



Corporate Governance and Credit Rating Services, Inc.

Corporate Governance Rating Report

AKBANK

1 November 2013

CONTENTS

Rating and Executive Summary	3
Rating Methodology	5
Bank Overview	6
SECTION 1: SHAREHOLDERS	8
Facilitating the Exercise of Shareholders' Statutory Rights.	9
Shareholders' Right to Obtain and Evaluate Information	9
Minority Rights	9
The Right to Attend the General Shareholders' Meetings	9
Voting Rights	11
Dividend Rights	11
Transfer of Shares	11
SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY	12
Principles and Means for Public Disclosure	12
Web Site	13
Annual Report.	14
External Audit.	14
SECTION 3: STAKEHOLDERS.	15
Bank Policy Regarding Stakeholders	15
Stakeholders' Participation in the Bank Management	16
Bank Policy on Human Resources	16
Relations with Borrowers, Depositors and Lenders.	16
Ethical Rules & Social Responsibility	17
SECTION 4: BOARD OF DIRECTORS.	19
Functions of the Board of Directors	20
Principles of Activity of the Board of Directors	20
Structure of the Board of Directors	21
Conduct of the Meetings of the Board of Directors.	21
Committees Established Within the Board of Directors	21
Remuneration of the Board of Directors and Senior Management.	22
Rating Definitions	23
Disclaimer	24

Rating and Executive Summary

AKBANK T.A.Ş. (AKBNK)

 **SAHA**
Corporate Governance Rating:

9.24



MAIN SECTIONS: Avg. 92.37

Shareholders: 93.81



Public Disclosure & Transparency: 93.18



Stakeholders: 92.40



Board of Directors: 90.74



0 10 20 30 40 50 60 70 80 90 100

EXECUTIVE SUMMARY

This report on rating of Akbank T.A.Ş.'s (Akbank) compliance with Corporate Governance Principles is prepared upon conclusions following detailed analysis of the bank. Our rating methodology (page 5) is based on the Capital Markets Board's (CMB) "Corporate Governance Principles". In this rating study SAHA used the new chapter credentials set by the Capital Markets Board (CMB) in April 2013 (page 5). Therefore, direct comparison of sub-title notes with the previously allocated ones can be misleading. All companies will be re-rated with the new methodology adapted to the new principles once the draft of the new Corporate Governance Principles Communiqué gains certainty.

Akbank is rated with **9.24** as a result of the Corporate Governance study done by SAHA. Details of this study are presented in the following chapters as main sections and sub-sections. The bank fully complies with the CMB's Corporate Governance Principles and implements all necessary policies and measures. Management and internal control mechanisms are established and operates effectively.

Additionally, in accordance with the World Corporate Governance Index (WCGI) published by SAHA on January 30, 2013, Akbank takes place in Group 1. Details of the World Corporate Governance Index (WCGI) published by SAHA can be accessed at <http://www.saharating.com/SpotsDetail.aspx?SpotsId=5>

Akbank is rated with **9.38** under the **Shareholders** heading. Exercise of shareholders' rights complies with the legislation, articles of association and other internal rules and regulations, and measures have been taken to ensure the exercise of these rights. Akbank carries out the investor relations obligations through Investor Relations Group. There is no upper limit and privileges on voting rights. All procedures prior to the general shareholders' meeting as well as the conduct of the meeting comply with the legislation, rules and regulations. There is a consistent dividend policy of the bank and it is disclosed to the public. There are no restrictions on transfer of shares. On the other hand, there are still areas for improvement related to the articles of association within which the execution of minority rights has been addressed by merely adopting the required percentage share threshold defined for public joint stock banks (5%) without any further enhancements and the lack of any mention to the possibility of the public including the media and stakeholders to participate to the general shareholder's meeting without the right to vote.

Akbank attained **9.32** under the **Public Disclosure and Transparency** chapter. A comprehensive website that includes all information listed in the "Corporate Governance Principles" pertinent to public disclosure is in effect. Public announcements are made via all communications channels, in accordance with CMB, the Banking Regulation and Supervision Agency (BRSA) and Borsa Istanbul (BIST) rules and regulations and the disclosure policy issued in this regard is highly comprehensive. List of insiders is defined and an employee compensation policy is established and disclosed to the public. There are, however, areas in need of further refinement; the names of the bank's ultimate controlling individual shareholders are not disclosed, declaration of independence of the independent members of the board of directors and the board's evaluation on the efficiency of the committees are not included in the annual report.

On the topic of **Stakeholders**, Akbank scored **9.24**. Akbank guarantees the rights of stakeholders in line with the legislation and mutual agreements, and in case of violation, enables an effective and speedy compensation. A written compensation policy for the employees in effect and disclosed to the public on the bank's web site. Models are developed to support the participation of stakeholders in the management of the bank. The bank has a written and advanced human resources policy. There is an active labor union at the bank. The code of ethics is publicly available through the bank's web site. The bank was not subject to any adverse notice for any damage to the environment.

From the perspective of the principles regarding the **Board of Directors**, Akbank's tally is **9.07**. There is a well communicated bank mission and vision, and the board fulfills all duties regarding company needs. Chairman of the board of directors and the chief executive officer is not the same person. The board of directors consists of 10 members. There are 3 executive and 3 independent members on the board. CMB criteria are complied with in designation of the independent members and they have signed a declaration of independence. There is one female member on the board of directors. Necessary changes on the articles of association were made to comply with the CMB regulations on related party transactions of a significant nature. A Corporate Governance Committee, an Audit Committee, a Credit Committee and an Executive Risk Committee are established within the board of directors. The working principles of the committees are disclosed to the public but they are not very comprehensive. Our observations will continue in order to have a more precise view on the efficiency of the committees.

