ANNUAL REPORT 2012

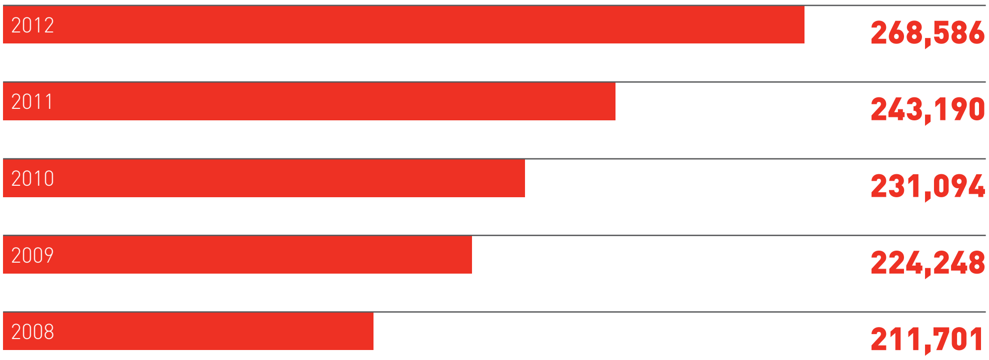
CONTENTS

FINANCIAL HIGHLIGHTS

47%

Akbank AG recorded EUR 17.7 million in net profit, a 47% increase over 2011.

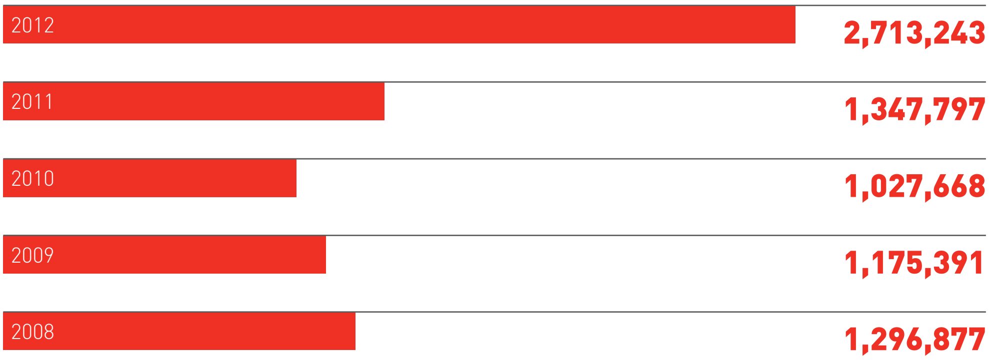
TOTAL SHAREHOLDERS' EQUITY (EUR 000)



Akbank AG shareholders' equity increased from EUR 243.2 million to EUR 268.6 million in 2012 while 2011 net profit was retained.

Key Figures (EUR 000)	2012	2011	2010	2009	2008
Net profit	17,663	12,096	30,574	19,948	7,401
Profit before tax	25,943	15,921	42,077	26,669	10,922
Profit before tax (w/o country provision)	28,974	17,687	16,594	11,005	17,085
Total assets	2,713,243	1,347,797	1,027,668	1,175,391	1,296,877
Total shareholders' equity	268,586	243,190	231,094	224,248	211,701
Interest-bearing assets	2,700,660	1,345,609	1,023,584	1,174,628	1,293,573
Interest-bearing liabilities	2,433,365	1,080,141	783,939	937,415	1,077,440

TOTAL ASSETS (EUR 000)



101%

Akbank AG doubled its total assets to EUR 2,713 million in 2012.

Key Ratios	2012	2011	2010	2009	2008
Solvency (%)	12.96	19.96	20.56	18.95	20.95
Return (w/o country provision) on average own funds (%)	6.99	4.93	4.79	3.34	4.27
Total assets/Own funds (times)	10.10	5.54	4.45	5.24	6.13
Cost/Income ratio (%)	17.61	19.95	21.32	28.59	20.30
Commission income/ Operating expenses	19.34	31.68	29.93	62.25	42.83
Number of staff members	31	24	23	19	21
Profit before tax (w/o country provision) per staff member	935	737	721	579	814
Non-performing loans	-	-	-	-	-
Loans/Deposits (%)	109.00	123.05	128.21	123.98	118.17

The Bank maintained its robust capital position with a solvency ratio of 12.96% as of December 31, 2012.

SABANCI GROUP IN BRIEF

With extensive knowledge and experience in Turkey, Sabancı Holding has demonstrated enormous growth in its core businesses due to a well-respected brand and strong joint ventures.

98.4

BILLION US$

As of December 31, 2012, Sabancı Holding had consolidated assets of US$ 98.4 billion.

Sabancı Holding is the parent company of the Sabancı Group, Turkey's leading industrial and financial conglomerate. Through differentiation, the Group's vision is to create sustainable advantage.

Managing a competitively strategic portfolio with sustainable potential for growth with the ability to generate value for all is the mission of the Sabancı Group.

Sabancı Group companies are recognized as market leaders in many of their respective sectors. The Group's main business units include financial services, energy, retail, cement and industry. The Holding is listed on the Istanbul Stock Exchange (ISE) and maintains controlling interests in ten companies listed on the ISE.

The Sabancı Group markets its products in Europe, the Middle East, Asia, North Africa and North and South America. With extensive knowledge and experience in Turkey, Sabancı Holding has demonstrated enormous growth in its core businesses due to a well-respected brand and strong joint ventures; it has further extended operations into the global market. Sabancı Holding's multinational business partners include such prominent companies as Ageas, Aviva, Bridgestone, Carrefour, Citigroup, Dia, Heidelberg Cement, Philip Morris and Verbund.

In addition to coordinating finance, strategy and business development and human resources functions, Sabancı Holding determines the Group's vision and strategies, thus creating shareholder value through synergies across Group companies.

As of December 31, 2012, the consolidated revenue of Sabancı Holding from continuing operations was US$ 14.6 billion, with EBITDA of US$ 2.8 billion for the period.
As of year-end 2012, Sabancı Holding had consolidated assets of US$ 98.4 billion.

Sabancı Holding's major shareholder is the Sabancı Family with 60.6% of the share capital. The Holding's shares are traded on the ISE with a free float of 39.4%. Depository receipts are quoted on the SEAQ International and Portal.

AKBANK T.A.Ş. IN BRIEF

With an assessed brand value of US$ 2.1 billion, Akbank was once again named the “Most Valuable Banking Brand in Turkey,” by Brand Finance in the 2013 report “Brand Finance Banking 500.”

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 banking activities consist of consumer, commercial and SME, corporate and private banking services as well as foreign exchange, foreign trade financing and treasury transactions. The Bank's subsidiaries provide non-banking financial services alongside capital markets and investment services. Equipped with state-of-the-art IT systems and a staff of experienced professionals, Akbank provides top quality services to an extensive portfolio of consumer and corporate banking customers.

With a strong and extensive domestic distribution network of 961 branches and 16,315 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, 4,026 ATMs and more than 300,000 POS terminals as well as other high-tech channels.

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 subsidiaries in Germany (Akbank AG) and Dubai (Akbank Dubai Limited) as well as a branch in Malta.

Akbank provides non-banking financial services through AKSecurities, AKAssetManagement and AKLease, all of which are Bank subsidiaries.

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

Beyond monitoring and adopting global banking trends, Akbank's ability to develop new customized products and channels has turned the Bank's idea of being "Turkey's innovative power" into reality through concrete examples. In addition to introducing many trailblazing practices in Turkey including the "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 visit a bank branch.

Striving to diversify its product and service portfolio, expand its distribution channels and broaden the customer base, Akbank moved its initiatives in digital banking, which the Bank is the pioneer of in Turkey, one step further with Akbank Direct.

17.9%

The Bank's consolidated capital adequacy ratio of 17.9% calculated in accordance with Basel II standards is among the highest in the sector.

92
BILLION US$

Akbank total assets reached US$ 92 billion in 2012.

Striving to diversify its product and service portfolio, expand its distribution channels and broaden the customer base, Akbank moved its initiatives in digital banking, which the Bank is the pioneer of in Turkey, one step further with Akbank Direct.

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 2012, Akbank reported consolidated net profit of TL 3,005 million (about US$ 1,690 million) and total consolidated assets of approximately TL 163.5 billion (about US$ 92 billion). The Bank's consolidated capital adequacy ratio of 17.9% calculated in accordance with Basel II standards is among the highest in the sector.

Total loans of Akbank, which continues to conduct its operations in line with the responsibility of creating value for the Turkish economy, jumped by 24.2% to reach TL 92.4 billion. Akbank's non-performing loan ratio of 1.2%, attained thanks to the Bank's effective risk management policies, is significantly below the sector average of 2.8%.

With an assessed brand value of US$ 2.1 billion, Akbank was once again named the "Most Valuable Banking Brand in Turkey," by Brand Finance in the 2013 report of "Brand Finance Banking 500." According to the report, Akbank raised its brand value by more than US$ 500 million compared to the previous year and climbed in the ranking by 10 positions.

As one of the most committed supporters of contemporary art in Turkey and with the aim of having a presence 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 include investments ranging from arts events geared toward social advancement 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 stakeholders via the Akbank Sustainability Report that has been published in accordance with the Global Reporting Initiative (GRI) standards every year since 2009.

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

41.1% 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$ 19.8 billion as of December 31, 2012.

Vision

To be the leading boutique bank in Europe and to create long term sustainable value for all stakeholders.

Mission

Provide innovative, tailored banking products to our customers with excellent service quality.

Strategies

Optimize stakeholder value through sustainable growth.

Maximize profitability while maintaining the strongest balance sheet.

Maintain prudent risk management practices.

Achieve the highest level of customer satisfaction.

Lead our peers in terms of technological development and continuous innovation.

Support the development of the staff through motivation and job satisfaction.

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

Akbank AG has delivered outstanding results in the current year and has achieved significant balance sheet growth in combination with an increase in return on shareholders' equity.

To Our Clients,

This has been a year of important transformation for Akbank AG. In June 2012, the framework of the reorganization of Akbank Group's European operations, Akbank AG and Akbank N.V. the Netherlands merged to form the Group's flagship bank in Europe, Akbank AG. The merger resulted in streamlined business lines as well as even more efficient use of capital and other resources.

The Bank has delivered outstanding results in the current year and has achieved significant balance sheet growth in combination with an increase in return on shareholders' equity. Higher asset growth did not trigger an increase in risk as the Bank continued its prudent credit policy. Its liquidity position remained robust while the capital position continued to strengthen during the year.

In 2013, we will continue to pursue sustainable growth while building profitability in all areas and will provide excellent client services that ensure operational efficiency. Our commitment to operate a highly productive and efficient franchise will help achieve this goal.

On behalf of the Supervisory Board, I would like to thank our valuable team members for their ongoing dedication and superior performance; our clients for their continued confidence; and all of our economic and social stakeholders for their unwavering support.

Sincerely yours,

Hakan Binbaşgil
Chairman of the Supervisory Board

MESSAGE FROM THE CEO

To Our Clients,

As 2012 came to a close, I want to take this opportunity to update you about Akbank AG's progress during the year and about our term targets for the near future.

2012 was a truly exceptional year for Akbank AG. After the decision in late 2011 of the Managing Boards of Akbank AG and Akbank N.V., headquartered in Amsterdam, to merge into Akbank AG, the decision became effective as of June 2012. The merger is the the result of the strategic decision to reorganize the European operations of the Akbank group. Its most significant aspect is the effective use of capital and other resources as well as more efficient decision-making processes at all levels of the new organization.

Independent from the merger, Akbank AG delivered solid results in 2012 combined with outstanding balance sheet growth. All other performance indicators were also excellent. More diversified revenue streams and business lines coupled with deeper customer relationships contributed to the Bank's strong achievements during the year. While posting remarkable balance sheet growth, we also strengthened our capital position by boosting shareholders' equity with retained earnings. We are very satisfied with the Bank's overall balance sheet and capital position; our solvency ratio stood at 12.96% as of December 2012.

While the global economy continued to recover at a slower pace, the exceptional risk management practices at Akbank AG maintained a non-performing loans to total loans ratio of zero; a ratio that has remained nil since the Bank's establishment. Across all business segments, our asset quality has stayed sound and strong.

In 2013, we will continue to focus on excellent client service quality, solid margins and effective cost management measures as we sustain our profitability and further strengthen our capital base. With our robust balance sheet and strong equity position, we will continue to support our customers and build long-term trust to ensure sustainable value for our shareholders.

I would like to take this opportunity to thank our valuable team members, shareholders and stakeholders for their contributions. With full confidence I believe that the synergy from the merger will bring further success to Akbank AG in 2013.

Sincerely yours,

K. Banu Özcan
Chief Executive Officer & Chairman of the Managing Board

Akbank AG delivered solid results in 2012, combined with outstanding balance sheet growth.

How would you like your account?

REPORT OF THE SUPERVISORY BOARD

GENERAL

Acting in the interest of all stakeholders, the Supervisory Board of Akbank AG closely monitors the general conduct of its business dealings. In this capacity, the supervisory Board performs regular evaluations to review risk management, strategy, internal control and compliance systems while continuously monitoring the Bank's financial reporting. The Supervisory Board also advises the Managing Board on all major decisions.

COMPOSITION OF THE SUPERVISORY BOARD

The current members of the Supervisory Board and their appointment terms are:

Name	Position	Appointment	End of Term
Hakan Binbaşgil	Chairman	January 06, 2012	December 31, 2015
Eyüp Engin	Member	January 01, 2012	December 31, 2016
Kemal Atıl Özus	Member	January 01, 2012	December 31, 2016
Kerim Rota	Member	January 01, 2012	December 31, 2016
Ahmet Fuat Ayla	Member	April 19, 2012	December 31, 2016
Alper Hakan Yüksel	Member	May 06, 2011	December 31, 2015

All members of the Supervisory Board possess both profound knowledge and experience in various fields of the banking business.

A profile for the members of the Supervisory Board has been prepared. A self-assessment of each member of the Supervisory Boards is also being prepared.

Members who resigned from the Supervisory Board in 2012 are:

Name	Position	Appointment	Resignation
Ziya Akkurt	Chairman	January 01, 2012	January 05, 2012
K. Banu Özcan	Member	July 25, 2007	March 22, 2012

Akbank AG would like to take this opportunity to express its gratitude and appreciation to Ziya Akkurt and K. Banu Özcan for their service as their Supervisory Board members.

COMMITTEES

Audit Committee (Supervisory Board Level)

The Audit Committee held regular meetings during the year and was assigned the task of providing assistance and advice to the Supervisory Board on specific issues such as financial reporting, the internal control environment, external and internal audit, corporate governance and compliance issues. The Committee is composed of two members from the Supervisory Board, Eyüp Engin (Chairman) and Kemal Atıl Özus (member).

Risk Committee (Supervisory Board Level)

The Risk Committee was established in April 2012 (and, until April 2012 served as the Audit & Risk Committee); it is a subcommittee of the Supervisory Board that oversees all risk related issues of the Bank. The Committee is composed of Ahmet Fuat Ayla (Chairman), Kemal Atıl Özus (member), Kerim Rota (member) and K. Banu Özcan (member).

The Supervisory Board performs regular evaluations to review risk management, strategy, internal control and compliance systems

REPORT

In the current year, the Supervisory Board advised the Managing Board of Akbank AG and supervised its management continuously and in accordance with the statutory provisions and the Company's Articles of Association.

1. Activity of the Supervisory Board

The Supervisory Board held four meetings during the year The Supervisory Board adopted resolutions both in meetings and in writing by way of circulation.

In the period under review, The Bank had an Audit and Risk Committee. Until April 2012, the Audit and Risk Committee were combined. As of April 2012 the Audit and Risk Committee was separated in two into subcommittees. In 2012, six Committee meetings were held: two Audit and Risk Committee Meetings, two Audit Committee and two Risk Committee meetings.

