRT:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Cash/Foreign Currency	814.114	717.563	803.928	589.273
The CBRT	121.630	16.569.052	2.553.797	12.688.205
Other(*)	20	740	678	26.971
Total	**935.764**	**17.287.355**	**3.358.403**	**13.304.449**

(*) As of 31 December 2013, precious metal account amounts to TL 655 (31 December 2012: TL 26.926).

2. Information related to the account of the CBRT:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Demand Unrestricted Account	8.475	-	10.351	-
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	113.155	16.569.052	2.543.446	12.688.205
Total	**121.630**	**16.569.052**	**2.553.797**	**12.688.205**

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, EURO and standard gold.

The reserve rates for TL liabilities vary between 5% and 11,5% for TL deposits and other liabilities according to their maturities as of 31 December 2013 (31 December 2012: 5% and 11% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 6% and 13% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2013 (31 December 2012: 6% and 11,5% 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. The Bank has met its additional reserve requirements as of 30 January 2014 and as of this date there have been no additional reserve requirements left. However, 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 2013, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 5.116 (31 December 2012: TL 1.157); and those subject to repo transactions amount to TL (-). (31 December 2012: TL (-)).

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

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Forward Transactions	207.282	-	29.421	-
Swap Transactions	607.384	400.487	91.344	311.284
Futures Transactions	52.398	26.615	47.893	2.744
Options	31.430	441.274	2.167	52.821
Other	-	-	-	-
Total	**898.494**	**868.376**	**170.825**	**366.849**

c. Information on banks account:

1. Information on banks:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Banks	201.368	5.637.731	427.100	2.763.572
Domestic	201.368	114.049	427.100	99.771
Foreign	-	5.523.682	-	2.663.801
Head Quarters and Branches Abroad	-	-	-	-
Total	**201.368**	**5.637.731**	**427.100**	**2.763.572**

2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount (**)	
	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
European Union Countries	1.562.134	900.870	2.660.014	1.474.994
USA, Canada	554.101	199.004	308.602	52.184
OECD Countries (*)	19.032	32.599	-	-
Off-shore Banking Regions	-	-	-	-
Other	419.799	4.150	-	-
Total	**2.555.066**	**1.136.623**	**2.968.616**	**1.527.178**

(*) 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 2013, available-for-sale financial assets subjehıct to repurchase agreements amount to TL 19.534.511 (31 December 2012: TL 23.097.568); and those given as collateral/blocked amount to TL 3.919.373 (31 December 2012: TL 6.526.263).

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2. Information on available-for-sale financial assets:

	Current Period 31 December 2013	Prior Period 31 December 2012
Debt Securities	34.024.190	42.622.346
Quoted to Stock Exchange	33.754.089	42.166.917
Not Quoted to Stock Exchange	270.101	455.429
Share Certificates	11.320	7.917
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	11.320	7.917
Impairment Provision (-)	870.528	8.711
Total	**33.164.982**	**42.621.552**

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 2013		Prior Period 31 December 2012	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	250.320	378	-	250
Corporate Shareholders	250.320	378	-	250
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	2.117.777	2.413.639	2.090.840	326.871
Loans Granted to Employees	101.100	-	92.280	-
Total	**2.469.197**	**2.414.017**	**2.183.120**	**327.121**

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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	114.365.981	624.211	-	3.550.674	1.395.991	-
Business Loans	24.361.352	510.312	-	1.149.922	127.958	-
Export Loans	5.719.369	14.831	-	11.758	-	-
Import Loans	-	-	-	-	-	-
Loans Granted to Financial Sector	2.657.025	-	-	-	-	-
Consumer Loans (Including Overdraft Loans)	26.638.453	44.775	-	1.105.140	395.139	-
Credit Cards	13.694.013	-	-	999.318	798.595	-
Other	41.295.769	54.293	-	284.536	74.299	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	**114.365.981**	**624.211**	**-**	**3.550.674**	**1.395.991**	**-**

Number of extensions	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	619.632	1.349.570
Extended by 3,4 or 5 times	4.579	46.400
Extended by more than 5 times	-	21
Total	**624.211**	**1.395.991**

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	89.806	113.979
6 - 12 Months	25.010	194.889
1 - 2 Years	44.655	325.053
2 - 5 Years	429.604	683.439
5 Years and over	35.136	78.631
Total	**624.211**	**1.395.991**

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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	29.265.500	138.599	3.550.674	1.219.681
Non-Specialized Loans	29.265.500	138.599	3.550.674	1.219.681
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	85.100.481	485.612	-	176.310
Non-Specialized Loans	85.100.481	485.612	-	176.310
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	**114.365.981**	**624.211**	**3.550.674**	**1.395.991**

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

Current Period– 31.12.2013	Short-term	Medium and Long-term	Total
Consumer Loans-TL	**74.979**	**27.093.914**	**27.168.893**
Mortgage Loans	2.135	12.552.324	12.554.459
Automotive Loans	636	992.941	993.577
Consumer Loans	67.723	12.728.122	12.795.845
Other	4.485	820.527	825.012
Consumer Loans- Indexed to FC	**-**	**38.165**	**38.165**
Mortgage Loans	-	36.837	36.837
Automotive Loans	-	-	-
Consumer Loans	-	77	77
Other	-	1.251	1.251
Consumer Loans-FC	**-**	**11.808**	**11.808**
Mortgage Loans	-	11.808	11.808
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	**11.320.667**	**2.205.250**	**13.525.917**
With Installment	5.035.137	2.205.250	7.240.387
Without Installment	6.285.530	-	6.285.530
Consumer Credit Cards-FC	**22.247**	**-**	**22.247**
With Installment	11.861	-	11.861
Without Installment	10.386	-	10.386
Personnel Loans-TL	**1.483**	**55.116**	**56.599**
Mortgage Loans	-	1.080	1.080
Automotive Loans	-	158	158
Consumer Loans	1.483	53.868	55.351
Other	-	10	10
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	**42.634**	**1.524**	**44.158**
With Installment	18.567	1.524	20.091
Without Installment	24.067	-	24.067
Personnel Credit Cards-FC	**343**	**-**	**343**
With Installment	205	-	205
Without Installment	138	-	138
Credit Deposit Account-TL (Real Person)	**468.128**	**-**	**468.128**
Credit Deposit Account-FC (Real Person)	**-**	**-**	**-**
Total Consumer Loans	**11.930.481**	**29.405.777**	**41.336.258**