Rating Methodology

SAHA's methodology for rating the degree of compliance with the Principles of Corporate Governance is based upon the CMB's "Corporate Governance Principles" released on July 2003, as revised on December 31, 2011.

The CMB based these principles on the leading work of The World Bank, Organization of Economic Cooperation and Development (OECD) and the Global Corporate Governance Forum (GCGF), which has been established in cooperation with the representatives of these two organizations and private sector. Experts and representatives from the CMB, Borsa Istanbul and the Turkish Corporate Governance Forum have participated in the committee that was established by the CMB for this purpose; additionally many qualified academicians, private sector representatives as well as various professional organizations and NGOs have stated their views and opinions, which were added to the Principles after the required evaluations. Accordingly, these Principles have been established as a product of contributions of all high-level bodies.

Within the Principles, "comply or explain" approach is valid. The implementation of these Principles is advisory and its application is optional. However, the explanation concerning the implementation status of the Principles, if not detailed reasoning thereof, conflicts arising from inadequate implementation of these Principles, and explanation on whether there is a plan for change in the bank's governance practices in future should be mentioned in the annual report and disclosed to the public.

The Principles consist of four main sections: shareholders, public disclosure and transparency, stakeholders, and board of directors. Based on these Principles, SAHA Corporate Governance Rating methodology features over 400 sub-criteria. During the rating process, each criterion is evaluated on the basis of information provided by the bank officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination. SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain a rating of 10, a bank should be in full and perfect compliance with the Principles (see Rating Definitions, p.23).

To determine the total rating score for each main section parallel to the CMB's Corporate Governance Principles, SAHA allocates the following new weights:

Shareholders: **25%** (as previous)
Public Disclosure and Transparency: **25%** (previously 35%)
Stakeholders: **15%** (as previous)
Board of Directors: **35%** (previously 25%)

To determine the final overall rating, SAHA utilizes its proprietary methodology which consists of sub-section weightings and weightings for the criteria there under. A separate rating is assigned to each one of the main sections as well.

Company Overview

Akbank T.A.Ş.	
AKBANK	CHAIRMAN Suzan SABANCI DİNÇER CHIEF EXECUTIVE OFFICER S. Hakan BİNBAŞGİL
Sabancı Center, 4. Levent İstanbul www.akbank.com	Investor Relations and Sustainability Department A. Cenk Göksan – Dept. Chairman Arbil Akin – General Manager Ayşe Aldırmaz – Manager Burak Berki – Manager Kemal Burak Songül

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. 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.

Akbank's issued capital is TL 4,000,000,000 as of 30.06.2013. Citigroup Inc. ("Citigroup"), which is a 20% indirect shareholder of the bank, has decided to reduce its rate of participation in accordance with the capital planning in line with implementation of Basel III rules and on May 24, 2012 it sold its shares corresponding to 10.1% of the bank's capital. Following this transaction Citigroup's share in Akbank has declined to 9.9%.

As of 31.12.2012 Akbank housed 16,315 employees (inclusive of the security personnel) consisting of 52% female and 48% male workers.

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 is a constituent of BIST Banks (XBANK), BIST Financials (XUMAL), BIST Dividend (XTMTU), BIST All Shares (XUTUM), BIST National (XULUS), BIST 10 Banks (XBN10), BIST 100 (XU100), BIST 30 (XU030) and BIST 50 (XU050) Borsa İstanbul indices.

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

Capital structure of the bank is as follows:

Capital Strucure of the Bank		
Name	Share Amt. (TL)	Share %
Hacı Ömer Sabancı Holding A.Ş. and Affiliated Institutions and Individuals	1,952,000.000	48.8
Citibank Overseas Investment Corporation	396,000,000	9.9
Free Float	1,652,000,000	41.3
	4,000,000,000	100.00

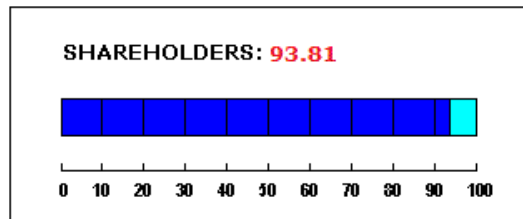
As of the general shareholders' meeting held on 28 March 2013, the board of directors is composed as follows:

Akbank Board of Directors	
Name	Title
Suzan SABANCI DİNÇER	Chairman
Erol SABANCI	Honorary Chairman
Hayri ÇULHACI	Vice Chairman
Özen GÖKSEL	Executive Board Member
James C. COWLES	Board Member
M. Hikmet BAYAR	Board Member
Ş. Yaman TÖRÜNER	Board Member
Aziz Aykut DEMİRAY	Board Member
M. Kaan TERZİOĞLU	Board Member
S. Hakan BİNBAŞGİL	Board Member and CEO

Subsidiaries and affiliates of the bank are listed below:

Subsidiaries and Affiliates	Share %
Ak Portföy Yönetimi A.Ş.	100
Ak Finansal Kiralama A.Ş.	99.99
Ak Yatırım Menkul Değerler	100
Akbank AG	100
Akbank Dubai Limited	100