2. Control of Managing Board Activities

In the period under review, the Managing Board informed the Supervisory Board on the situation of the Company as well as on the essential business transactions regularly. Furthermore, the Managing Board issued a weekly report on the credit business and informed the Supervisory Board periodically on fundamental corporate policy-related questions, on the business and financial situation, on the financial and investment planning, on the course of business as well as on the staffing situation. During its meetings and based on a regular exchange of information with the Managing Board, the Supervisory Board dealt with the material corporate decisions and transactions on an ongoing basis and gained insight into the economic situation of the enterprise and controlled the management in the process. In this responsibility the Supervisory Board has been supported by an internal controller of Akbank AG.

All measures which required the approval of the Supervisory Board pursuant to the Company's Articles of Association were thoroughly discussed and presented for the adoption of a resolution. Staff recruitments have been coordinated with the Supervisory Board in advance.

The focus of the consultations with the Supervisory Board in the period under review were the discussions related to the merger with the then parent company, Akbank N.V., and the post-merger integration and related activities.

3. Own Audit of Financial Statement, Financial Report, and the Proposal on the Appropriation of Profits 2012

The financial statement as well as the management report of Akbank AG were audited by the auditing company Ernst & Young GmbH Wirtschaftsprüfungs-gesellschaft, Eschborn, by order of the Supervisory Board and were granted an unqualified audit opinion. The Supervisory Board also inspected these documents as well as the proposal of the Managing Board on the appropriation of the net earnings for the year itself.

4. Opinion on the Auditor's Audit and Adoption of Financial Statement 2012

The auditor´s report on the financial statement and the management report of Akbank AG were presented to all Supervisory Board members. The Supervisory Board and the Managing Board jointly dealt with these documents in the Supervisory Board meeting dated April 25, 2013 that was held in the presence of the auditor. During this meeting, the Managing Board also reported on the scope, focus and costs of the audit in detail.

The Supervisory Board agreed to the result of the audit and did not raise any objections subsequent to its own inspection of the documents in question. The Supervisory Board approved the financial statement prepared by the Managing Board. The financial statement was thus adopted.

5. Inspection of the Dependency Report by the Supervisory Board and Opinion on the Audit

The Supervisory Board also inspected the report on the relations with associated companies in the financial year 2012 that was produced by the Managing Board. The Supervisory Board also discussed the report of the auditor who confirms in his note on the report relating to the relations with associated companies that the actual indications contained in the report are correct, that the performance of the Company was not disproportionately high as regards the legal transactions set forth in the report, and that no circumstances point to an evaluation that materially differs from the evaluation given by the Managing Board. The Supervisory Board members approved the result of the audit and stated that they would not raise any objections against the accuracy of the final declaration made by the Managing Board.

OUR PEOPLE

As members of the Supervisory Board, we would like to take this opportunity to express deep gratitude to the Managing Board for their excellent work throughout 2012. The success of this year could not be achieved without the significant contribution and extreme dedication of all Bank employees.

We also want to extend our appreciation to our esteemed clients and business partners for their unwavering trust and cooperation.

We will continue to rely on our well-proven track record of the Managing Board and the ongoing dedication of the members of our team to achieve the Bank´s future goals.

With our sincere gratitude,

April 25, 2013
The Supervisory Board

SUPERVISORY BOARD

Hakan Binbasgil, Chairman
Hakan Binbaşgil joined Akbank as the Executive Vice President in charge of Change Management in October 2002. He initiated the Bank's Restructuring Program, which has transformed Akbank into one of Turkey's most customer-focused, modern and innovative financial institutions. During his tenure at Akbank, he was appointed Executive Vice President in charge of Retail Banking in November 2003, Deputy CEO in May 2008 and Board member and Chief Executive Officer of the Bank in January 2012. Prior to joining Akbank, Binbaşgil worked as a Management Consultant in the London and Istanbul offices of Accenture and as Executive Vice President in charge of Retail Banking at Pamukbank. He also served as a member of the board at numerous local and foreign companies. Currently, in addition to his position at Akbank, Mr. Binbaşgil is also the Chairman of Ak Asset Management, Ak Investment, AkLease, Akbank AG and Akbank (Dubai) Ltd. He graduated from Robert College and Boğaziçi University, Faculty of Mechanical Engineering and also holds an MBA and MS in Finance from Louisiana State University-Baton Rouge, Louisiana in the USA.

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

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

Ahmet Fuat Ayla, Member
Ahmet Fuat Ayla joined Akbank as Corporate Branch Manager in 2002; he was appointed Corporate and Commercial Credit Approvals Unit Division Head in 2005. Two years later, he was appointed Executive Vice President in charge of Corporate and Commercial Credit Approvals. A graduate of Middle East Technical University, Faculty of Economics and Business Administration, Mr. Ayla began his career as a Management Trainee at Interbank and later served as the Marketing Department Head at Finansbank and Marketing Department Manager at Osmanlı Bank.

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

Alper Hakan Yüksel, Member
Alper Hakan Yüksel joined Akbank in March 2011 as Executive Vice President in charge of Corporate Banking. Beginning his career at Interbank, Mr. Yüksel held various managerial positions such as Head of Corporate Banking of Citibank Bulgaria and Citibank Turkey; the latest was as Head of Corporate Banking for Gulf Co-operation Council countries for Barclays Bank based in Dubai. He holds an undergraduate degree in Industrial Engineering from Middle East Technical University.

REPORT OF THE RISK COMMITTEE

The Risk Committee is a sub-committee of the Supervisory Board. Its purpose is to assist the Board in its oversight responsibilities that include:
- The effectiveness of risk management,
- The reliability and relevance of the risk reporting, and
- The compliance to relevant laws, regulations and rules.

The role of the Committee is to provide assistance and guidance. While the Committee has responsibilities and powers set forth in this Charter, the functioning of the Committee does not affect the responsibilities and powers of the Supervisory Board.

The Committee is made up of three Supervisory Board members and the Chief Executive Officer: Ahmet Fuat Ayla (Chairman), Kerim Rota (member), Kemal Atıl Özus (member) and K. Banu Özcan (member).

The Committe's main role is to oversee an appropriate risk structure across the Bank geared to the organization.

The Risk Committee performs its duties as stipulated in the Charter that is regularly revised and updated. The Committee undertakes several main responsibilities that include:
- Discussing the risk strategy and risk policies of the Bank with the Managing Board and informing the Supervisory Board about decisions made.
- Supervision of the implementation of and changes in the Risk Management Policies and Processes, such as risk strategy, ICAAP (internal capital adequacy assessment process) and LCP (liquidity contingency policy).
- Review of the major risks (credit, market, operational, liquidity, concentration, interest rate, reputation and other risks), the countermeasures and control of financial position as described in the Risk Management Policies and the Internal Capital Adequacy Assessment Process.
- Monitoring the adherence to the Risk Parameters set by the Supervisory Board.
- Review the implementation and effectiveness of the system for monitoring compliance with relevant laws, regulations, external and internal rules.

The Committee holds at least four regular meetings a year. However, the Committee may meet at such other times as deemed necessary to fulfil its duties and responsibilities effectively. Meetings will, in principle, take place before the meeting of the Supervisory Board. Teleconference meetings are also possible.

The Risk Committee convened four times during the financial year 2012. All of the meetings were regular meetings. The Committee members, and the Head of Risk Management of the parent participated in all meetings for consolidated supervision and monitoring of Risk Management systems.

The main issues addressed at these meetings included:
- Approval and signing-off of Risk Committee charter,
- Discussion of the Risk Strategy document,
- Discussions about the Internal Capital Adequacy Assessment Process (ICAAP) and Liquidity Contingency Policy (LCP) policies,
- Discussion about quarterly risk reports and stress testing results,
- Discussions about utilization and necessary amendments of risk parameters.

Ahmet Fuat Ayla
Chairman of the Risk Committee

Kerim Rota
Member of the Risk Committee

Kemal Atıl Özus
Member of the Risk Committee

K. Banu Özcan
Member of the Risk Committee

REPORT OF THE AUDIT COMMITTEE

Akbank AG's Audit Committee (which operated until April 2012 as the Audit & Risk Committee) assists and advises the Supervisory Board in monitoring the establishment and maintenance of an effective internal control environment with respect to financial reporting, internal and external auditing, compliance and overall risk management. The Committee is made up of two Supervisory Board members: Eyüp Engin (Chairman) and Kemal Atıl Özus (member).

Since the separate establishment of the Risk Committee, in April 2012 (whose function was conducted under Audit & Risk Committee prior) at the Supervisory Board level, the Audit Committee has, thereafter, mainly focused on the follow-up of risk related audit findings and operational risk management.

The Audit Committee performs its duties as stipulated in the Charter and undertakes several main areas of responsibility:

- Overseeing the adequacy and reliability of information and financial reporting systems within the framework of relevant legislation,
- Overseeing the Bank's internal control systems and procedures to promote compliance with applicable standards, laws and regulations,
- Informing the Supervisory Board about major compliance breaches and/or circumstances that may adversely impact the continuity of the Bank's operations,
- Ensuring adequate and efficient internal control, internal audit and external audit processes, and
- Monitoring the functioning principles and activities of Akbank AG.

As a general practice, Committee meetings are held prior to Supervisory Board meetings; the proceedings of each meeting are reported to the Supervisory Board.

The Audit Committee convened four times during the 2012 financial year; all meetings were regular meetings. Committee members, the Committee's secretary and the Managing Board members attended all meetings, the President of the Internal Control function of Akbank T.A.Ş. and the Vice President of the Board of Internal Audit of Akbank T.A.Ş. were present at two meeting.

The main issues addressed at these meetings included:
- Review of the annual audited financial statements before recommending the statements for the Board's approval,
- Review of the independent auditors' and internal audit proposed plan and the scope of their work,
- Review with independent auditors and the representative of internal audit of the results of their audit, audit report and follow-up on any recommendations and suggestions to improve the internal control weaknesses addressed during the course of the audits conducted,
- Review of the Internal Control and Compliance Unit's work and activities, and
- Supervision of the relations with the regulatory and supervisory authorities.

Eyüp Engin
Chairman of the Audit Committee

Kemal Atıl Özus
Member of the Audit Committee

AUDITORS REPORT

Translation from the German language

AUDIT OPINION

We have audited the annual financial statements, comprising the balance sheet, income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Akbank AG, Frankfurt am Main, Germany, for the fiscal year January 1, 2012 to December 31, 2012. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Bank's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report, based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec.317 HGB ["Handelsgesetzbuch": German Commercial Code] and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Bank's position and suitably presents the opportunities and risks of future development.

Eschborn/Frankfurt am Main, April 22, 2013

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

signed
Binder
Wirtschaftsprüfer
[German public auditor]

signed
Schader
Wirtschaftsprüfer
[German public auditor]

REPORT OF THE MANAGING BOARD FOR THE BUSINESS YEAR 2012

Translation from the German language

In 2012, Akbank AG's former parent company, Akbank N.V., Amsterdam, was merged into the Company. The new sole shareholder of Akbank AG is the former ultimate group parent, Akbank T.A.Ş., Istanbul.

PRELIMINARY REMARKS

In 2012, Akbank AG's former parent company, Akbank N.V., Amsterdam, was merged into the Company. The new sole shareholder of Akbank AG is the former ultimate group parent, Akbank T.A.Ş., Istanbul. Detailed information on the merger can be found in the notes to the financial statements for business year 2012.

The merger resulted in a substantial increase in the Bank's lending and deposit business, making 2012 another very successful business year from the perspective of Akbank AG. Total assets more than doubled compared with the previous-year balance sheet date from EUR 1.35 billion to EUR 2.71 billion. At EUR 2.4 billion, average total assets for 2012 were twice as high as figures from the previous year (EUR 1.2 billion). Profit after tax increased from EUR 12.1 million to EUR 17.7 million.

The Bank again proudly reports that there were no loan losses in 2012.

2.71

BILLION EUR

Total assets more than doubled compared with the previous-year balance sheet date from EUR 1.35 billion to EUR 2.71 billion.

THE OWNERS OF THE BANK

As of December 31, 2012, 49% of Akbank T.A.Ş., Istanbul, belonged to Hacı Ömer Sabancı Holding AŞ, Istanbul, its subsidiaries and the Sabancı family, 9.9% was held by Citibank Overseas Investment Corporation and 41.1% was in free float.

THE CORE BUSINESS

Akbank AG focuses on traditional corporate banking with reputable and international companies. The following corporate groups are among its preferred target customers:

- Turkish companies with good credit ratings,
- Turkish subsidiaries of internationally active groups,
- Subsidiaries and/or branches of Turkish companies in Germany and Central Europe of a certain size,
- Companies which have regular business dealings with Turkey (import/export),
- Companies and banks with unquestioned credit standing in selected countries (including emerging markets).

At the end of 2012, customers in Turkey made up around 66% (December 31, 2011: 50%) and customers in Germany around 10% (December 31, 2011: 16%) of Akbank AG's customer loan volume. Additional major loan commitments relate to customers in Russia, the Netherlands, Italy, the USA and Luxembourg.

THE ECONOMIC ENVIRONMENT

Worldwide financial and economic crisis

There was a varied picture in the global economy in 2012; it was primarily driven forward by the emerging economies. According to the International Monetary Fund (IMF), the global economy grew by roughly 3.25% in 2012, somewhat weaker than in previous years.

Many central banks are supporting economic activity by providing cheap and mostly short-term refinancing options for banks. However, the sustained uptrend has been restrained by the ongoing euro crisis and its impact on the world economy. According to the Bundesbank, overall economic growth in the euro area, the USA, Japan and the UK increased by just 1% year on year on average in 2012.

According to estimates by international organizations, there will be a moderate recovery in the global economy in the next few years. The IMF expects growth of 3.5% for 2013 and 4.1% for 2014. Higher rates are expected in the emerging and developing countries in Asia, as well as Latin America and Africa/the Middle East. For the euro area, however, just 0.5% growth is expected and 2% for the USA.

Monetary policies in advanced economies remained very expansive in 2012. Central banks stuck to their policies of cheap money, holding interest rates at an extremely low level. According to estimates by experts, this will also continue in 2013, as long as there is no tangible economic recovery and the situation on the labor markets does not noticeably improve. The US Federal Reserve is expected to hold the base rate in the range between 0% and 0.25% while the ECB is likely to leave the main refinancing rate at 0.75% in 2013.

According to IMF statistics, the rate of inflation in industrial nations averaged 2.0% in 2012 (31 December 2011: 2.7%); it is expected to fall to an average of 1.6% during 2013. In emerging and developing countries, prices increased by an average of 6.1% in 2012 (31 December 2011: 7.2%). For these countries, the IMF expects an unchanged 6.1% rate of inflation.

Because Akbank AG's main activities relate to Turkey, Germany and neighboring areas, economic development in these regions is of particular interest.

Economic conditions in Turkey

The Turkish economy grew by just 2.5% in 2012, significantly slower than in the previous year, when growth stood at 8.5%. But Turkey's growth rate was more than twice as high as that of the euro area in 2012.

The decline in private consumer spending was more than offset by the sharp rise in exports. Increased exports were attributable in particular to goods in the construction industry, mechanical engineering and the electrical, chemicals, textiles and steel industries. Automotive production, by contrast, declined year on year.

The inflation rate remained at a high level in comparison to EU countries in 2012 and, as reported by the Turkish Central Bank, stood at 6.2%, compared with 10.5% in the previous year. For 2013, the Turkish Central Bank expects the inflation rate to drop again to 5.3%.

The unemployment rate fell further, reaching 8.2% at the end of 2012, which was significantly down from 10.2% in 2011; for 2013, another decline to 7.6% is expected.

In 2012, Turkish exports reached US$ 152 billion, up 13.1% on the previous year's figure of US$ 135 billion. In the same period, imports fell slightly by 1.8% from US$ 241 billion to US$ 237 billion. The annual trade balance deficit narrowed from US$ 106 billion in 2011 to US$ 85 billion in 2012.