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

Current Period – 31.12.2013	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	**87.079**	**5.365.443**	**5.452.522**
Mortgage Loans	1.162	147.568	148.730
Automotive Loans	1.000	240.777	241.777
Consumer Loans	76.445	4.851.425	4.927.870
Other	8.472	125.673	134.145
FC Indexed Commercial Installment Loans	**11.202**	**152.801**	**164.003**
Mortgage Loans	-	13.520	13.520
Automotive Loans	75	41.094	41.169
Consumer Loans	74	70.392	70.466
Other	11.053	27.795	38.848
Commercial Installment Loans-FC	**-**	**279.110**	**279.110**
Mortgage Loans	-	-	0
Automotive Loans	-	-	0
Consumer Loans	-	-	0
Other	-	279.110	279.110
Corporate Credit Cards-TL	**1.084.576**	**14.225**	**1.098.801**
With Installment	508.836	14.225	523.061
Without Installment	575.740	-	575.740
Corporate Credit Cards-FC	**1.865**	**-**	**1.865**
With Installment	226	-	226
Without Installment	1.639	-	1.639
Credited Deposit Account-TL (Legal Person)	**465.343**	**-**	**465.343**
Credited Deposit Account-FC (Legal person)	**-**	**-**	**-**
Total	**1.650.065**	**5.811.579**	**7.461.644**

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Prior 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**

6. Loans according to types of borrowers:

	Current Period 31 December 2013	Prior Period 31 December 2012
Public	1.801.756	1.882.550
Private	116.114.899	90.384.849
Total	**117.916.655**	**92.267.399**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Domestic Loans	116.445.272	90.473.527
Foreign Loans	1.471.383	1.793.872
Total	**117.916.655**	**92.267.399**

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

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9. Specific provisions accounted for loans:

	Current Period 31 December 2013	Prior Period 31 December 2012
Loans and Receivables with Limited Collectibility	342.385	224.361
Loans and Receivables with Doubtful Collectibility	492.160	266.711
Uncollectible Loans and Receivables	749.287	531.534
Total	**1.583.832**	**1.022.606**

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 2013			
(Gross Amounts Before Specific Provisions)	22.617	34.908	28.903
Restructured Loans and Other Receivables	21.845	33.566	28.541
Rescheduled Loans and Other Receivables	772	1.342	362
Prior 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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2012	**224.361**	**266.711**	**624.384**
Additions (+)	1.249.551	8.267	20.414
Transfers from Other Categories of Non-performing Loans (+)	-	1.011.944	633.335
Transfers to Other Categories of Non-Performing Loans (-)	1.011.944	633.335	-
Collections (-)	119.233	129.916	134.470
Write-offs (-)(*)	350	31.511	301.526
Corporate and Commercial Loans	78	1.474	78.007
Retail Loans	74	5.009	90.380
Credit Cards	198	25.028	133.139
Other	-	-	-
Balance at the End of the Period	**342.385**	**492.160**	**842.137**
Specific Provisions (-)	342.385	492.160	749.287
Net Balance (**)	**-**	**-**	**92.850**

(*) TL 250,5 Million of the Bank's non-performing loan portfolio has been sold to Efes Varlık Yönetimi A.Ş. for TL 58,3 Million on 20 May 2013. The amount that has been sold is shown under "Write-offs" in the above table.

(**)As of 31 December 2013, the Bank has set 100% specific provision amounting to TL 41 Million (31 December 2012: 41 Million TL) after taking the collaterals into consideration for one of its commercial loans amounting to TL 134 Million (31 December 2012: 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 2013			
Balance at the End of the Period	27.107	6.135	154.261
Specific Provisions (-)	27.107	6.135	61.411
Net Balance on Balance Sheet	-	-	92.850
Prior 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	-	-	92.850

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 31 December 2013			
Loans granted to corporate entities and real persons (Gross)	342.385	492.160	842.137
Specific Provisions Amount(-)	342.385	492.160	749.287
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 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)	-	-	-

11. Information on the collection policy of non-performing loans and other receivables:

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

12. Information on the write-off policy:

Write-off policy of the Bank for receivables under follow-up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

f. Held-to-maturity investments:

1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Given as collateral/blocked	1.910.954	1.964.710	3.145.397	-
Subject to repurchase agreements	4.178.386	2.886.067	358.131	-
Total	**6.089.340**	**4.850.777**	**3.503.528**	**-**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Government Bonds	12.153.453	3.637.468
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	**12.153.453**	**3.637.468**

3. Information on Held-to-maturity investments:

	Current Period 31 December 2013	Prior Period 31 December 2012
Debt Securities	12.153.453	3.679.250
Quoted to Stock Exchange	12.153.453	3.679.250
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	-	41.782
Total	**12.153.453**	**3.637.468**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Beginning Balance	3.637.468	4.824.470
Foreign Currency Differences on Monetary Assets	172.739	(90.677)
Purchases During Year(*)	9.969.319	209
Disposals Through Sales and Redemptions (**)	1.788.154	1.097.298
Impairment Provision (-)	-	41.782
Change in Amortized Cost	162.081	42.546
Balance at the End of the Period	**12.153.453**	**3.637.468**

(*) The Bank has reclassified debt securities of the nominal value of thousands TL 4.863.357, thousands EURO 721.540 and thousands USD 1.092.397 from available-for-sale portfolio to held-to-maturity portfolio due to change in the intention to hold such securities. Reclassified debt securities have a fair value of TL 5.398.459, thousands EURO 815.927 and thousands USD 1.189.524 respectively as of reclassification date Valuation differences of these securities which have been accounted under equity before, are being amortize using effective interest method over the remaining maturity.

(**) 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%. The prior period balance of TL 925.162 of Disposals Through Sales and Redemptions line includes foreign currency denominated securities issued by the Treasury of Rebuplic of Turkey with nominal values of thousands EURO 300.466 and thousands USD 160.288 that were reclassified from Held-to-Maturity portfolio to Available-for-Sale portfolio with intention of sale and in accordance with IAS39 Financial Instruments: Recognition and Measurement Standard: As of 31 December 2013 nominal value amounting to thousands EURO 280.476 and thousands USD 160.288 out of reclassified portfolio has been sold.