SECTION 1: SHAREHOLDERS



SYNOPSIS

+	Equal treatment of shareholders
+	Unrestricted shareholder rights to review and receive information
+	No upper limits or privileges on voting rights
+	Voting rights are facilitated
+	Disclosure prior to general shareholders' meetings are satisfactory
+	General shareholders' meetings are conducted in compliance with the legislation
+	Consistent dividend policy, disclosed to the public
+	Shareholders have the right to request appointment of special auditors
+	Principles of remuneration of board members and senior executives documented in writing and submitted to the shareholders in the general shareholders' meeting
=	Policy on donations and grants has been drafted and disclosed to the public on web site but not submitted to the approval of the general shareholders' meeting
=	Minority rights are not recognized for shareholders who possess an amount less than one-twentieth of the share capital
-	General shareholders' meetings are not held open to public participants without the right to vote, including the media and stakeholders and this issue is

not specified in the articles of association

In order to facilitate the exercise of shareholders' rights an Investor Relations Group has been established and all shareholders are treated equally.

Shareholders' right to obtain and review information is not limited by the articles of association and all information required to exercise shareholders' rights in a sound manner is made available on time. We have not observed any restrictive measure against the exercise of shareholders' right to appoint special auditors at the general shareholders' meeting even if this issue may be an out of agenda item.

There is no upper limit or privileges on the shareholders' right to vote. The bank adopted the minimum requirement rate of minority rights prescribed for public joint stock banks (%5).

General shareholders' meetings are held in accordance with the legislation and conducted in a manner such that shareholders' rights are not violated.

Policy on donations and grants and principles of remuneration of board members and senior executives are established and disclosed to the public. Remuneration policy has been approved by the general shareholders' meeting. The policy on donations and grants should also receive an approval.

All shareholders, including those who reside abroad, are given the opportunity to exercise their voting rights conveniently and appropriately and the bank avoids procedures that

make it difficult to exercise voting rights.

The bank has a clearly defined and consistent dividend policy and it is disclosed to the public in the annual report and on its web site.

Transfer of shares is free under the condition that it complies with the relevant articles of the Turkish Commercial Code, Capital Markets Law, Banking Law and other relevant legislation and the provisions of the articles of association of the bank.

1.1. Facilitating the Exercise of Shareholders' Statutory Rights:

Akbank carries out the investor relations obligations through the Investor Relations and Sustainability Department and Financial Accounting and Shareholder Transactions Division. Shareholders are treated equally and all queries (excluding confidential information classified as trade secret) are replied by the Investor Relations and Sustainability Department. Management and shareholders are kept in constant communication. Akbank has established a Financial Accounting and Shareholder Transactions Division to execute shareholder rights. Investor Relations and Sustainability Department is chaired by A. Cenk Göksan.

At Akbank all shareholders are treated equally. In order to protect and facilitate the exercise of shareholders' rights and in particular the right to obtain and review information, the bank makes sure that shareholder records are kept securely and properly up-to-date; shareholders' written queries for information (excluding confidential information classified as trade secret) are promptly replied; appropriate preparation is done to ensure that the general shareholders' meeting is conducted in accordance with the legislation, the corporate

statute and other in-house regulations; documents to be used by the shareholders at the meeting are prepared; records of voting results are kept and all reports related to the resolutions of the general shareholders' meeting are provided to the shareholders. In addition, all information and statements which may affect shareholders' rights are made available to the shareholders on time on the bank's web site.

1.2. Shareholders' Right to Obtain and Evaluate Information:

The shareholders' right to receive and review information is not compromised or restricted by the articles of association or by any corporate body. We have not observed any restrictive practice against the right of each shareholder to request, when deemed necessary, the appointment of special auditors at the general shareholders' meeting, even if this may be out of agenda and under the condition that the right to receive and review information has already been exercised.

Bank management avoids any impediments against the appointment of such auditors and no such request was received during this period. All relevant information about the bank is provided in a complete, timely, honest, and diligent manner.

1.3 Minority Rights:

Utmost care is taken to facilitate the usage of minority rights. There is no upper limit on any shareholders' voting rights and there are no shares with voting privileges. Each share is entitled to one vote. The bank adopted the required rate allowing for the execution of minority rights for public joint stock banks (%5) as is.

1.4. The Right to Attend the General Shareholders' Meetings:

In addition to the methods of invitation in the legislation and in order to ensure attendance of maximum number of shareholders, the invitation to the general shareholders' meeting is performed through all means of communication available to the bank at least three weeks in advance.

All announcements prior to the general shareholders' meeting included necessary information such as the date and time of the meeting; exact location of the meeting without any ambiguity; agenda items of the meeting together with all necessary informative documents enclosed; the old and new versions of the related provisions of the articles of association as approved by the relevant authorities; the inviting body to the general shareholders' meeting; and the exact location where annual report, financial statements and other meeting documents can be examined.

Commencing from the date of announcement of invitation for the general shareholders' meeting, financial statements and reports including the annual report; dividend distribution proposal and all other related documents pertaining to the agenda items were made available to all shareholders for examination purposes in the most convenient locations including the headquarters or branches of the bank and also in electronic media.

Shareholders were informed via the bank's web site on proclamation of the general shareholders' meeting along with all declaration and statements required by the legislation of the company, the total number of shares and voting rights reflecting the bank's shareholding structure as of the date of disclosure, and information on re-

elected and newly elected members of the board of directors.

Agenda items were put under a separate heading and expressed clearly in a manner to avoid any misinterpretations. Expressions like "other" and "various" were not used. Information submitted to the shareholders prior to the conduct of the general shareholders' meeting was related to the agenda items.