Germany in 2012, with its share of 8.6% (31 December 2011: 10.3%), was again Turkey's most important export country. Among supplier countries, Germany, with a share of 9.0% in 2012 (31 December 2011: 9.5%), was again in second place behind Russia with 11.3% (31 December 2011: 9.9%), closely followed by China with 9.0% (unchanged from the previous year).

According to the Turkish Central Bank, the Turkish current account deficit decreased to US$ 48.8 billion in 2012 (US$ 77.2 billion in 2011). However, the current account deficit was more than offset by a surplus in the capital account, which grew to EUR 67.7 million (31 December 2011: EUR 66.7 million).

Economic growth of 4% expected by the Turkish government for 2013 will again be based on rising domestic demand and growing exports.

In the medium and long term, the outlook for diversified, internationally competitive industries continues to be good and the mood is positive.

Rating agencies continue to give Turkey a positive rating. These are: S&P BB (stable), Moody's Ba1 (positive) and Fitch BBB- (stable).

Economic development in Germany

After strong economic growth in 2011, the upward trend in the German economy was rather more moderate in 2012. Price-real adjusted gross domestic product rose by 0.7% in 2012 (31 December 2011: 3.0%). In its annual economic report for 2013, the federal government blamed this on the appreciable slowdown in the global economy as well as above all the uncertainty among market players due to the high level of debt in industrial nations. This led to a substantial weakening in the willingness to invest in the German economy.

For 2013, the federal government expects the German economy to return to growth, albeit at a rate of just 0.4% on average for the year. This upward trend is expected to be driven more by rising domestic demand, while the impetus from foreign trade is more likely to be weaker. However, an intensification of the crisis in Europe is the main risk to economic growth in 2013.

In Germany, foreign trade slowed slightly in 2012, although still recording substantial growth rates. Year on year, price-adjusted exports went up by 4.1% (31 December 2011: 7.8%) and imports rose 2.3% (31 December 2011: 7.4%). For 2013, the federal government expects an increase in exports (particularly exports to countries outside of the EU) of 2.8% and a rise in imports of 3.5%.

Price-adjusted gross fixed asset investment decreased by 0.8% in 2012 (31 December 2011: up 7.9%). The federal government estimates a 1.8% increase in gross fixed asset investment in 2013.

In 2012, price-adjusted private consumer demand was 2.4% higher than in the previous year (2011: up 3.8%); for 2013, an increase of 2.3% is expected.

In Germany, the job market situation has continued to improve. Unemployment fell to 6.8% in 2012 compared with 7.1% in 2011. For 2013, however, the federal government expects a slight increase to 7.0%.

The inflation rate in Germany stood at 2.0% (31 December 2011: 2.3%). The federal government anticipates a somewhat lower rate of 1.8% for 2013.

In banking, interest rates declined again across all industries, terms and volumes. According to the Deutsche Bundesbank, at the end of 2012, the average interest rates for long-term, large-volume, interest-bearing corporate loans stood at just 2.6%; forecasts for 2013 vary. If the recession in the euro area abates, the general interest rate level is more likely to see a moderate increase; otherwise, interest rates will remain at their current low levels or may even fall further.

Economic development in other European countries

Excluding Germany, the euro area recorded a 1.1% reduction in economic output in 2012. This negative growth was primarily driven by Greece (down 6.4%), Portugal (down 3.2%), Italy (down 2.4%) and Spain (down 1.4%). The Kiel Institute for World Economy expects a further slowdown of 0.5% for 2013; it forecasts a return to growth of 0.9% but not until 2014. Consumer prices rose by 2.6%; for 2013 and 2014, this figure is expected to fall to 1.6% and 1.4%, respectively. Of particular concern are the country unemployment rates, which the Kiel Institute for World Economy expects to increase from 13.5% in 2012 to 14.9% in 2013 and 15.1% in 2014.

In addition to the development of the euro area, for Akbank AG, economic development in Russia is particularly important in Europe.

In 2012, Russia recorded growth of 3.3% in gross domestic product; the rate of inflation amounted to 5.1%. For 2013, the Kiel Institute for the World Economy forecasts of economic growth of 3.5% for 2013 and a rate of inflation of 6.0%. This growth will be driven by substantial increases in consumer spending, boosted by rising employment, high wage increases and a fast-growing loan volume. Fixed asset investments are also expected to rise sharply. Only a minimal increase is anticipated in exports, especially for raw materials.

EARNINGS, FINANCIAL AND ASSET SITUATION OF AKBANK AG

EARNINGS

Business performance:
For the 2012 business year, the Bank generated net profit of EUR 17.663 million. This includes the net operating loss generated by Akbank N.V. prior to the merger date. The net profit for 2012 increased by EUR 5.567 million against the 2011 figure of EUR 12.096 million.

Earnings performance:
Net interest income of EUR 33.5 million in 2012 increased by 59% compared with the previous year's figure of EUR 21.1 million. This was due to the much higher volume of business compared with the previous year. Approximately 86% (31 December 2011: 81%) of the interest income results from lending and money market business, while approximately 14% (31 December 2011: 19%) is due to bond interest.

Due to the Bank's business model, net commission income only plays a minor role and amounts to EUR 1.2 million (31 December 2011: EUR 1.0 million).

Development of expenses:
General and administrative expenses amounted to EUR 9.3 million (31 December 2011: EUR 4.million). Personnel expenses of EUR 4.9 million were up EUR 2.4 million against the previous year (EUR 2.5 million). Some EUR 1.5 million for additional expenses related to employees of Akbank N.V. for the first six months of 2012 to its closure and EUR 0.9 million to higher numbers of employees and changes in remuneration. The other administrative expenses increased by EUR 2.5 million from EUR 1.9 million to EUR 4.4 million. The additional expenses were primarily attributed to the closure of Akbank N.V. (EUR 1.7 million), contributions to deposit insurance (EUR 0.2 million), audit fees (EUR 0.1 million), rental expenses (EUR 0.1 million) and legal and consulting fees (EUR 0.1 million).

Depreciation, amortization and write-downs of office furniture, equipment and intangible assets amounted to EUR 0.4 million (31 December 2011: EUR 0.1 million), EUR 0.2 million of which is related to the depreciation, amortization and write-downs of the fixed assets of Akbank N.V. due to the closure of the business premises in Amsterdam and Essen.

During the business year 2012, there were net write-downs and allowances on loans and advances and certain securities and allocations to provisions for possible loan losses of EUR 1.9 million (31 December 2011: EUR 2.0 million). These expenses relate to the net additions to country risk allowances of EUR 3.0 million less income of EUR 1.1 million gained from the disposal of securities classified as current assets from the portfolio of Akbank N.V. in the period before the merger date.

As a result of the Bank's unchanged conservative business policy, fortunately again no loan losses occurred during the year under review. There were reductions in the country risk allowances for the United Arab Emirates, Kazakhstan and Jordan, whereas the allowances for Turkey and Russia increased. When recognizing the country risk allowance, the Bank follows the ranges set annually by the Federal Central Office for Taxes based on a draft interpretative letter by the Federal Ministry of Finance. However, unlike in previous years, Akbank AG's risk assessment of the individual countries was well below the range established for tax purposes.

In 2012, the Bank posted income from write-ups of equity investments, shares in affiliated companies and securities classified as fixed assets of EUR 2.5 million (31 December 2011: EUR 0.0 million). The income largely resulted from the sale of securities acquired by the Bank in the course of the merger.

FINANCIAL SITUATION

During the year under review, Akbank AG's solvency was ensured at all times. The minimum reserve obligations vis-à-vis Deutsche Bundesbank was also maintained as well as the principles of liquidity in accordance with the German Liquidity Regulation (LiqV).

Akbank AG is a member of the deposit insurance fund of Bundesverband Deutscher Banken eV, Cologne, through which liabilities to non-banks are secured up to a deposit amount of 30% of liable equity according to § 6 of the statutes of the deposit insurance fund. This membership, which guarantees customers high security for their investment, has always enabled the Bank to increase the portfolio of customer deposits in the short term and to adjust liquidity to the respective refinancing requirements without delay.

In connection with the merger, Akbank AG took over the German deposit business with private customers from Akbank N.V., providing the Bank with a stable base volume of customer deposits.

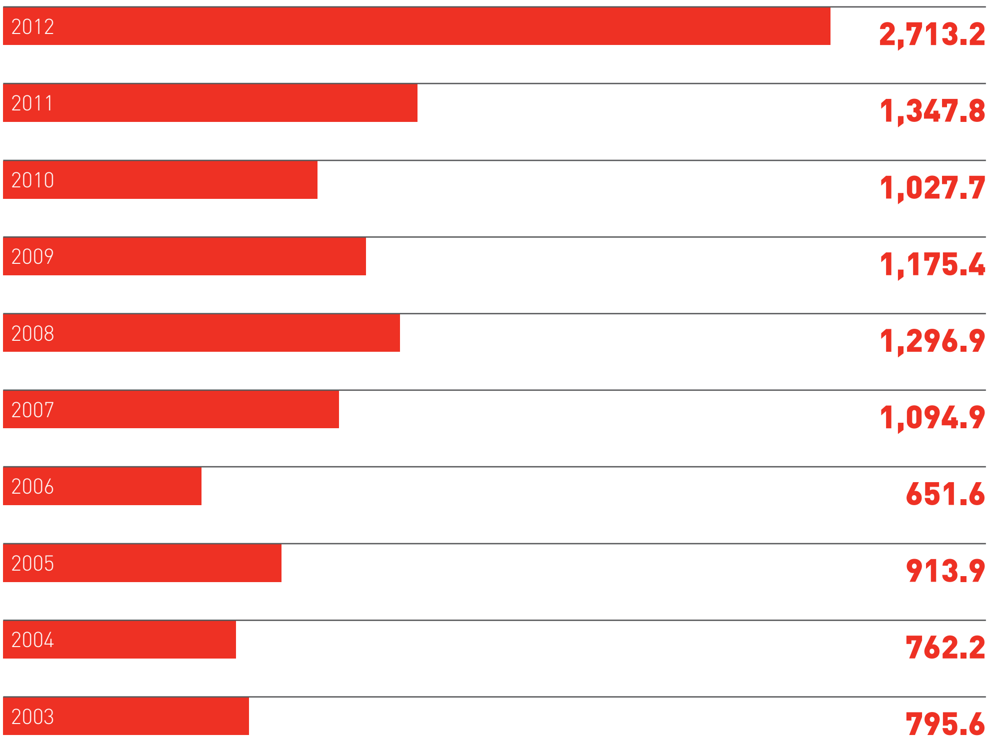
The average regulatory liquidity ratio according to the LiqV was 1.43 (31 December 2011: 1.21), well above the regulatory minimum of 1.0.

ASSETS

As of December 31, 2012, total assets amounted to EUR 2,713.2 billion, more than twice as high as in the previous year (EUR 1,348 billion). This was attributable to the sharp increase in loans and advances to customers in connection with the merger of Akbank N.V. into Akbank AG in the first half of 2012, as well as the strong growth for new business in the second half of 2012.

The development of total assets for the years 2003 to 2012 can be presented as follows:

DEVELOPMENT OF THE BALANCE SHEET TOTAL IN A 10- YEAR OVERVIEW (MILLION EURO)



[2003-2005: AKBANK TAS Branch in Germany; from 2006: AKBANK AG]

Cash reserve and loans and advances to banks increased from EUR 45.6 million in 2011 to EUR 236.5 million in 2012. This amount includes receivables from Deutsche Bundesbank in the amount of EUR 48.3 million (31 December 2011: EUR 16.5 million).

The loans and advances to customers increased during the same period from EUR 985.9 million to EUR 2,080.1 million. They account for 76.7% of total assets (31 December 2011: 73.1%).

All debentures and other fixed-interest securities of EUR 384.1 million (31 December 2011: EUR 314.1 million) are allocated to the Bank's investment portfolio.

Intangible assets and property and equipment increased from EUR 283k in 2011 to EUR 501k in the business year due to additions in the IT area and office equipment, largely in connection with the merger.

Other assets increased from EUR 1.6 million in the previous year to EUR 10.8 million in 2012. They mainly relate to loans and advances after allowances of EUR 6.6 million from the Dutch Central Bank (DNB), as administrator of the Dutch DSB Bank NV, which became insolvent in 2009 and swap receivables and receivables from forward exchange transactions of EUR 3.7 million from the hedging of foreign currency receivables. In 2011, other assets largely comprised tax receivables.

The Bank recognizes deferred tax assets. The amount recognized of EUR 1.1 million (31 December 2011: EUR 0.1 million) offsets the additional tax expense arising from the difference between the tax base and the commercial balance sheet.

At the balance sheet date, liabilities to banks were EUR 364.1 million (31 December 2011: EUR 332.0 million) or 13.4% (31 December 2011: 24.6%) of total assets. This amount contains EUR 211.0 million (31 December 2011: EUR 219.6 million) in refinancing amounts from Deutsche Bundesbank.

Liabilities to customers amount to EUR 2,069 million (31 December 2011: EUR 746.1 million). This corresponds to 76.3% (31 December 2011: 55.4%) of total assets. EUR 377.0 million of liabilities to customers relates to the deposit business with private customers taken over from Akbank N.V. in connection with the merger and EUR 1,692.3 million (31 December 2011: EUR 746.1 million) relates to the deposit business with institutional customers. They are mainly comprised of municipalities, social insurance carriers, public authorities and companies.

Other liabilities, deferred income and provisions decreased from EUR 24.5 million in 2011 to EUR 11.3 million in 2012. The decrease was mainly attributable to the reduction in other liabilities from foreign exchange hedging transactions of EUR 20.4 million, paired with a EUR 3.3 million increase in deferred income, a EUR 2.4 million increase in tax provisions due to the higher net income for 2012 and the EUR 0.8 million increase in other provisions.

There were no longer any subordinated liabilities as of the balance sheet date; in the previous year, they amounted to EUR 2.1 million.

The shareholder's equity increased by the EUR 7.7 million allocation to the capital reserve from the merger with Akbank N.V. and by the net income for business year 2012 of EUR 17.7 million, bringing the total from EUR 243.2 million in 2011 to EUR 268.6 million at the 2012 balance sheet date.

All 100% of the capital stock is held by Akbank T.A.Ş., Istanbul.

Contingent liabilities totaled EUR 16.0 million (31 December 2011: EUR 8.3 million) and primarily result from guarantees and warranty agreements.

The amount of irrevocable loan commitments during the year under review decreased from EUR 54.4 million to EUR 47.9 million.

KEY FINANCIAL RATIOS

When determining the key financial ratios, profit after tax is calculated excluding the effects from the recognition/reversal of the country risk allowances and the extraordinary effects from the merger with Akbank N.V..

Ratios	2012	2011
Average shareholders' equity ratio (excl. cash-secured loans)	16.62%	19.88%
Profit after tax as a percentage of average shareholders' equity (ROAE)	7.71%	5.68%
Profit after tax as a percentage of the average total assets (ROAA) (excl. cash-secured loans)	1.28%	1.13%
Cost-income ratio - CIR	17.61%	19.95%

The solvency ratio, which describes the ratio of the liable equity (according to Sec. 10 (2) KWG (German Banking Act)) of the Bank to its risk-weighted assets, may not fall below 8%.
The Bank comfortably exceeded this minimum at all times during the year under review. The average overall ratio according to Sec. 2 (6) SolvV (German Solvency Regulation) was 16.51% (31 December 2011: 20.37%).

OVERALL ASSESSMENT OF THE EARNINGS, FINANCIAL AND ASSET SITUATION

Akbank AG's earning situation developed positively and, thanks to its conservative risk policy, is unburdened by loan losses.

The Bank always has sufficient liquidity reserves; the degree of maturity transformation and the associated risks are comparatively low. The financial and liquidity situation meets all regulatory and company requirements in full.

The Bank's high shareholder equity ratio is suitable for offsetting potential risk and is a stable basis for further growth.

SUBSEQUENT EVENTS

After the balance sheet date, no major events and developments of special significance occurred that have not already been mentioned in this management report.