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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
Kredi Kayıt Bürosu A.Ş.	İstanbul/Turkey	9,09	9,09

1(iii). Main financial figures of non-consolidated associates, in the order of the above table:

The financial figures have been obtained from the financial statements dated 30 September 2013.

	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	33.001	23.773	19.197	347	14	4.171	4.238	-
2	91.353	78.926	48.825	1.637	18	28.150	24.044	-

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Balance at the Beginning of the Period	3.923	3.923
Movements During the Period		
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Balance at the End of the Period	3.923	3.923
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

2. Consolidated subsidiaries within the current period: None.

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h. Information on subsidiaries (Net):

1. Information on shareholders' equity of major subsidiaries:

The amounts below are obtained from the 31 December 2013 financial data which were subject to the regulations of the related companies.

	Akbank Securities	Ak Portfolio Management	Ak Portfolio Management	Akbank AG	Akbank (Dubai) Limited
Tier I Capital					
Paid in Capital	125.006	30.000	1.000	293.440	2.243
Adjustment to paid-in capital	-	16.802	-	-	-
Share Premium	-	-	-	464.378	-
Reserves	244.927	22.642	7.979	187.363	2.180
Profit/Loss	43.449	62.927	13.987	58.933	8.233
Net Current Period Profit	*40.735*	*16.001*	*11.921*	*58.933*	*5.363*
Prior Year Profit/Loss	*2.714*	*46.926*	*2.066*	-	*2.870*
Development Cost of Operating Lease (-)	386	499	-	58	-
Intangible Assets (-)	573	308	56	463	-
Total Core Capital	**412.423**	**131.564**	**22.910**	**1.003.593**	**12.656**
Supplementary Capital	**8.007**	**-**	**-**	**-**	**-**
Capital	**420.430**	**131.564**	**22.910**	**1.003.593**	**12.656**
NET USABLE SHAREHOLDER'S EQUITY	**420.430**	**131.564**	**22.910**	**1.003.593**	**12.656**

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.

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 2013 prepared in accordance with local regulations.

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	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	3.574.680	413.382	26.431	206.120	-	40.735	41.546	-
2	681.578	132.371	1.641	35.497	3.763	16.001	16.543	-
3	29.898	22.966	572	1.433	-	11.921	11.067	-
4	9.655.853	1.004.114	1.258	292.707	39.244	58.933	31.015	-
5	13.451	12.656	32	-	-	5.363	2.335	-

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.

3(ii). Movement schedule for consolidated subsidiaries:

	Current Period 31 December 2013	Prior Period 31 December 2012
Balance at the Beginning of the Period	582.944	1.013.894
Movements During the Period		
Additions (*)	190.933	259
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation (**)	-	(308.089)
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Additions to Consolidation	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	105.944	(123.120)
Balance at the End of the Period	879.821	582.944
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) TL 140.940 of the amount shown in the "Additions" line of current period is due to the increase of thousands EURO 50.000 of Akbank AG's share capital. TL 49.993 of it is due to the increase of TL 50.000 of Aklease's share capital. TL 258 of prior year's "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%.

(**) Within the scope of foreign subsidiaries restructuring, Bank's 100% subsidiary based in Holland, Akbank N.V., and Akbank N.V.'s 100% subsidiary Akbank AG based in Germany have merged due to discontinuation of activities of Akbank N.V. effective from 15 June 2012. The prior period balances amounting to TL (-) 292.708 on "Sales / Liquidation" line and 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. 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.

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

Subsidiaries	Current Period 31 December 2013	Prior Period 31 December 2012
Banks	641.246	394.362
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	171.081	121.088
Finance Companies	-	-
Other Financial Subsidiaries	67.494	67.494

3(iv). Subsidiaries quoted on a stock exchange: None.

i. Information on finance lease receivables (Net):

	Current Period 31 December 2013		Prior Period 31 December 2012	
	Gross	Net	Gross	Net
2013	-	-	852.622	759.154
2014	1.330.612	1.350.612	447.417	369.572
2015	698.834	706.316	342.369	285.926
2016	565.975	401.154	246.773	210.051
2017	401.865	270.214	156.371	131.697
2018 and following years	725.655	489.220	287.426	251.485
Total	**3.722.941**	**3.217.516**	**2.332.978**	**2.007.885**

j. Information on the Hedging Derivative Financial Assets:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	YP	TL	YP
Fair Value Hedge	582.455	47.722	-	-
Cash Flow Hedge	-	-	-	-
Net Investment Hedge Abroad	-	-	-	-
Total	**582.455**	**47.722**	**-**	**-**

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k. Information on property and equipment:

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2012				
Cost	818.932	828.574	2.578	1.650.084
Accumulated Depreciation(-)	276.388	573.793	-	850.181
Net Book Value	**542.544**	**254.781**	**2.578**	**799.903**
Current Period End: 31 December 2013				
Net Book Value at the Beginning of the Period	542.544	254.781	2.578	799.903
Additions	28.164	135.549	14.242	177.955
Transferred	16.617	-	(16.617)	-
Disposals(-), net	1.663	1.286	-	2.949
Depreciation (-)	27.300	96.389	-	123.689
Impairment	-	-	-	-
Cost at Period End	838.592	884.370	203	1.723.165
Accumulated Depreciation at Period End (-)	280.230	591.715	-	871.945
Closing Net Book Value	**558.362**	**292.655**	**203**	**851.220**

	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	19.138	110.807	10.914	140.859
Transferred	8.553	-	(8.553)	-
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**

l. Informations on intangible assets:

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Cost	371.794	275.904
Accumulated Amortization (-)	209.579	162.147
Net Book Value	**162.215**	**113.757**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Opening Balance Net Book Value	**113.757**	**102.215**
Additions	101.168	51.538
Disposals (-), net	5.510	10
Depreciation (-)	47.200	39.986
Closing Net Book Value	**162.215**	**113.757**

m. Information on the investment properties: None.