Proxy forms were posted on the web site promptly and appropriately for those who would appoint a proxy for the general shareholders' meeting. In preparing the agenda, no additional item requests were proposed by shareholders to the Shareholder Relations Group.

Items on the agenda were conveyed in detail and in a clear and understandable manner by the chairman of the meeting and shareholders were given equal opportunity to voice their opinions and ask questions. The chairman made sure that each question was answered directly at the meeting provided that they do not constitute a trade secret.

The agenda of the general shareholders' meeting of 28 March 2013 included the permission to be granted pursuant to the articles 385 and 386 of the Turkish Commercial Code and within the framework of the CMB regulations, to controlling shareholders, members of the board of directors, top executives, their spouses and up to second degree blood relatives to execute transactions and compete with the bank or its affiliates in such nature that may cause conflict of interest and the delivery of all information to shareholders, in accordance with the Corporate Governance Principles, regarding such transactions carried out in 2012 .

The members of the board of directors, other related personnel, authorized persons responsible in the preparation of the financial statements and auditors were present at the general shareholders' meeting to provide requested information and to answer questions related to special agenda issues of importance. Shareholders had the opportunity to discuss the annual report and the bank's performance indicators at this meeting.

The articles of association includes CMB provisions on significant transactions. Bank's policy on donations and grants are established and disclosed to the public on the corporate web site. However, this policy was not submitted to the approval of the general shareholders' meeting held on 28.03.2013. On the other hand all kind of information on the amounts of donations and grants were provided to the shareholders at this meeting.

The general shareholders' meetings are not conducted open to the public allowing the participation of stakeholders and the media, with no rights to vote. The articles of association contain no provisions on this matter.

The minutes of the general shareholders' meetings are made available to the shareholders in writing and in electronic media at all times.

Principles of remuneration of board members and senior executives were documented in writing and submitted to the shareholders in the general shareholders' meeting as a separate item.

1.5. Voting Rights:

There are no privileges on voting rights at Akbank. All shareholders, including those who reside abroad, are given the opportunity to exercise their voting rights conveniently and appropriately and the bank avoids practices that make it difficult to exercise voting rights. The bank does not have any cross-shareholding.

1.6. Dividend Rights:

The dividend policy of the bank is clearly defined and disclosed to the public on its web site. It is submitted to the shareholders at the general shareholders' meeting and is incorporated in the annual report.

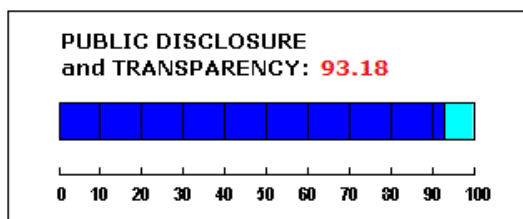
The bank's dividend distribution policy contains minimum information clear enough for investors to foresee any future dividend distribution procedures and principles. A balanced policy is pursued between the interests of the shareholders and that of the bank.

At the latest general shareholders' meeting it was unanimously decided that the profit of the year 2012 be distributed in accordance with the resolution proposed by the board of directors.

1.7. Transfer of Shares:

Transfer of shares is free under the condition that it complies with the relevant articles of the Turkish Commercial Code, Capital Markets Law, Banking Law and other relevant legislation and the provisions of the articles of association of the bank.

SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



SYNOPSIS

+	There is an established Investor Relations Unit
+	Comprehensive disclosure policy
+	Comprehensive web site, actively used for public disclosure, also in English
+	The comprehensive and informative Annual Report complies with the legislation,
+	List of insiders defined
+	Employee compensation policy established and announced to the public through the web site
+	Important events and developments are disclosed in accordance with the legislation
+	Audit committee active in the selection process of external audit firm
-	List of ultimately controlling individual shareholders are not disclosed to the public
-	Declaration of independence of the independent board members and the board's evaluation of the committees' efficiencies is not included in the annual report

Akbank's task of public disclosure and shareholder relations are carried out by the Financial Accounting and Shareholder Transactions Division and the Investor Relations and Sustainability Department, jointly serving under the Financial Coordination business unit and the Corporate Communications Department. The disclosure policy of

the bank is comprehensive and covers which information is to be disclosed and the means of disclosure. List of insiders is defined and disclosed to the public.

Bank's web site is very comprehensive and user friendly. Public announcements are made in accordance with the CMB and BIST rules and regulations.

The bank's ultimate controlling individual shareholder or shareholders, determined after resolving indirect or cross shareholding relationships between co-owners is not disclosed to the public.

The annual report prepared is also highly comprehensive and informative.

There has been no legal conflict between the bank and the selected external audit firm. In addition, there has not been a case where the external auditor avoided to express its opinion, refrained from signing the audit report, or has reported a provisory opinion.

2.1. Principles and Means for Public Disclosure:

The Bank has commissioned the Financial Accounting and Shareholder Transactions Division and the Investor Relations and Sustainability Department, jointly serving under the Financial Coordination business unit and the Corporate Communications Department, to supervise and oversee all matters pertaining to public disclosures. Investors, financial analysts, the press and other related parties are referred to this unit for information.

The disclosure policy defines which type of information, in addition to that which is legally required, is to be disclosed, in which form, in what frequency, and in which ways. It determines how to answer the questions submitted to the bank, and similar issues. The direction of the disclosure policy is under the responsibility of the CEO, Mr. Hakan Binbaşgil and the Financial Coordination Vice President Mr. Atıl Özus.