RISK REPORT

The overall bank management of Akbank AG focuses on achieving growth and value enhancement with risk controlled at all times. All strategic and operative measures are subject to careful evaluation in terms of opportunities and risk. At regular intervals, these are re-evaluated, taking into consideration the current market and corporate development, as well as regulatory conditions. Targets set by shareholders and the requirements and regulations of the banking supervisory authorities and the deposit insurance fund are also taken into consideration here.

Organization of risk management

Akbank AG considers a clearly defined scope of functions and responsibilities, documented in written policies and procedures, to be an essential requirement for successful risk management and effective risk control. The risks associated with transactions entered into are controlled by the Managing Board. In order to support entrepreneurial decision-making, the Managing Board discusses current issues relating to the business and risk situation in various internal bank committees. To this end, various committees were established at the Supervisory Board level – the Audit Committee (AC) and the Risk Committee (RC) – as well as at the management level – the Asset and Liability Committee (ALCO) and the Internal Risk Committee (IRC) – that prepare and discuss relevant information.

Functional segregation of front and back office is ensured from an organizational perspective. Risk control is performed by the Risk Management, Credit, Accounting & Reporting and Operations departments, which are independent from the front office.

The Supervisory Board monitors and advises the Managing Board within the scope of the legal requirements and the Articles of Association and Bylaws, as well as with the help of the AC and the RC; it ensures that Akbank AG is managed in compliance with the business and risk strategy as well as with regulatory requirements.

Risk-bearing capacity, risk limits and risk parameters

Akbank AG's business model, the main content of which is the financing of major corporate customers, poses the risk of loan losses, which could have negative effects on the Bank's assets, earnings and liquidity position. This type of potential loss must be constantly covered by sufficient capital resources in order to ensure the Bank's ability to continue as a going concern.

The overall risk of the Bank results from the sum of individual decisions and transactions subject to risk. Therefore, from an economic as well as regulatory point of view based on its overall risk profile, the Bank must ensure that the principal risks are constantly covered by the risk coverage potential.

The overall risk profile and the risk inventory are shown in the risk manual. The risk-bearing capacity is analyzed at least once a month by the Risk Management department and the analysis is presented to the Managing Board.

With regard to adherence to the risk-bearing capacity, different types of risk are assigned limits. These serve to mitigate risk, preventing it from exceeding the volume of the existing risk coverage capital. At the same time, the sum of all risks may not exceed the risk coverage in relation to the sum of all limits. The risk-reducing effects of correlations between various risk types are not currently taken into account in risk quantification.

The relevant limits and parameters for monitoring and managing risk as well as the control mechanisms in respect of their compliance has been defined in the risk strategy.

Counterparty credit risk

The counterparty default risks at Akbank AG are related to individual borrower risk, country risk and industry risk.

For the purpose of assessing individual borrower risk, the focus is first and foremost to analyze and quantify those risks that could result in loan losses as a result of credit rating deterioration and thus negatively impact on the income statement.

Another key control feature for borrower risk relates to the provisions on mitigating potential risk taking into account the granularity of the loan portfolio (cluster risk) and in terms of size classes.

In addition, country and industry risk is mitigated using the diversification and limitation criteria set down in the risk strategy.

Risk control measures – counterparty default risk

Counterparty default risk is handled in accordance with the principles of diversification, limitation and maturity. Credit lines are established for each borrower or borrower group as the result of a prudent analysis and approval process. Akbank AG's borrowers are categorized into different risk groups by means of an internal rating system taking into account the analysis results. Loan default scenarios are evaluated for both individual borrower risk and loan portfolio risk using internal analyses and measuring instruments.

Limits based on default probabilities, concentrations of borrower groups, countries, industries and credit terms are applied as quantitative control elements.

If necessary, an appropriate collateralization of the loan commitment is another instrument for risk limitation.

The Bank uses suitable computer-aided control systems for administering, monitoring and verifying credit risk.

When reviewing and monitoring risk and for reporting (e.g., reports on the classification of borrowers in accordance with different criteria such as rating, rate of loan losses, country or industry), external sources of information are also used.

Functional segregation of the front office (corporate clients, private customers and treasury) and the back office (credit risk management, risk control and payments) is in place at all levels.

The need for general loan loss allowances for latent credit risk is determined once annually, taking into account fiscal authority specifications and on the basis of the loan loss history; however, based on low losses in the past, these allowances are low in terms of their amount.

The Bank has addressed risk from loans to borrowers in countries with comparatively high country risk (e.g., in Turkey or Russia) by recognizing general country risk allowances using tax options.

In its own estimation of country risk for Turkey, Russia and the United Arab Emirates, the Bank is well below the range recommended by the Federal Central Office for Taxes in the business year. Due to the increased loan volume, however, country risk allowances increased from a total of EUR 34.7 million in the previous year to EUR 37.7 million in the reporting year. The largest individual item in this overall amount is the country risk allowance for Turkey of EUR 30.1 million (31 December 2011: EUR 27.2 million).

For Turkey's country risk, the Bank uses a value that is well below the range permitted for tax purposes to assess the country risk allowance rate for Turkey, since Akbank AG, as a subsidiary of Akbank T.A.Ş., Istanbul, is one of the leading banks in Turkey and in a position to recognize developments in the Turkish market and looming crises early and can, if necessary, make timely control measures.

In its risk inventory, the Bank has further identified risk types along with sub-risk and analyzed them in terms of their relevance to the Bank's assets, earnings and liquidity position. These risks and the related measures for avoiding and managing them are presented below.

Market price risk

Relevant market price risk makes up one of two sub-risk currency risks and security write-down risks arising from interest rate changes.

Due to the large proportion of total loans accounted for by loan receivables in foreign currency, currency risk is promptly hedged and is thus limited to a small number of open positions (primarily interest receivables in foreign currencies). These loans are hedged using currency swaps against the euro, such that open positions remain within the scope of currency positions defined in the risk strategy, significantly below the limit intended for non-trading-book institutions. Other than minor interest receivables in foreign currencies, no open positions are held with regard to foreign currencies.

By utilizing this procedure, market price risk arising from exchange rate fluctuations is limited to an amount that is insignificant in proportion to the Company's capital. A residual risk results primarily from the fact that it may not be possible to find suitable hedging partners for small-volume transactions. Nevertheless – for the purpose of exploiting market opportunities – there is the option of entering into market price risk to a limited extent and within the framework of predefined parameters.

Security write-down risk arising from interest rate changes play a minor role, since Akbank AG's securities portfolio is exclusively maintained for investment purposes and is consequently allocated to fixed assets.

Interest rate fluctuation risk (interest rate spread risk)

Interest rate risk in relation to loan assets and the securities portfolio can be avoided or limited mainly through refinancing with mostly matching maturities on the liabilities side or interest rate hedging instruments. The remaining interest rate risk is monitored continuously and may not exceed certain internal risk parameters as stipulated by the Managing Board and Supervisory Board.

Interest rate risk in the banking book is tested by an internal model (stress test) against spontaneous changes of plus/minus 200 bps (interest rate shocks). Even in the event of a simulated interest rate shock stress scenario such as this, the market value of shareholders' equity must not change by more than plus/minus 3%. In addition, the daily difference between the average interest terms of assets and liabilities is monitored. The treasury department regularly hedges open interest positions.

Concentration risk

Akbank AG manages concentration risk by setting down various criteria within the risk-bearing capacity concept in addition to the Banking Act rules limiting large exposures; those exceeding EUR 1.5 million or more and loans to managers (Secs. 13-15, 19 (2) KWG) as well as the requirements of the Solvency Regulation, which specifies limits for various types of borrowers. Through limitation and parameterization, these criteria are assigned significance limits for risk concentration, e.g., in terms of industry and country risk. Recognized procedures and models (Herfindahl index) are used for the assessment of concentration risk in terms of risk-bearing capacity.

Liquidity risk

Liquidity risk is comprised of short-term liquidity risk, refinancing risk and market liquidity risk.

Akbank AG monitors liquidity risk and conformity with the liquidity ratio according to the Liquidity Regulation on a daily basis.

Liquidity management is primarily the responsibility of the treasury department. Daily liquidity management and monitoring of compliance with external and internal parameters is based on specifically developed tools.

The retail banking activities taken over in the business year as part of the merger with Akbank N.V. will improve the Bank's liquidity situation. The receipt of overnight money and time deposits constitutes an additional source of refinancing, thereby increasing the Bank's diversification in capital sourcing.

Helped by its membership in the deposit insurance fund of Bundesverband Deutscher Banken, the Bank is in a position to acquire high-volume customer deposits in the short term by using the services of various brokers who negotiate cash investments on behalf of potential investors. In the past, this ensured adequate liquidity at all times.

Short-term liquidity requirements can also be covered via associated correspondent banks that have approved credit limits in favor of the Bank.

The part of the Bank's loan and securities portfolio that meets the lending requirements of Deutsche Bundesbank and the ECB is used for hedging the daily utilization of funds of Deutsche Bundesbank or to participate in Deutsche Bundesbank's open market transactions.

In an individual case, the portfolio of securities can also be used for covering short-term or unscheduled liquidity requirements through repo transactions with associated banks.

Additionally, there is the option of selling part of the securities portfolio, as well as of selling selected (as a rule syndicated) loans on the secondary market to external investors or related parties (e.g., Akbank T.A.Ş.) to cover any cash shortages.

As a precautionary measure, the Bank has prepared a contingency plan for cash shortages and monitors liquidity, including through the following parameters:

- The LiqV liquidity ratio,
- Internal stress test of cash inflows/outflows taking into account untimely payment, refinancing, call and credit risk,
- Net cash inflow/outflow ratio within the next three months,
- The ratio of cash reserves to total assets,
- The daily difference between the average terms of assets and liabilities.

Based on the current business model, the liquidity measurement and management process is deemed to be appropriate. Maturity transformation is used only to a limited extent.

Operational risk

Organizational and technical measures serve to avoid losses and/or to limit losses from all operational risk. For instance, organizational instructions, employee training, quality management as well as contingency plans that are documented in various internal guidelines and regularly updated, are part of efficient risk limitation.

Compliance with the principle of dual control and, in this context, the related separation of entry and release functions in the Bank's IT systems are other important measures for the avoidance of operational risk.

In order to limit operating risk, backup systems for important hardware and software are in place. So that backups can be guaranteed in the event of software failures, Akbank AG has entered into suitable maintenance agreements with external IT support providers as well as with providers belonging to the Akbank Group. If needed, the Bank may request immediate assistance.

The Bank works with the core banking system Flexcube by Oracle. Under outsourcing agreements, Akbank T.A.Ş., Istanbul, is responsible for operating and maintaining the system hardware.

Apart from the physical infrastructure (especially the hardware), the system architecture (e.g., multi-tier server structure, software) is of special significance to Akbank AG. As a rule, both have a redundant and/or modular structure in order to always ensure a high availability of all necessary systems and/or components. Within the scope of contingency planning for the IT segment, external service providers (e.g., Bank Verlag) and their services in an emergency are taken into consideration.

The availability of major IT systems, especially the core banking system Flexcube, was again very high in the business year, at 99.9% on average. In the event of total system failure and/ or the premises of the Bank no longer being accessible, a service level agreement (SLA) has been concluded with a third company that enables the use of the facilities and IT systems leased by the latter in an emergency.

After regularly consulting with the Supervisory Board, the Managing Board is responsible for ensuring that enough sufficiently qualified staff are employed, such that during vacation times and in the event that several employees are unexpectedly absent, the Bank's business can be carried out without interruption.

With regard to personnel risk, the management seeks suitable professionals on the job market as needed and gives priority to hiring employees with a certain amount of experience in banking.

Of the Bank's 32 employees as of the end of 2012, 16 have been working for the Bank for more than five years. Key competencies are therefore preserved over an extended period (31 December 2011: 24 employees, 11 of whom had been working for the Bank for more than five years).

To avoid or minimize legal risk, all legal transactions of the Bank must be concluded on the basis of unequivocal and properly documented agreements. If possible, the Bank uses standard form contracts for the banking industry which are tested and recommended by Bank Verlag in Cologne. The Bank Verlag forms are continuously updated in accordance with the legal requirements and are available via web-based online systems. In the event that the use of externally acquired document templates is not appropriate, agreements of significant legal importance are reviewed by external attorneys. The responsible department head determines to what extent this is required together with the Managing Board if necessary. In addition, in the case of particularly important documents, the Bank provides employees in the Credit department with interactive PDF documents for secure use.

Shortcomings, errors or other events occurring during business operations that could cause losses of any kind for the Bank are recorded in a loss database and notified to the Managing Board on a regular basis.

The following monitoring measures and safeguards, among others, are in place:
- Audits by internal audit (outsourced),
- Contingency planning and emergency office,
- System and process documentation (e.g., loan policy),
- IT backup systems,
- Job descriptions/deputy arrangements,
- Loss database.

Business risk
Business risk encompasses unexpected losses due to income or expense figures deviating from the target figures defined as part of the budgeting process.

On the basis of target figures, the actual business performance of the Bank is monitored in monthly target-performance comparisons. Earnings and productivity management is the direct responsibility of the Managing Board.

Continuous monitoring and control is also performed by daily balance sheets and income statements, on daily basis reports along with other means of evaluation prepared by financial control and respective operating departments. They are submitted regularly to the Managing Board of the Bank and in individual cases, also to the Supervisory Board.

Other risks
The Bank's other risks include strategic risk, which is related to previous and future decisions regarding the business model and reputational risk, which could result from a potential loss of reputation for the Bank due to negative public perception. As part of managing these risks, emphasis is placed on aspects of the business planning, the competitive situation and the positioning of Akbank AG within the Akbank Group. Decisions regarding the business model are made by the Managing Board with the approval of the Supervisory Board on the basis of appropriate analyses. The processing and preparation of such decisions is performed, depending on the nature of the decision, in the responsible departments and if necessary, with the support of external consultants.

Stress tests
The Bank conducts stress tests based on both (macro) scenarios and on sensitivities of risk factors, taking into account all relevant risk types. Risks relating to Turkey play an important role in keeping with the focus of Akbank AG's business activities. The stress tests analyze the effects of exceptional but plausible events on the Bank's asset, financial and earnings situation to estimate the risk potential of such changes for the Bank's risk-bearing capacity and if necessary, its ability to take timely control measures. For the stress tests conducted in 2012, the risk-bearing capacity was tested on a going concern basis.

In addition, reverse stress tests were carried out to determine risk scenarios based on the current positioning that could force the Bank to give up its business model. However, the probability of these combinations of changes in risk factors occurring is deemed by the Bank to be extremely low.

The stress tests for liquidity risk is not taken into account in the risk-bearing capacity concept, as they cannot be reasonably limited by the risk coverage potential owing to their particular nature (AT 4.1 No. 4 MaRisk - Minimum Requirements for Risk Management). The Bank therefore considers the stress tests for liquidity risk from the perspective of liquidity contingency planning.

Risk assessment
Based on a conservative business policy and due to conscientious implementation of our principles for lending business, stringent compliance with internal risk parameters, proactive and prudent risk management and the stable economic situation in our main market of Turkey, Akbank AG did not record any loan losses in 2012, as in previous years. Overall, it can be stated that there was no risk that could have put the continued existence of Akbank AG in jeopardy during the reporting year.

FORECAST

In 2012, a merger with Akbank N.V. and organic growth more than doubled the volume of Akbank AG's business. The Bank plans to increase the business volume by a further 33% in 2013 through organic growth.

The Bank expects the general interest rate level to remain low in 2013. At the same time, it anticipates a small drop in lending business margins. Broad-based economic growth in Turkey is the fastest in Europe, as well as in the OECD countries. The Bank also expects to continue to participate in this positive trend and anticipates increased demand for loans from many of its customers as a result. The loan portfolio of Akbank AG for Turkish companies is being built within the scope of the upper limits agreed under the deposit insurance rules. The Bank's application for an increased limit for Turkey was granted. Akbank AG expects the ratio of non-Turkish to Turkish loans to shift in favor of Turkish loans.

