

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 30 JUNE 2016 TOGETHER WITH
LIMITED REVIEW REPORT**

**(Convenience translation of publicly announced unconsolidated
financial statements, related disclosures and limited review report
originally issued in Turkish, See Note. I.b of Section three)**

INTERIM REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

To the Board of Directors of Akbank T.A.Ş.;

Introduction

We have reviewed the unconsolidated statement of financial position of Akbank T.A.Ş. ("the Bank") at 30 June 2016 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the six-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as "BRSA Accounting and Reporting Legislation") and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Basis of Qualified Conclusion

The accompanying unconsolidated financial statements as at 30 June 2016 include a general reserve for possible risks amounting to TL 200.000 thousands which is carried forward from 2014 by the Bank management for possible results of the circumstances which may arise from possible changes in the economy and market conditions.

Qualified Conclusion

Based on our review, except for the effect of the matter referred in the 'basis of qualified conclusion paragraph on the unconsolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of Akbank T.A.Ş. at 30 June 2016 and of the results of its operations and its cash flows for the six-month-period then ended in all aspects in accordance with the BRSA Accounting and Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim annual report in Section VII, are not consistent with the unconsolidated financial statements and disclosures in all material respects.

Additional paragraph for convenience translation to English:

As explained in detail in Note I.b. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" except for the matters regulated by BRSA Legislation.,accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Metin Canoğulları
SMMM, Partner

İstanbul, 27 July 2016

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

**THE UNCONSOLIDATED FINANCIAL REPORT OF
AKBANK T.A.Ş. AS OF
30 JUNE 2016**

Address : Sabancı Center 34330, 4. Levent / İstanbul
Telephone : (0 212) 385 55 55
Fax : (0 212) 319 52 52
Website : www.akbank.com
E-mail : <http://www.akbank.com/bize-ulasin/gorus-onerileriniz-icin.aspx>

The unconsolidated financial report includes the following sections in accordance with the “Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency.

- **Section One** - GENERAL INFORMATION ABOUT THE BANK
- **Section Two** - UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- **Section Five** - EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** - LIMITED REVIEW REPORT
- **Section Seven** - INTERIM ACTIVITY REPORT

The accompanying audited unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira (TL), have been prepared based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and the related appendices and interpretations on these, and are independently audited.

27 July 2016

Suzan SABANCI DİNÇER Chairman of the Board of Directors	Hayri ÇULHACI Head of the Audit Committee	Ş.Yaman TÖRÜNER Member of the Audit Committee	S. Hakan BİNBAŞGİL CEO	K. Atıl ÖZUS Executive Vice President	Türker TUNALI Senior Vice President
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Contact information of the personnel in charge of addressing questions regarding this financial report:

Name-Surname / Title : Türker TUNALI / Senior Vice President
Phone No : (0 212) 385 55 55
Fax No : (0 212) 325 12 31

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AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

SECTION ONE
GENERAL INFORMATION ABOUT THE BANK

I. BANK'S FOUNDATION DATE, START-UP STATUS, HISTORY REGARDING THE CHANGES IN THIS STATUS:

Akbank T.A.Ş. ("the Bank" or "Akbank") was established on 30 January 1948 as a private commercial bank, in accordance with the decision of the Council of Ministers, No.3/6710 and is authorized to perform all economic, financial and commercial activities which are allowed by the laws of the Turkish Republic ("T.C."). The status of the Bank has not changed since its foundation.

II. EXPLANATION ABOUT THE BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE BANK BELONGS TO:

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depositary Receipts ("ADRs"). As of 30 June 2016, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2015: 51%).

The major shareholder of the Bank, directly or indirectly, is Sabancı Group.

III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, IF AVAILABLE, SHARES OF THE BANK THEY POSSESS AND THEIR AREAS OF RESPONSIBILITY:

Title	Name	Responsibility	Education
Chairman:	Suzan SABANCI DİNÇER	Chairman and Executive Board Member	Graduate
Honorary Chairman,	Erol SABANCI	Honorary Chairman,	Undergraduate
Board Member, Consultant:	Hayri ÇULHACI	Board Member and Consultant	Graduate
Board of Directors:	Cem MENGİ	Vice Chairman and Executive Board Member	Undergraduate
	Ş. Yaman TÖRÜNER	Executive Board Member	Undergraduate
	A. Aykut DEMİRAY	Board Member	Undergraduate
	I. Aydın GÜNTER	Board Member	Undergraduate
	Emre DERMAN	Board Member	Graduate
	Can PAKER	Board Member	PhD
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
President and CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Head of Internal Audit:	Eyüp ENGİN	Head of Internal Audit	Undergraduate
Executive Vice Presidents:	A. Fuat AYLA	Credit Allocation	Undergraduate
	K. Atıl ÖZÜS	Financial Coordination	Undergraduate
	Kerim ROTA	Treasury	Graduate
	C. Kaan GÜR	Commercial Banking	Undergraduate
	Turgut GÜNEY	Technology and Operation	Graduate
	Orkun OĞUZ	Direct Banking	Graduate
	Bülent OĞUZ	SME Banking	Graduate
	H.Burcu CİVELEK YÜCE	Human Resources and Strategy	Graduate
	Ege GÜLTEKİN	Credit Monitoring and Follow-up	Graduate
	A.Özer İSFENDİYAROĞLU	Consumer Banking	Graduate
	Levent ÇELEBİOĞLU	Corporate, Investment and Private Banking	Undergraduate
Internal Audit Committee:	Hayri ÇULHACI	Head of the Audit Committee	Graduate
	Ş. Yaman TÖRÜNER	Member of the Audit Committee	Undergraduate

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

As of 19 July 2016, Direct Banking Unit's Executive Vice President Orkun Oğuz has resigned from his position.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

IV. INFORMATION ON SHAREHOLDERS HAVING CONTROL SHARES:

Name/Commercial Title	Share Amounts (Nominal)	Share Percentages	Paid-in Capital (Nominal)	Unpaid Portion
Hacı Ömer Sabancı Holding A.Ş.	1.630.021	% 40,75	1.630.021	-

V. EXPLANATION ON THE BANK'S SERVICE TYPES AND FIELDS OF OPERATION:

The Bank's core business activities include retail and private banking, commercial banking, SME banking, corporate and investment banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş and AvivaSA Emeklilik ve Hayat A.Ş. As of 30 June 2016, the Bank has 896 branches dispersed throughout the country and 1 branch operating abroad (31 December 2015: 901 branches and 1 branch operating abroad). As of 30 June 2016 the Bank employed 13.924 people (31 December 2015: 14.050).

AKBANK T.A.Ş.
I. UNCONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2016 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	CURRENT PERIOD (30/06/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(I-a)	5,037.812	30,046.229	35,084.041	2,165.780	23,307.643	25,473.423
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	(I-b)	2,200.924	2,509.307	4,710.231	818.288	1,909.624	2,727.912
2.1 Trading Financial Assets		2,200.924	2,509.307	4,710.231	818.288	1,909.624	2,727.912
2.1.1 Government Debt Securities		-	-	-	1,548	107	1,655
2.1.2 Equity Securities		-	-	-	-	-	-
2.1.3 Trading Derivative Financial Assets		2,186.206	2,509.307	4,695.513	806.782	1,909.517	2,716.299
2.1.4 Other Marketable Securities		14.718	-	14.718	9.958	-	9.958
2.2 Financial Assets at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Equity Securities		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(I-c)	49.013	5,392.596	5,441.609	1,556.559	6,301.738	7,858.297
IV. MONEY MARKETS		-	-	-	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-d)	17,901.243	20,440.004	38,341.247	19,586.578	21,873.129	41,459.707
5.1 Equity Securities		12.671	42.318	54.989	12.671	115.958	128.629
5.2 Government Debt Securities		17,676.124	14,864.520	32,540.644	19,376.723	15,929.478	35,306.201
5.3 Other Marketable Securities		212.448	5,533.166	5,745.614	197.184	5,827.693	6,024.877
VI. LOANS and RECEIVABLES	(I-e)	100,366.433	47,584.746	147,951.179	92,888.955	48,874.528	141,763.483
6.1 Loans and Receivables		100,219.389	47,584.746	147,804.135	92,741.642	48,874.528	141,616.170
6.1.1 Loans to Bank's Risk Group	(VI)	2,961.691	1,176.841	4,138.532	2,603.899	1,383.311	3,987.210
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		97,257.698	46,407.905	143,665.603	90,137.743	47,491.217	137,628.960
6.2 Loans under Follow-up		3,496.186	-	3,496.186	3,373.323	-	3,373.323
6.3 Specific Provisions (-)		3,349.142	-	3,349.142	3,226.010	-	3,226.010
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	(I-f)	5,348.693	5,400.581	10,749.274	5,184.561	5,503.681	10,688.242
8.1 Government Debt Securities		5,348.693	5,400.581	10,749.274	5,184.561	5,503.681	10,688.242
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(I-g)	3,923	-	3,923	3,923	-	3,923
9.1 Associates Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		3,923	-	3,923	3,923	-	3,923
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3,923	-	3,923	3,923	-	3,923
X. SUBSIDIARIES (Net)	(I-h)	347,316	1,014.177	1,361.493	347,316	1,003.425	1,350.741
10.1 Financial Subsidiaries		347,316	1,014.177	1,361.493	347,316	1,003.425	1,350.741
10.2 Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)		-	-	-	-	-	-
11.1 Joint Ventures Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. FINANCIAL LEASE RECEIVABLES (Net)	(I-i)	-	-	-	-	-	-
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	(I-j)	180.886	-	180.886	648.858	-	648.858
13.1 Fair Value Hedge		180.886	-	180.886	648.858	-	648.858
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)		732.802	1,724	734.526	788.655	1,746	790.401
XV. INTANGIBLE ASSETS (Net)		221.548	-	221.548	220.664	-	220.664
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		221.548	-	221.548	220.664	-	220.664
XVI. INVESTMENT PROPERTY (Net)	(I-k)	-	-	-	-	-	-
XVII. TAX ASSET		-	-	-	132.508	13.676	146.184
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(I-l)	-	-	-	132.508	13.676	146.184
XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-m)	31.148	-	31.148	179.537	-	179.537
18.1 Held for Sale Purpose		31.148	-	31.148	179.537	-	179.537
18.2 Related to Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-n)	1,403.524	1,138.020	2,541.544	929.214	568.402	1,497.616
TOTAL ASSETS		133,825.265	113,527.384	247,352.649	125,451.396	109,357.592	234,808.988

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

AKBANK T.A.Ş.
I. UNCONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2016 (STATEMENT OF FINANCIAL POSITION)

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (30/06/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	75.690.162	65.122.113	140.812.275	68.696.386	70.246.111	138.942.497
1.1 Deposits of Bank's Risk Group	(VI)	3.201.505	2.165.517	5.367.022	2.552.668	2.182.629	4.735.297
1.2 Other		72.488.657	62.956.596	135.445.253	66.143.718	68.063.482	134.207.200
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(II-b)	1.029.323	1.298.554	2.327.877	479.349	967.525	1.446.874
III. FUNDS BORROWED	(II-c)	182.300	26.065.254	26.247.554	193.130	23.520.208	23.713.338
IV. MONEY MARKETS		10.262.840	17.008.768	27.271.608	6.169.189	16.659.919	22.829.108
4.1 Funds from Interbank Money Market		1.630.408	-	1.630.408	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		8.632.432	17.008.768	25.641.200	6.169.189	16.659.919	22.829.108
V. SECURITIES ISSUED (Net)	(II-d)	3.046.488	7.370.242	10.416.730	3.182.038	8.084.029	11.266.067
5.1 Bills		1.709.412	159.819	1.869.231	1.545.846	892.932	2.438.778
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		1.337.076	7.210.423	8.547.499	1.636.192	7.191.097	8.827.289
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		3.611.603	959.397	4.571.000	3.508.887	952.862	4.461.749
VIII. OTHER LIABILITIES	(II-e)	2.136.942	166.327	2.301.269	1.350.110	118.766	1.468.876
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCIAL LEASE PAYABLES (Net)	(II-f)	35.073	-	35.073	63.970	-	63.970
10.1 Financial Lease Payables		44.394	-	44.394	82.124	-	82.124
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		9.321	-	9.321	18.154	-	18.154
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	(II-g)	108.688	339.453	448.141	-	157.528	157.528
11.1 Fair Value Hedge		108.688	317.710	426.398	-	157.528	157.528
11.2 Cash Flow Hedge		-	21.743	21.743	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(II-h)	2.541.685	726.951	3.268.636	2.471.640	694.086	3.165.726
12.1 General Loan Loss Provisions		1.947.877	719.382	2.667.259	1.856.322	688.380	2.544.702
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		192.151	-	192.151	187.178	-	187.178
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		401.657	7.569	409.226	428.140	5.706	433.846
XIII. TAX LIABILITY	(II-i)	626.033	5.453	631.486	593.181	10.897	604.078
13.1 Current Tax Liability		586.950	5.453	592.403	593.181	10.897	604.078
13.2 Deferred Tax Liability		39.083	-	39.083	-	-	-
XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(II-j)	29.296.019	(275.019)	29.021.000	27.199.518	(510.341)	26.689.177
16.1 Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2 Capital Reserves		2.795.275	(275.019)	2.520.256	2.438.167	(510.341)	1.927.826
16.2.1 Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences		(282.503)	(233.268)	(515.771)	(627.540)	(485.221)	(1.112.761)
16.2.4 Property and Equipment Revaluation Differences		47.106	-	47.106	47.106	-	47.106
16.2.5 Intangible Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Investment Properties Revaluation Differences		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		4.895	-	4.895	4.895	-	4.895
16.2.8 Hedging Funds (Effective portion)		(23.186)	(41.751)	(64.937)	(35.257)	(25.120)	(60.377)
16.2.9 Value Increase of Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.348.963	-	1.348.963	1.348.963	-	1.348.963
16.3 Profit Reserves		20.161.351	-	20.161.351	17.766.503	-	17.766.503
16.3.1 Legal Reserves		1.322.027	-	1.322.027	1.282.027	-	1.282.027
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		18.718.299	-	18.718.299	16.372.097	-	16.372.097
16.3.4 Other Profit Reserves		121.025	-	121.025	112.379	-	112.379
16.4 Income or (Loss)		2.339.393	-	2.339.393	2.994.848	-	2.994.848
16.4.1 Prior Periods' Income or (Loss)		-	-	-	-	-	-
16.4.2 Current Period Income or (Loss)		2.339.393	-	2.339.393	2.994.848	-	2.994.848
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		128.565.156	118.787.493	247.352.649	113.907.398	120.901.590	234.808.988