n. Information on deferred tax asset :

The Group's deferred tax asset as of 31 December 2013 amounts to TL 75.005 (31 December 2012: TL 5.103). 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 2013	31 December 2012	31 December 2013	31 December 2012
Employee benefits	109.804	101.741	21.975	20.373
Differences between fair value and book value of financial assets	1.252.909	296.388	251.899	60.830
Other	343.194	267.837	69.583	55.359
Deferred Tax Asset			**343.457**	**136.562**
Differences between book value and tax base of property, plant and equipment	71.392	89.757	(14.278)	(17.951)
Differences between book value and tax base of financial assets	1.257.047	930.275	(251.619)	(186.055)
Country risk provision	143.091	89.167	(45.788)	(28.534)
Deferred Tax Liabilities			**(311.685)**	**(232.540)**
Deferred Tax Asset/(Liabilities) Net			**31.772**	**(95.978)**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Cost	34.958	15.195
Accumulated Depreciation (-)	259	147
Net Book Value	**34.699**	**15.048**

	Current Period 31 December 2013	Prior Period 31 December 2012
Net Book Value	**15.048**	**3.686**
Additions	31.551	12.775
Disposals (-), net	11.577	1.365
Depreciation (-)	123	48
Closing Net Book Value	**34.699**	**15.048**

p. Information on other assets:

Other assets amount to TL 1.225.740 (31 December 2012: TL 1.489.270) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of the deposits:

There are no seven-day notification deposits.

1(i). Current Period – 31 December 2013:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Cumulative	Total
Saving Deposits	3.898.691	8.444.283	18.763.388	942.910	578.295	1.338.972	111.187	34.077.726
Foreign Currency Deposits	6.147.478	9.776.778	13.455.160	3.889.872	5.718.467	7.036.572	5.933	46.030.260
Residents in Turkey	4.800.035	9.574.413	11.845.562	1.038.317	928.421	2.895.980	5.822	31.088.550
Residents Abroad	1.347.443	202.365	1.609.598	2.851.555	4.790.046	4.140.592	111	14.941.710
Public Sector Deposits	761.362	17.976	100.940	12.591	3.805	3.809	-	900.483
Commercial Deposits	4.787.640	5.484.776	5.595.179	210.466	73.448	120.796	-	16.272.305
Other Institutions Deposits	140.922	136.103	1.044.701	404.079	132.594	145.431	-	2.003.830
Gold Vault	1.722.852	3.914	8.435	26.889	4.436	-	-	1.766.526
Bank Deposits	687.555	2.105.221	6.511.411	1.590.562	526.804	-	-	11.421.553
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	12.341	1.345.098	7.205	-	16.034	-	-	1.380.678
Foreign Banks	348.749	760.123	6.504.206	1.590.562	510.770	-	-	9.714.410
Special Finance Institutions	326.465	-	-	-	-	-	-	326.465
Other	-	-	-	-	-	-	-	-
Total	**18.146.500**	**25.969.051**	**45.479.214**	**7.077.369**	**7.037.849**	**8.645.580**	**117.120**	**112.472.683**

1(ii). Prior 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
SpecialFinance 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**

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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 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Saving Deposits	16.560.665	11.015.060	17.007.941	18.210.996
Foreign Currency Saving Deposits	6.104.124	3.917.152	14.291.268	13.170.907
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

In accordance with the "Communiqué on the Change of the Regulation on Deposits and Participation Funds subject to Insurance and Premiums Collected by Savings Deposit Insurance Fund" published in Official Gazette No. 28560 dated 15 February 2013, insurance limit has been increased from "TL 50 Thousand" to "TL 100 Thousand."

2(ii). Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	Current Period 31 December 2013	Prior Period 31 December 2012
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	1.021.540	899.644
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	-	-

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b. Information on trading derivative financial liabilities:

Table of negative differences for trading derivative financial liabilities:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Forward Transactions	142.013	-	37.691	-
Swap Transactions	56.809	553.996	100.871	305.471
Futures Transactions	22.001	9.311	41.871	6.194
Options	19.196	375.422	1.126	60.715
Other	-	-	-	-
Total	**240.019**	**938.729**	**181.559**	**372.380**

c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	457.357	426.991	313.579	305.751
From Foreign Banks, Institutions and Funds	181.129	18.833.123	152.034	14.826.707
Total	**638.486**	**19.260.114**	**465.613**	**15.132.458**

2. Information on maturity structure of borrowings:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Short-term	545.268	13.470.434	373.161	9.903.599
Medium and Long-term	93.218	5.789.680	92.452	5.228.859
Total	**638.486**	**19.260.114**	**465.613**	**15.132.458**

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 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Bank bills	923.917	-	1.018.625	-
Bonds	2.215.133	5.588.792	1.512.054	4.083.764
Total	**3.139.050**	**5.588.792**	**2.530.679**	**4.083.764**

The Bank has established the bond issuance program (Global Medium Term Note Program) valued USD 3 Billion from which the Bank's subsidiary Ak Finansal Kiralama A.Ş. can also make issuance.

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e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 1.478.729 (31 December 2012: TL 1.562.614) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

f. Information on financial leasing agreements: None.

g. Information on the Hedging Derivative Financial Liabilities:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Fair value Hedge	-	63.810	313.531	-
Cash Flow Hedge	-	-	214.994	130.320
Net investment Hedge	-	-	-	-
Total	**-**	**63.810**	**528.525**	**130.320**

h. Information on provisions:

1. Information on general provisions:

	Current Period 31 December 2013	Prior Period 31 December 2012
General Provisions	**1.696.118**	**1.208.184**
Provisions for Group I. Loans and Receivables	1.403.027	945.533
- Additional Provision for loans with extended payment period	20.850	19.760
Provisions for Group II. Loans and Receivables	138.423	107.674
- Additional Provision for loans with extended payment period	45.731	20.850
Provisions for Non-cash Loans	105.108	91.023
Other	49.560	63.954

2. Information on reserve for employment termination benefits:

Balance Sheet Obligations for:	Current Period 31 December 2013	Prior Period 31 December 2012
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	59.720	58.620
- Reserve for unused vacation	51.439	43.121
Total	**111.159**	**101.741**

As explained in Note 2(ii) below, there is no liability that needs to be accounted under the balance sheet since the Fund's fair value compensates for defined benefit obligations as explained in Note 2(ii).