The public disclosure of Akbank is conducted in a timely manner, is accurate, complete, understandable, interpretable, allowing easy access with low cost, and available on equal basis to support the interested parties and organizations in their decisions. These disclosures are disseminated through the "Public Disclosure Platform" (www.kap.gov.tr), and also on Central Registry Agency's "e-GOVERNANCE: Corporate Governance and Investor Relations Portal" to inform shareholders directly and effectively.

In the event of disclosure of forward looking information, the bank, Takes particular care to describe the assumptions and the data which assumptions are based on. It has been declared by bank officials that the information disclosed is not without basis, does not contain exaggerated predictions, and in case the predictions on forward looking information are not realized, that the updated information will be immediately disclosed to the public together with relevant explanations.. The principles for disclosure of forward looking information to the public are described in the disclosure policy.

The bank has prepared a list of real or legal persons acting on behalf of the bank, employees under contract or within the bank or otherwise affiliated with the bank who have regular access

to inside information. The list is updated whenever there are changes. In accordance with the CMB communique, those corporate governance principles not complied with are to a great extent disclosed to the public via the Corporate Governance Compliance Report.

2.2. Web Site:

Bank's website is actively used for disclosure purposes and the information contained herein is continuously updated. In addition, the bank's letterhead includes the website address.

Along with the information required to be disclosed pursuant to the legislation, the company's website includes; trade registry information, information about latest shareholding and management structure, date and numbers of the trade register gazettes in which amendments are published, the final version of the company's articles of association, publicly disclosed material information, annual reports, periodic financial statements, prospectuses and circulars, agendas of the general shareholders' meetings and list of participants and minutes of the general shareholders' meeting, form for proxy voting at the general shareholders' meeting, the dividend distribution policy, employee compensation policy, disclosure policy, ethical rules, information on transactions with related parties, frequently asked questions including requests for information, and responses thereof, and the remuneration policy. The working principles of the committees established within the board of directors are also included on the website. Most of the information contained on the website exists also in English for the benefit of international investors.

On the other hand, shareholding structure of the bank, the names, amounts and the proportions of the shares held by ultimate controlling individual shareholder or shareholders, determined after resolving indirect or cross shareholding relationships between co-owners is not disclosed to the public.

2.3. Annual Report:

Annual report prepared by the board of directors covers information such as; limits of authority, tenure of office, duties carried out outside the bank of chairmen and members of management and supervisory boards, committees, the main factors affecting the performance of the bank, changes in the operational environment of the bank, bank's policies applied to these changes, financial position of the bank, changes to the articles of association during the period along with justifications, the dividend distribution policy, risk management policies of the bank, Corporate Governance Principles Compliance Report, list of executives, information on working principles and members of the committees, established within the board of directors, information on significant lawsuits filed against the bank, indirect or cross shareholding in excess of 5%, information on employee benefits, their vocational training and other corporate and social responsibility activities of the bank which give rise to social and environmental results, the information on existence, functioning and effectiveness of internal controls and internal audit, all consolidated benefits provided to the board members and senior management, and the rating results. Assessment of the board of directors on efficiency of the committees is not included in the annual report.

The annual report also included the capital adequacy ratio in line with the BRSA regulations, shareholders'

equity, risk groups, the fair values of financial assets and liabilities, asset-liability items, regulatory accounts, and explanations on the income statement.

2.4. External Audit:

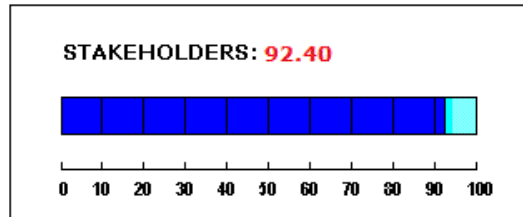
The external audit of the bank is conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş..

The nomination and election process of the external audit firm, taking into account its competence and independence, starts with a proposal from the audit committee to the board and ends with the board's choice being presented and approved at the general shareholders' meeting.

There has not been a situation where the external auditor avoided to express its opinion, refrained from signing the audit report, or has reported a provisional opinion.

Bank officials declared that there are no legal disputes between the external auditors and Akbank.

SECTION 3: STAKEHOLDERS



SYNOPSIS

+	Efficient human resources policy
+	Effective and speedy compensation is ensured in case of violation of rights
+	Documented employee compensation policy
+	Code of ethics disclosed to the public
+	Confidentiality of information about customers and suppliers are respected in the scope of trade secret
+	Stakeholders' views are taken in important decisions that are directly related to them
+	Active labor union
+	The bank has carried out studies in accordance with environmental laws and environmental awareness in general

Akbank recognizes the rights of stakeholders established by law or through any other mutual agreement. Effective and prompt compensation is enabled in case of violation of rights. A written compensation policy for the employees of the bank is in effect and disclosed to the public on its web site.

There are models developed to support the participation of stakeholders in the management in a manner that does not disrupt the activities of the bank.

Akbank has a documented and advanced human resources policy. All

the rights provided to employees are treated fairly , training programs are realized and education policies are developed to enhance their knowledge, skills and experience.

Employees of the bank are members of Banksis union (Bank and Insurance Workers Labor Union). In addition, the bank does not engage in restrictive practices in individual rights and freedoms.

Akbank is taking the necessary measures to ensure borrowers' and depositors' satisfaction on marketing and sale of its services and conducts research and studies to increase the efficiency.