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

AKBANK T.A.Ş.
II. UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2016

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

INCOME AND EXPENSE ITEMS		Note	CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		(Section Five)	(01/01-30/06/2016)	(01/01-30/06/2015)	(01/04-30/06/2016)	(01/04-30/06/2015)
I.	INTEREST INCOME	(III-a)	8.922.395	7.265.618	4.543.054	3.682.920
1.1	Interest on Loans	(III-a-1)	6.934.344	5.672.462	3.553.367	2.890.692
1.2	Interest on Reserve Requirements		95.560	9.793	47.604	6.937
1.3	Interest on Banks	(III-a-2)	23.308	25.793	12.691	17.816
1.4	Interest on Money Market Transactions		2.367	86.423	2.284	38.496
1.5	Interest on Marketable Securities Portfolio	(III-a-3)	1.850.731	1.456.095	919.816	721.209
1.5.1	Trading Financial Assets		25	177	3	76
1.5.2	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3	Available-for-sale Financial Assets		1.450.644	1.125.682	716.722	568.140
1.5.4	Held- to- maturity Investments		400.062	330.236	203.091	152.993
1.6	Financial Lease Income		-	-	-	-
1.7	Other Interest Income		16.085	15.052	7.292	7.770
II.	INTEREST EXPENSE	(III-b)	4.945.370	3.683.196	2.500.790	1.878.604
2.1	Interest on Deposits	(III-b-4)	3.805.294	2.767.424	1.937.427	1.399.981
2.2	Interest on Funds Borrowed	(III-b-1)	217.094	190.985	107.503	98.211
2.3	Interest Expense on Money Market Transactions		549.697	364.572	275.922	189.936
2.4	Interest on Securities Issued	(III-b-3)	347.565	339.120	172.617	183.841
2.5	Other Interest Expenses		25.720	21.095	7.321	6.635
III.	NET INTEREST INCOME (I - II)		3.977.025	3.582.422	2.042.264	1.804.316
IV.	NET FEES AND COMMISSIONS INCOME		1.212.739	1.142.825	618.682	627.803
4.1	Fees and Commissions Received		1.460.056	1.362.387	754.261	745.059
4.1.1	Non-cash Loans		98.247	85.299	49.218	44.663
4.1.2	Other		1.361.809	1.277.088	705.043	700.396
4.2	Fees and Commissions Paid		247.317	219.562	135.579	117.256
4.2.1	Non-cash Loans		180	155	88	84
4.2.2	Other		247.137	219.407	135.491	117.172
V.	DIVIDEND INCOME		21.419	13.336	-	509
VI.	TRADING INCOME/(LOSS) (Net)	(III-c)	285.049	73.283	242.232	[20.188]
6.1	Trading Gains / (Losses) on Securities		157.570	205.786	131.328	39.162
6.2	Gains / (Losses) on Derivative Financial Transactions		[38.223]	[236.069]	60.467	[398.206]
6.3	Foreign Exchange Gains / (Losses)		165.702	103.566	50.437	338.856
VII.	OTHER OPERATING INCOME	(III-d)	652.446	423.490	369.875	162.424
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		6.148.678	5.235.356	3.273.053	2.574.864
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(III-e)	1.193.714	1.299.357	593.101	630.039
X.	OTHER OPERATING EXPENSES (-)	(III-f)	2.037.407	2.122.663	1.025.319	1.077.117
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		2.917.557	1.813.336	1.654.633	867.708
XII.	EXCESS AMOUNT RECORDED AS					
	INCOME AFTER MERGER		-	-	-	-
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)		2.917.557	1.813.336	1.654.633	867.708
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(III-g)	578.164	399.452	322.425	185.625
16.1	Current Tax Provision		590.035	359.223	347.113	212.131
16.2	Deferred Tax Provision		[11.871]	40.229	[24.688]	[26.506]
XVII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		2.339.393	1.413.884	1.332.208	682.083
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1	Income from Non-current Assets Held for Sale		-	-	-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3	Income from Other Discontinued Operations		-	-	-	-
XIX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Expenses for Non-current Assets Held for Sale		-	-	-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3	Expenses for Other Discontinued Operations		-	-	-	-
XX.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1	Current Tax Provision		-	-	-	-
21.2	Deferred Tax Provision		-	-	-	-
XXII.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	(III-h)	2.339.393	1.413.884	1.332.208	682.083
Earnings per share (in full TL)			0,00585	0,00353	0,00333	0,00171

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

AKBANK T.A.Ş.
III. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 30 JUNE 2016

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

	Note (Section Five)	CURRENT PERIOD (30/06/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		120.921.127	280.645.943	401.567.070	97.042.850	225.281.018	322.323.868
I. GUARANTEES AND WARRANTIES	(IV-2, 3)	14.697.225	20.833.665	35.530.890	13.762.203	18.913.025	32.675.228
1.1 Letters of Guarantee		12.751.255	10.957.621	23.708.876	11.862.428	10.764.100	22.626.528
1.1.1 Guarantees Subject to State Tender Law		343.065	1.767.226	2.110.291	489.460	1.799.894	2.289.354
1.1.2 Guarantees Given for Foreign Trade Operations		-	3.613.499	3.613.499	-	4.114.385	4.114.385
1.1.3 Other Letters of Guarantee		12.408.190	5.576.896	17.985.086	11.372.968	4.849.821	16.222.789
1.2 Bank Acceptances		-	3.241.174	3.241.174	-	933.230	933.230
1.2.1 Import Letter of Acceptance		-	3.241.174	3.241.174	-	933.230	933.230
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		396	4.600.656	4.601.052	396	5.326.265	5.326.661
1.3.1 Documentary Letters of Credit		396	4.169.976	4.170.372	396	4.846.143	4.846.539
1.3.2 Other Letters of Credit		-	430.680	430.680	-	480.122	480.122
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	18.760	18.760	-	22.866	22.866
1.8 Other Guarantees		48.575	1.999.828	2.048.403	115.520	1.852.899	1.968.419
1.9 Other Collaterals		1.896.999	15.626	1.912.625	1.783.859	13.665	1.797.524
II. COMMITMENTS	(IV-1)	39.596.196	16.623.512	56.219.708	35.082.215	12.341.070	47.423.285
2.1 Irrevocable Commitments		39.164.162	16.623.512	55.787.674	34.577.080	12.341.070	46.918.150
2.1.1 Asset Purchase Commitments		5.970.194	8.254.322	14.224.516	2.190.531	2.963.600	5.154.131
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		6.090.859	3.646.602	9.737.461	5.643.211	4.333.444	9.976.655
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		6.133.694	-	6.133.694	5.764.751	-	5.764.751
2.1.8 Tax and Fund Liabilities from Export Commitments		3.447	-	3.447	2.956	-	2.956
2.1.9 Commitments for Credit Card Limits		17.637.562	-	17.637.562	17.672.898	-	17.672.898
2.1.10 Commitments for Credit Cards and Banking Services Promotions		83.581	-	83.581	95.366	-	95.366
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		3.244.825	4.722.588	7.967.413	3.207.367	5.044.026	8.251.393
2.2 Revocable Commitments		432.034	-	432.034	505.135	-	505.135
2.2.1 Revocable Loan Granting Commitments		432.034	-	432.034	505.135	-	505.135
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		66.627.706	243.188.766	309.816.472	48.198.432	194.026.923	242.225.355
3.1 Hedging Derivative Financial Instruments		2.721.663	16.875.048	19.596.711	1.228.638	11.197.395	12.426.033
3.1.1 Fair Value Hedges		2.721.663	14.019.048	16.740.711	1.228.638	11.197.395	12.426.033
3.1.2 Cash Flow Hedges		-	2.856.000	2.856.000	-	-	-
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		63.906.043	226.313.718	290.219.761	46.969.794	182.829.528	229.799.322
3.2.1 Forward Foreign Currency Buy/Sell Transactions		6.092.947	10.905.982	16.998.929	6.128.480	8.958.219	15.086.699
3.2.1.1 Forward Foreign Currency Transactions-Buy		3.049.657	5.410.060	8.459.717	2.647.607	4.845.645	7.493.252
3.2.1.2 Forward Foreign Currency Transactions-Sell		3.043.290	5.495.922	8.539.212	3.480.873	4.112.574	7.593.447
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		45.935.726	134.366.179	180.301.905	29.738.415	104.406.055	134.144.470
3.2.2.1 Foreign Currency Swap-Buy		23.882.239	37.503.318	61.385.557	11.246.658	28.538.905	39.785.563
3.2.2.2 Foreign Currency Swap-Sell		18.725.287	36.390.053	55.115.340	15.671.757	20.415.368	36.087.125
3.2.2.3 Interest Rate Swap-Buy		1.664.100	30.236.404	31.900.504	1.410.000	27.725.891	29.135.891
3.2.2.4 Interest Rate Swap-Sell		1.664.100	30.236.404	31.900.504	1.410.000	27.725.891	29.135.891
3.2.3 Foreign Currency, Interest Rate and Securities Options		11.554.524	64.901.124	76.455.648	10.274.802	58.882.918	69.157.720
3.2.3.1 Foreign Currency Options-Buy		5.462.243	9.490.588	14.952.831	4.938.312	7.023.471	11.961.783
3.2.3.2 Foreign Currency Options-Sell		6.092.281	9.060.388	15.152.669	5.336.490	6.753.791	12.090.281
3.2.3.3 Interest Rate Options-Buy		-	23.175.074	23.175.074	-	22.552.828	22.552.828
3.2.3.4 Interest Rate Options-Sell		-	23.175.074	23.175.074	-	22.552.828	22.552.828
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		322.846	16.140.433	16.463.279	828.097	10.582.336	11.410.433
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		663.260.596	161.765.698	825.026.294	611.006.886	159.670.572	770.677.458
IV. ITEMS HELD IN CUSTODY		27.969.213	8.026.765	35.995.978	26.860.299	11.806.667	38.666.966
4.1 Customer Fund and Portfolio Balances		3.116.873	-	3.116.873	2.820.657	-	2.820.657
4.2 Investment Securities Held in Custody		4.717.296	908.295	5.625.591	5.230.194	818.636	6.048.830
4.3 Cheques Received for Collection		15.828.700	931.401	16.760.101	14.928.116	876.770	15.804.886
4.4 Commercial Notes Received for Collection		3.823.498	1.428.674	5.252.172	3.395.579	1.454.631	4.850.210
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		482.846	4.758.395	5.241.241	485.753	8.656.630	9.142.383
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		226.571.334	54.935.973	281.507.307	201.367.218	48.499.397	249.866.615
5.1 Marketable Securities		105.050.353	409.194	105.459.547	93.300.273	443.023	93.743.296
5.2 Guarantee Notes		762.284	360.868	1.123.152	737.605	408.356	1.145.961
5.3 Commodity		-	23.830	23.830	-	34.884	34.884
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		89.225.385	40.083.039	129.308.424	78.442.536	35.614.821	114.057.357
5.6 Other Pledged Items		31.533.312	14.059.042	45.592.354	28.886.804	11.998.313	40.885.117
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		408.720.049	98.802.960	507.523.009	382.779.369	99.364.508	482.143.877
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		784.181.723	442.411.641	1.226.593.364	708.049.736	384.951.590	1.093.001.326

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

AKBANK T.A.Ş.**IV. UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016**

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

INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY		CURRENT PERIOD (30/06/2016)	PRIOR PERIOD (30/06/2015)
I.	ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE- FOR- SALE FINANCIAL ASSETS	746.238	(630.804)
II.	PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.	TRANSLATION DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of Fair Value Changes)	(5.700)	16.125
VI.	PROFIT/LOSS FROM FOREIGN NET INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICY AND CORRECTIONS	-	-
VIII.	OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-	-
IX.	TAX RELATED TO VALUATION DIFFERENCES	(148.108)	122.936
X.	NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	592.430	(491.743)
XI.	CURRENT PERIOD INCOME / LOSS	2.339.393	1.413.884
11.1	Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	217.011	73.860
11.2	Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(18.437)	(12.900)
11.3	Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4	Other	2.140.819	1.352.924
XII.	TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI)	2.931.823	922.141

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

AKBANK T.A.Ş.

V. UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2016

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

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital[*]	Share Premiums	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Valuation Differences	Property & Equipment Revaluation Differences	Bonus Shares from Invest. in Ass., Subs. and J.V.	Hedging Transactions	Val. Chan. in Prop. and Eq. HFS Purp./ Disc. Opr.	Total Shareholders' Equity	
PRIOR PERIOD (30/06/2015)																		
I.	Beginning Balance	4.000.000	1.405.892	1.700.000	-	1.245.067	-	13.823.484	101.971	3.159.678	-	[293.820]	47.106	4.895	[82.447]	-	25.111.826	
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Adjusted Beginning Balance (I+II)	(II-I)	4.000.000	1.405.892	1.700.000	-	1.245.067	-	13.823.484	101.971	3.159.678	-	[293.820]	47.106	4.895	[82.447]	-	25.111.826
Changes in the period																		
IV.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	[504.643]	-	-	-	-	[504.643]	
VI.	Hedging transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	12.900	-	12.900	
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	12.900	-	12.900	
4.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Translation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	Changes due to the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII.	Changes due to the reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII.	Effects of changes in equity of investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	1.413.884	-	-	-	-	-	-	1.413.884	
XX.	Profit Distribution	-	-	-	-	36.960	-	2.548.613	4.505	(3.159.678)	-	-	-	-	-	-	(569.600)	
20.1	Dividends paid	-	-	-	-	-	-	-	-	(569.600)	-	-	-	-	-	-	(569.600)	
20.2	Transfers to Reserves	-	-	-	-	36.960	-	2.548.613	4.505	(2.590.078)	-	-	-	-	-	-	-	
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ending Balance (III+IV+V+.....+XVIII+XIX+XX)		4.000.000	1.405.892	1.700.000	-	1.282.027	-	16.372.097	106.476	1.413.884	-	(798.443)	47.106	4.895	(69.547)	-	25.464.367	
CURRENT PERIOD (30/06/2016)																		
I.	Prior Period End Balance	4.000.000	1.405.892	1.700.000	-	1.282.027	-	16.372.097	55.450	2.994.848	-	(1.112.761)	47.106	4.895	(60.377)	-	26.689.177	
Changes in the period																		
II.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Marketable Securities Valuation Differences	(II-k)	-	-	-	-	-	-	-	-	-	596.990	-	-	-	-	596.990	
IV.	Hedging transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.560)	-	(4.560)	
4.1	Cash flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.560)	-	(4.560)	
4.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Translation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Changes due to the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Changes due to the reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	Effects of changes in equity of investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	2.339.393	-	-	-	-	-	-	2.339.393	
XVIII.	Profit Distribution	-	-	-	-	40.000	-	2.346.202	8.646	(2.994.848)	-	-	-	-	-	-	(600.000)	
18.1	Dividends paid	-	-	-	-	-	-	-	-	(600.000)	-	-	-	-	-	-	(600.000)	
18.2	Transfers to Reserves	-	-	-	-	40.000	-	2.346.202	8.646	(2.394.848)	-	-	-	-	-	-	-	
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ending Balance (I+II+III+...+XVI+XVII+XVIII)		4.000.000	1.405.892	1.700.000	-	1.322.027	-	18.718.299	64.096	2.339.393	-	(515.771)	47.106	4.895	(64.937)	-	29.021.000	

(*) The amounts for the "Paid-in Capital Inflation Adjustment Difference" and "Actuarial Loss/Gain" which is in the "Other Reserves" are presented under "Other Capital Reserves" in the financial statements.