Income Statement Charge for:	Current Period 31 December 2013	Prior Period 31 December 2012
- Post-employment benefits (pension and medical)	(133.857)	(118.282)
- Reserve for employment termination benefits	(28.221)	(31.974)
- Reserve for unused vacation	(8.318)	(7.966)
Total	**(170.396)**	**(158.222)**

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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 133.857 (31 December 2012:TL 118.282) 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.

The amount payable consists of one month's salary limited to a maximum of TL 3.254,44 (in full TL amount) (31 December 2012: TL 3.033,98 (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 2013	Prior Period 31 December 2012
Discount Rate (%)	4,43	3,57
Rate for the Probability of Retirement (%)	94,25	94,01

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. The amount of TL 3.438,22 (1 January 2013: TL 3.125,01) effective from 1 January 2014 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 2013	Prior Period 31 December 2012
Balance at the Beginning of the Period	**58.620**	**42.456**
Provisions Recognized During the Period	28.221	31.974
Paid During the Period	(27.121)	(15.810)
Balance at the End of the Period.	**59.720**	**58.620**

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2 (ii). Post-employment benefits:

The Bank's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations; and the Bank's obligation related to other non-transferrable benefits has been calculated in accordance with TAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%), except for the non-transferrable other benefits. Accordingly, including the obligation for non-transferable other benefits amounting TL 225.809 (31 December 2012: TL 294.543), the surplus of the Fund amounts to TL 444.642 as of 31 December 2013 (31 December 2012: TL 302.398).

	Current Period 31 December 2013	Prior Period 31 December 2012
Present value of funded obligations	(681.635)	(687.438)
- Pension benefits transferrable to SSI	(1.008.716)	(883.461)
- Post-employment medical benefits transferrable to SSI	552.890	490.566
- Other non-transferrable benefits	(225.809)	(294.543)
Fair value of plan assets	1.126.277	989.836
Surplus	**444.642**	**302.398**

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 2013	Prior Period 31 December 2012
- Pension benefits transferrable to SSI	% 9,80	% 9,80
- Post-employment medical benefits transferrable to SSI	% 9,80	% 9,80
- Other non-transferrable benefits(*)	% 4,34	% 2,55

(*) Represents 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 2013	Prior Period 31 December 2012
Prior period end	**989.836**	**927.186**
Actual return on plan assets	193.840	117.758
Employer contributions	133.857	118.282
Employee contributions	114.785	101.417
Benefits paid	(306.041)	(274.807)
Period end	**1.126.277**	**989.836**

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Plan assets are comprised as follows:

	Current Period 31 December 2013		Prior Period 31 December 2012	
Bank placements	781.086	%69	638.406	%64
Premises and equipment	19.354	%2	29.788	%3
Marketable securities and share certificates	290.025	%26	292.516	%30
Other	35.812	%3	29.126	%3
Period end	**1.126.277**	**% 100**	**989.836**	**% 100**

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

As of 31 December 2013, the provision related to foreign currency differences of foreign indexed loans amounts to TL 1.442 (31 December 2011: TL 16.345), 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 2013 is amounting to TL 52.027 (31 December 2011: TL 21.715)

5. Information on other provisions:

5(i). Information on general reserves for possible risks: TL 270.000 (31 December 2012: (-) TL).

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 113.443 (31 December 2012: TL 165.087).

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 2013, the corporate tax liability after the deduction of temporary taxes paid is TL 74.369 (31 December 2012: TL 427.993).

1(i). Information on taxes payable:

	Current Period 31 December 2013	Prior Period 31 December 2012
Corporate Taxes Payable	74.369	427.993
Taxation on Marketable Securities	68.545	79.751
Property Tax	1.488	1.265
Banking Insurance Transaction Tax (BITT)	60.005	49.869
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	10.204	8.459
Other	43.035	34.871
Total	**257.646**	**602.208**

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1(ii). Information on premium payables:

	Current Period 31 December 2013	Prior Period 31 December 2012
Social Security Premiums – Employee	46	33
Social Security Premiums – Employer	94	68
Bank Social Aid Pension Fund Premium- Employee	6	3
Bank Social Aid Pension Fund Premium – Employer	6	3
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	839	768
Unemployment Insurance – Employer	1.650	1.514
Other	35	34
Total	**2.676**	**2.423**

2. Information on deferred tax liability:

As of 31 December 2013, the deferred tax liability of the Group amounts to TL 43.233 (31 December 2012: TL 101.081). 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 31 December 2013	Prior Period 31 December 2012
Common Stock	4.000.000	4.000.000
Preferred Stock	-	-

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

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

3. Information on the share capital increases during the period and their sources: None.

4. Information on share capital increases from capital reserves during the current period: None.

5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.

6. The effects of anticipations based on the financial figures for prior periods regarding the Group's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainities 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.

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k. Information on marketable securities value increase fund:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(702.498)	(665.848)	1.253.332	420.446
Foreign Currency Differences	-	-	-	-
Total	**(702.498)**	**(665.848)**	**1.253.332**	**420.446**

l. Information on minority shares:

	Cari Dönem 31 Aralık 2013	Önceki Dönem 31 Aralık 2012
Begining Balance	73	9.762
Net Profit Share of other shareholders	4	38
Previous Term Dividend	-	(44)
Net Currency difference due to foreign subsidiaries	-	-
Effect of Changes within scope of consolidation	8	(9.683)
Balance end of Period	**85**	**73**

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Short-term Loans	2.499.460	119.272	2.775.123	241.348
Medium and Long-term Loans	4.082.751	1.594.796	2.946.428	1.356.081
Interest on Loans Under Follow-Up	21.154	-	26.619	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	**6.603.365**	**1.714.068**	**5.748.170**	**1.597.429**

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

2. Information on interest income on banks:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	25.309	1.694	17.667	1.294
From Foreign Banks	1.812	3.921	974	5.065
From Headquarters and Branches Abroad	-	-	-	-
Total	**27.121**	**5.615**	**18.641**	**6.359**

3. Information on interest income on marketable securities:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
From Trading Financial Assets	3.163	109	32.305	5.030
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	2.543.989	512.985	3.223.420	344.669
From Held-to-maturity Investments	246.398	5.156	446.534	42.485
Total	**2.793.550**	**518.250**	**3.702.259**	**392.184**

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. For the valuation of these marketable securities the Bank users and estimated inflation rate based on CPI. Estimated inflation rate is updated when necessary during the year. As of 31 December 2013, 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.