Ethical rules are disclosed to the public through the bank's web site.

3.1. Bank Policy Regarding Stakeholders:

Akbank, is an affiliate of Sabanci Holding, one of the leading groups in the country, and has the distinction of being one of the biggest banks in the sector. Due to its prominent corporate identity, the bank has consistent and advanced policies in effect regarding the rights of its stakeholders as well as relations with the public and private sector.

Akbank recognizes the rights of stakeholders established by law or through any other mutual agreement. In case the rights of the stakeholders are not regulated by the relevant legislation and protected by contracts, the bank protects the interest of stakeholders under good faith principles and within the capabilities of the bank. Effective and prompt

compensation is provided in case of violation of the rights. A written compensation policy for the employees of the bank is established and disclosed to the public on its web site.

The corporate portal of the bank is actively used to provide adequate information on policies and procedures towards the protection of stakeholders' rights.

The corporate governance structure of the bank ensures that its stakeholders, including its employees and representatives, report their concerns to the management concerning any illegal or unethical transactions.

Credit limits and procedures are defined to extend a credit to bank employees and natural or legal entities positioned in a risk group in which the bank is involved in accordance with the Banking Law and other provisions.

3.2. Stakeholders' Participation in the Bank Management:

Akbank supports mechanisms and models to encourage participation of the stakeholders in the management of the bank while giving priority to employees. In this context, through 1,001 Ideas & Suggestions Evaluation System employees are able to express themselves freely contributing with opinions and suggestions of all kinds without the need of any approval mechanism. These models are specified in the internal regulations of the bank.

Akbank also established a 24/7 "Ethics Line" in line with the confidentiality principles to enable employees to raise their concerns about issues that they believe cannot be resolved within their business units, or cannot be shared for whatever reasons.

3.3. Bank Policy on Human Resources:

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

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

Job descriptions of employees are documented and shared with them.

The Banksis union maintains relationships with employees. The monetary rights of employees covered under the collective labor agreements as well as other administrative matters between the bank and personnel are governed by these agreements that are signed every two years between the bank and the union.

3.4. Relations with Borrowers, Depositors and Lenders:

Akbank uses "customer experience based measurement and evaluation" systems. Strong and clear areas for development are identified by measuring the level of quality of service provided to customers through

branches and Alternative Distribution Channels (ADC). The measurement results are monitored at branch and employees level on a daily basis and are shared in a transparent manner. Areas for improvement are determined via the "Service Quality Scorecards" produced at six-month periods.

The bank conducts Customer Satisfaction Survey each year to measure expectations and satisfaction levels and to identify areas for improvement.

Demands on banking goods and services are met promptly and customers are informed about the delays before the deadline.

Quality standards for banking services are complied with and care is taken to protect those standards. Also, the quality of support services provided to branches and ADCs is secured by the "Service Level Agreements - SLA".

Particular care is taken in the confidentiality of all trade secret level data , information on customers and suppliers and compliance with Banking Law and other regulations on these issues.

Along with its own corporate identity, the bank also monitors the level of corporate governance applications of its borrowers.

The bank prepares and employs standard procedures to protect depositors losses from illegal online transactions in customer accounts. Bank officials state that in such cases, the bank shows utmost care to prioritize compensation and elimination of losses.

3.5. Ethical Rules & Social Responsibility:

Ethical codes of Akbank are also disclosed to the public via bank's web

site. Employees can report any irregularity to their supervisors and/or to the Ethics Line should they encounter conduct or a transaction in breach of the ethical principles or should they have a suspicion in this regard. In addition, all notifications made to the Ethics Line are kept confidential and staff members do not face a sanction for their notification.

Over the past year, the bank disclosed to the public that TL 129,123,866 corresponding to 3/4th of the administrative fine imposed on Akbank by the Turkish Competition Authority along with other 11 banks has been paid to the Large Taxpayers Office and a lawsuit is filed at Ankara Regional Administrative Court for an annulment with a request for reinstatement.

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

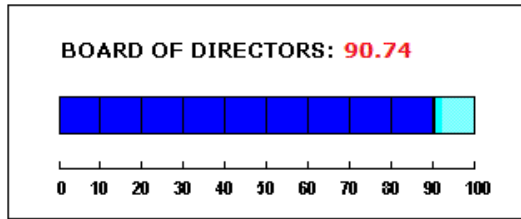
After publishing its Sustainability Report in accordance with Global Reporting Initiative (GRI) standards, Akbank released its third Sustainability Report in 2012.

In addition, Akbank supported the launch of the Carbon Disclosure Project (CDP) in Turkey. The CDP is implemented in 60 countries and is considered as one of the worlds' most comprehensive and high profile environmental initiatives. Akbank also reports climate change management activities and the Company's environmental footprint to the CDP; the Bank is listed as a member of the Carbon Disclosure Project.