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

AKBANK T.A.Ş.**VI. UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016**

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

	Note (Section Five)	CURRENT PERIOD (30/06/2016)	PRIOR PERIOD (30/06/2015)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities	2.488.934	1.290.922
1.1.1	Interest received	8.788.702	7.337.666
1.1.2	Interest paid	(4.778.633)	(3.677.368)
1.1.3	Dividend received	21.419	13.336
1.1.4	Fees and commissions received	1.456.298	1.319.382
1.1.5	Other income	(917.134)	(480.241)
1.1.6	Collections from previously written-off loans and other receivables	359.184	340.689
1.1.7	Payments to personnel and service suppliers	(1.841.576)	(1.917.089)
1.1.8	Taxes paid	(834.996)	(468.806)
1.1.9	Other	235.670	(1.176.647)
1.2	Changes in operating assets and liabilities	(6.286.291)	(783.636)
1.2.1	Net decrease in trading securities	(3.478)	(2.510)
1.2.2	Net (increase) / decrease in fair value through profit/(loss) financial assets	-	-
1.2.3	Net (increase) / decrease in due from banks and other financial institutions	1.001.784	501.877
1.2.4	Net (increase) / decrease in loans	(6.565.510)	(8.832.978)
1.2.5	Net (increase) / decrease in other assets	(10.680.453)	(3.462.596)
1.2.6	Net increase / (decrease) in bank deposits	(579.974)	914.363
1.2.7	Net increase / (decrease) in other deposits	5.096.751	11.423.014
1.2.8	Net increase / (decrease) in funds borrowed	4.162.572	1.181.782
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	1.282.017	(2.506.588)
I.	Net cash provided from banking operations	(3.797.357)	507.286
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	3.145.719	1.502.765
2.1	Cash paid for acquisition of investments, associates and subsidiaries	-	(358.121)
2.2	Cash obtained from disposal of investments, associates and subsidiaries	-	-
2.3	Purchases of property and equipment	(60.650)	(70.599)
2.4	Disposals of property and equipment	159.172	7.909
2.5	Cash paid for purchase of investments available-for-sale	(9.393.697)	(17.622.013)
2.6	Cash obtained from sale of investments available-for-sale	13.023.650	18.947.538
2.7	Cash paid for purchase of investment securities	-	-
2.8	Cash obtained from sale of investment securities	1.971	1.112.448
2.9	Other	(584.727)	(514.397)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	(1.463.525)	3.003.883
3.1	Cash obtained from funds borrowed and securities issued	2.530.528	7.720.181
3.2	Cash used for repayment of funds borrowed and securities issued	(3.365.158)	(4.107.454)
3.3	Issued equity instruments	-	-
3.4	Dividends paid	(600.000)	(569.600)
3.5	Payments for finance leases	(28.895)	(39.244)
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(22.809)	342.898
V.	Net increase in cash and cash equivalents (I+II+III+IV)	(2.137.972)	5.356.832
VI.	Cash and cash equivalents at beginning of the period	(M)	4.808.291
VII.	Cash and cash equivalents at end of the period	(M)	10.165.123

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

SECTION THREE
ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION:

a. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on Accounting Applications for Banks and Safeguarding of Documents:

The unconsolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA"). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks" and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, effectiveness date is 1 January 2016, have no material impact on the Bank's accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments (2011 Version) will have no impact on the accounting policies, financial condition and performance of the Bank. The Bank assesses the impact of TFRS 9 Financial Instruments standard.

b. Explanation for convenience translation into English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2015. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVIII below.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

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

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

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of "Net foreign exchange income/expense". Foreign currency denominated subsidiaries, which are accounted with acquisition cost method, are translated with the foreign exchange rates prevailing at the acquisition date.

As of 30 June 2016, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,8560 TL 3,1758 and TL 2,7728 for USD, EURO and Yen respectively.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

Investments in associates and subsidiaries are accounted in accordance with the "Turkish Accounting Standard on Separate Financial Statements" ("TAS 27") in the unconsolidated financial statements and measured in the financial statements with their costs. Dividends are recognized in the income statement when the right to receive the dividend is obtained.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:

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

The Bank classifies its derivative instruments as "Held-for-hedging" or "Held-for-trading" in accordance with "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement" ("TAS 39"). In accordance with TAS 39, although certain derivative transactions provide effective economic hedges under the Bank's risk management position, in accordance with TAS 39 they are treated as derivatives "Held-for-trading".

Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Trading derivative financial assets" or "Hedging derivative financial assets"; if the fair value difference is negative, it is recorded to "Trading derivative financial liabilities" or "Hedging derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The basis on accounting of derivative instruments for hedging purposes are explained Note VIII of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

An embedded derivative shall be separated from host contract only if:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss

If an embedded derivative is separated, the host contract shall be accounted for under TAS 39 if it is a financial instrument and in accordance with other appropriate standards if it is not a financial instrument.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income by using the "Effective interest method". The Bank ceases accruing interest income on non-performing loans and reverses any interest income accrued from such loans. No income is accounted until the collection is made according to the related regulation.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest method" according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Bank categorizes its financial assets as "Fair value through profit/loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". Sale and purchase transactions of the financial assets mentioned above are recognized and derecognized at the "Settlement dates". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of the investment.

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

This category has two subcategories: "Trading financial assets" and "Financial assets designated at fair value through profit/loss at initial recognition".

Trading financial assets are financial assets which are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aimed at short-term profit making. All regular way purchases and sales of trading financial assets are recognized at the settlement date, which is the date that the asset is delivered to/from the Bank. Trading financial assets are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. Interest earned while holding trading financial assets is accounted as interest income and dividends received are included separately in dividend income.

Derivative financial assets are classified as trading financial assets unless they are used for hedging purposes. The accounting of derivative financial assets is explained in Note IV of Section Three.

The Bank has no financial assets designated as financial assets at fair value through profit or loss.

b. Financial assets available-for-sale:

Financial assets available-for-sale consist of financial assets other than "Loans and receivables", "Held-to-maturity", "Financial assets at fair value through profit or loss" and non-derivative financial assets. Financial assets available-for-sale are recorded by adding transaction cost to acquisition cost reflecting the fair value of the financial asset.

After the recognition, financial assets available-for-sale are remeasured at fair value. Interest income arising from available-for-sale calculated with "Effective interest method" and dividend income from equity securities are reflected to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of securities classified as available-for-sale are recognized in the account of "Marketable securities valuation differences" under shareholders' equity, unless these assets are impaired, collected, sold, or disposed of. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

c. Loans and Receivables:

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding acquisition cost which reflect fair value to transaction costs and subsequently recognized at the discounted value calculated using the "Effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

If the collectability of any receivable is identified as limited or doubtful by the management through assessments and estimates, the Bank provides general and specific provisions for these loans and receivables in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette dated 1 November 2006, no.26333.If a receivable is collected which is provisioned in the same year, it is deducted from the "Special Provisions Loans and Other Receivables". Provision expenses are accounted under "Provision for Loan Losses and Other Receivables" in the income statement and deducted from the net income of the period. If a receivable is collected which is provisioned in the same year, it is deducted from the "Provision for Loan Losses and Other Receivables". If there is a subsequent collection from a receivable which has already been provisioned in previous years, the recovery amount is classified under "Other Operating Income". Uncollectible receivables are written-off after all the legal procedures are finalized.

d. Held-to-maturity financial assets:

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to held-to-maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available-for-sale; and those that meet the definition of loans and receivables. Held-to-maturity financial assets are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from held-to-maturity financial assets is accounted in income statement.

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

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

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

It is assessed whether there is objective evidence for a financial asset or group of financial assets is impaired at each balance sheet date. Provision for impairment is provided when there is an objective evidence of impairment.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest method" and its carrying value. In case an impairment occurs, the impairment amount is deducted from the carrying value of the asset and the impairment loss is recognized in profit and loss. Regarding available-for-sale financial assets, when there is objective evidence that the asset is impaired the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. An explanation about the impairment of loans and receivables is given in Note VII-c of Section Three.

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:

Securities subject to repurchase agreements ("Repos") are classified as "Financial assets at fair value difference through profit or loss", "Available-for-sale securities" and "Held-to-maturity securities" in the balance sheet according to the investment purposes and measured according to the portfolio of the Bank to which they belong. Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the "Effective interest (internal return) method".

Funds given against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the "Effective interest method".

The Bank has no securities lending transactions.

XI. EXPLANATIONS ON PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS:

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, no.26333.

The Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Bank has no goodwill.

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

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

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

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

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

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

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XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "Lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is impairment in value of the leased asset, an impairment is recognized. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not provide financial leasing services as a "Lessor".

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

Provisions and contingent liabilities are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the periodicity principle.

A liability is recognized as a contingent liability where a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of more than one events not wholly within the control of the Bank; or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability and disclosed in the footnotes.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

Obligations related to employment termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19").

Under the Turkish Labor Law, the Bank and its subsidiaries operating in Turkey are required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labor Law. According to the related regulation, the Bank is obliged to pay termination benefits for employees who retire, quit for their military service obligations, who have been dismissed as defined in the related regulation or who have completed at least one year of service. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Bank arising from this liability. In accordance with TAS 19, actuarial gains and losses are recognized in equity.

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b. Retirement rights:

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

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

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

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

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. Accordingly the transfer required by the New Law was to be completed until 8 May 2011. According to the decision of the Council of Ministers published on the Official Gazette dated 9 April 2011 no. 27900, the time frame for related transfer has been extended for two years. Within the postponement right granted to the Council of Ministers through the change in the first clause of the 20th provisional article of the "Social Insurance and General Health Insurance Law no. 5510" published on the Official Gazette no. 28227 dated 8 March 2012, the transfer process has been postponed for one more year with the decision of the Council of Ministers published on the Official Gazette no. 28987 dated 30 April 2014. The Council of Ministers has been authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 and numbered 29335.

According to the New Law, following the transfer of the members of the fund to the SSI, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.

With respect to that, according to the technical balance sheet report as at 31 December 2015 prepared considering the related articles of the New Law regarding the transferrable benefit obligations for the non-transferrable social benefits and payments which are included in the articles of association, the Fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for the Bank.

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XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

In Turkey, corporate tax rate is 20%. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses, tax-exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th day and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

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

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until the 25th day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year following the date of filing during which time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Current tax, related to items recognized directly in equity is also credited or charged directly to equity.

b. Deferred tax:

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

Deferred tax assets and liabilities are presented as net in the financial statements.

Deferred tax, related to items recognized directly in equity is also credited or charged directly to equity.

XIX. EXPLANATIONS ON BORROWINGS:

Debt instruments with different characteristics such as syndicated and securitized borrowings and post-financing obtained from foreign financial institutions, marketable securities issued in domestic and foreign markets and money market borrowings are major funding source of the Bank. Mentioned borrowings are carried initially at acquisition cost and subsequently recognized at the discounted value calculated using the "Effective interest method".

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2016.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

Avalized drafts and acceptances shown as liabilities against assets are included in the off-balance sheet commitments.

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XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 June 2016 and 31 December 2015, there is no government grant for the Bank.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

Reporting according to the operational segment is presented in Note IX of Section Four.

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

Under the Turkish Commercial Code, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, but Holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

The Ordinary General Assembly Meeting of the Bank was held on 28 March 2016. In the Ordinary General Assembly, it was decided to distribute a TL 600.000 cash dividend over the TL 2.994.848 net income from 2015 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 8.646 to special funds account under other capital reserves, to allocate TL 40.000 as legal and TL 2.346.202 as extraordinary reserves.

XXV. EARNINGS PER SHARE:

Earnings per share disclosed in the income statement are calculated by dividing net profit for the year by the weighted average number of shares outstanding during the period concerned.

	Current Period 30 June 2016	Prior Period 30 June 2015
Net Profit for the Year	2.339.393	1.413.884
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00585	0,00353

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

No bonus shares issued in 2016 (2015: (-)).

XXVI. RELATED PARTIES:

Parties defined in Article 49 of the Banking Law No.5411, Bank's senior management and Board Members are deemed as related parties. Transactions regarding related parties are presented in Note VI of Section Five.

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XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

In order to be consistent with the presentation of financial statements dated 30 June 2016, there are certain reclassifications made on income statement and cash flow statement of 30 June 2015.

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SECTION FOUR INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. EXPLANATIONS ON EQUITY:

Total capital and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

As of 30 June 2016 Bank's total capital has been calculated as TL 31.205.904, Capital adequacy ratio is % 14,88. As of 31 December 2015, Bank's total capital amounted to TL 28.954.803, Capital adequacy ratio was % 14,58 calculated pursuant to former regulations. This ratio is well above the minimum ratio required by the legislation.

a. Information about Total Capital:

	Current Period 30 June 2016	Amounts related to treatment before 1/1/2014[*]
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892	
Share issue premiums	1.700.000	
Reserves	20.161.351	
Gains recognized in equity as per TAS	47.106	
Profit	2.339.393	
Current Period Profit	2.339.393	
Prior Period Profit	-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	4.895	
Common Equity Tier 1 Capital Before Deductions	29.658.637	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	20.326	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	572.700	
Improvement costs for operating leasing	29.166	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	118.414	197.356
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	740.606	
Total Common Equity Tier 1 Capital	28.918.031	

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	Current Period 30 June 2016	Amounts related to treatment before 1/1/2014 [*]
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds [-]	78.942	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds [-]	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available [-]	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital+Common Equity+Additional Tier I Capital)	28.839.089	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.382.135	
Tier II Capital Before Deductions	2.382.135	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital [-]	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank [-]	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA [-]	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	2.382.135	
Total Capital (The sum of Tier I Capital and Tier II Capital)	31.221.224	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	19	
Other items to be defined by the BRSA [-]	15.301	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the %10 of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds [-]	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds [-]	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds [-]	-	

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	Current Period 30 June 2016	Amounts related to treatment before 1/1/2014(*)
TOTAL CAPITAL		
Total Capital	31.205.904	
Total risk weighted amounts	209.705.048	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	13,79%	
Tier 1 Capital Adequacy Ratio	13,75%	
Capital Adequacy Ratio	14,88%	
BUFFERS		
Bank specific total common equity tier 1 capital ratio	5,51%	
Capital conservation buffer requirement	0,63%	
Bank specific counter-cyclical buffer requirement	0,39%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	5,79%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	217.458	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	2.667.259	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.382.135	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt Instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

(*) Amounts in this column represents the amounts of items that are subject to transition provisions in accordance with the temporary Articles of "Regulations regarding to changes on Regulation on Equity of Banks" and taken into consideration at the end of transition process.