Nevertheless, the Bank will continue under risk/reward aspects to focus on lending to customers with credit ratings in the lower investment grade category or above.

The portfolio for central bank eligible corporate bonds or promissory notes is to further increase so that they can be used in measures to secure and optimize liquidity (lending transactions).

The Bank intends to increase the number of employees to 37 during the business year 2013.

Also in 2013, Akbank AG expects the result from ordinary activities before country risk allowances and taxes to increase by around 50% against the 2012 level.

In 2014, the Bank plans to increase the business volume by around 20% compared with 2013, with interest rates rising slightly. From today's perspective, the operating result is likely to increase by more than 30% compared to 2013.

RELATIONSHIPS WITH AFFILIATED COMPANIES

Pursuant to Sec. 312 AktG (German Stock Corporation Act), the Managing Board has prepared a report on the relationships with affiliated companies, which contains the following concluding statement:

"We hereby confirm that the Company, according to the circumstances known to us at the time legal transactions were performed or at the time of any act or omission, received a reasonable consideration for each legal transaction and was not disadvantaged by any act or omission."

ACKNOWLEDGEMENT

The Managing Board would like to take this opportunity to thank all employees for their extraordinary contributions. We are very proud of their technical and social skills, without which the Bank's success would not be possible.

We also would like to thank our Supervisory Board, who always supported and worked with us constructively during the year.

Frankfurt am Main, 28 March 2013
The Managing Board

REGULATORY ENVIRONMENT

The aim of the Banking Act is to safeguard the viability of the financial sector, which is particularly sensitive to fluctuations in confidence, through creditor protection.

GENERAL

The following section gives a short overview of existing German Banking regulations that are relevant to Akbank AG and an outlook for upcoming years. (source: www.bundesbank.de)

Banking supervision basically entails the rules that have to be complied with when setting up banks and carrying out banking business.

In Germany, the legal basis for the supervision of banking business and financial services (banking supervision) is the Banking Act. (Kreditwesengesetz)

The aim of this Act is to safeguard the viability of the financial sector, which is particularly sensitive to fluctuations in confidence, through creditor protection. The Act seeks to achieve this aim while paying due regard to free market principles, i.e., sole responsibility for business decisions rests with the managers of the institutions. The activity of the institutions is restricted only by qualitative and quantitative general provisions and the obligation to open their books to the supervisory authorities. The intensity of supervision depends on the type and scale of the businesses provided. Banking supervisors do not directly intervene in the institutions' individual operations.

Below is a summary of the banking regulation covering solvency, liquidity lending and risk management in Germany.

SOLVENCY

Regulation Governing the Capital Adequacy of Institutions, Groups of Institutions and Financial Holding Groups (Solvency Regulation (Solvabilitätsverordnung))

Pursuant to the provisions of the Solvency Regulations, institutions must quantify their counterparty credit risk, made up of default risk and settlement risk, their operational risk and their market risk and back them with their own funds. Market risk is composed of interest rate risk and equity price risk in the trading book, foreign exchange risk, commodity risk and other market risk positions. Only tier 1 and tier 2 capital can be used to back counterparty credit risk and operational risk. Additionally, tier 3 capital may be used to back market risk.

Under the Credit Risk Standardized Approach (CRSA) – used by Akbank AG - regulated by Part 2 Chapter 3 of the Solvency Regulation, the risk positions are assigned to supervisory asset classes (e.g., corporates, retail business) and (as a general rule) the appropriate risk weights are calculated based on external ratings. In addition, for credit assessments of central governments, institutions may also use the country classifications of export credit insurance agencies instead of external ratings.

The required minimum overall capital ratio of 8% must be maintained.

Institutions must be in compliance with the minimum capital requirements at the close of business on each business day, and they have to make their calculations and submit reports to supervisors on a quarterly basis.

LIQUIDITY

Regulation on the liquidity of institutions (Liquidity Regulation)

The regulation on the liquidity of institutions (Liquidity Regulation; Liquiditätsverordnung) gives concrete shape to the requirements of the German Banking Act (Kreditwesengesetz) and requires institutions to have sufficient liquidity at all times.

The standardized approach concept implemented through the Liquidity Regulation is based on the assumption that three main factors determine the adequacy of an institution's liquidity provisioning:

- The extent of the expected inflows and outflows of funds,
- Sufficient liquidity provisioning in the form of highly liquid assets,
- The refinancing lines in the money market.

The standardized approach is a combination of a maturity mismatch approach and a stock approach. Under the maturity mismatch approach, the expected inflows of funds from certain balance sheet and off-balance sheet asset items as well as outflows from certain balance sheet and off-balance sheet liability items are recorded in four maturity bands depending on their residual maturities or assumed call probabilities, and the relevant over- or under coverage is calculated. These maturity bonds are:

- Due on demand up to one month,
- Over 1 month and up to 3 months,
- Over 3 months and up to 6 months,
- Over 6 months and up to 12 months.

Under the stock approach, listed securities and covered debt securities as well as fixed assets eligible for refinancing with a central bank are recognized as highly liquid assets (first maturity band, irrespective of the underlying residual maturities). These positions are regarded as having the potential to offset payment obligations at any time. The combination of the two approaches ensures that an institution's liquidity risk is adequately captured.

For an institution, liquidity is sufficient, on balance, if the funds – calculated from the respective reporting date – available for the next month (maturity band 1) cover at least the expected payment outflow during that period. This is assessed with a liquidity ratio that has to be reported monthly; this ratio, which is calculated as the quotient of the available funds and the callable payment obligations in the first maturity band, must be at least equal to one.

In addition, observation ratios have to be calculated; they provide information about the likely liquidity flows in the second, third and fourth maturity band. Any surplus funds (positive mismatch) left over from the preceding maturity band are to be recognized as additional funds. There are no minimum levels for the observation ratios.

The Liquidity Regulation requires that institutions generally submit monthly reports to the Deutsche Bundesbank.

CREDIT

Monitoring lending business, particularly large exposures and loans of EUR 1.5 million or more

The lending business traditionally plays a predominant role in an institution's development, but it is concurrently one of the main sources of banking risk. In addition to limiting the business volume by requiring institutions to back counterparty risk with liable capital or own funds pursuant to the Solvency Regulation, the Banking Act also contains specific provisions concerning lending business.

Pursuant to the Banking Act (sections 13 to 14), institutions have to report their large exposures and loans of EUR 1.5 million or more to the Bundesbank on a quarterly basis.

The key provision is the limitation of a single large exposure to 25% of the liable capital for the banking book and 25% of the own funds for the overall business of trading-book institutions. Large exposures are defined as exposures to an individual borrower or a single borrower unit which amount to or exceed at least 10% of the liable capital or own funds. The Bundesbank monitors compliance with the large exposure limits as well as the risk spread of an institution's large exposures. These provide banking supervisors with valuable information on the amounts and sector-specific concentration of institutional risk from lending business.

Loans of EUR 1.5 million or more to an individual borrower or a single borrowing unit have to be reported to the Bundesbank. Its credit register collates all such reports, computes the total indebtedness of an individual borrower or a single borrower unit and then notifies the reporting institutions of that total amount of indebtedness of their borrowers.

This information is used for the Bundesbank's own analyses (e.g., where there is a danger of firms becoming insolvent), including global evaluations aimed at identifying potential risk to the stability of the overall financial system. In addition, the information serves as a data pool both for the involved credit institutions and for banking supervisors and is important as a source of information for both.

COREP (COMMON REPORTING FRAMEWORK)

The European Banking Authority (EBA) has implemented a Common Reporting Framework (COREP) as of January 1, 2013. Its aim is to harmonize reporting across the EU by establishing a uniform reporting standard and to ease data sharing among regulators and across national borders by establishing a central database for information.

Nevertheless, COREP will cause major changes to firms' reporting requirements in that they cannot afford to be complacent. Under COREP, banks will experience the following changes:
- a dramatic increase in the volume of data they are required to report,
- a change in the quality of the data reported to cope with increasingly intrusive supervision,
- a noticeable increase in the speed of report writing to meet an increase in reporting frequency and reduced remittance windows.

OTHERS

Statistics to be provided to Deutsche Bundesbank

Monthly balance sheet statistics

The monthly balance sheet statistics provide a comprehensive overview of the business of German banks (MFIs). Banks, with the status of a deposit-taking credit institution, provide a monthly report of their balance sheet, which in further attachments is broken down in greater detail according to sectors and original maturities.

Borrowers' statistics

The borrowers' statistics report provides a more detailed breakdown of loans to domestic enterprises and households (including non-profit institutions serving households) outstanding at the end of the quarter. Enterprises and self-employed persons are shown by sector, using the economic sector classification of the Federal Statistical Office. In addition, borrowers' statistics include details on loan collateralization and provide information on the terms and conditions of repayment for loans to households.

External sector statistics

External sector statistics provide information on a country's economic relationships with the rest of the world. Financial institutions have to provide these statistics to the Bundesbank on a monthly, quarterly or annual basis.

Payments statistics
The collection of payment statistics data focuses on payments by the non-bank customers of German banks (monetary financial institutions, MFIs) and interbank payment processing. Reports must be submitted by monetary financial institutions.

Securities holdings
Securities holding statistics include micro data on securities holdings. Financial institutions domiciled in Germany report any securities which they hold for domestic or foreign customers. Furthermore, domestic banks provide information about their own holdings, irrespective of where the securities are held.

RISK MANAGEMENT

Minimum Requirements for Risk Management
Risk management at German credit institutions must comply with the Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement, MaRisk).

Pursuant to section 25a (1) of the German Banking Act (Kreditwesengesetz - KWG), institutions must have a proper business organization in place, which must specifically include an appropriate and effective risk management on the basis of which capital adequacy can be ensured on an on-going basis. Specifically, procedures for calculating and ensuring capital adequacy as a component of the risk management system are required.

The requirements relate to the management of material risk for the institution. In order to assess whether or not a risk is to be deemed material, management has to obtain an overview of the institution's risk at regular intervals and on an event-driven basis (overall risk profile). The risks are to be identified at the institutional level regardless of in which organizational unit the risk originates.

In principle, at least the following risks are to be deemed material:
a) counterparty risk (including country risk),
b) market price risk,
c) liquidity risk, and
d) operational risk.

Risk concentrations associated with material risk must be taken into account. In addition, risk resulting from off-balance sheet company structures (e.g., risk associated with special-purpose vehicles exempt from consolidation) must be taken into account. Appropriate arrangements are to be implemented for risks that are considered immaterial.

OUTLOOK

The banking sector continues to be re-shaped by an expanding set of new regulations and reform initiatives at global, regional and national levels. Each of these initiatives will play a part in enhancing financial stability, protecting investors and consumers and making it easier to deal with failing banks.

BASEL III

On December 16, 2010, the Basel Committee on Banking Supervision published its new regulatory framework, Basel III; the framework has been revised and amended over the years.

The core principles of Basel III include:

- increased quality of capital – common equity and retained earnings should be the predominant component of tier 1 capital,
- increased quantity of capital – total common equity requirements of 7.0% (minimum common equity tier 1 is 4.5% plus a capital conservation buffer of 2.5%) – minimum total capital 10.5% (including conservation buffer). The increase in the capital ratio will be gradually phased-in between 2014 and 2018.
- reduced leverage through introduction of backstop leverage ratio – the leverage limit is set at 3%. The leverage ratio will be introduced in 2017.
- increased short-term liquidity coverage (LCR).
- increased stable long-term balance sheet coverage (NSFR).

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ration (LCR) is designed to ensure that banks can survive a short-term, 30-day liquidity crisis. As of January 2015, banks will be required to maintain this ratio at or above 100%.

The ratio is defined as:
Stock of high-quality liquid assets / Total net cash outflows over the next 30 calendar days.

High quality liquid assets are split into two components:

- level 1: highest quality assets that are not subject to haircuts i.e., central bank reserves and government debt.
- level 2: assets that are subject to a haircut and can include corporate bonds and covered bonds. These can only comprise a maximum of 40% of the required stock.

Total net cash outflow is defined as the total expected cash outflow minus total expected cash inflow for the next 30 calendar days.

Net Stable Funding Ratio (NSFR)

The Net Stable Funding Ration (NSFR) is designed to promote more medium and long-term funding. As of January 2018, banks will be required to maintain this ratio at or above 100%. The ratio is defined as the available amount of stable funding / required amount of stable funding.

Stable funding is defined amounts of equity and liability financing expected to be reliable sources of funds over a one-year time horizon under conditions of extended stress:

- capital,
- preferred stock with maturity of equal to or greater than one year,
- liabilities with effective maturities of one year or greater, and
- that portion of stable non-maturity deposits and/or term deposits with maturities of less than one year that would be expected to stay with the institution for an extended period in an idiosyncratic stress event.

CORPORATE BANKING

In corporate banking, the Bank provides financial solutions to large and mid-size Turkish and German corporates and financial institutions and all kinds of lending, trade finance services, payment and cash management and internet banking products to its customers.

Corporate Banking's strategic focus is on:
- Expanding its lending business with Turkish and European corporates by providing a prompt and efficient handling process together with a convenient and reliable experience,
- Deepening relationships with customers,
- Diversifying the credit portfolio and deposit base,
- Strengthening the competition capability of Akbank Group in the Turkish credit market,
- Keeping its close collaboration with the Akbank Group,
- Product diversification in a "Changing world and changing customer needs,"
- Taking a broad view of the international business needs of clients and supporting them across continents and in multiple currencies.

Highlights in 2012
- In 2012, the consolidated corporate loan portfolio increased 121.4% to EUR 2.276 million - Akbank AG's highest level. The Bank continued supporting and strengthening the corporate banking activity of the Akbank Group.
- The asset quality of Corporate Banking remained outstanding in 2012 with zero non-performing loans on the books.
- As a new target, the trade finance volume increased significantly to EUR 65 million during 2012.

In 2013, Akbank AG Corporate Banking will continue to implement its strategies focused to expand and diversify its assets and optimize its profitability.

RETAIL BANKING

Akbank AG started its retail banking activities in 2012 by taking over the retail banking activities of Akbank N.V. as a result of the merger.

In Retail Banking activities, the Bank keeps its focus on fast, reliable and consistent customer service and competitive pricing. During the year, the Bank further enhanced customer-oriented lines of communication and straightforward solutions to customer requests. Reaping the benefits of a cost efficient direct banking business model supported by centralized workflow systems, Retail Banking was able to offer competitive interest rates throughout 2012.

In 2012, all processes pertaining to the segment were thoroughly reviewed and redesigned to match the latest regulatory requirements which enabled better delivery of fast, high quality service.

The Internet continued to be the main channel of customer acquisition and activity in 2012. In order to satisfy requirements expected from a modern bank, the Internet banking system was further developed during 2012.

TREASURY

Akbank AG Treasury is responsible for managing the Bank's liquidity, interest rates and market risk with risk adjusted return principles aiming to maximize the return of the Bank's proprietary investment position on assets. In line with ALCO decisions and internal limits, the Treasury uses its know-how and expertise to achieve this goal.

The Treasury managed to keep ample liquidity in 2012 to support its commercial activities. Effective risk management practices together with accurate market timing helped the Bank to bolster liquidity, profitability and improved the investment portfolio's return.

The Treasury regularly communicates with Akbank T.A.Ş. to share views on market assessment, players, instruments, macro and micro economic outlook of major and emerging market economies to assure effective global Treasury management. Treasury shares market information and know-how with its parent to benefit from their expertise and experience for product and business line development.

The Department has seasoned management and personnel with broad-based know-how and experience to create and provide various credit, interest, equity and foreign exchange spot and derivatives. Treasury played a proactive role in increasing synergy with the Sabancı Group and their companies. The relationship with its parent, Akbank T.A.Ş., is one of the best examples of group synergy. Akbank T.A.Ş. serves as one of the main financial intermediaries as well as a clearing house in the Turkish market for Akbank AG.