Following are the important social responsibility projects which Akbank contributes to:

- 1) Akbank Art Center: Has been operating continuously at the Beyoğlu district, which is an important place in the cultural and artistic life of İstanbul. Over 700 exhibitions, talks, conferences, film screenings as well as concerts are organized each year.
- 2) Akbank Children's Theatre: Performed for the first time in 1972, Akbank Children's Theatre, celebrated its 40th anniversary at 2012.
- 3) Akbank Jazz Festival: at 10 cities, within three weeks, 63 concerts were realized with the participation of 300 artists.
- 4) Akbank Short Film Festival: 8th was held on 2012 providing competition films as well as significant international films from other festivals.
- 5) International İstanbul Film Festival: İstanbul Foundation for Culture and Arts (IFCA) has been organized since 1982 and supported by Akbank since 2004.
- 6) Contemporary İstanbul: Akbank Private Banking has been supporting Contemporary İstanbul as a sponsor since 2007.
- 7) Akbank Entrepreneur Development Program: An educational program held in collaboration with Sabancı University.
- 8) Studies on «Savings Mobilization» started with an aim to solve the savings deficit which is one of Turkey's most important problems are continuing. In this context, over 100 volunteers and nearly 8,500 students received savings training with the project which started on March 2012.

SECTION 4: BOARD OF DIRECTORS



SYNOPSIS

+	The bank's vision, mission and strategic goals are clearly defined
+	The board works efficiently and staffed with qualified members
+	Board of directors meeting and decision quorum is defined in the articles of association
+	Each board member is entitled to a single vote
+	One female member on the board
+	Audit, Corporate Governance, Credit, and Executive Risk Committees established
+	Principles of remuneration of board members and senior executives are established and disclosed to the public
+	Chairman of the board and chief executive officer's executive powers are clearly separated and indicated in the articles of association
=	Working principles of the committees disclosed to the public
-	Internal regulations on conduct of the board meetings is included in the articles of association, but no additional internal regulations are put into effect

The board of directors has defined the vision and mission of the bank and is overseeing that bank activities are managed in compliance with the legislation, articles of association,

internal procedures and established policies.

Job descriptions of the members of the board of directors are described in the annual report. Powers of the chairman of the board of directors and the chief executive officer / general manager is clearly separated and documented in the articles of association.

The bank's board of directors is composed of 10 members. Among these members Suzan Sabancı Dincer, Özen Göksel and S. Hakan Binbaşgil are executive members. Including the Audit Committee members 3 board members are independent. CMB criteria are complied with in determining independent candidates. Independent candidates for the board of directors have signed a declaration of independence within the framework of the legislation, articles of association, and the CMB criteria. There is one female member on the board.

The board of directors fulfills its tasks and meetings take place with sufficient frequency. Each member has a right to one vote. Board of directors meeting and decision quorum is defined in writing in the articles of association.

Necessary amendments were made in the articles of association to comply with the CMB regulations on related party transactions of important nature.

A Corporate Governance Committee, an Audit Committee, a Credit Committee and Executive Risk Committees are established from within the board of directors. Tasks of the Nomination and Remuneration Committees are endorsed by the Corporate Governance Committee.

The working procedures of the committees are disclosed to the public but not with sufficient details. In line with the Capital Markets Board (CMB) communiqué audit committee members of the board are independent. Thus, all members of the Audit Committee and the chairman of the Corporate Governance Committee are elected among the independent board members. There are no executive members in the Audit Committee whereas there is one in the Corporate Governance Committee. We will continue our observations of the committees to have a more precise opinion about their efficiency.

Principles of remuneration of board members and senior executives are described on bank's web site. The bank is allowed to extend credits to the board members and senior executives within the scope of the Banking Law,.

4.1. Functions of the Board of Directors:

Strategic decisions of the board of directors aim to manage the bank's risk, growth, and return balance at an appropriate level, and with a view to the long-term interests of the bank, conduct a rational and cautious risk management approach. The board administers and represents the bank with these principles.

The board of directors has defined the bank's strategic goals and identified the needs in human and financial resources, and controls management's performance.

The board is overseeing that bank activities are managed in compliance with the legislation, articles of association, internal procedures, and established policies.

4.2. Principles of Activity of the Board of Directors:

Board of directors performs its activities in a transparent, accountable, fair and responsible manner.

The board of directors established various internal control systems covering risk management, information systems and processes by also taking into consideration the views of the committees. In this context, the board reviews the effectiveness of risk management and internal control systems at least once a year.

The presence, functioning, and effectiveness of internal controls and internal audit are explained in the annual report.

Chairman of the board and chief executive officer's executive powers are clearly separated and documented in the articles of association.

The board of directors plays a leading role in maintaining effective communication between the bank and the shareholders and settling any disputes which may arise and work in close cooperation with the Corporate Governance Committee and Investor Relations Group.

Within the framework of the ethical rules it formed, the board of directors identified the control and reporting system regarding the practices it prohibited and/or restricted causing conflicts of interest, regarding loans to bank officers and other employees, and privileges to persons and organizations in connection with the bank.

4.3. Structure of the Board of Directors:

The bank's board of directors is composed of 10 members. There are 3 executive members on the board. Among the non-executive board members there are 3 independent members who have the ability to execute their duties without being influenced under any circumstances. In line with the Capital Markets Board (CMB) communiqué audit committee members of the board are independent. CMB criteria are complied with in determining independent candidates. Independent candidates for the board of directors have signed a declaration of independence within the framework of the legislation, articles of association, and the CMB criteria. Nomination Committee (corporate governance committee) has prepared a report on independent member candidates including management and shareholders by taking into consideration whether the candidates meet the criteria or not, and submitted to the approval of the board of directors.

There is one female member on the board of directors of Akbank.

4.4. Conduct of the Meetings of the Board of Directors:

The board of directors fulfills its tasks and meetings take place with sufficient intervals (12 actual meetings with 112 resolutions within the past one year).

Meetings of the board of directors may also be attended via any technology that provides remote access.