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	Prior Period 31 December 2015(*)
COMMON EQUITY TIER I CAPITAL	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892
Share premium	1.700.000
Share cancellation profits	-
Reserves	17.766.503
Gains recognized in equity as per TAS	47.106
Profit	2.994.848
Current Period Profit	2.994.848
Prior Period Profit	-
Provisions for Possible Risks	200.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	4.895
Common Equity Before Deductions	28.119.244
Deductions from Common Equity	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	1.169.690
Leasehold improvements(-)	34.857
Goodwill or other intangible assets and deferred tax liability related to these items (-)	78.249
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-)	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-)	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Common Equity	1.282.796
Total Common Equity Tier I Capital	26.836.448
ADDITIONAL TIER I CAPITAL	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
DEDUCTIONS FROM TIER I CAPITAL	
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	117.374
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Total Tier I Capital	26.719.074

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	Prior Period 31 December 2015(*)
TIER II CAPITAL	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	2.255.984
Tier II Capital Before Deductions	2.255.984
DEDUCTIONS FROM TIER II CAPITAL	
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	2.255.984
CAPITAL BEFORE DEDUCTIONS	28.975.058
Deductions from Capital	
Loans granted contrary to the 50th and 51th Article of the Law (-)	-
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date(-)	75
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	171
Other items to be defined by the BRSA (-)	20.009
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	28.954.803
Amounts below the Excess Limits as per the Deduction Principles	
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	342.155

(*) Total capital has been calculated in accordance with the "Regulations regarding to changes on Regulation on Equity of Banks" effective from date 31 March 2016, the information given in the prior period column has been calculated pursuant to former regulation.

b. Information about instruments that will be included in total capital calculation: None.

c. The difference between Total Capital and Equity in the consolidated balance sheet mainly arises from the general provision. In the calculation of Total Capital, general provision up to %1,25 credit risk is taken into consideration as Tier II Capital. Besides, losses that are subject to deductions from Common Equity Tier I and reflected to Equity in line with the TAS, are determined by excluding the losses related to cash flow hedge transactions. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, net book value of immovables that are acquired against overdue receivables and retained more than five years, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

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II. EXPLANATIONS ON CURRENCY RISK

The difference between the Bank's foreign currency denominated and foreign currency indexed assets and liabilities is defined as the "Net Foreign Currency Position" and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. The Bank keeps the foreign exchange exposure amount within the limits set by the ERC. The Board, taking into account the recommendations by the ERC, sets a limit for the size of a foreign exchange exposure, which is closely monitored by ALCO.

Those limits are individually determined and followed for both the net overall foreign currency position and for the foreign exchange exposure. Derivative financial instruments like forward foreign exchange contracts and currency swaps are used as tools for foreign exchange exposure management.

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

	USD	EURO	Yen
Balance Sheet Evaluation Rate	TL 2,8560	TL 3,1758	TL 2,7728
1.Day bid rate	TL 2,8936	TL 3,2044	TL 2,8149
2.Day bid rate	TL 2,9130	TL 3,2262	TL 2,8424
3.Day bid rate	TL 2,9365	TL 3,2402	TL 2,8759
4.Day bid rate	TL 2,9266	TL 3,2444	TL 2,8455
5.Day bid rate	TL 2,8799	TL 3.2728	TL 2.7384

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

USD :TL 2,9234
EURO :TL 3,2796
Yen :TL 2,7345

As of 31 December 2015;

	USD	EURO	Yen
Balance Sheet Evaluation Rate	TL 2,8800	TL 3,1422	TL 2,3864

Information related to Bank's Currency Risk: (Thousands of TL)

The table below summarizes the Group's net foreign currency position, categorized by currency. Foreign currency indexed assets, classified as Turkish Lira assets according to the Uniform Chart of Accounts. In the calculation of the currency risk, currency indexed assets are considered as foreign currency item. Also, trading derivative financial assets and liabilities, deferred tax assets and liabilities, prepaid expenses, general loan loss provision, hedging derivative financial assets and liabilities and shareholders' equity are excluded in the currency risk calculation. Therefore, there are differences between the amounts of foreign currency denominated assets and liabilities demonstrated on the table below and the amounts on the balance sheet.

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Current Period – 30 June 2016	EURO	USD	Other FC	Total
Assets				
Cash Equivalents and Central Bank(**)	4.161.617	21.396.524	4.488.088	30.046.229
Banks	511.517	4.822.955	58.124	5.392.596
Financial Assets at Fair Value through Profit or Loss (Net)	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	1.989.357	18.450.647	-	20.440.004
Loans	22.261.168	28.970.461	89.506	51.321.135
Investments in Associates, Subsidiaries and Joint Ventures	1.011.934	2.243	-	1.014.177
Held-to-maturity Investments (Net)	2.124.828	3.275.753	-	5.400.581
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	-	1.724	-	1.724
Intangible Assets (Net)	-	-	-	-
Other Assets	538.575	544.656	607	1.083.838
Total Assets	32.598.996	77.464.963	4.636.325	114.700.284
Liabilities				
Bank Deposits	1.334.443	7.500.961	592.338	9.427.742
Foreign Currency Deposits (**)	15.984.922	37.286.283	2.423.166	55.694.371
Funds from Interbank Money Market	626.346	16.382.422	-	17.008.768
Borrowings	7.735.768	18.328.906	580	26.065.254
Marketable Securities Issued (Net)	48.017	7.228.320	93.905	7.370.242
Miscellaneous Payables	417.604	536.690	5.103	959.397
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	85.729	89.929	3.691	179.349
Total Liabilities	26.232.829	87.353.511	3.118.783	116.705.123
Net on Balance Sheet Position	6.366.167	(9.888.548)	1.517.542	(2.004.839)
Net off-Balance Sheet Position (*)	(6.092.214)	9.929.946	(1.545.360)	2.292.372
Financial Derivative Assets	12.127.891	49.276.623	4.050.150	65.454.664
Financial Derivative Liabilities	18.220.105	39.346.677	5.595.510	63.162.292
Non-cash Loans	5.146.167	15.413.349	274.149	20.833.665
Prior Period - 31 December 2015				
Total Assets	31.249.901	75.804.964	3.810.134	110.864.999
Total Liabilities	27.290.590	89.261.006	3.046.902	119.598.498
Net on-Balance Sheet Position	3.959.311	(13.456.042)	763.232	(8.733.499)
Net off-Balance Sheet Position (*)	(3.450.268)	12.766.362	(789.661)	8.526.433
Financial Derivative Assets	9.053.600	35.435.549	2.303.294	46.792.443
Financial Derivative Liabilities	12.503.868	22.669.187	3.092.955	38.266.010
Non-cash Loans	5.847.197	12.799.680	266.148	18.913.025

(**) Presents the net balance of receivables and payables from derivative transactions. Foreign Exchange spot dealings shown under "Asset purchase commitments" in the financial statements are included in the net off-balance sheet position.

(***) Of the Cash Equivalents and Central Bank and Other FC, TL 4.433.835 (31 December 2015: TL 3.663.362) and of the foreign currency deposits, TL 656.570 (31 December 2015: TL 777.277) is precious metal deposit account in demand.

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III. EXPLANATIONS ON INTEREST RATE RISK:

"Interest Rate Risk" can be defined as the impact of interest rate changes on interest-sensitive asset and liability items of both on and off-balance sheets of the Group. The ERC sets limits for the interest rate sensitivity of on and off-balance sheet items and the sensitivity is closely monitored and reported weekly. In the case of high market fluctuations, daily transaction based reporting and analyses are made.

The Bank manages the interest rate risk on a portfolio basis and tries to minimize the risk effect on the profitability, financial exposure and cash flows by applying different strategies. Basic methods such as using fixed or floating interest rates for different portfolios and maturities, setting the fixed margin in floating rates, or varying the rates for the short or long-term positions are applied actively.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

Current Period – 30 June 2016	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	25.229.552	-	-	-	-	9.854.489	35.084.041
Banks	1.615.966	182.843	40.936	-	-	3.601.864	5.441.609
Financial Assets at Fair Value Through Profit or Loss (Net)	717.973	2.058.328	1.442.737	318.644	157.831	14.718	4.710.231
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-sale Financial Assets (Net)	3.597.844	3.616.296	8.190.679	16.504.030	6.182.287	250.111	38.341.247
Loans	41.809.199	14.480.511	43.975.621	38.441.430	9.097.374	147.044	147.951.179
Held-to-maturity Investments (Net)	2.213.534	677.380	1.068.409	6.789.951	-	-	10.749.274
Other Assets	251.496	660.544	336.206	74.255	36.780	3.715.787	5.075.068
Total Assets	75.435.564	21.675.902	55.054.588	62.128.310	15.474.272	17.584.013	247.352.649
Liabilities							
Bank Deposits	5.875.779	4.403.158	955.013	-	-	415.156	11.649.106
Other Deposits	82.300.536	16.611.750	5.940.085	69.503	-	24.241.295	129.163.169
Funds from Interbank Money Market	14.680.866	7.401.198	5.189.544	-	-	-	27.271.608
Miscellaneous Payables	202.571	163.952	317.892	92.321	38.344	3.755.920	4.571.000
Marketable Securities Issued (Net)	747.861	1.103.536	304.354	5.501.807	2.759.172	-	10.416.730
Borrowings	1.383.606	20.794.795	3.521.471	497.653	50.029	-	26.247.554
Other Liabilities (*)	702.163	716.433	1.098.571	385.789	110.580	35.019.946	38.033.482
Total Liabilities	105.893.382	51.194.822	17.326.930	6.547.073	2.958.125	63.432.317	247.352.649
Balance Sheet Long Position	-	-	37.727.658	55.581.237	12.516.147	-	105.825.042
Balance Sheet Short Position	(30.457.818)	(29.518.920)	-	-	-	(45.848.304)	(105.825.042)
Off-balance Sheet Long Position	4.069.475	4.595.510	1.669.074	-	-	-	10.334.059
Off-balance Sheet Short Position	-	-	-	(7.491.690)	(445.344)	-	(7.937.034)
Total Position	(26.388.343)	(24.923.410)	39.396.732	48.089.547	12.070.803	(45.848.304)	2.397.025

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

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Prior Period – 31 December 2015	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	19.599.410	-	-	-	-	5.874.013	25.473.423
Banks	3.698.219	191.506	-	-	-	3.968.572	7.858.297
Financial Assets at Fair Value Through Profit or Loss (Net)	179.170	1.350.303	774.675	197.008	216.798	9.958	2.727.912
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-sale Financial Assets (Net)	2.903.315	3.705.008	8.352.835	18.376.879	7.722.413	399.257	41.459.707
Loans	37.200.002	21.160.972	42.506.898	34.813.342	5.934.956	147.313	141.763.483
Held-to-maturity Investments (Net)	2.129.916	538.768	1.146.443	6.873.115	-	-	10.688.242
Other Assets	591.641	473.360	119.129	30.340	33.392	3.590.062	4.837.924
Total Assets	66.301.673	27.419.917	52.899.980	60.290.684	13.907.559	13.989.175	234.808.988
Liabilities							
Bank Deposits	7.472.066	4.583.593	267.238	-	-	236.324	12.559.221
Other Deposits	82.092.545	17.729.095	5.298.189	77.550	-	21.185.897	126.383.276
Funds from Interbank Money Market	8.866.054	1.059.181	867.723	9.827.032	2.209.118	-	22.829.108
Miscellaneous Payables	156.794	125.523	245.043	75.900	96.075	3.762.414	4.461.749
Marketable Securities Issued (Net)	254.629	1.438.940	1.216.418	5.627.328	2.728.752	-	11.266.067
Borrowings	1.893.697	17.603.514	3.583.627	437.904	194.596	-	23.713.338
Other Liabilities	373.348	363.401	639.679	287.369	198.837	31.733.595	33.596.229
Total Liabilities	101.109.133	42.903.247	12.117.917	16.333.083	5.427.378	56.918.230	234.808.988
Balance Sheet Long Position	-	-	40.782.063	43.957.601	8.480.181	-	93.219.845
Balance Sheet Short Position	(34.807.460)	(15.483.330)	-	-	-	(42.929.055)	(93.219.845)
Off-balance Sheet Long Position	74.491	5.623.748	4.436.880	-	-	-	10.135.119
Off-balance Sheet Short Position	-	-	-	(3.845.898)	(4.221.706)	-	(8.067.604)
Total Position	(34.732.969)	(9.859.582)	45.218.943	40.111.703	4.258.475	(42.929.055)	2.067.515

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

b. Effective average interest rates for monetary financial instruments (%):

Average interest rates in the above tables are the weighted average rates of the related balance sheet items.

Current Period – 30 June 2016	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	0,49	-	5,21
Banks	-	0,55	-	10,76
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	2,99	3,77	-	9,75
Loans	3,93	4,99	3,75	13,03
Held-to-maturity Investments (Net)	3,69	3,83	-	9,71
Liabilities				
Bank Deposits	0,37	1,26	-	9,73
Other Deposits	0,87	1,73	0,06	8,63
Funds from Interbank Money Market	1,53	1,76	-	7,93
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	2,79	4,89	-	9,79
Borrowings	0,63	2,25	-	6,67

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Prior Period – 31 December 2015	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	0,49	-	5,81
Banks	0,10	0,40	-	10,99
Financial Assets at Fair Value Through Profit or Loss (Net)	3,26	-	-	9,94
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	2,70	3,81	-	9,68
Loans	3,76	4,59	3,36	12,91
Held-to-maturity Investments (Net)	3,69	3,83	-	9,71
Liabilities				
Bank Deposits	0,49	1,03	-	9,53
Other Deposits	1,19	1,83	0,06	9,09
Funds from Interbank Money Market	-	1,53	-	7,60
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	1,57	4,54	-	10,01
Borrowings	0,78	1,84	-	6,09

IV. EXPLANATIONS ON EQUITY SECURITIES POSITION RISK DERIVED FROM BANKING BOOKS:

The Bank doesn't have any subsidiaries and affiliates that are traded on the "BIST".

V. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO:

The liquidity risk of the Bank is the risk of being unable to fulfill its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities. Liquidity risk arises from situations in which the Bank is unable to meet the cash outflows with its cash sources and borrowing opportunities over collateralizing marketable securities, in case of sudden fund withdrawals by the individual/institutional funders of the Bank.

a) Information on risk capacity of the Bank, Responsibilities and structure of liquidity risk management, the Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application:

The Bank's liquidity and funding policy is to own sufficient liquidity reserve and funding opportunities to meet Bank's liabilities even in cases of stress, resulting from the market conditions or other conditions specific to the Bank.

The Bank has capacity to meet a high risk with broad and stable deposit, strong base capital structure and diversified foreign borrowing sources and is capable of providing additional liquidity with high quality liquid securities in its portfolio and available limits at both the Central Bank of Turkey and other Money markets.

Management of liquidity risk is shared by Executive Risk Committee, Asset – Liability Committee (ALCO), Treasury Department and Risk Management Department. Executive Risk Committee determines the liquidity management policies and the appropriate liquidity risk level in line with the Bank's risk appetite and monitors whether the liquidity risk is managed under the framework of determined policies and within the defined limits.