CREDITS

Akbank AG possesses a prudent, conservative and highly selective credit extending culture. The Supervisory Board determines the Bank's broad credit policies and holds the Managing Board responsible for achieving the targets it sets based on the strategies it has identified. The technical aspects of implementing these targets has been devised and proposed by the Credit Department and approved by the Credit Committee.

In its capacity outlined above, the Credit Department manages credit risk at Akbank AG. The Department utilizes the structural approach to assess counterparty risk and default probabilities to arrive at the necessary collateral strength. The Credit Department's main functions are analyzing, extending credit, payout, monitoring and reporting. The Department follows up on all risk, complies with credit policy and procedures and abides by internal risk set by the Supervisory Board, the Managing Board, the Credit Committee and the Assets and Liabilities Committee (ALCO). The Bank's prudent credit policy and processes are proof of its ability to maintain a zero non-performing loan level since it was established.

The Corporate Banking, Financial Institutions and Treasury Departments are responsible for the marketing functions at Akbank AG. The Credit Department reviews proposals received from these departments to perform customers' credit analyses and investigations and reports its findings to the Credit Committee. Based on rigorous evaluations of credit worthiness prepared by the Department, the Credit Committee assigns credit limits to the counterparties, sovereigns, corporations and sets concentration risk limits (single obligor, sector, country concentrations). The Credit Department plays a pivotal role in defining the fundamental outline of credit relations with customers.

Last year, Akbank AG started to improve the credit rating tools it utilizes to benefit from the expertise of the Akbank Group in all credit risk matters. The Akbank AG rating models are closely integrated into credit assessment and credit decision processes.

The Credit Department's main responsibilities include credit extending, payout, repayment monitoring, follow-up and legal follow-up with support from the Bank's external legal counsel and the Internal Control and Compliance Department. The Legal Department at Akbank T.A.Ş. also advises Akbank AG regarding legal follow-up issues related to Turkey, if any. Akbank AG also profits through an SLA agreement of the early warning systems within Akbank T.A.Ş.

In line with the policy to retain its role as a niche bank, Akbank AG will continue to work with medium to large size corporate companies, selected reputable trading companies and financial institutions throughout 2013.

RISK MANAGEMENT GOVERNANCE

Akbank AG utilizes robust risk management practices, policies and procedures regularly overseen by internal and external auditors and regulatory bodies to fulfill its regulatory risk management requirements.

Akbank AG's Risk Management Department is responsible for overseeing all risks associated with banking activities and monitoring related risk limits set by the Supervisory Board. The Department regularly reports to the Managing Board, Assets and Liabilities Committee and the Risk Committee, advising them on setting and changing risk limits.

The Department develops and utilizes in-house risk models to assess the risk that might arise during the Bank's usual business. The Department also supplies the forward-looking scenario analyses that are used in evaluating business decisions, new product launches, changes in the macroeconomic environment and new regulatory requirements that entail dynamic risk management models. Thanks to its experienced risk management team, the Bank is able to develop innovative in-house risk models while enjoying the strong support and banking expertise of its parent, Akbank T.A.Ş. with regard to all risk management matters.

The Risk Management Department plans to develop further models and enhance present models dealing with operational risk, interest rate risk and stress testing.

Risk Governance

Akbank AG's risk governance structure comprises the following bodies with key responsibilities in the area of risk management:

Supervisory Board

The Supervisory Board is ultimately responsible for setting the broad guidelines of risk governance and management to be followed in all of the Bank's activities. The Board determines the overall risk strategy, the Bank's preferred level of acceptable risk and ensures that risk is monitored and effectively controlled. The Board is also responsible for establishing a clearly defined risk management structure with distinct roles and responsibilities. Formal approval of the Bank's Risk Strategy is subject to the Supervisory Board's approval.

Audit Committee

The Audit Committee functions as part of the Supervisory Board. It supports the Supervisory Board by overseeing financial reporting and the internal control environment.

The Committee is composed of two members from the Supervisory Board and meets regularly with the Managing Board, representatives from external auditors, internal auditors and the Internal Control & Compliance Department. At these meetings, detailed analyses of issues and activities regarding risk monitoring, audit and compliance are evaluated.

Risk Committee

The Risk Committee oversees the implementation and maintenance of the most appropriate risk structure across the Bank and discusses finance and risk issues.

The Risk Committee discusses key risk policies, oversees compliance with risk limits, reviews capital adequacy ratios, capital structure and capital allocation. The Risk Committee also reviews ICAAP, related risk policies and procedures and submits them to the Supervisory Board for approval.

The committee is composed of three Supervisory Board members and the Chief Risk Officer (CRO) of Akbank AG.

Managing Board and its Sub-committees

The Managing Board has overall responsibility for managing diverse kinds of risk to ensure that they are handled in compliance with the Bank's business and operational objectives and the associated risk control systems within the Bank. The Managing Board reports to the Supervisory Board on risk management activities at Risk Committee and Audit Committee meetings, usually held on a bi-monthly basis. Business and strategic risks are generally addressed within the Managing Board. The Bank's CEO and CRO are the members of the Managing Board.

This Board ensures the setting-up of risk management systems that define key policies, and the identifying, quantifying, mitigating and monitoring all risk categories in an efficient and effective manner. The Managing Board regularly reviews risk management systems, including the Risk Strategy, and their ongoing implementation to check that systems are adequate and appropriate. The Managing Board is also responsible for the establishment of a permanent risk management function within the Bank.

Assets and Liabilities Committee (ALCO)

The Assets and Liabilities Committee (ALCO) is responsible for formulating strategies to manage the balance sheet structure of the Bank. It chooses the appropriate policies to optimize the Bank's liquidity position, interest rate risk, market risk and fund management. At ALCO meetings, the balance sheet, risk positions, short and medium-term funding and investment activities are thoroughly analyzed and evaluated.

Local Risk Committee

The Local Risk Committee monitors risk management framework functions within the Bank. Its agenda is made up of key risk policies, controls, compliance with risk limits, capital adequacy and capital structure. The Risk Committee also reviews and initially approves the ICAAP, which is then forwarded to the further approval of the Risk Committee.

Credit Committee

The Credit Committee is responsible mainly for the evaluation and assessment of credit risk within the entire organization. It is chaired by the chairman of the Supervisory Board.

AKBANK AG

Financial Statements
as of December 31, 2012

Balance Sheet as of December 31, 2012

ASSETS

	EUR	31.12.2012 EUR	31.12.2011 KEUR
1. Cash Reserve			
a) Cash on hand	1,316.83		2
b) Balances at central banks	48,349,850.11		16,534
thereof: at Deutsche Bundesbank 48,349,850.11		48,351,166.94	16,536
2. Loans and advances to banks			
a) Payable on demand	14,272,856.59		2,945
b) Other loans and advances	173,835,299.57		26,131
		188,108,156.16	29,076
3. Loans and advances to customers		2,080,072,272.37	985,899
thereof: secured by			
property charges 0.00			
Municipal loans 0.00			
4. Debentures and other fixed-interest securities Bonds and debentures			
a) from public sector	0.00		0
thereof: eligible as collateral at Deutsche Bundesbank 0.00			
b) from other issuers	384,128,004.77		314,098
thereof: eligible as collateral at Deutsche Bundesbank		384,128,004.77	314,098
304,789,430.12			
5. Intangible assets		136,868.93	56
6. Property and equipment		363,868.65	227
7. Other assets		10,832,170.24	1,567
8. Prepaid expenses		173,709.06	258
9. Deferred taxes		1,076,900.00	80
	Total Assets	2,713,243,117.12	1,347,797

Balance Sheet as of December 31, 2012

LIABILITIES

	EUR	31.12.2012 EUR	31.12.2011 KEUR
1. Liabilities to banks			
a) Payable on demand	2,444,502.17		2,180
b) with an agreed term or period of notice	361,618,106.22		329,772
		364,062,608.39	331,952
2. Liabilities to customers			
Other liabilities			
a) Payable on demand	291,645,084.11		52,298
b) with an agreed term or period of notice	1,777,657,110.99		693,781
		2,069,302,195.10	746,079
3. Other liabilities		1,048,447.10	20,739
4. Deferred income		5,741,768.78	2,415
5. Provisions			
a) Tax provisions	2,709,954.53		278
b) Other provisions	1,792,057.08		1,034
		4,502,011.61	1,312
6. Subordinated liabilities		0.00	2,110
7. Shareholder's equity			
a) Subscribed capital	50,000,000.00		50,000
b) Capital reserve	158,253,076.35		150,520
c) Revenue reserves Other revenue reserve	42,670,459.13		30,574
d) Profit available for distribution	17,662,550.66		12,096
		268,586,086.14	243,190
	Total Liabilities and Shareholders' Equity	2,713,243,117.12	1,347,797

	EUR	KEUR
1. Contingent liabilities		
Liabilities from guarantees and warranty agreements	15,987,495.83	8,290
2. Other obligations		
Irrevocable loan commitments	47,933,335.83	54,403

Income Statement as of December 31, 2012

	EUR	EUR	31.12.2012 EUR	31.12.2011 KEUR
1. Interest income from				
a) Lending and money market business	78,526,492.91			32,457
b) Fixed-interest securities and government- inscribed debt	12,738,936.68			7,791
		91,265,429.59		40,248
2. Interest expenses		57,771,272.79		19,159
			33,494,156.80	21,089
3. Commission income		1,875,566.23		1,415
4. Commission expenses		654,238.48		415
			1,221,327.75	1,000
5. Other operating income			340,084.57	299
6. General and administrative expenses				
a) Personnel expenses				
aa) wages and salaries	4,251,496.01			2,218
ab) social security and other pension costs thereof: for old age pensions EUR 162.023,67 (previous year: KEUR 33)	653,881.55	4,905,377.56		318
b) Other administrative expenses		4,394,424.70		1,888
			9,299,802.26	4,424
7. Write-downs and adjustments to intangible assets and property, plant and equipment			400,362.41	42
8. Other operating expenses			37,036.42	0
9. Write-downs and allowances on loans and advances and certain securities and allocations to provisions for possible loan losses			1,864,969.84	2,001
10. Income from write-ups on participations, interests in affiliated companies and investment securities			2,489,874.24	0
11. Result from ordinary activities			25,943,272.43	15,921
12. Income taxes				
a) Tax expenses		9,269,488.54		2,577
b) Expenses from reversal of deferred taxes		0.00		1,247
c) Income from capitalization of deferred taxes		997,000.00	8,272,488.54	0
13. Other taxes			8,233.23	1
			8,280,721.77	3,825
14. Net result for the year			17,662,550.66	12,096
15. Profit carried forward			12,096,148.65	30,574
16. Transfer to reserves to other revenue reserve			12,096,148.65	30,574
17. Profit available for distribution			17,662,550.66	12,096

NOTES TO THE FINANCIAL STATEMENTS FOR THE BUSINESS YEAR FROM 1 JANUARY TO 31 DECEMBER 2012

1. General information

1.1. Merger and change in shareholder

In business year 2012, there was a change in the ownership structure at Akbank AG, Frankfurt am Main. Akbank T.A.S., Istanbul, Turkey, the Bank´s former sole indirect shareholder, became the sole direct shareholder.

The former shareholder, Akbank N.V., Amsterdam, Netherlands, a wholly owned subsidiary of Akbank T.A.S., was merged into Akbank AG by absorption under the merger agreement dated 13 June 2012 and in accordance with the resolution adopted at the shareholder meeting of Akbank AG on 13 June 2012 and the resolution adopted at the shareholder meeting of Akbank N.V. on 12 June 2012. Consequently, the transferee, i.e., Akbank AG, acquired all assets and liabilities of the transferring company, i.e., Akbank N.V., including all the rights and obligations, by way of universal succession, which dissolved the transferring bank, Akbank N.V., without winding it up, by means of a cross-border merger. The merger was entered in the commercial register of Akbank AG at the Frankfurt am Main local court under HRB no. 78036 on 15 June 2012. As a result, Akbank T.A.S. became the sole shareholder of Akbank AG.

In accordance with the merger plan, the effective merger date is 1 January 2012. From this date, all actions and legal transactions of Akbank N.V. are deemed to be for the account of and at the risk of Akbank AG. For accounting purposes, the merger plan provided that the assets and liabilities of Akbank N.V. were transferred to Akbank AG by way of universal succession (cross-border merger), with economic effect from 00:00 hours CET on 1 January 2012. Consequently, Akbank N.V.´s net income was attributable to Akbank AG from 1 January 2012 for commercial law purposes. For corporate and commercial law purposes, the merger was carried out at arm´s length in accordance with the merger plan. The opening balance sheet at 1 January 2012 contained the fair values of the assets and liabilities transferred by Akbank N.V. determined using accepted methods under commercial law.

For the merger of Akbank N.V. into Akbank AG at 1 January 2012, a balance sheet was prepared for Akbank N.V. as of 31 December 2011 based on the mark-to-market valuation and the classification provisions relevant for the financial statements of Akbank AG as of 31 December 2011, and from this a merger balance sheet for both companies as of 1 January 2012 was derived. For more information, please see section 3 of these notes.

Since Akbank N.V. held all shares in Akbank AG, the subscribed capital of the latter was not increased as a result of the merger.

1.2. Memberships

Akbank AG is a member of various banking associations and organisations. It is a member of the Federal Association of German Banks [Bundesverband deutscher Banken e.V.] and has joined its deposit insurance fund. In addition, it is a member of the Association of Banks in Hesse [Bankenverband Hessen e.V.], the Association of Foreign Banks in Germany [Verband der Auslandsbanken in Deutschland e.V.], the Auditing Association of German Banks [Prüfungsverband deutscher Banken e.V.] and the Association of Banking Organisation [Vereinigung für Bankbetriebsorganisation e.V.].

2. Accounting, valuation and translation methods of Akbank AG as of 31 December 2012

The financial statements as of 31 December 2012 of Akbank AG were prepared in accordance with the provisions of the HGB (German Commercial Law) and the AktG (German Corporation Law). The general valuation regulations of Sec. 252 et seq. HGB and the supplementary regulations for credit institutions of Sec. 340 et seq. HGB have to be applied.

The financial statements were also prepared in accordance with the Bank Accounting Directive (RechKredV).

The cash reserve, the loans and advances to banks and the loans and advances to customers are disclosed at acquisition cost or the lower nominal value plus accrued interest.

Individual allowances, general loan loss allowances and country risk allowances on loans and advances to banks and loans and advances to customers are deducted directly from these loans and advances.

a) Individual allowances are recognised based on the occurrence of defined criteria in consideration of existing collateral.

b) General loan loss allowances are computed on the basis of historical default data.

c) Loans to borrowers domiciled in countries with lower credit ratings are subject to country risks. These include all risks from lending transactions which arise from the economic, social or political environment of a specific country. Country risks comprise country-specific economic risks, sovereign default risks, transfer risks, risks that arise from financial crises, legal risks and socio-political risks.

At the balance sheet date, the method for calculating the country risk provisions according to the Ministry of Finance's draft interpretative letter (IV C6 – S2174-/0) of 2009 was applied, as in the previous year. The recommendations of the Federal Central Office for Taxes (Bundeszentralamt für Steuern) were taken into consideration. Country risk allowances are always set up if a borrower is subject to a country risk and no defined collateral is in place. Transactions are allocated to a specific country risk in accordance with the risk domicile principle, i.e., the allocation is made according to the borrower's country of domicile. If the transfer risk according to the parent country principle (parent company's domicile) is lower than according to the country of domicile principle and if a joint liability of the parent company exists, the allocation is made to the parent country. If a risk liability or any other collateral has been provided from a third country where the transfer risk is lower than under the country of domicile principle, the procedure adopted follows the parent country principle.

Receivables with an original maturity of less than one year are not taken into account as a parameter for the country risk allowances.

In its own estimation of the country risks for Turkey, Russia and the United Arab Emirates, the Bank lies well below the range recommended by the Federal Central Office for Taxes, during the year under review.