4. Information on interest income received from associates and subsidiaries: None.

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b. Information on interest expense:

1. Information of interest expense on borrowings (*) :

	Current Period 31 December 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Banks	37.994	289.841	32.345	328.265
The CBRT	-	-	-	-
Domestic Banks	26.308	8.736	19.367	5.791
Foreign Banks	11.686	281.105	12.978	322.474
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	3.040	-	5.023
Total	**37.994**	**292.881**	**32.345**	**333.288**

(*) 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 2013		Prior Period 31 December 2012	
	TL	FC	TL	FC
Interest expense on securities issued	240.935	228.982	247.340	166.226

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4. Maturity structure of the interest expense on deposits :

There are no deposits with 7-days notification deposits.

		Time Deposit					
Current Year-31.12.2013	**Demand Deposits**	**Up to 1 Month**	**Up to 3 Months**	**Up to 6 Months**	**Up to 1 Year**	**1 Year and Over**	**Total**
TL							
Bank Deposits	-	100.937	78.528	27.772	4.606	-	**211.843**
Saving Deposits	52	438.224	1.380.108	72.279	80.868	96.729	**2.068.260**
Public Sector Deposits	1	1.249	9.263	942	2.120	275	**13.850**
Commercial Deposits	384	368.169	295.903	21.437	27.238	7.257	**720.388**
Other Deposits	7	16.255	68.499	11.553	56.267	13.960	**166.541**
Total	444	924.834	1.832.301	133.983	171.099	118.221	**3.180.882**
FC							
Foreign Currency Deposits	12.477	152.536	287.213	40.964	115.267	140.801	**749.258**
Bank Deposits	-	23.267	81.228	17.242	10.423	18	**132.178**
Precious Metals Deposits	-	-	-	-	249	6	**255**
Total	12.477	175.803	368.441	58.206	125.939	140.825	**881.691**
Grand Total	**12.921**	**1.100.637**	**2.200.742**	**192.189**	**297.038**	**259.046**	**4.062.573**

		Time Deposit					
Prior Period - 31.12.2012	**Demand Deposit**	**Up to 1 Month**	**Up to 3 Months**	**Up to 6 Months**	**Up to 1 Year**	**1 Year and Over**	**Total**
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**

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c. Explanations on dividend income:

	Current Period 31 December 2013	Prior Period 31 December 2012
From Trading Financial Assets	857	336
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-sale Financial Assets	2.597	394
Other (*)	1.516	-
Total	**4.970**	**730**

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

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Profit	**266.871.966**	**195.883.033**
Income From Capital Market Transactions	1.689.256	1.673.543
Income From Derivative Financial Transactions (*)	5.230.818	1.937.564
Foreign Exchange Gains	259.951.892	192.271.926
Loss (-)	**266.380.958**	**195.479.844**
Loss from Capital Market Transactions	1.032.321	408.846
Loss from Derivative Financial Transactions (*)	4.475.083	3.340.190
Foreign Exchange Loss	260.873.554	191.730.808
Total (Net)	**491.008**	**403.189**

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 1.042.719 (31 December 2012: TL (512.623)).

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 2013	Prior Period 31 December 2012
Specific Provisions for Loans and Other Receivables	1.066.526	657.062
III. Group Loans and Receivables	333.124	224.908
IV. Group Loans and Receivables	496.485	285.033
V.Group Loans and Receivables	236.917	147.121
General Provision Expenses	528.519	395.746
Provision Expense for Possible Risks	270.000	-
Marketable Securities Impairment Expense	45.941	21.554
Financial Assets at Fair Value through Profit or Loss	17	67
Available-for-sale Financial Assets	45.924	21.487
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	41.782
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	-	41.782
Other	25.562	4.745
Total	**1.936.548**	**1.120.889**

g. Information related to other operating expenses:

	Current Period 31 December 2013	Prior Period 31 December 2012
Personnel Expenses	1.423.142	1.205.312
Reserve for Employee Termination Benefits	122	16.268
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	123.689	117.082
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	47.200	39.986
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	123	48
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.447.821	1.177.887
Operational Leasing Expenses	146.380	127.776
Maintenance Expenses	25.464	25.231
Advertisement Expenses	120.936	101.962
Other Expenses	1.155.041	922.918
Loss on Sales of Assets	756	1.452
Other(*)	485.871	410.429
Total	**3.528.724**	**2.968.464**

(*) The investigation initiated by the Competition Board on November 2011 in accordance with Law No. 4054 on the Protection of Competition 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 has been finalized and the Competition Board has decided for an administrative fine amounting to TL 172.165. The current period balance in the "Other" line includes the three-fourth of the subject administrative fine amounting to TL 129.124, which was paid within the framework of 17th clause of Misdemeanor Law. The Bank has filed a lawsuit against Ankara Regional Administrative Court for the cancellation of the Court's decision and repayment of the paid fine.

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h. Information on income/loss from minority interest:

	Current Period 31 December 2013	Prior Period 31 December 2012
Income/(loss) from minority interest	4	38

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 6.381.547, net fees and commission income amounting to TL 2.233.319 and the amount of other operating expense is TL 3.528.724.

The Bank has no discontinued operations.

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

As of 31 December 2013, the Group has a current tax expense of TL 707.290 and deferred tax expense of TL 279.510. The amount of deferred tax income that occurred due to the temporary differences is TL 63.125 and deferred tax expense is TL 224.511; the amounts of deferred tax income and deferred tax expense that occurred due to the closing of temporary differences are TL 27.740 and TL 145.864 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 3.077.177

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 10.444.953 asset purchase commitments (31 December 2012: TL 3.870.559), TL 21.362.853 commitment for credit card limits (31 December 2012: TL 18.697.008) and TL 5.051.733 commitments for cheque books (31 December 2012: TL 4.432.859).