The different categories of defined limits are;

- Limits related to wholesale funding sources,
- Limits related to liquid asset buffer,
- Limits related to loan/deposit ratio,
- Limits related to the cash inflows coverage capacity to cash outflows,
- Limits related to cash outflow coverage capacity in the stress environment

ALCO takes decision to use alternative funding sources, pricing of obtained funds and granted loans, and other decisions of Daily liquidity management. Treasury Department ensures that the Bank meets its short, middle and long term liabilities, with the transactions made in accordance with ALCO decisions order to utilize excess funding or close the funding gap, occurring on foreign currencies or maturity terms. Risk Management Department measures and monitors the liquidity risk, with the reports prepared and analyses made, and informs the top management. Liquidity risk reporting consists of periodic and special purpose

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reports prepared to be discussed in Executive Risk Committee and ALCO meetings, stress tests, scenario analyses, risk limit compliance reports and legal liquidity reports.

b) Information on the centralization degree of liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries:

Each of the Bank's subsidiaries within the consolidation scope manages its own liquidity. Nevertheless, there are defined limits related to the funding amount that the Bank will provide to a subsidiary, in case of liquidity issues. Cumulative liquidity gap resulted in stress scenarios of subsidiaries, should not exceed the fund limits provided by the Bank.

c) Information on the Bank's funding strategy including the policies on funding types and variety of maturities:

The Bank targets to obtain additional funding sources besides the strong capital structure, from the most possible diversified, long term stable sources, considering cost factors. In this direction, concentration ratios such as share of retail funding sources in total funding sources, share of deposits of high amount in total deposit, share of borrowings made from the market in total market volume are monitored and limited with the applied risk limits. Treasury Unit performs necessary work to obtain long term foreign funding.

d) Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Bank's total liabilities:

Almost all of the Bank's liabilities are in TL, USD or EUR currencies and TL funds comprise of mainly equity and deposits. The Bank's liquidity in TL is managed with repurchase agreements made at CBRT/BIST using high quality securities owned by the Bank. Together with keeping the main purpose as using liabilities in TL in funding assets in TL, foreign currency liabilities are used in creating assets in TL using foreign exchange swaps, when necessary. Liquidity management is performed in the scope of internal risk limits, such as short term borrowing limits from markets determined by the Bank, market concentration limits, liquidity stress scenario, and cumulative liquidity gap.

Foreign currency funds are obtained through foreign exchange deposit accounts, foreign based, foreign currency loans, securities issued and repurchase agreements. Foreign currency liquidity management is performed using internal risk limits defined for liquidity buffer kept at correspondent banks and monitored daily in the scope of the Bank's risk limits, and cumulative gap in the scope of liquidity stress scenario, and other risk limits defined for wholesale funding and concentration. The Bank has available foreign currency borrowing limits at CBRT/BIST and other banks.

e) Information on liquidity risk mitigation techniques:

Liquidity risk is mitigated by using techniques such as maintaining high quality liquid asset buffer to cover possible fund outflows, diversification of funding sources so far as possible and inclusion to the base, homogenizing the maturity distribution of repayments as far as possible, obtaining limits from funding institutions to use when necessary and ensuring that a determined portion of funding sources are comprised of deposit.

f) Information on the use of stress tests:

In cases of negative conditions such as an impairment in the securities in the Bank's portfolio, inability to replace short and long term borrowings, fast cash outflow, increase in non-performing loan ratio, high margin calls, the extent and duration of sufficient liquidity is analyzed by the stress tests made by the Risk Management Department. Risk limits determined according to analysis results exist within the Bank. It is ensured that the necessary actions are taken by sharing the analysis results and risk limit compliance status with the ALCO, Executive Risk Committee and related business units.

g) General information on urgent and unexpected liquidity situation plans:

Necessary strategy and procedures for the management of possible liquidity crisis are determined with the Liquidity Contingency Plan, which is approved and reviewed every year by the Executive Risk Committee. The actions to be taken favor the benefits of depositors, creditors of the Bank and shareholders. In case one or several emergency situations occur, Bank's Liquidity Contingency Plan is put into use. After Liquidity Contingency Plan is put into use, Liquidity Contingency Management Committee is responsible from the determination of actions to be taken.

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Liquidity Coverage Ratio:

Current Period– 30.06.2016		Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			36.687.218	24.819.953
CASH OUTFLOWS					
2	Retail and Customers Deposits	88.029.471	37.160.247	7.880.433	3.716.025
3	Stable deposits	18.450.281	-	922.514	-
4	Less stable deposits	69.579.190	37.160.247	6.957.919	3.716.025
5	Unsecured Funding other than Retail and Small Business Customers Deposits	51.730.880	27.114.597	26.791.346	14.737.319
6	Operational deposits	2.679.417	996.079	669.854	249.020
7	Non-Operational Deposits	45.855.429	25.817.892	23.887.749	14.188.828
8	Other Unsecured Funding	3.196.034	300.626	2.233.743	299.471
9	Secured funding	-	-	46.151	46.151
10	Other Cash Outflows	21.521.043	17.722.939	19.713.375	16.100.753
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	19.514.793	15.921.533	19.514.793	15.921.533
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	2.006.250	1.801.406	198.582	179.220
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	449.084	-	22.454	-
15	Other irrevocable or conditionally revocable commitments	49.540.347	14.542.887	2.477.019	727.144
16	TOTAL CASH OUTFLOWS			56.930.778	35.327.392
CASH INFLOWS					
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	15.027.878	8.025.514	10.546.647	6.972.440
19	Other contractual cash inflows	17.731.878	13.956.573	17.730.684	13.955.539
20	TOTAL CASH INFLOWS	32.759.756	21.982.087	28.277.331	20.927.979
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			36.687.218	24.819.953
22	TOTAL NET CASH OUTFLOWS			28.653.447	14.399.413
23	Liquidity Coverage Ratio (%)			128,51	174,46

(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages

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Prior Period– 31.12.2015		Rate of “Percentage to be taken into account” not Implemented Total value (*)		Rate of “Percentage to be taken into account” Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			39.075.798	28.147.442
CASH OUTFLOWS					
2	Retail and Customers Deposits	84.667.785	36.160.534	7.258.157	3.290.666
3	Stable deposits	24.172.428	6.507.755	1.208.621	325.388
4	Less stable deposits	60.495.357	29.652.779	6.049.536	2.965.278
5	Unsecured Funding other than Retail and Small Business Customers Deposits	50.834.195	33.482.966	26.998.296	18.926.937
6	Operational deposits	2.923.611	1.239.002	730.903	309.750
7	Non-Operational Deposits	45.068.983	31.473.777	24.358.235	17.847.000
8	Other Unsecured Funding	2.841.601	770.187	1.909.158	770.187
9	Secured funding	-	-	59.085	59.085
10	Other Cash Outflows	22.922.795	15.100.157	20.981.325	13.336.247
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	20.767.288	13.141.003	20.767.288	13.141.003
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	2.155.507	1.959.154	214.037	195.244
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	535.432	-	26.772	-
15	Other irrevocable or conditionally revocable commitments	48.284.608	12.904.839	2.414.230	645.242
16	TOTAL CASH OUTFLOWS	-	-	57.737.865	36.258.177
CASH INFLOWS					
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	13.580.456	6.761.056	9.400.624	5.918.534
19	Other contractual cash inflows	19.268.088	15.675.657	19.268.088	15.675.657
20	TOTAL CASH INFLOWS	32.848.544	22.436.713	28.668.712	21.594.191
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			39.075.798	28.147.442
22	TOTAL NET CASH OUTFLOWS			29.069.153	14.663.986
23	Liquidity Coverage Ratio (%)			134,79	193,91

(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages

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Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Bank to net cash outflow in one month maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, marketable securities that are not subject to repurchase agreements or not given as collateral, corporate deposits, bank deposits, foreign funds and borrowings from banks. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

Periodic increases are observed in the liquidity coverage ratio during the weeks where the foreign currency reserve option is used in reserve requirements in CBRT, high amounts are maintained in bank placements or repurchase agreement volume decreases, on the other hand, fluctuations may occur in the liquidity coverage ratio during the weeks where the share of corporate or bank funds increase, or long term foreign funds which are replaced when due, such as syndicated loans are due in one month. Despite these fluctuations, it is observed that the ratio does not decrease below 117% during the period and remain at a quite higher level than the legal lower limit.

Although the derivative transactions create net cash flow of small amount in terms of total liquidity coverage ratio, fluctuations in foreign currency derivative transactions, especially in foreign exchange swaps cause the foreign currency liquidity coverage ratio to be affected.

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 59% and securities issued by Undersecretariat of the Treasury by 37%. Funding sources are mainly distributed between individual and retail deposits by 58%, corporate deposits by 26%, borrowings from banks by 5% and collateralized borrowings such as repurchase agreements by 6%.

Cash outflow amounting to TL 1.536 million (in full TL amount) is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

The Bank follows up and manages the liquidity coverage ratio including its foreign branch. There is no limitation which avoids liquidity transfer between the Bank and the foreign branch. In this context, the foreign branch does not create any additional liquidity risk for the Bank.

In accordance with the "Regulation on calculation of Bank's liquidity coverage ratio", published in Official Gazette no. 28948, dated 21 March 2014, the weeks in which the highest and the lowest liquidity coverage ratio is calculated over the last three months are presented below.

	Current Period - 30.06.2016		Prior Period - 31.12.2015	
	TL+FC	FC	TL+FC	FC
Lowest	116,57	150,25	124,69	165,77
Week	08.04.2016	20.05.2016	11.12.2015	02.10.2015
Highest	144,29	217,56	146,73	225,84
Week	10.06.2016	10.06.2016	16.10.2015	16.10.2015

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 30 June 2016	Demand	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Unallocated(*)	Total
Assets								
Cash Equivalents and Central Bank	13.048.158	21.987.897	47.986	-	-	-	-	35.084.041
Banks	3.601.864	1.615.966	182.843	40.936	-	-	-	5.441.609
Financial Assets at Fair Value Through Profit or Loss (Net)	14.718	191.075	388.505	1.110.364	1.286.535	1.719.034	-	4.710.231
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-sale Financial Assets (Net)	250.111	18.989	152.827	802.198	22.569.600	14.547.522	-	38.341.247
Loans	-	21.261.523	24.335.299	31.280.910	49.345.293	21.581.110	147.044	147.951.179
Held-to-maturity Investments (Net)	-	-	117.456	-	7.298.142	3.333.676	-	10.749.274
Other Assets	152.505	984.709	104.636	258.752	480.691	400.592	2.693.183	5.075.068
Total Assets	17.067.356	46.060.159	25.329.552	33.493.160	80.980.261	41.581.934	2.840.227	247.352.649
Liabilities								
Bank Deposits	415.156	5.875.779	4.403.158	955.013	-	-	-	11.649.106
Other Deposits	24.241.295	82.300.536	16.611.750	5.940.085	69.503	-	-	129.163.169
Borrowings	-	471.336	4.973.406	9.005.813	8.178.056	3.618.943	-	26.247.554
Funds from Interbank Money Market	-	10.380.801	469.675	3.599.376	10.246.103	2.575.653	-	27.271.608
Marketable Securities Issued (Net)	-	747.861	1.103.536	304.354	5.501.807	2.759.172	-	10.416.730
Miscellaneous Payables	-	3.918.905	82.312	168.395	168.548	232.840	-	4.571.000
Other Liabilities (**)	-	2.679.143	473.469	1.038.266	3.933.329	888.275	29.021.000	38.033.482
Total Liabilities	24.656.451	106.374.361	28.117.306	21.011.302	28.097.346	10.074.883	29.021.000	247.352.649
Net Liquidity Excess/ (Gap)	(7.589.095)	(60.314.202)	(2.787.754)	12.481.858	52.882.915	31.507.051	(26.180.773)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	(340.680)	108.741	629.454	1.063.727	935.782	-	2.397.024
Financial Derivative Liabilities	-	24.298.776	15.350.699	34.656.781	52.359.840	29.440.652	-	156.106.748
Non-cash Loans (***)	-	1.995.788	4.548.808	9.587.427	3.280.067	16.118.800	-	35.530.890
Prior Period - 31 December 2015								
Total Assets	10.215.142	44.649.634	20.906.097	32.755.285	82.145.430	41.183.353	2.954.047	234.808.988
Total Liabilities	21.422.221	105.025.396	30.761.179	17.958.765	24.490.971	8.461.279	26.689.177	234.808.988
Net Liquidity Gap	(11.207.079)	(60.375.762)	(9.855.082)	14.796.520	57.654.459	32.722.074	(23.735.130)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	(279.338)	(32.944)	584.854	888.143	906.800	-	2.067.515
Financial Derivative Liabilities	-	22.774.933	12.850.101	21.663.588	21.363.944	43.493.869	-	122.146.435
Non-cash Loans (***)	-	2.065.353	3.044.373	7.805.574	4.395.002	15.364.926	-	32.675.228

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are shown in this column.

(**) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

(***) Amounts related to Letters of Guarantee represent contractual maturity and related amounts. Amounts are demand and can be withdrawn optional.

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VI. EXPLANATIONS ON LEVERAGE RATIO:

Information on subjects that causes difference in leverage ratio between current and prior periods:

As of 30 June 2016, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is 8,43 % (31 December 2015: % 8,27). This ratio is above the minimum required. Leverage ratio is almost on the same level in the current and previous period.

Disclosure of Leverage ratio template :

		Current Period 30 June 2016 (*)	Prior Period 31 December 2015(*)
	Balance sheet Assets		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	239.317.108	230.426.568
2	(Assets deducted from Core capital)	78.643	116.954
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	239.238.465	230.309.614
	Derivative financial assets and credit derivatives		
4	Cost of replenishment for derivative financial assets and credit derivatives	2.445.966	2.567.124
5	Potential credit risk amount of derivative financial assets and credit derivatives	4.399.264	1.677.057
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	6.845.230	4.244.181
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity	3.268.178	2.473.969
8	Risk amount arising from intermediary transactions	-	-
9	Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	3.268.178	2.473.969
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	86.421.726	83.896.331
11	(Correction amount due to multiplication with credit conversion rates)	(372.173)	(462.772)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	86.049.553	83.433.559
	Capital and total risk		
13	Core Capital	28.288.742	26.491.856
14	Total risk amount (sum of lines 3, 6, 9 and 12)	335.401.426	320.461.323
	Leverage ratio		
15	Leverage ratio	8,43	8,27

(*) Three months average values

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VII. EXPLANATIONS ON RISK MANAGEMENT :

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for the calculation of capital adequacy ratio by the Bank, tables, which have to be prepared within the scope of Internal rating-based (IRB) approach, have not been presented as of 30 June 2016:

a. Explanations on Risk Management and Risk Weighted Amount (RWA)

1. Overview of RWA:

	Risk Weighted Amount		Minimum capital requirement
	Current Period 30 June 2016	Prior Period 31 December 2015	Current Period 30 June 2016
1 Credit risk (excluding counterparty credit risk) [CCR]	181.023.035	177.990.073	14.481.843
2 Standardised approach (SA)	181.023.035	177.990.073	14.481.843
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	9.352.668	4.310.626	748.213
5 Standardised approach for counterparty credit risk (SA-CCR)	9.352.668	4.310.626	748.213
6 Internal model method (IMM)	-	-	-
7 Basic risk weight approach to internal models equity position in the banking account	-	-	-
8 Investments made in collective investment companies – look-through approach	-	-	-
9 Investments made in collective investment companies – mandate-based approach (*)	195.122	-	15.610
10 Investments made in collective investment companies - %1250 weighted risk approach	-	-	-
11 Settlement risk	-	171	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach (RBA)	-	-	-
14 IRB Supervisory Formula Approach (SFA)	-	-	-
15 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	2.627.938	1.952.322	210.235
17 Standardised approach (SA)	2.627.938	1.952.322	210.235
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	16.506.285	14.295.945	1.320.503
20 Basic Indicator Approach	16.506.285	14.295.945	1.320.503
21 Standart Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	209.705.048	198.549.137	16.776.404

(*) Amounts related to Collective Investment Companies (CIY) have been first included in the calculation in accordance with the regulation of "Measurement and Assessment Evaluation of Capital Adequacy for Banks" effectiveness date is 31 March 2016. Accordingly period amounts are not presented.