In comparison with the previous year, the rates used for the country risk allowance are as follows:

	2011		2012	
	Recommendation by the Federal Central Office for Taxes %	Bank's rate %	Recommendation by the Federal Central Office for Taxes %	Bank's rate %
Turkey	10 to 20%	10%	20 to 30%	4%
Russia	20 to 30%	30%	20 to 30%	10%
United Arab Emirates	0 to 10%	10%	10 to 20%	5%

Bonds and debentures recognised under fixed assets are recognised on the basis of the modified lower of cost or market principle. The difference between higher acquisition cost and the nominal value is allocated pro rata temporis over the remaining term of the bonds.

The intangible assets and the property and equipment are valued at acquisition cost, reduced by amortisation and depreciation. In the event of permanent impairments of value, write-downs to the lower net realisable value are made. Low-value assets are written off in the acquisition year. According to Sec. 6 (2a) EStG (German Income Tax Act) all fixed asset items with acquisition costs of between EUR 150 and EUR 1,000 are posted to an annual collective item and written down over five years using the straight-line method.

The remaining assets were valued according to the strict lower of cost or market principle.

If there are differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income for commercial purposes and their tax base which are expected to reverse in subsequent business years, the resulting tax relief is recognised in the balance sheet as deferred tax assets. A resulting tax burden is recognised by the Bank in the balance sheet as deferred tax liabilities. When calculating deferred tax assets, tax loss carryforwards must be taken into account in the amount of the net loss expected in the next five years. The Bank does not have any such loss carryforwards at present.

The amounts of the resulting tax burden and tax relief are valued using the Bank-specific tax rates at the time of reducing the differences and are not discounted. The disclosed items must be reversed as soon as the tax burden or tax relief arises or ceases to be expected. The expense or income from the change in recognised deferred taxes is disclosed separately in the income statement under the item "Taxes on income."

The liabilities are recognised at the settlement amounts plus accrued interest.

Other provisions take into account all discernible risks and uncertain obligations as well as impending losses from pending transactions and are recognised at the settlement value deemed necessary according to prudent business judgment.

Interest accruals for receivables and liabilities are allocated to the corresponding balance sheet items.

Foreign currency receivables and liabilities (including deferred interest) contained in the individual items are valued at the applicable reference rates of the European Central Bank (ECB) as of 31 December 2012.

Foreign exchange swap transactions are also valued using the reference rates of the ECB as of 31 December 2012. Unrealised gains from foreign exchange swap transactions for which special cover exists according to Sec. 340 h HGB are recognised under other assets.

The forward rates are split into spot rate and swap rate and these two elements are accounted for separately when determining results. The concluded swap amounts are released pro rata temporis. Changes in the spot rates are determined in the currency translation by comparing the forward rates with the spot rate on the balance sheet date. Positive and negative spot rate differences within the same currency are netted.

Open forward transactions are valued at market prices. Unrealised losses deriving from the difference between forward and market prices are disclosed in other liabilities.

The Bank manages the general interest rate risk in the banking book centrally as part of asset/liability management. For the purpose of valuation at net realisable value for interest rate risks in the banking book, it determines whether the overall value of the payment obligations, including future administrative expenses, is matched by sufficiently high claims to consideration, taking into account an adequate risk provision. If the total interest position in the banking book results in a net obligation, the principle of prudence under German commercial law is applied by recognising a provision in accordance with Sec. 249 (1) Sentence 1 No. 2 HGB (provision for potential losses). There was no need to recognise a provision for potential losses at the balance sheet date.

3. Merger balance sheet as of 1 January 2012

The figures of the transferee Akbank AG and, consequently, the accounting, valuation and translation methods of the financial statements as of 31 December 2011 were taken over unaltered in preparing the merger balance sheet as of 1 January 2012. The methods are described in section 2 of these notes to the financial statements and still applied as of 31 December 2012.

A balance sheet as of 31 December 2011 was prepared for Akbank N.V. in accordance with the general classification principles of the HGB and the RechKredV. The assets and liabilities were recognised at fair value.

Akbank N.V. had its registered office in Amsterdam, Netherlands, and a branch in Essen.

The merger plan stipulated that most of Akbank N.V.'s assets in Amsterdam be sold and the deposits repaid in full. The Bank's business premises in Amsterdam and Essen were to be closed and relocated to Frankfurt. All contracts were cancelled apart from a few exceptions.

The carrying amounts of Akbank N.V.'s assets and liabilities as of 31 December 2011 were derived directly from the conservatively estimated fair values. In view of the plans to liquidate large parts of its operations, it made no sense to value the entire business of Akbank N.V. and as such, no additional business value was calculated or recognised.

In order to clearly describe the effects of the merger, the table below compares the previous-year figures of Akbank AG (before the merger) and the assets and liabilities of Akbank N.V. as of 31 December 2011 which were integrated into the Bank as part of the merger.

Akbank N.V.'s equity investment in Akbank AG of EUR 253,502k was consolidated with Akbank N.V.'s capital in the pro forma balance sheet of Akbank N.V. The figures of Akbank AG as of 31 December 2012 are presented in the adjacent column:

in EUR k	Akbank AG's balance sheet as of 31.12.2012	Consolidated pro forma balance sheet of Akbank AG as of 31.12.2011	Pro forma balance sheet consolidations as of 31.12.2011	Pro forma balance sheet of Akbank N.V. as of 31.12.2011	Akbank AG's balance sheet as of 31.12.2011
ASSETS					
1. Cash reserve	48,351	30,214		13,678	16,536
2. Loans and advances to banks	188,108	200,818	-79,328	251,070	29,076
3. Loans and advances to customers	2,080,072	1,725,449		739,550	985,899
4. Debentures and other fixed-interest securities	384,128	553,237		239,139	314,098
5. Equity investments	0	125		125	0
6. Intangible assets	137	355		299	56
7. Property and equipment	364	507		280	227
8. Other assets	10,832	8,925		7,358	1,567
9. Prepaid expenses	174	511		253	258
10. Deferred tax assets	1,077	80		0	80
	2,713,243	**2,520,221**	**-79,328**	**1,251,752**	**1,347,797**
EQUITY AND LIABILITIES					
1. Liabilities to banks	364,063	331,965	-79,328	79,341	331,952
2. Liabilities to customers	2,069,302	1,713,727		967,648	746,079
3. Other liabilities	1,048	42,726		21,987	20,739
4. Deferred income	5,742	4,126		1,711	2,415
5. Provisions	4,502	9,644		8,332	1,312
6. Subordinated liabilities	0	2,110		0	2,110
7. Shareholder's equity	268,586	415,923		172,733	243,190
	2,713,243	**2,520,221**	**-79,328**	**1,251,752**	**1,347,797**

The Bank reports the following carrying amounts:

The cash reserve is recognised at its nominal value and the loans and advances to banks and the loans and advances to customers are disclosed at conservatively estimated fair value plus accrued interest.

The fair values of the loans and advances to banks and to customers were calculated as follows.

The nominal value and fair value of loans and advances that were due and repaid on or before the merger date were largely identical because of the short residual terms. They were therefore recognised at their nominal values plus interest to be accrued.

In Akbank N.V.'s pro forma balance sheet as of 31 December 2011, the bonds and debentures recognised under fixed assets were allocated to current assets apart from those that had been transferred to Akbank AG in the period prior to the merger date. They were all recognised at fair value (i.e., at their market prices as of 31 December 2011).

For the intangible assets and property and equipment, the fair value was derived from the historical acquisition cost less amortisation, depreciation and write-downs.

The other assets were valued at fair value.

Liabilities to banks were recognised at their settlement values, which were largely equal to the conservatively estimated fair value, less accrued interest.

In valuing liabilities to customers, a distinction was made between liabilities to customers of the headquarters in Amsterdam and to customers of the Essen branch:

Customers in the Netherlands received their deposits back in full in the first five months of 2012. Compensation was paid for any interest disadvantages for which provisions were recognised on 31 December 2011.

The deposit customers in Essen were transferred to Akbank AG. A special valuation determined that the nominal value plus interest was largely equivalent to the fair value.

Other provisions took into account all discernible risks and uncertain obligations as well as impending losses from pending transactions and were recognised at the settlement value deemed necessary according to prudent business judgment which is equivalent to the conservatively estimated fair value. The Company recognised adequate provisions for redundancy schemes, costs for closing the offices in Amsterdam and Essen and future archiving costs.

Foreign currency receivables and liabilities (including accrued interest) were valued at the reference rates of the European Central Bank (ECB) valid as of 31 December 2011.

Open foreign exchange swap transactions were also valued using the reference rates of the ECB valid as of 31 December 2011.

Open forward transactions were stated at fair value.

To eliminate intercompany balances for the purpose of the merger balance sheet, receivables and liabilities of Akbank AG and Akbank N.V. of EUR 79,328k were eliminated. For commercial law purposes, Akbank AG did not record any post-merger gain from different valuations of the intercompany receivables and liabilities.

The resulting net assets of EUR 172,733k increased the capital reserve in the merger balance sheet. The development of the capital reserve is outlined in more detail in the section "Subscribed capital, capital reserve and profit available for distribution" below.

4. Notes to the balance sheet and income statement

BALANCE SHEET

Preliminary remarks

The individual balance sheet items containing foreign currency items and receivables from and payables to affiliated companies are presented in a separate section below.

Cash reserves

As of the balance sheet date, the Bank had cash reserves of EUR 48,351k (previous year: EUR 16,536k). Thereof, EUR 48,350k (previous year: EUR 16,534k) was attributable to the balance with Deutsche Bundesbank and EUR 1k (previous year: EUR 2k) to euro cash assets from petty cash.

Loans and advances to banks

Loans and advances to banks, subdivided according to remaining terms, are composed as follows:

	31.12.2012 EUR k	31.12.2011 EUR k
Payable on demand	14,273	2,945
Remaining term to maturity		
- up to three months	30,388	8,221
- from three months to one year	115,923	12,500
- from one year to five years	27,524	5,410
	188,108	**29,076**

The country risk allowance on loans and advances to customers amounts to EUR 4,270k (previous year: EUR 2,318k).

Loans and advances to customers

Loans and advances to customers, subdivided according to remaining terms, are composed as follows:

	31.12.2012 EUR k	31.12.2011 EUR k
Payable on demand	6,747	3,312
Remaining term to maturity		
- up to three months	418,630	260,815
- from three months to one year	910,053	465,082
- from one year to five years	744,642	256,690
	2,080,072	**985,899**

The individual allowances at the balance sheet date are EUR 49k (previous year: EUR 49k).

In order to cover the latent default risk, a general loan loss allowance of EUR 6k (previous year: EUR 6k) is in place.

The country risk allowance on loans and advances to customers amounts to EUR 33,443k (previous year: EUR 32,363k).

For securing loans and advances to customers of EUR 584,343k (previous year: EUR 61,230k), customer deposits in the same amount (previous year: EUR 61,364k) had been pledged at the balance sheet date.

Debentures and other fixed-interest securities

All debentures and other fixed-interest securities (book value: EUR 384,128k; previous year: EUR 314,098k) were listed on a stock exchange at the balance sheet date.

They were allocated in full to the fixed assets. The development of the financial investments is presented in the "Development of fixed assets" (appendix I to the notes).

There are hidden reserves of EUR 9,396k (previous year: EUR 1,746k) and hidden charges of EUR 483k (previous year: EUR 4,020k). In view of the fact that the debentures are classified as fixed assets and the lower market values were not due to expected permanent impairment, but rather simply to normal market volatility, the Bank did not write down the hidden charges to the lower market values.

In business year 2013, debentures and other fixed-interest securities of EUR 91,671k (previous year: EUR 48,623k) will fall due.

Intangible assets

During the year under review, the portfolio included intangible assets (standard software) of EUR 137k (previous year: EUR 56k). During the 2012 business year, as in the previous year, no extraordinary write-downs were required. Akbank N.V. transferred intangible assets of EUR 285k to Akbank AG as part of the merger.

The development of intangible assets is presented in the "Development of fixed assets" (appendix I to the notes).

Property and equipment

The classification of property and equipment of EUR 364k (previous year: EUR 227k) at the balance sheet date is presented in the "Development of fixed assets." In business year 2012, extraordinary write-downs of EUR 68k (previous year: EUR 0k) were recognised. Akbank N.V. transferred property and equipment of EUR 240k to Akbank AG as part of the merger.

The development of property and equipment is presented in the "Development of fixed assets" (appendix I to the notes).

Other assets

Other assets of EUR 10,832k (previous year: EUR 1,567k) mainly relate to receivables less write-downs of EUR 6,650k from the Dutch Central Bank (DCB) as the administrator of the Dutch DSB Bank N.V. that became insolvent in 2009. Other assets also relate to swap receivables and receivables from forward exchange transactions of EUR 3,721k from hedging of foreign currency receivables (contained in various balance sheet items) and receivables from the fiscal authorities from corporate income tax and input VAT refund claims of EUR 452k (previous year: EUR 1,558k).

Prepaid expenses

Of the prepaid expenses of EUR 174k (previous year: EUR 258k), EUR 88k (previous year: EUR 169k) was recognised for deferred up-front commissions from the lending business.

Deferred tax assets

Deferred taxes of EUR 1,077k (previous year: EUR 80k) serve to offset the additional tax burden arising from the temporary difference of EUR 3,375k (previous year: EUR 249k) between the tax base and the commercial balance sheet. The difference results from higher carrying amounts of fixed assets in the tax base compared with the commercial balance sheet of EUR 2,711k (previous year: EUR 300k) and from lower provisions in the tax base compared with the commercial balance sheet of EUR 664k (previous year: EUR 549k).

The year-on-year increase in the balance sheet item deferred tax assets of EUR 997k (previous year: decrease of EUR 1,246k) relates to decreases in the additional tax burden recognised in the reporting year (previous year: increases of the lower tax expense recognised in 2011).

Deferred tax assets are calculated on the basis of the tax rate applicable to the Bank at the balance sheet date of 31.9%.

Liabilities to banks

Subdivided according to the remaining terms, the liabilities to banks are composed as follows:

	31.12.2012 EUR k	31.12.2011 EUR k
Payable on demand	2,445	2,180
Remaining term to maturity		
- up to three months	293,485	328,363
- from three months to one year	27,841	1,409
- from one year to five years	40,292	0
	364,063	331,952

Liabilities to customers

Liabilities to customers, subdivided according to remaining terms, are composed as follows:

	31.12.2012 EUR k	31.12.2011 EUR k
Other liabilities		
Payable on demand	291,645	52,298
Remaining term to maturity		
- up to three months	381,824	321,633
- from three months to one year	972,634	323,624
- from one year to five years	414,011	40,000
- more than five years	9,188	8,524
	2,069,302	746,079

EUR 377.0 m of liabilities to customers relates to the deposit business with private customers taken over from Akbank N.V. in connection with the merger and EUR 1,692.3 m (previous year: EUR 746.1m) relates to the deposit business with institutional customers.

Other liabilities

Other liabilities of EUR 1,048k (previous year: EUR 20,739k) chiefly comprise withholding tax on interest and church tax on customer deposits of EUR 591k (previous year: EUR 51k), wage and church tax of EUR 58k (previous year: EUR 32k) and supplier and other liabilities of EUR 345k (previous year: EUR 33k).

In the previous year, other liabilities also contained swap liabilities and liabilities from forward exchange transactions of EUR 20,502k from hedging of the foreign currency receivables contained in various balance sheet items and interest from tax liabilities of EUR 121k.

Deferred income

The deferred income of EUR 5,742k (previous year: EUR 2,415k) was recognised exclusively for deferred up-front commissions from the lending business.

Provisions

Tax provisions at the balance sheet date of EUR 2,710k relate to corporate income tax and trade tax. The previous-year figure of EUR 278k related exclusively to trade tax.