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 2013	Prior Period 31 December 2012
Bank Acceptance Loans	1.705.986	199.864
Letters of Credit	6.207.184	4.546.973
Other Commitments and Contingencies	3.179.275	1.718.929
Total	**11.092.445**	**6.465.766**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Revocable Letters of Guarantee	470.540	626.752
Irrevocable Letters of Guarantee	11.177.820	7.406.718
Letters of Guarantee Given in Advance	2.620.959	2.327.218
Guarantees Given to Customs	2.761.667	638.254
Other Letters of Guarantee	2.154.477	1.204.979
Total	**19.185.463**	**12.203.921**

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Non-cash Loans Given against Cash Loans	1.808.542	1.036.169
With Original Maturity of 1 Year or Less Than 1 Year	1.329.228	820.319
With Original Maturity of More Than 1 Year	479.314	215.850
Other Non-cash Loans	28.469.366	17.633.518
Total	**30.277.908**	**18.669.687**

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

	Current Period 31 December 2013				Prior Period 31 December 2012			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	12.899	0,10	14.902	0,09	18.295	0,27	1.512	0,01
Farming and Raising Livestock	2.296	0,02	-	-	8.792	0,13	97	-
Forestry	10.544	0,08	14.902	0,09	9.415	0,14	1.415	0,01
Fishing	59	-	-	-	88	-	-	-
Manufacturing	6.330.201	48,51	5.295.127	30,73	2.022.391	30,69	4.293.722	35,54
Mining	48.891	0,37	28.172	0,16	11.820	0,18	5.341	0,04
Production	3.883.350	29,76	4.732.260	27,47	1.665.238	25,27	4.022.982	33,30
Electric, Gas and Water	2.397.960	18,38	534.695	3,10	345.333	5,24	265.399	2,20
Construction	1.395.505	10,69	1.403.315	8,15	1.136.418	17,25	1.200.444	9,94
Services	5.105.090	39,12	9.830.826	57,07	3.042.721	46,18	4.524.779	37,46
Wholesale and Retail Trade	3.064.923	23,49	5.675.861	32,94	1.769.438	26,85	1.190.970	9,86
Hotel, Food and Beverage Services	47.270	0,36	237.082	1,38	69.104	1,05	43.867	0,36
Transportation and Telecommunication	170.100	1,30	347.216	2,02	126.053	1,91	275.974	2,28
Financial Institutions	1.570.987	12,04	3.070.109	17,82	991.355	15,04	2.645.001	21,90
Real Estate and Leasing Services	9.096	0,07	3.923	0,02	4.540	0,07	2.217	0,02
Self-Employment Services	20.641	0,16	31.896	0,19	18.140	0,28	14.250	0,12
Education Services	14.334	0,11	1.127	0,01	13.542	0,21	6.062	0,05
Health and Social Services	207.739	1,59	463.612	2,69	50.549	0,77	346.438	2,87
Other	205.485	1,58	684.558	3,96	369.887	5,61	2.059.518	17,05
Total	**13.049.180**	**100,00**	**17.228.728**	**100,00**	**6.589.712**	**100,00**	**12.079.975**	**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	**12.952.319**	**17.132.232**	**96.861**	**96.496**
Letters of Guarantee	11.620.907	7.378.995	95.484	90.077
Bank Acceptances	-	1.705.986	-	-
Letters of Credit	1.355	6.199.410	-	6.419
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	23.852	-	-
Other Commitments and Contingencies	1.330.057	1.823.989	1.377	-

4. Mutual Funds :

As of 31 December 2013, the Group is the founder of 51 mutual funds (31 December 2012: 41 mutual funds) with a unaudited total fund value of TL 2.982.884 (31 December 2012: TL 3.228.367). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Istanbul Settlement and Custody Bank, Inc.

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b. Explanation on derivative instruments:

	Current Period 31 December 2013	Prior Period 31 December 2012
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	85.644.910	37.085.400
FC Trading Forward Transactions	12.075.222	4.837.708
Trading Swap Transactions	46.610.919	18.566.291
Futures Transactions	-	-
Trading Option Transactions	26.958.769	13.681.401
Interest Related Derivative Transactions (II)	72.069.466	30.492.316
Forward Interest Rate Agreements	-	-
Interst Rate Swaps	38.362.596	24.340.370
Interest Rate Options	33.706.870	6.151.946
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	2.637.438	2.141.477
A. Total Trading Derivative Transactions (I+II+III)	160.351.814	69.719.193
Types of Hedging Transactions		
Fair Value Hedges	12.516.952	5.406.981
Cash Flow Hedges	-	7.555.432
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	12.516.952	12.962.413
Total Derivative Transactions (A+B)	**172.868.766**	**82.681.606**

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

Credit derivative transactions are also part of Bank's trading activities due to which the Bank is exposed to fair value risk. The transactions made are credit default swaps that carry Turkish Treasury credit risk. As of 31 December 2013 the Bank holds credit default swaps with 5 year maturity and a nominal value of TL 149.128.

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 8.406 (31 December 2012: 7.861 TL) for the contingent liabilities with a high probability of realization about continuing opposing trials.

2. Contingent Assets:

None.

e. Explanations on the activities carried out on behalf and account of other persons:

The policy is explained on note XIII 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 28 March 2013. In the Ordinary General Assembly, it was resolved to distribute a TL 570.670 cash dividend over the TL 2.949.862 net unconsolidated income from 2012 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 8.141 to other capital reserves, to allocate TL 37.067 as legal and TL 2.333.984 as 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:

Due to facts described in "Explanations of Hedging Transactions" section in Note XIV. of Section Four, there are discontinued hedge accounting transactions. As of 31 December 2013, the fair value change of the hedging instrument since the beginning of hedge accounting left after amortization has been reflected to profit/loss accounts that is shown under "hedging funds" in equity is TL (-) 103.768 (31 December 2012: TL (-) 189.016)

2. Information on net invesment 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 2013, the amount directly recognized in equity is (-) TL 168.560 (31 December 2012: (-) TL 83.805)

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 valuation differences" account under equity, until the financial assets are sold, disposed or impaired.