The conduct of the board of directors meetings is not defined in the internal regulations of the bank, however, the board of directors meeting and decision quorum is included in the articles of association.

The articles of association of the bank contains a clause where board decisions on significant related party transactions and guarantees, pledges and mortgages given to third parties, requires the approval of a majority of independent members.

Majority of the board members allocate necessary time for the bank's business. There are no specific rules or limitations taking on additional duties outside the bank and the relevant legislation is implemented.

Curriculum vitae of the board members, along with the tasks carried out outside the bank are presented to the shareholders prior to the general shareholders' meeting.

4.5. Committees Established Within the Board of Directors:

A Corporate Governance Committee, an Audit Committee, a Credit Committee, and an Executive Risk Committees are established from within the board of directors in order to fulfill its duties and responsibilities. Tasks of the Nomination and Remuneration Committees are endorsed by the Corporate Governance Committee. The chief executive officer of the bank, Mr. S. Hakan Binbaşgil is not on the Audit and Corporate Governance Committees, but serves on the Executive Risk Committee.

The responsibilities of the committees, their working conditions and members are designated by the board of directors and disclosed to the public on the bank's web site.

All members of the Audit Committee and the chairman of the Corporate Governance Committee are elected among the independent board members. There are 3 independent members among the 10 members of the board of directors.

Necessary resources and support needed to fulfill the tasks of the committees are provided by the board of directors. Committees can invite any manager as they deem necessary to their meetings and gather their views.

We will continue our observations to have a more precise opinion about the level of functionality and efficiency of the committees and the frequency of the meetings held.

4.6. Remuneration of the Board of Directors and Senior Management:

The principles of remuneration of board members and senior executives has been documented in writing and submitted to the shareholders as a separate item in the general shareholders' meeting.

A remuneration policy prepared for this purpose can be found on bank's web site. Stock options or performance based payments are not included in the remuneration package of the independent board members.

Within the scope of the Banking Law, Akbank is allowed to extend credit to the members of the board or to senior executives, but no guarantees are extended to their favor.

The executives have the required professional qualifications in order to perform the assigned duties.

The executives comply with the legislation, articles of association, and in-house regulations and policies in fulfilling their duties. They supply monthly reports to the board in compliance with company policies and regulations.

There has been no case where the executives used confidential and non-public bank information in their own or

others' benefit. There are no executives who accepted a gift or a favor directly or indirectly related to the bank's affairs, and provided unfair advantage. There is a regulation on compensation for losses incurred by the bank and third parties, as a result of not performing the executives' duties duly (Officers' Liability Insurance).

Remuneration of the executives is based on market benchmarks, is determined according to their qualifications and proportional to their contributions to the performance of the bank.

Rating Definitions

Rating	Definition
9 - 10	The bank performs very good in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified and actively managed all significant corporate governance risks through comprehensive internal controls and management systems. The company's performance is considered to represent best practice, and it had almost no deficiencies in any of the areas rated. It is eligible to be included in the highest level of BIST Corporate Governance Index.
7 - 8	The bank performs good in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified all its material corporate governance risks and is actively managing the majority of them through internal controls and management systems. During the rating process, minor deficiencies were found in one or two of the areas rated. Deserved to be included in the BIST Corporate Governance Index on the highest level.
6	The company performs fair in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified the majority of its material corporate governance risks and is beginning to actively manage them. Deserved to be included in the BIST Corporate Governance Index and management accountability is considered in accordance with national standards but may be lagging behind international best practice. During the ratings process, minor deficiencies were identified in more than two of the areas rated.
4 - 5	The company performs weakly as a result of poor corporate governance policies and practices. The company has, to varying degrees, identified its minimum obligations but does not demonstrate an effective, integrated system of controls for managing related risks. Assurance mechanisms are weak. The rating has identified significant deficiencies in a number (but not the majority) of areas rated.
<4	The company performs very weakly and its corporate governance policies and practices are overall very poor. The company shows limited awareness of corporate governance risks, and internal controls are almost non-existent. Significant deficiencies are apparent in the majority of areas rated and have led to significant material loss and investor concern.

DISCLAIMER

This Corporate Governance Rating Report has been prepared by Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. (SAHA Corporate Governance and Credit Rating Services, Inc.) based on information made available by Akbank T.A.Ş. and according to the Corporate Governance Principles by the Turkish Capital Markets Board as amended on 2011.

This report, conducted by SAHA A.Ş. analysts and based on their best intentions, knowledge base and experience, is the product of an in depth study of the available information which is believed to be correct as of this date. It is a final opinion about the degree of sensitivity of a company to its shareholders' and stakeholders' rights, its commitment to public disclosure and transparency, and conduct and credibility of its board of directors.

The contents of this report and the final corporate governance rating should be interpreted neither as an offer, solicitation or advice to buy, sell or hold securities of any companies referred to in this report nor as a judgment about the suitability of that security to the conditions and preferences of investors. SAHA A.Ş. makes no warranty, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes.

SAHA A.Ş. has embraced and published on its web site (www.saharating.com) the IOSCO (International Organization of Securities Commissions) Code of Conduct for Credit Rating Agencies and operates on the basis of independence, objectivity, transparency, and analytic accuracy.

© 2013, Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. All rights reserved. This publication or parts thereof may not be republished, broadcast, or redistributed without the prior written consent of Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. and Akbank T.A.Ş.

Contacts:

S. Suhan Seçkin

suhan@saharating.com

Ali Perşembe

apersembe@saharating.com