The other provisions are composed of the following:

	31.12.2012 EUR k	31.12.2011 EUR k
Personnel costs	550	240
Liabilities of the former Akbank N.V.	376	0
Off-balance sheet credit risk	318	309
Audit and tax consultant costs	278	156
Outstanding holiday	100	68
Outstanding invoices	95	150
Chamber of Commerce and Industry	14	97
Miscellaneous	61	14
	1,792	**1,034**

Subordinated liabilities

At the balance sheet date, there were no subordinated liabilities pursuant to Sec. 10 (5a) of the German Banking Act (KWG) (previous year: EUR 2,000k plus accrued interest of EUR 110k). The loan which still existed as of the previous year's balance sheet date had been raised by a domestic non-profit organisation at an interest rate of 6.70% p.a. and matured on 5 March 2012. The interest expense during the year under review was EUR 24k (previous year: EUR 134k).

Subscribed capital, capital reserve and profit available for distribution

The capital stock is EUR 50,000,000 and subdivided into 50,000,000 no-par value shares. The shares are bearer shares.

Akbank AG's capital reserve changed as follows as a result of the merger with Akbank N.V.:

	EUR
Akbank AG's capital reserve as of 31 December 2011	150,519,907.93
Increase in the capital reserve due to the merger of Akbank N.V. into Akbank AG as of 1 January 2012	172,733,168.42
Decrease of the capital reserve due to the repayment of capital to Akbank N.V.'s sole shareholder, Akbank T.A.S.[1]	165,000,000.00
Net increase in Akbank AG's capital reserve due to the merger	7,733,168.42
Akbank AG's capital reserve as of 31 December 2012	158,253,076.35

[1] Since Akbank N.V. was an independent legal entity up to the merger date, its issued capital was reduced to EUR 35,000k by shareholder resolution dated 15 March 2012. Its decreased capital was repaid to the sole shareholder, Akbank T.A.S., on 6 June 2012, i.e., before the merger date. The sole shareholder received a repayment of capital of EUR 165,000k. From the perspective of the transferee in the framework of the merger, Akbank AG, this repayment of capital is treated as a reduction of the capital reserve.

In accordance with the shareholder resolution dated 27 April 2012, the profit available for distribution for business year 2011 of EUR 12,096,148.65 was allocated in full to the other revenue reserves.

The net income for 2012 is EUR 17,662,550.66.

This is subject to a distribution restriction in the amount of the deferred tax assets of EUR 1,076,900.00 pursuant to Sec. 268 (8) HGB.

The Company's Management Board proposes to allocate the profit available for distribution of EUR 17,662,550.66 to the other revenue reserves.

Country risk allowances

The total country risk provisions are contained in the following balance sheet items:

	31.12.2012 EUR k	31.12.2011 EUR k
Loans and advances to banks	4,270	2,318
Loans and advances to customers	33,443	32,363
Other provisions	318	309

	38,031	34,990

Foreign currency assets and liabilities

The foreign currencies, translated into euros, are included in the following individual balance sheet items:

	31.12.2012 EUR k	31.12.2011 EUR k
Gross loans and advances to banks	51,107	8,440
Gross loans and advances to customers	1,311,883	558,929
Debt securities	49,231	16,596
Prepaid expenses	22	0
Foreign currency assets	1,412,243	583,965
Liabilities to banks	210,104	112,508
Liabilities to customers	588,856	61,821
Foreign currency liabilities	798,960	174,329
Balance	613,283	409,636

The euro equivalent of the foreign currency assets amounts to EUR 1,412,243k (previous year: EUR 583,965k), the euro equivalent of the foreign currency liabilities amounts to EUR 798,960k (previous year: EUR 174,329k)
The net foreign currency position as at the balance sheet date of EUR 613,283k (previous year: EUR 409,636k) contrasts with foreign currency hedges of EUR 613,366k (previous year: EUR 409,583k).

Loans and advances and liabilities to affiliated companies

At the balance sheet date, the Bank reported the following receivables and liabilities to affiliated companies:

	31.12.2012 EUR k	31.12.2011 EUR k
Loans and advances to banks		
- payable on demand	442	30
- other loans and advances	18,737	0
Loans and advances to customers	48,718	34,440
Loans and advances to affiliated companies	67,897	34,470
Liabilities to banks		
- payable on demand	429	115
- with an agreed term or period of notice	53,078	79,328
Liabilities to customers	596	244
Other liabilities	0	8
Other provisions	0	87
Liabilities to affiliated companies	54,103	79,782

Balance	13,794	-45,312

Contingent liabilities

Contingent liabilities comprise guarantees and letter of credits of EUR 15,987k (previous year: EUR 8,290k – only guarantees), of which EUR 136k (previous year: EUR 654k) was due to affiliated companies and EUR 4k to a member of the Management Board. Based on the good creditworthiness of the customers, the Bank deems the risk of these guarantees being called to be very low.

Other obligations

On the balance sheet date, the Bank reported irrevocable loan commitments of EUR 47,933k (previous year: EUR 54,403k)

Restraints on disposal

The liabilities to Deutsche Bundesbank are secured by pledged assets with a book value including deferred interest of EUR 381,041k (previous year: EUR 403,249k).

INCOME STATEMENT

The 2012 income statement comprises the total of the income and expense figures of Akbank AG and Akbank N.V., which had operated as an independent legal entity until the entry of the merger in the commercial register on 15 June 2012, adjusted for internal service allocations.

Interest income and interest expenses from lending and money market business as well as commission income and expenses largely result from business relations with customers and banks in Germany and Turkey.

Until the end of its existence as an independent legal entity, Akbank N.V. earned interest of EUR 8,649k and incurred interest expenses of EUR 7,229k, resulting in net interest income of EUR 1,420k.

Other operating income amounts to EUR 340k (previous year: EUR 299k). It mainly relates to income from the wind-up of Akbank N.V., Amsterdam, of EUR 269k and income from the reversal of provisions of EUR 32k (previous year: EUR 230k).

General and administrative expenses amounted to EUR 9,300k (previous year: EUR 4,424k). Of this, EUR 4,906k (previous year: EUR 2,536k) related to personnel expenses and EUR 4,394k (previous year: EUR 1,888k) to other administrative expenses.

General and administrative expenses include expenses of EUR 3,189k which relate to Akbank N.V. for the period until the end of its existence as an independent legal entity. EUR 1,492k thereof related to personnel expenses and EUR 1,697k to other administrative expenses.

Write-downs, allowances on loans and advances and on certain securities as well as allocations to provisions for possible loan losses of EUR 1,865k (previous year: EUR 2,001k) comprise the allocation to the country risk allowance on loans and advances of EUR 3,031k (previous year: EUR 1,766k), the allocation to the provision for off-balance sheet credit risk of EUR 9k (previous year: EUR 235k) and the net proceeds from the sale of bonds classified as current assets and the reversal of the related interest rate swaps from Akbank N.V.'s portfolio until the merger date of EUR 1,175k.

Income from write-ups of equity investments, shares in affiliated companies and securities treated as fixed assets of EUR 2,490k primarily relate to the sale of bonds classified as fixed assets from Akbank N.V.'s portfolio at 31 December 2011, which were sold on the capital market after the merger date.

Total remuneration of the auditors of the financial statements

The total fees charged in business year 2012 by the auditors amounted to EUR 177k (previous year: EUR 148k), divided into fees for audit services of EUR 166k (previous year: EUR 140k) and fees for audit-related services of EUR 11k (previous year: EUR 8k).

Taxes on income

Taxes on income of EUR 9,269k (previous year: EUR 2,577k) relate to corporate income tax of EUR 4,611k (previous year: EUR 537k) and trade tax of EUR 4,658k (previous year: EUR 2,040k).

The total amount of income from the recognition of deferred tax assets of EUR 997k relates to the adjustment of the additional tax burden recognised in the business year.

In the previous year, the total amount of expenses from the reversal of deferred tax assets of EUR 1,246k related to the adjustment of the lower tax expense recognised in 2011.

For Dutch tax purposes, the merger date is the date of entry in the German commercial register, i.e., 15 June 2012. On this day, Akbank N.V.'s duty to pay taxes ended for Dutch tax purposes.

However, German tax liability of Akbank N.V.'s branch in Essen ended already on 31 December 2011.

5. Other disclosures

Other financial obligations

The other financial obligations essentially relate to future contractually agreed rent payments for the Bank's offices in Frankfurt am Main. The rent payments until 2017 will total EUR 2,217k (previous year: EUR 867k).

Derivatives

At the balance sheet date, there were open currency swaps in the nominal amount of EUR 536,522k (previous year: EUR 405,187k) and forward exchange transactions of EUR 5,701k (previous year: EUR 4,396k). Both serve exclusively to cover currency risks. At the balance sheet date, the fair value of the currency swaps was EUR 532,727k (previous year: EUR 403,557k) and the fair value of the forward exchange transactions was EUR 5,685k (previous year: EUR 4,385k).

At the balance sheet date, there were no currency swaps with affiliated companies.

For the purpose of hedging the general interest rate risk, interest rate swaps in the nominal amount of EUR 172,500k (previous year: EUR 178,500k) were concluded until July 2016 at the latest. At 31 December 2012, they had a negative present value (excluding accrued interest) of EUR 5,500k (previous year: EUR 4,853k).

To hedge both the interest rate risk and the currency risk, cross-currency swaps of EUR 73,471k (previous year: EUR 0k), maturing no later than 2017, were concluded. At 31 December 2012, the swaps had a positive present value (excluding accrued interest) of EUR 701k (previous year: EUR 0k).

At the balance sheet date, there were neither interest rate swaps nor cross-currency swaps with affiliated companies.

Employees

The Bank had an average of 30 employees including the Management Board in 2012 (previous year: 25).

Corporate bodies

During the business year, the Management Board was composed of the following members:

- Ms. K. Banu Özcan, Frankfurt am Main, Chairman of the Board (from 10 April 2012), in charge of risk management (until 4 January 2013), money and foreign exchange trading/correspondent banking, corporate banking, data processing/organisation, accounting, anti-money laundering activities, internal auditing, compliance, strategy planning and internal control
- Mr. Karl-Friedrich Rieger, Bad Vilbel (until 21 March 2012), in charge of corporate and correspondent banking, money and foreign exchange trading and data processing
- Mr. Bülent Menemenci, Frankfurt am Main (until 4 January 2013), responsible for lending business, payment transactions and documentary transactions
- Mr. Franz Hakan Elman, Oberliederbach (from 27 December 2012), responsible, (from 4 January 2013), for risk management lending business, payment transactions and documentary transactions

The Bank is jointly represented by two board members.

According to the resolution of the shareholder meeting on 3 April 2012, the provisions concerning how the Bank is managed and the power of representation were amended as follows:

The Management Board comprises one or more members.

The Bank is jointly represented by two board members. If only one member of the Management Board is appointed, he or she represents the Bank on his or her own.

The Supervisory Board consisted of six members and was composed of the following persons during the business year:

- Mr. Ziya Akkurt, Chairman, Member of the Executive Board of Akbank T.A.S., Istanbul, Turkey, from 1 to 5 January 2012
- Mr. Hakan Binbaşgil, Chairman, Member of the Executive Board of Akbank T.A.S., Istanbul, Turkey, since 6 January 2012
- Ms. K. Banu Özcan, Deputy Chairwoman, Senior Executive of Akbank N.V., Amsterdam, Netherlands, until 22 March 2012
- Mr. Alper Hakan Yüksel, Member of the Executive Board of Akbank T.A.S., Istanbul, Turkey
- Mr. Eyüp Engin, Member of the Executive Board of Akbank T.A.S., Istanbul, Turkey
- Mr. Atil Özus, Member of the Executive Board of Akbank T.A.S., Istanbul, Turkey
- Mr. Kerim Rota, Member of the Executive Board of Akbank T.A.S., Istanbul, Turkey
- Mr. Ahmet Fuat Ayla, Member of the Executive Board of Akbank T.A.S., Istanbul, Turkey, since 19 April 2012

Remuneration of corporate bodies

The Management Board received total remuneration of EUR 439k (previous year: EUR 332k) during the business year.

No compensation was paid to the Supervisory Board.

Relations with affiliated companies

Akbank N.V., Amsterdam, Netherlands, was Akbank AG's sole shareholder in the reporting period until the merger date. Akbank N.V. was a wholly owned subsidiary of Akbank T.A.S., Istanbul. After Akbank N.V.'s merger with Akbank AG, Akbank T.A.S. became the sole shareholder of Akbank AG.

As of 31 December 2012, 49% of Akbank T.A.S. belonged to Haci Ömer Sabanci Holding A.S., Istanbul, its subsidiaries and members of the Sabanci family, 9.9% was held by Citibank Overseas Investment Corporation and 41.1% was in free float.

Hacı Ömer Sabanci Holding A.S., Istanbul, and all its subsidiaries are considered to be the company's affiliated companies.

During the reporting period business relations were maintained with various affiliated companies. All transactions were concluded on arm's length terms and conditions.

Consolidated financial statements

The financial statements of Akbank AG are included both in the consolidated financial statements of Akbank T.A.S., Istanbul, and in the consolidated financial statements of Haci Ömer Sabanci Holding A.S., Istanbul. The consolidated financial statements of Akbank T.A.S. can be viewed on the website www.akbank.com and the consolidated financial statements of Haci Ömer Sabanci Holding A.S. on the website www.sabanci.com.

Frankfurt am Main, 28 March 2013

The Management Board

K. Banu Özcan   Franz Hakan Elman

Development of fixed assets in business year 2012

	At cost			
	01.01.2012 EUR	Additions EUR	Retirements EUR	31.12.2012 EUR
A. Property and equipment				
1. Leasehold improvements	83.704,93	44.200,99	23.340,34	104.565,58
2. IT equipment	149.838,45	34.473,23	21.381,36	162.930,32
3. Office furniture and equipment	360.961,36	247.728,24	335.742,37	272.947,23
Total	594.504,74	326.402,46	380.464,07	540.443,13
B. Intangible Assets				
Standard software	337.458,77	335.121,84	191.062,23	481.518,38
C. Financial Assets				
Bonds and debentures	322.322.504,85	231.587.729,21	160.185.957,96	393.724.276,10
Total amount	323.254.468,36	232.249.253,51	160.757.484,26	394.746.237,61

	Accumulated amortisation, depreciation and write-downs			
	01.01.2012 EUR	Additions EUR	Retirements EUR	31.12.2012 EUR
A. Property and equipment				
1. Leasehold improvements	30.175,98	35.186,75	23.340,34	42.022,39
2. IT equipment	31.713,39	45.680,58	21.381,36	56.012,61
3. Office furniture and equipment	305.431,02	108.850,83	335.742,37	78.539,48
Total	367.320,39	189.718,16	380.464,07	176.574,48
B. Intangible Assets				
Standard software	281.485,95	210.644,25	147.480,75	344.649,45
C. Financial Assets				
Bonds and debentures	8.224.384,35	6.159.134,31	4.787.247,33	9.596.271,33
Total amount	8.873.190,69	6.559.496,72	5.315.192,15	10.117.495,26

	Net book value	
	01.01.2012 EUR	31.12.2012 EUR
A. Property and equipment		
1. Leasehold improvements	53.528,95	62.543,19
2. IT equipment	118.125,06	106.917,71
3. Office furniture and equipment	55.530,34	194.407,75
Total	227.184,35	363.868,65
B. Intangible Assets		
Standard software	55.972,82	136.868,93
C. Financial Assets		
Bonds and debentures	314.098.120,50	384.128.004,77
Total amount	314.381.277,67	384.628.742,35

CONTACT INFORMATION

AKBANK AG-MANAGING BOARD

Name	Title
K. Banu Özcan	CEO and Chairman of the Managing Board
Franz Hakan Elman	Assistant General Manager and Member of the Managing Board

AKBANK AG-DEPARTMENTS

Name	Group
Mustafa Korkmaz	Treasury
Murat Gündoğdu	Corporate Banking
Klaus Abraham	Financial Coordination
Gökhan Biber	Risk Management
Alp Akyürek	Operations
Sinan Bilginer	Information Technologies

HEAD OFFICE

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