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b. Credit Risk Explanations

1. Standardised approach – Credit risk exposure and Credit Risk Mitigation (CRM) effects:

Current Period - 30.06.2016		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes							
1	Exposures to central governments or central banks	74.309.046	8.603.119	74.309.046	375.806	25.310.087	13,47%
2	Exposures to regional governments or local authorities	-	250	-	50	25	0,00%
3	Exposures to public sector entities	29.343	50.271	29.343	7.158	36.501	0,02%
4	Exposures to multilateral development banks	-	-	-	-	-	0,00%
5	Exposures to international organisations	-	-	-	-	-	0,00%
6	Exposures to institutions	11.927.468	52.316.253	11.927.468	17.641.151	13.309.076	7,08%
7	Exposures to corporates	84.812.133	41.041.150	84.749.843	18.964.445	101.556.953	54,06%
8	Retail exposures	42.939.759	29.834.185	42.765.249	2.346.379	33.833.721	18,01%
9	Exposures secured by residential property	10.784.636	150.301	10.779.583	55.772	3.792.374	2,02%
10	Exposures secured by commercial real estate	7.254.076	675.787	7.254.041	393.423	4.991.398	2,66%
11	Past-due loans	147.044	-	147.044	-	147.044	0,08%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	0,00%
13	Exposures in the form of covered bonds	-	-	-	-	-	0,00%
14	Exposures to institutions and corporates with a short-term credit assessment	-	59.642	-	-	-	0,00%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	209.841	-	209.841	2.831	212.671	0,11%
16	Other assets	4.924.265	-	4.924.265	-	3.282.011	1,75%
17	Investments in equities	1.378.248	-	1.378.248	-	1.378.248	0,73%
18	Total	238.715.859	132.730.958	238.473.971	39.787.015	187.850.109	100,00%

2. Standardised Approach – Exposures by asset classes and risk weights:

Current Period - 30.06.2016

Asset classes/ Risk weight		0%	10%	20%	%50 (*)	75%	100%	150%	200%	Other risk weights	Total risk amount (**)
1	Exposures to central governments or central banks	23.954.842	-	185.192	50.543.539	-	1.279	-	-	-	74.684.852
2	Exposures to regional governments or local authorities	-	-	-	50	-	-	-	-	-	50
3	Exposures to public sector entities	-	-	-	-	-	36.501	-	-	-	36.501
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	1.006	-	5.132.552	24.304.991	-	130.070	-	-	-	29.568.619
7	Exposures to corporates	701.182	-	104.465	2.745.209	-	100.163.384	48	-	-	103.714.288
8	Retail exposures	-	-	-	-	45.111.628	-	-	-	-	45.111.628
9	Exposures secured by residential property	-	-	-	-	-	-	-	-	10.835.355	10.835.355
10	Exposures secured by commercial real estate	-	-	-	5.312.134	-	2.335.330	-	-	-	7.647.464
11	Past-due loans	-	-	-	-	-	147.044	-	-	-	147.044
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	212.672	-	-	-	212.672
16	Investments in equities	-	-	-	-	-	1.378.248	-	-	-	1.378.248
17	Other assets	1.621.963	-	25.364	-	-	3.276.938	-	-	-	4.924.265
18	Total	26.278.993	-	5.447.573	82.905.923	45.111.628	107.681.466	48	-	10.835.355	278.260.986

(*)Secured by real estate

(**)Total credit risk exposure amount after Credit Conversion Factor (CCF) and Credit Risk Mitigation (CRM)

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c. Counterparty Credit Risk (CCR) Explanations:

1. Analysis of counterparty credit risk exposure by approach:

		Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
Current Period - 30.06.2016							
1	Standardised Approach (for derivatives)	2.935.769	4.874.810	-	1,4	7.810.579	4.629.210
	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
2	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
3	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
4	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	4.440.738	2.002.741
5	EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit	-	-	-	-	4.440.738	2.002.741
6	Total						6.631.951

(*) Effective Expected Positive Exposure

2. Credit valuation adjustment (CVA) capital charge:

		Exposure at default post-CRM	RWA
Current Period - 30.06.2016			
1	Total portfolios subject to the Advanced CVA capital charge		
	(i) Value at Risk (VaR) component (including the 3×multiplier)	-	-
2	(ii) Stressed VaR component (including the 3×multiplier)	-	-
3	All portfolios subject to the Standardised CVA capital charge	7.281.712	2.720.609
4	Total subject to the CVA capital charge	7.281.712	2.720.609

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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3. Standardised approach – CCR exposures by regulatory portfolio and risk weights:

Current Period - 30.06.2016									
Risk Weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure*
Regulatory portfolio									
Claims from central governments and central banks	362.225	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	-	-	-	-	-	-	-	-
Claims from administration and non commercial entity	-	-	-	-	-	794	-	-	794
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	-	-	1.187.466	8.511.023	-	33.701	-	-	4.526.705
Corporates	34.545	-	-	8.800	-	2.074.703	32	-	2.079.151
Retail portfolios	-	-	-	-	29.960	-	-	-	22.470
Claims on landed real estate	-	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	2.831	-	-	2.831
Stock investment	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-
Other assets**	-	-	-	-	-	-	-	-	-
Total	396.770	-	1.187.466	8.519.823	29.960	2.112.029	32	-	6.631.951

(*)Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(**)Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

4. Composition of collateral for CCR exposure: Related table is not presented due to not having derivative collaterals which is considered in the calculation of capital adequacy ratio.

5. Credit derivatives exposures:

Current Period - 30.06.2016	Protection bought	Protection sold
Nominal		
Single-name credit default swaps	85.680	-
Index credit default swaps	-	-
Total return swaps	5.434.962	-
Credit options	-	-
Other credit derivatives	-	-
Total notionals	5.520.642	4.040.615
Fair values		
Positive fair value (asset)	1.374.570	-
Negative fair value (liability)	-	-

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

6. Exposures to central counterparties (CCP):

Current Period - 30.06.2016		Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs) (total)	-	108
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	5.237	105
3	(i) OTC Derivatives	5.237	105
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	1.489	3
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

d. Securitization Explanations: The Bank has no securitization transactions.

e. Market Risk Explanations

Standardised approach:

	RWA
Outright products	
1 Interest rate risk (general and specific)	1.518.363
2 Equity risk (general and specific)	-
3 Foreign exchange risk	1.096.655
4 Commodity risk	-
Options	
5 Simplified approach	-
6 Delta-plus method	12.925
7 Scenario approach	-
8 Securitisation	-
9 Total	2.627.943

Outright products refer to positions in products that are not optional.

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VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:

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

The Bank hedges against its cash flow risk stemming from foreign currency denominated floating rate financial liabilities with interest rate swaps. Within the scope of cash flow hedge accounting, effective part of the fair value changes of the hedging instrument are accounted in equity under "Hedging reserves" whereas ineffective part is accounted in the income statement. At instances when cash flows relating to hedged item (interest expense) affect the income statement, profit/loss of the related hedging item is taken out of the equity and reflected on the income statement.

Prospective tests are performed at the inception of the hedge relationships and both prospective and retrospective tests are performed at each reporting period-end regularly by using "Dollar off-set method". In this method, changes in the fair value of the hedged item and changes in the fair value of the hedging instruments between the designation date and each reporting period-end are compared and effectiveness ratio is calculated. In the determination of the fair values of hedging instruments and hedged item, market yield curves are used. Hedge accounting principles are applied by assessing the calculated effectiveness ratio within the scope of TAS 39.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked;

- The hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized,
- Adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges.

In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

In accordance with TAS 39, the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy.

The Bank also applies fair value hedge against currency risk resulting from investments abroad. As long as the subject fair value hedge transaction is effective, fair value changes of the hedged item are reflected to income statement.

As of 30 June 2016, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet are summarized in the following table:

	Current Period 30.06.2016			Prior Period 31.12.2015		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	2.721.663	180.886	108.688	1.228.638	648.858	-
-FC	16.875.048	-	339.453	11.197.395	-	157.528
Total	19.596.711	180.886	448.141	12.426.033	648.858	157.528

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

1. Explanations on Fair Value Hedge:

Current Period: 30.06.2016

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC available-for-sale financial assets	Interest rate risk	(335.856)	332.328	(3.528)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	97.955	(97.866)	89

(*) Includes fair value differences arising from changes in foreign exchange rates for the hedge transactions having risk exposure of both interest rate and foreign currency.

(**) Represents the cumulative amounts booked under "Gains / (Losses) on Derivative Financial Transactions" and "Gains/ (Losses) on Foreign Exchange Transactions" since the beginning of hedge accounting.

Priond Period: 31.12.2015

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion(**)
Interest Rate Swap	Fixed interest rate FC available-for-sale financial assets	Interest rate risk	(175.849)	170.936	(4.913)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	236.846	(233.961)	2.885
Cross-currency swap	Fixed interest rate TL available-for-sale financial assets, FC borrowings	Interest rate and currency risk	312.135	(307.153)	4.982

(*) Includes fair value differences arising from changes in foreign exchange rates for the hedge transactions having risk exposure of both interest rate and foreign currency.

(**) Represents the cumulative amounts booked under "Gains / (Losses) on Derivative Financial Transactions" and "Gains/ (Losses) on Foreign Exchange Transactions" since the beginning of hedge accounting.

The Bank also applies fair value hedge strategy against the foreign currency risk arising from share premiums and paid-in-capital of Akbank AG, one of Bank's subsidiaries, amounting to EUR 320 Million. EUR 320 Million of syndication loans used by the Bank have been determined as "hedging instruments."

As of 30 June 2016 fair value hedge transactions have been determined as effective.

In addition, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked with the information related discontinuous transactions are given below

- As of 30 June 2016, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL (9.540) (31 December 2015: TL 7.972)

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

2. Explanations on Cash Flow Hedge:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in OCI during the period	Net gain(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	-	(21.743)	(28.747)	(4.260)	(100)

As of 30 June 2016 cash flow hedge transactions have been determined as effective.

In addition, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked with the information related discontinuous transactions are given below:

- As of 30 June 2016, related to cash flow hedge transactions, the remaining before tax amount in equity after amortization of the fair value change of the hedging instruments, since the beginning of hedge accounting is TL (56.685) (31 December 2015: TL (75.471)).

IX. EXPLANATIONS ON BUSINESS SEGMENTS:

The Bank operates in three main business segments including Retail and Private Banking, Commercial Banking and SME Banking, Corporate Banking, Treasury activities, These segments have been determined considering customer segments and branch network providing services to customers in accordance with the Bank's organizational structure.

The profitability system generating segment information provides profitability information on the basis of account customer, customer relationship manager, branch segment and product. This information is made available to the branch and Head Office personnel through a web-based management reporting system.

In scope of Retail and Private Banking, the Bank offers a variety of retail services such as deposit accounts, consumer loans, commercial installment loans, credit cards, insurance products and asset management services. The retail banking products and services also include bank cards, investment funds trading, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking, telephone and internet banking. Also Private Banking serves the members of the upper-income groups who have expectations for upper-class service quality both in banking and investment transactions

Corporate Banking and Commercial Banking and SME Banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Bank provides timely and permanent solutions for corporate customers' working capital management, delivers cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities.

The Treasury Unit conducts TL and FC spot and forward transactions, treasury bonds, government bonds, Eurobond and private sector bond transactions and also derivative trading activities within determined limits. These transactions are performed according to the Bank's requirements. Furthermore, Treasury Unit also carries out marketing and pricing activities of treasury products for customers and branch network. The Treasury Unit also serves in fundamental areas such as providing long-term funding opportunities, creating funding facility at lower prices that fully reflect country risk, diversifying funding resources and creating a base of international investors for that purpose.

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

Information on business segments as of 30 June 2016 and 31 December 2015 is presented on the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

	Retail and Private Banking	Corporate Banking, Commercial Banking and SME Banking	Treasury	Other and Unallocated	Bank's Total Activities
Current Period – 30 June 2016					
Operating Income	2.248.422	2.655.024	459.450	764.363	6.127.259
Profit from Operating Activities	871.548	1.694.809	351.448	[21.667]	2.896.138
Income from Subsidiaries	-	-	-	21.419	21.419
Profit before Tax	871.548	1.694.809	351.448	[248]	2.917.557
Corporate Tax	-	-	-	(578.164)	(578.164)
Minority Shares	-	-	-	-	-
Net Profit for the Period	871.548	1.694.809	351.448	(578.412)	2.339.393
Segment Assets	54.596.090	114.997.341	69.541.392	-	239.134.823
Investments in Associates	-	-	-	-	1.365.416
Undistributed Assets	-	-	-	-	6.852.410
Total Assets	-	-	-	-	247.352.649
Segment Liabilities	96.509.539	43.756.539	69.804.130	-	210.070.208
Undistributed Liabilities	-	-	-	-	8.261.441
Shareholders' Equity	-	-	-	-	29.021.000
Total Liabilities	-	-	-	-	247.352.649
Other Segment Items	-	-	-	49.033	49.033
Capital Investment	-	-	-	-	-
Amortization	(15.452)	(10.943)	-	(78.462)	(104.857)
Non-cash Other Income-Expense	(279.151)	(335.813)	(192.062)	(386.688)	(1.193.714)

As of 1 July 2016, Private Banking Operations are separated from Retail and Private Banking and incorporated into Corporate and Investment Banking business unit. With the related change, the new names of the business units have become Retail Banking and Corporate-Investment and Private Banking respectively.