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VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOW

a. Information on cash and cash equivalents:

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as "Cash"; interbank money market and time deposits in banks with original maturities less than three months are defined as "Cash equivalents".

1. Cash and cash equivalents at the beginning of the period:

	Current Period 31 December 2013	Prior Period 31 December 2012
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.

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

	Current Period 31 December 2013	Prior Period 31 December 2012
Cash	**2.600.510**	**1.896.814**
Cash, Foreign Currency and Other	1.531.782	1.393.924
Demand Deposits in Banks (*)	1.068.728	502.890
Cash Equivalents	**2.332.774**	**2.175.628**
Interbank Money Market Placements	-	-
Time Deposits in Banks	1.810.690	1.386.514
Marketable Securities	522.084	789.114
Total Cash and Cash Equivalents	**4.933.284**	**4.072.442**

(*) The restricted demand accounts are not included.

b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to (-) TL 2.589.983 (31 December 2012: (-)TL182.769) 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 1.368.635 (31 December 2012: TL 1.353.733) 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 618.792 as of 31 December 2013. (31 December 2012: (-) TL 153.176).

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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 2013:

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	-	-	2.090.840	327.121	9	-
Balance at the End of the Period	-	-	2.368.097	2.414.017	-	-
Interest and Commission Income Received	-	-	105.433	2.426	-	-

2. Prior 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	-	-

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	
Deposit	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Balance at the Beginning of the Period	-	-	2.389.225	2.455.331	1.729.420	869.115
Balance at the End of the Period	-	-	1.809.565	2.389.224	1.995.056	1.729.420
Interest on Deposits(*)	-	-	131.805	128.240	86.874	90.954

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4. Information on forward and option agreements and other similar agreements made with the Group's risk group:

Group's risk group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	2.177.864	2.945.172	-	1.133.067
Balance at the End of the Period	-	-	2.626.534	2.177.864	-	-
Total Income/Loss(*)	-	-	9.026	(28.100)	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	188.890	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss(*)	-	-	-	(916)	-	-

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 2013, the net exposure for direct and indirect shareholders of the Group is TL 6.775 (31 December 2012: TL 5.956).

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

As of 31 December 2013 benefits provided to the Group's key management amount to TL 29.853 (31 December 2012: TL 26.464).

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	985	16.236			
Foreign Representation Office	-	-	-		
Foreign Branch	-	-	-	-	-
Off-shore Banking Region Branches	1	13	Malta	35.723.163	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure: In 2013, the Bank has opened 58 domestic branches and closed up 34 domestic branches.

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IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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 2013 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 5 February 2014 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

RESOLUTIONS OF THE ORDINARY GENERAL MEETING ON MARCH 27, 2014:

1-Discussion of the Board of Directors Annual Report for 2013,
2-Discussion of the Auditors Reports for 2013,
3-Discussion and ratification of the financial statements for 2013,
4-Discharge of the Members of the Board of Directors,
5-Distribution of the 2013 net profit in accordance with the proposal of the Board of Directors, as follows;
In accordance with the 82nd article of Articles of Association of Akbank, the dividend to be distributed from 2013 profit of TL 2,942,042,108.97 will be as follows;

- Gross TL 200,000,000, equal to 5% of the paid-in capital of the Bank as of December 31, 2013 which is TL 4,000,000,000 will be allocated as primary cash gross dividend; and gross TL 266,800,000 will be allocated as secondary cash gross dividend. Total gross dividend of TL 466,800,000 equal to 11.67% of the paid in capital will be distributed to shareholders,
- -Gross TL 683,506.85 as cash dividend will be paid to the Chairman and Members of the Board, in accordance with the Articles of Association,
- Cash dividend payments to start from March 31, 2014,
- In accordance with the first paragraph clause (e) and (f) of article 5 of the Corporate Tax Law, TL 2,731,950.66 which is exempt from corporate tax to be allocated to a “Special Fund Account” and after allocation TL 26,748,350.69 to Legal Reserves, the remaining profit to be retained under Extraordinary Reserves,

6- Approval of the Board of Directors Membership of Cem MENGİ, which has been appointed to for the vacant seat of the Board of Directors for the remaining election period,
7- Election of Suzan SABANCI DİNÇER, Erol SABANCI, Hayri ÇULHACI, Cem MENGİ, Şakir Yaman TÖRÜNER, Muhterem Kaan TERZİOĞLU, İsmail Aydın GÜNTER and James Charles COWLES as Member of the Board of Directors and Aziz Aykut DEMİRAY as an Independent Member of the Board of Directors for a period of one year to replace those whose terms expired,
8- To pay the Members of the Board of Directors a gross salary of TL 10.000.-per month; and also to have the Remuneration Committee that will be authorized by the Board of Directors, determine the payments that will be made to the Members for their duties within the Bank in case they assume specific duties within the Bank; and to determine an upper limit of TL 5,400,000.-in gross total, for the payments that will be made until the Ordinary General Assembly meeting that will be held in 2015,
9- Approval of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited) for the bank’s independent audit in 2014,
10-Amendment of the 24th, 82nd and removal of the 84th articles from the Articles of Association of the Bank with the written permission n. 9047 of from the Ministry of Customs and Trade on dated 31st of December 2013,
11-Empowerment of the Board of Directors in connection with matters falling within scope of articles 395 and 396 of the Turkish Commercial Code,
12-Approval of the donation limits for the bank up to 0.4% of its equity in accordance with the Banking Law article 59,
13-Approval of the Profit Distribution Policy prepared in line with the proposal made by the Board of Directors, as required by the 1st paragraph of the 19th Article of the Capital Markets Law.

Additionally, in accordance with the 15th item of the Agenda shareholders have been informed that;

- Donations made to foundations and associations in 2013 amounted to 376,693.76 TL,
- The remuneration policy of Akbank T.A.Ş. which is updated to include the principles for the remuneration of the Members of the Board of Directors and the managers who have administrative responsibilities, in conformity with the principle n. 4.6.2. of the Capital Markets Board’s Corporate Governance Principles was published on the Bank’s website and Electronic General Meeting System provided by Central Registry Agency, and also that this policy is in the conformity with the regulations of BRSA and CMB.

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