	Retail and Private Banking	Corporate Banking, Commercial Banking and SME Banking	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period – 31 December 2015 (*)					
Operating Income	1.786.110	2.056.683	608.680	770.547	5.222.020
Profit from Operating Activities	141.264	1.330.128	496.185	(167.577)	1.800.000
Income from Subsidiaries	-	-	-	13.336	13.336
Profit before Tax	141.264	1.330.128	496.185	(154.241)	1.813.336
Corporate Tax	-	-	-	(399.452)	(399.452)
Minority Shares	-	-	-	-	-
Net Profit for the Period	141.264	1.330.128	496.185	(553.693)	1.413.884
Segment Assets	49.331.189	106.404.812	72.433.551	-	228.169.552
Investments in Associates	-	-	-	-	1.354.664
Undistributed Assets	-	-	-	-	5.284.772
Total Assets	-	-	-	-	234.808.988
Segment Liabilities	93.321.829	45.899.412	61.671.659	-	200.892.900
Undistributed Liabilities	-	-	-	-	7.226.911
Shareholders' Equity	-	-	-	-	26.689.177
Total Liabilities	-	-	-	-	234.808.988
Other Segment Items	-	-	-	63.199	63.199
Capital Investment	-	-	-	-	-
Amortization	(20.873)	(13.841)	(186)	(78.553)	(113.453)
Non-cash Other Income-Expense	(491.454)	(242.967)	(145.898)	(421.517)	(1.301.836)

(*) 30 June 2015 amounts are used for income statement accounts.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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SECTION FIVE
INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

a. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the "CBRT"):

1. Information on cash equivalents and the account of the CBRT:

	Current Period 30 June 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Cash/Foreign Currency	1.071.645	511.044	935.450	448.444
The CBRT	3.965.918	29.470.796	1.230.328	22.776.999
Other[*]	249	64.389	2	82.200
Total	5.037.812	30.046.229	2.165.780	23.307.643

(*) As of 30 June 2016, precious metal account amounts to TL 39.274 (31 December 2015: TL 56.414).

2. Information related to the account of the CBRT:

	Current Period 30 June 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Demand Unrestricted Account	1.598	-	1.830	-
Time Unrestricted Account	-	1.619.730	-	853.816
Time Restricted Account	-	-	-	-
Reserve Requirement	3.964.320	27.851.066	1.228.498	21.923.183
Total	3.965.918	29.470.796	1.230.328	22.776.999

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. CBRT started paying interest on reserve balances held in USD starting from May 2015 and held in TL starting from November 2014.

The reserve rates for TL liabilities vary between 5% and 11,5% for TL deposits and other liabilities according to their maturities as of 30 June 2016 (31 December 2015: 5% and 11,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 25% for deposit and other foreign currency liabilities according to their maturities as of 30 June 2016 (31 December 2015: 5% and 25 % for all foreign currency liabilities).

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

1. As of 30 June 2016, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2015: TL (-)) or given as collateral/blocked (31 December 2015 TL (-)).

2. Table of positive differences related to trading derivative financial assets:

	Current Period 30 June 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Forward Transactions	196.716	-	198.176	-
Swap Transactions	1.982.647	2.260.722	607.710	1.688.199
Futures Transactions	-	-	-	-
Options	6.843	248.585	896	221.318
Other	-	-	-	-
Total	2.186.206	2.509.307	806.782	1.909.517

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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c. Information on banks account:

1. Information on banks account:

	Current Period 30 June 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Banks	49.013	5.392.596	1.556.559	6.301.738
Domestic	49.013	1.607.953	1.556.559	1.830.694
Foreign	-	3.784.643	-	4.471.044
Head Quarters and Branches Abroad	-	-	-	-
Total	49.013	5.392.596	1.556.559	6.301.738

d. Information on available-for-sale financial assets:

1. As of 30 June 2016, available-for-sale financial assets subject to repurchase agreements amount to TL 21.476.249 [31 December 2015: TL 19.184.557]; and those given as collateral/blocked amounting to TL 2.322.195 [31 December 2015: TL 1.103.520].

2. Information on available-for-sale financial assets:

	Current Period 30 June 2016	Prior Period 31 December 2015
Debt Securities	38.621.840	42.098.674
Quoted to Stock Exchange	38.407.366	41.853.151
Not Quoted to Stock Exchange	214.474	245.523
Share Certificates	54.989	128.629
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	54.989	128.629
Impairment Provision (-)	335.582	767.596
Total	38.341.247	41.459.707

e. Information related to loans:

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

	Current Period 30 June 2016		Prior Period 31 December 2015	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	82	-	82
Corporate Shareholders	-	82	-	82
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	3.680.326	1.444.315	3.367.840	1.447.220
Loans Granted to Employees	99.799	-	99.195	-
Total	3.780.125	1.444.397	3.467.035	1.447.302

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

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Non-specialized Loans	143.073.451	2.251.402	-	4.730.684	2.511.958	-
Business Loans	17.321.459	276.302	-	1.648.914	790.798	-
Export Loans	5.550.224	61.207	-	21.914	5.561	-
Import Loans	-	-	-	-	-	-
Loans Granted to Financial Sector	4.032.129	2.186	-	1.547	-	-
Consumer Loans	27.998.142	449.437	-	1.462.301	853.520	-
Credit Cards	11.949.331	376.623	-	666.096	494.419	-
Other	76.222.166	1.085.647	-	929.912	367.660	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	143.073.451	2.251.402	-	4.730.684	2.511.958	-

	Standard loans and other receivables	Loans and other receivables under close monitoring
Number of Extension		
Extended by 1 or 2 times	2.179.061	2.128.954
Extended by 3,4 or 5 times	72.074	382.956
Extended by more than 5 times	267	48
Total	2.251.402	2.511.958

	Standard loans and other receivables	Loans and other receivables under close monitoring
Extension periods		
0 - 6 Months	238.361	676.839
6 - 12 Months	139.504	204.087
1 - 2 Years	526.149	520.248
2 - 5 Years	810.462	922.018
5 Years and over	536.926	188.766
Total	2.251.402	2.511.958

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

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

Current Period – 30.06.2016	Short-term	Medium and Long-term	Total
Consumer Loans-TL	318.967	28.260.482	28.579.449
Mortgage Loans	13.936	13.988.603	14.002.539
Automotive Loans	1.184	420.781	421.965
Consumer Loans	303.847	13.851.098	14.154.945
Other	-	-	-
Consumer Loans- Indexed to FC	-	16.167	16.167
Mortgage Loans	-	15.164	15.164
Automotive Loans	-	-	-
Consumer Loans	-	1.003	1.003
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	9.791.262	719.608	10.510.870
With Installment	4.045.657	717.345	4.763.002
Without Installment	5.745.605	2.263	5.747.868
Consumer Credit Cards-FC	14.495	-	14.495
With Installment	4.448	-	4.448
Without Installment	10.047	-	10.047
Personnel Loans-TL	2.343	58.926	61.269
Mortgage Loans	-	2.768	2.768
Automotive Loans	-	109	109
Consumer Loans	2.343	56.049	58.392
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	38.234	21	38.255
With Installment	16.454	21	16.475
Without Installment	21.780	-	21.780
Personnel Credit Cards-FC	275	-	275
With Installment	95	-	95
Without Installment	180	-	180
Credit Deposit Account-TL (Real Person)	803.558	-	803.558
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	10.969.134	29.055.204	40.024.338

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

Prior Period – 31.12.2015	Short-term	Medium and Long-term	Total
Consumer Loans-TL	116.139	27.719.566	27.835.705
Mortgage Loans	1.485	13.428.250	13.429.735
Automotive Loans	725	538.497	539.222
Consumer Loans	113.929	13.752.819	13.866.748
Other	-	-	-
Consumer Loans- Indexed to FC	-	16.613	16.613
Mortgage Loans	-	15.454	15.454
Automotive Loans	-	-	-
Consumer Loans	-	1.159	1.159
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.011.944	831.329	10.843.273
With Installment	4.269.698	831.329	5.101.027
Without Installment	5.742.246	-	5.742.246
Consumer Credit Cards-FC	15.969	-	15.969
With Installment	5.457	-	5.457
Without Installment	10.512	-	10.512
Personnel Loans-TL	1.225	58.407	59.632
Mortgage Loans	-	1.730	1.730
Automotive Loans	-	167	167
Consumer Loans	1.225	56.510	57.735
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	39.312	69	39.381
With Installment	15.348	69	15.417
Without Installment	23.964	-	23.964
Personnel Credit Cards-FC	182	-	182
With Installment	79	-	79
Without Installment	103	-	103
Credit Deposit Account-TL (Real Person)	762.321	-	762.321
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	10.947.092	28.625.984	39.573.076

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

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

Current Period – 30.06.2016	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	839.638	6.078.175	6.917.813
Mortgage Loans	1.833	14.513	16.346
Automotive Loans	24.323	4.939	29.262
Consumer Loans	813.482	6.058.723	6.872.205
Other	-	-	-
FC Indexed Commercial Installment Loans	28.965	147.333	176.298
Mortgage Loans	-	3.451	3.451
Automotive Loans	1.414	2.618	4.032
Consumer Loans	27.551	141.264	168.815
Other	-	-	-
Commercial Installment Loans-FC	177	112.584	112.761
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	177	112.584	112.761
Other	-	-	-
Corporate Credit Cards-TL	2.049.420	293	2.049.713
With Installment	799.143	263	799.406
Without Installment	1.250.277	30	1.250.307
Corporate Credit Cards-FC	1.819	-	1.819
With Installment	26	-	26
Without Installment	1.793	-	1.793
Credit Deposit Account-TL (Legal Person)	797.520	-	797.520
Credit Deposit Account-FC (Legal person)	-	-	-
Total	3.717.539	6.338.385	10.055.924

Prior Period – 31.12.2015	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	167.589	6.257.337	6.424.926
Mortgage Loans	2.477	25.413	27.890
Automotive Loans	5.309	12.919	18.228
Consumer Loans	159.803	6.219.005	6.378.808
Other	-	-	-
FC Indexed Commercial Installment Loans	4.138	127.182	131.320
Mortgage Loans	-	3.954	3.954
Automotive Loans	330	4.479	4.809
Consumer Loans	3.808	118.749	122.557
Other	-	-	-
Commercial Installment Loans-FC	1.431	133.731	135.162
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	1.431	133.731	135.162
Other	-	-	-
Corporate Credit Cards-TL	1.629.075	899	1.629.974
With Installment	698.710	899	699.609
Without Installment	930.365	-	930.365
Corporate Credit Cards-FC	1.537	-	1.537
With Installment	17	-	17
Without Installment	1.520	-	1.520
Credit Deposit Account-TL (Legal Person)	733.897	-	733.897
Credit Deposit Account-FC (Legal person)	-	-	-
Total	2.537.667	6.519.149	9.056.816

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

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

	Current Period 30 June 2016	Prior Period 31 December 2015
Domestic Loans	143.683.700	138.207.438
Foreign Loans	4.120.435	3.408.732
Total	147.804.135	141.616.170

6. Loans granted to investments in associates and subsidiaries:

	Current Period 30 June 2016	Prior Period 31 December 2015
Direct Loans Granted to Investments in Associates and Subsidiaries	458.206	619.370
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
Total	458.206	619.370

7. Specific provisions accounted for loans:

	Current Period 30 June 2016	Prior Period 31 December 2015
Loans and Other Receivables with Limited Collectibility	443.814	448.339
Loans and Other Receivables with Doubtful Collectibility	776.404	869.262
Uncollectible Loans and Receivables	2.128.924	1.908.409
Total	3.349.142	3.226.010

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

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 30 June 2016			
(Gross Amounts Before Specific Provisions)	31.511	53.127	59.066
Restructured Loans and Other Receivables	31.004	52.199	59.066
Rescheduled Loans and Other Receivables	507	928	-
Prior Period: 31 December 2015			
(Gross Amounts Before Specific Provisions)	35.103	55.654	56.366
Restructured Loans and Other Receivables	34.624	55.457	52.131
Rescheduled Loans and Other Receivables	479	197	4.235

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2015	448.339	869.262	2.055.722
Additions (+)	922.541	4.502	18.501
Transfers from Other Categories of Non-Performing Loans (+)	-	830.904	810.303
Transfers to Other Categories of Non-Performing Loans (-)	830.904	810.303	-
Collections (-)	94.791	114.980	149.413
Write-offs (-) (*)	1.371	2.981	459.145
Corporate and Commercial Loans	310	1.902	102.807
Retail Loans	913	715	114.087
Credit Cards	148	364	242.251
Other	-	-	-
Balance at the End of the Period	443.814	776.404	2.275.968
Specific Provisions (-)	443.814	776.404	2.128.924
Net Balance at Balance Sheet (**)	-	-	147.044

(*) The Bank has sold non-performing loan portfolio, for which 100% provision was provided and which is worth TL 450,1 million (in full TL amount), for an amount of TL 49,1 million (in full TL amount) to Güven Varlık Yönetimi A.Ş.

(**) The bank has allocated 100% specific provision amounting to TL 59 million (in full TL amount) after taking the collaterals into consideration for one of its commercial loans amounting to TL 206 million (in full TL amount).

8 (iii). Information on non-performing loans granted as foreign currency loans:

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 30 June 2016			
Balance at the End of the Period	47.634	23.198	225.687
Specific Provision (-)	47.634	23.198	95.344
Net Balance on Balance Sheet	-	-	130.343
Prior Period: 31 December 2015			
Balance at the End of the Period	14.731	10.469	224.180
Specific Provision (-)	14.731	10.469	93.568
Net Balance at Balance Sheet	-	-	130.612

Non-performing loans granted as foreign currency are followed under TL accounts of balance sheet.

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 30 June 2016			
Loans granted to corporate entities and real persons (Gross)	443.814	776.404	2.275.968
Specific Provision Amount (-)	443.814	776.404	2.128.924
Loans granted to corporate entities and real persons (Net)	-	-	147.044
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
Prior Period (Net): 31 December 2015			
Loans granted to corporate entities and real persons (Gross)	448.339	869.262	2.055.722
Specific Provision Amount (-)	448.339	869.262	1.908.409
Loans granted to corporate entities and real persons (Net)	-	-	147.313
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

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

f. Held-to-maturity investments:

1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked:

	Current Period		Prior Period	
	30 June 2016		31 December 2015	
	TL	FC	TL	FC
Given as collateral/blocked	112.210	1.529.052	133.439	1.903.784
Subject to repurchase agreements	3.656.730	3.384.887	2.918.515	3.011.127
Total	3.768.940	4.913.939	3.051.954	4.914.911

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

	Current Period	Prior Period
	30 June 2016	31 December 2015
Government Bonds	9.718.925	9.654.515
Treasury Bills	-	-
Other Government Debt Securities	1.030.349	1.033.727
Total	10.749.274	10.688.242

3. Information on held-to-maturity investments:

	Current Period	Prior Period
	30 June 2016	31 December 2015
Debt Securities	10.908.110	10.761.282
Quoted to Stock Exchange	10.908.110	10.761.282
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	158.836	73.040
Total	10.749.274	10.688.242

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

	Current Period	Prior Period
	30 June 2016	31 December 2015
Balance at the Beginning of the Period	10.688.242	10.799.905
Foreign Currency Differences on Monetary Assets	(5.057)	864.389
Purchases During Year	-	-
Disposals Through Sales and Redemptions	1.971	1.112.446
Impairment Provision (-)	85.796	63.740
Change in Amortized Cost	153.856	200.134
Balance at the End of the Period	10.749.274	10.688.242

g. Information on investments in associates (Net):

1. Information about investments in associates:

Title	Address	Bank's share percentage-	Bank's risk group share
	(City / Country)	If different	percentage (%)
		voting percentage (%)	
1 Bankalararası Kart Merkezi A.Ş.	Istanbul/Turkey	9,98	9,98
2 Kredi Kayıt Bürosu A.Ş.	Istanbul/Turkey	9,09	9,09

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

2. Main financial figures of associates, in the order of the above table:

The financial figures stated below have been obtained from the financial statements dated 31 March 2016

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	62.942	34.583	45.468	207	-	4.923	2.500	-
2	152.693	118.976	95.290	1.050	-	5.766	9.994	-

3. Movement schedule of investments in associates:

	Current Period 30 June 2016	Prior Period 31 December 2015
Balance at the Beginning of the Period	3.923	3.923
Movements During the Period		
Additions	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
(Impairment)	-	-
Balance at the End of the Period	3.923	3.923
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

h. Information related to subsidiaries (Net):

1. Information on shareholders' equity of subsidiaries:

The amounts below are obtained from the 30 June 2016 financial data which were subject to the regulations of the related companies.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	Akbank (Dubai) Limited
Paid in Capital	235.007	46.802	4.079	740.648	2.243
Share Premium	-	-	-	-	-
Reserves	453.950	59.231	11.366	944.734	8.124
Gains recognized in equity as per TAS	-	-	12	-	-
Profit/Loss	57.170	77.268	9.125	81.614	16.055
- Net Current Period Profit	57.170	16.342	8.754	81.614	(574)
- Prior Year Profit/Loss	-	60.926	371	-	16.629
Development Cost of Operating Lease (-)	101	1.250	-	181	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	500	1.206	151	498	-
Total Common Equity	745.526	180.845	24.431	1.766.317	26.422
Total Additional Tier I Capital	-	-	-	-	-
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	334	804	101	332	-
Total Tier I Capital	745.192	180.041	24.330	1.765.985	26.422
Tier II Capital	21.306	-	-	-	-
CAPITAL	766.498	180.041	24.330	1.765.985	26.422
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	766.498	180.041	24.330	1.765.985	26.422

The Bank's subsidiaries, included in the consolidated calculation of capital requirement, do not have additional capital requirements.

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2. Accounting method used for the valuation of subsidiaries: Disclosed in Note III of Section Three.
3. Information on subsidiaries:

Title	Address (City / Country)	Bank's Share Percentage-If Different Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
1 Ak Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	99,99
2 Ak Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	100,00	100,00
3 Ak Portföy Yönetimi A.Ş.	Istanbul/Turkey	100,00	100,00
4 Akbank AG	Frankfurt/Germany	100,00	100,00
5 Akbank (Dubai) Limited	Dubai/The United Arab Emirates	100,00	100,00

4. The financial figures have been obtained from the financial statements as at 30 June 2016 prepared in accordance with local regulations.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	4.625.856	744.927	2.294	169.848	292	57.170	44.950	-
2	1.267.497	183.301	6.503	47.772	14.777	16.342	13.582	-
3	29.758	24.582	932	1.930	-	8.754	7.579	-
4	15.214.604	1.766.996	1.470	252.696	34.610	81.614	64.404	-
5	27.364	26.422	20	-	-	(574)	2.746	-

5. Movement schedule of subsidiaries:

	Current Period 30 June 2016	Prior Period 31 December 2015
Balance at the Beginning of the Period	1.350.741	907.230
Movements During the Period		
Additions (*)	-	358.121
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries (**)	10.752	85.390
Balance at the End of the Period	1.361.493	1.350.741
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) Additions in the prior period include share capital increases of Ak Finansal Kiralama A.Ş. and Akbank AG amounting to TL 60.000 and EUR 100 Million.

(**) The amount represents the value changes within the scope of fair value hedge as described in Section Four, Note VIII.

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6. Sectoral information on financial subsidiaries and the related carrying amounts:

Subsidiaries	Current Period 30 June 2016	Prior Period 31 December 2015
Banks	1.011.934	1.001.82
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	281.065	281.065
Finance Companies	-	-
Other Financial Subsidiaries	68.494	68.494

7. Subsidiaries quoted on a stock exchange: None.

i. **Information on finance lease receivables (Net):** None.

j. **Information on the Hedging Derivative Financial Assets:**

	Current Period 30 June 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Fair Value Hedge	180.886	-	648.858	-
Cash Flow Hedge	-	-	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	180.886	-	648.858	-

k. **Information on the investment properties:** None.

l. **Information on deferred tax asset:**

As of 30 June 2016, the Bank has no deferred tax asset (31 December 2015: TL 146.184). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values and tax values of fixed assets, financial assets and liabilities and provision for employee rights.

Deferred tax assets and liabilities which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation are netted-off and accounted. There are no carry forward tax losses that can be used as deductions for the tax calculation. An explanation about the net deferred tax liability is given in Note II-i-2 of Section Five.

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

	Current Period 30 June 2016	Prior Period 31 December 2015
Cost	31.757	182.908
Accumulated Depreciation (-)	609	3.371
Net Book Value	31.148	179.537

	Current Period 30 June 2016	Prior Period 31 December 2015
Opening Balance Net Book Value	179.537	158.294
Additions	11.617	35.975
Disposals (-), net	158.776	11.432
Depreciation (-)	1.230	3.300
Closing Net Book Value	31.148	179.537

n. **Information on other assets:**

Other assets amount to TL 2.451.544 (31 December 2015: TL 1.497.616) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

1. Information on maturity structure of the deposits: There are no seven-day notification deposits.

1 (i). Current Period – 30 June 2016:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	6.522.733	11.658.430	26.053.869	461.810	469.460	600.659	72.452	45.839.413
Foreign Currency Deposits	9.610.351	13.987.100	21.725.296	5.698.165	2.222.496	1.790.893	3.501	55.037.802
Residents in Turkey	9.156.388	13.318.100	20.401.798	1.742.947	812.752	1.146.537	3.409	46.581.931
Residents Abroad	453.963	669.000	1.323.498	3.955.218	1.409.744	644.356	92	8.455.871
Public Sector Deposits	1.153.400	88.486	42.324	10.799	1.919	98	-	1.297.026
Commercial Deposits	6.173.354	4.976.434	6.934.670	1.855.794	1.566.653	328.494	-	21.835.399
Other Institutions Deposits	189.589	507.538	2.036.586	1.002.189	647.671	113.387	-	4.496.960
Gold Vault	591.868	4.122	19.066	30.530	10.983	-	-	656.569
Interbank Deposits	415.156	1.602.172	2.929.052	5.052.752	1.593.163	56.811	-	11.649.106
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	9.944	965.715	15.037	-	28.072	4.010	-	1.022.778
Foreign Banks	204.239	636.457	2.914.015	5.052.752	1.565.091	52.801	-	10.425.355
Participation Banks	200.973	-	-	-	-	-	-	200.973
Other	-	-	-	-	-	-	-	-
Total	24.656.451	32.824.282	59.740.863	14.112.039	6.512.345	2.890.342	75.953	140.812.275

1 (ii). Prior period – 31 December 2015:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	5.854.541	11.048.811	25.059.860	533.204	423.784	607.126	88.074	43.615.400
Foreign Currency Deposits	8.452.937	16.571.058	25.993.027	1.323.926	3.465.462	2.412.005	4.156	58.222.571
Residents in Turkey	8.069.255	16.050.961	24.533.777	1.076.617	798.916	1.217.504	4.064	51.751.094
Residents Abroad	383.682	520.097	1.459.250	247.309	2.666.546	1.194.501	92	6.471.477
Public Sector Deposits	827.355	9.616	38.014	10.414	1.593	2.313	-	889.305
Commercial Deposits	5.129.170	6.232.593	7.131.302	251.371	396.604	251.309	-	19.392.349
Other Institutions Deposits	200.889	480.886	2.227.357	192.340	171.088	213.814	-	3.486.374
Gold Vault	721.005	4.502	22.633	23.092	6.045	-	-	777.277
Interbank Deposits	236.324	1.503.563	3.823.180	6.710.203	217.182	68.769	-	12.559.221
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	8.620	162.141	9.014	-	-	-	-	179.775
Foreign Banks	187.454	1.341.422	3.814.166	6.710.203	217.182	68.769	-	12.339.196
Participation Banks	40.250	-	-	-	-	-	-	40.250
Other	-	-	-	-	-	-	-	-
Total	21.422.221	35.851.029	64.295.373	9.044.550	4.681.758	3.555.336	92.230	138.942.497

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2. Information on saving deposits insurance:

Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund:

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 30 June 2016	Prior Period 31 December 2015	Current Period 30 June 2016	Prior Period 31 December 2015
Saving Deposits	22.187.273	21.092.387	23.652.140	22.523.013
Foreign Currency Saving Deposits	7.397.732	7.409.503	26.477.266	26.265.420
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

3. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	Current Period 30 June 2016	Prior Period 31 December 2015
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	968.197	926.599
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

b. Information on trading derivative financial liabilities:

Table of negative differences for trading derivative financial liabilities:

	Current Period 30 June 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Forward Transactions	234.990	-	249.438	-
Swap Transactions	792.658	1.003.405	229.908	709.626
Futures Transactions	-	-	-	-
Options	1.675	295.149	3	257.899
Other	-	-	-	-
Total	1.029.323	1.298.554	479.349	967.525

c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 30 June 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	182.289	232.244	176.604	106.101
From Foreign Banks, Institutions and Funds	11	25.833.010	16.526	23.414.107
Total	182.300	26.065.254	193.130	23.520.208

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2. Information on maturity structure of borrowings:

	Current Period 30 June 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Short-term	182.039	1.951.315	176.604	2.697.280
Medium and Long-term	261	24.113.939	16.526	20.822.928
Total	182.300	26.065.254	193.130	23.520.208

3. The liabilities providing the funding sources of the Bank are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Bank and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitized borrowings and post-financing obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Bank.

d. Information on securities issued (Net):

	Current Period 30 June 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Bank bills	1.709.412	159.819	1.545.846	892.932
Bonds	1.337.076	7.210.423	1.636.192	7.191.097
Total	3.046.488	7.370.242	3.182.038	8.084.029

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 2.301.269 (31 December 2015: TL 1.468.876) and do not exceed 10% of the total balance sheet.

f. Information on financial leasing agreements:

The contingent rent installments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which cause significant commitments for the Bank.

Liabilities incurred due to financial leasing agreements:

	Current Period 30 June 2016		Prior Period 31 December 2015	
	Gross	Net	Gross	Net
Less Than 1 Year	39.700	31.169	67.104	51.860
Between 1-4 Years	4.694	3.904	15.020	12.110
More Than 4 Years	-	-	-	-
Total	44.394	35.073	82.124	63.970

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g. Information on the hedging derivative financial liabilities:

	Current Period		Prior Period	
	30 June 2016		31 December 2015	
	TL	FC	TL	FC
Fair Value Hedge	108.688	317.710	-	157.528
Cash Flow Hedge	-	21.743	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	108.688	339.453	-	157.528

h. Information on provisions:

1. Information on general provisions:

	Current Period	Prior Period
	30 June 2016	31 December 2015
General Provisions	2.667.259	2.544.702
Provisions for Group I. Loans and Receivables	2.176.735	2.065.397
- Additional Provision for loans with extended payment period	92.778	70.085
Provisions for Group II. Loans and Receivables	271.691	305.259
- Additional Provision for loans with extended payment period	62.946	62.876
Provisions for Non-cash Loans	123.487	108.853
Other	95.346	65.193

2. Employment termination benefits and unused vacation rights:

Under the Turkish Labor Law, the Bank is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires.

The amount payable consists of one month's salary limited to a maximum of TL 4.092,53 (in full TL amount) (31 December 2015: TL 3.828,37 (in full TL amount)) for each year of service. This liability is legally not funded and there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	Current Period	Prior Period
	30 June 2016	31 December 2015
Discount Rate (%)	4,17	4,17
Rate for the Probability of Retirement (%)	93,88	93,88

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. The amount of TL 4.297.21 (1 January 2016: TL 4.092.53) effective from 1 July 2016 has been taken into consideration in calculating the reserve for employee termination benefits.

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Movements in the reserve for employment termination benefits during the period are as follows:

	Current Period 30 June 2016	Prior Period 31 December 2015
Prior Period Closing Balance	122.202	66.018
Recognized as an Expense During the Period	18.273	60.909
Actuarial Loss / (Gain)	-	63.783
Paid During the Period	(18.273)	(68.508)
Balance at the End of the Period	122.202	122.202

As of 30 June 2016, the Bank has allocated vacation liability amounting to TL 69.949 (31 December 2015: TL 64.976).

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

As of 30 June 2016, the provision related to foreign currency differences of foreign indexed loans amounts to TL 60.280 (31 December 2015: TL 23.811), which is offset with the balance of foreign currency indexed loans in these financial statements.

4. Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash:

Provision for non-cash loans that are non-funded and non-transformed into cash as of 30 June 2016 is amounting to TL 90.102 (31 December 2015: TL 83.868).

5. Information on other provisions:

5 (i). Information on general reserves for possible risks: TL 200.000 (31 December 2015: TL 200.000).

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 106.989 (31 December 2015: TL 139.240).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVIII of Section Three. As of 30 June 2016, the corporate tax liability after the deduction of temporary taxes paid is TL 344.561 (31 December 2015: TL 361.173)

1 (i). Information on taxes payable:

	Current Period 30 June 2016	Prior Period 31 December 2015
Corporate Taxes Payable	344.561	361.173
Taxation on Marketable Securities	103.994	96.179
Property Tax	1.888	1.706
Banking Insurance Transaction Tax (BITT)	99.056	89.428
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	1.124	4.201
Other	38.502	48.543
Total	589.125	601.230

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1 (ii). Information on premium payables:

	Current Period 30 June 2016	Prior Period 31 December 2015
Social Security Premiums – Employee	-	6
Social Security Premiums – Employer	1	19
Bank Social Aid Pension Fund Premium- Employee	3	9
Bank Social Aid Pension Fund Premium – Employer	3	11
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	1.073	923
Unemployment Insurance – Employer	2.146	1.845
Other	52	35
Total	3.278	2.848

2. Information on deferred tax liability:

As of 30 June 2016, deferred tax liability of the Bank is TL 39.083 (31 December 2015: (-) TL). An explanation about the net deferred tax asset is given in Note I-L of Section Five.

j. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period 30 June 2016	Prior Period 31 December 2015
Common Stock	4.000.000	4.000.000
Preferred Stock	-	-

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

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

3. Information on the share capital increases during the period and their sources: None.

4. Information on share capital increases from capital reserves during the current period: None.

5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.

6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainties at these indicators;

The Bank has been continuing its operations with high profitability and has been retaining most of its net profit in the equity, either by increasing its capital or transferring it into reserves. On the other hand, only a small part of the equity is allocated to investment such as associates and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and interest bearing assets. Considering all these factors, the Bank continues to its operations with strong shareholders' equity.

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

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8. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	30 June 2016		31 December 2015	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(282.503)	(233.268)	(627.540)	(485.221)
Foreign Currency Differences	-	-	-	-
Total	(282.503)	(233.268)	(627.540)	(485.221)

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III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

	Current Period 30 June 2016		Prior Period 30 June 2015	
	TL	FC	TL	FC
Short-term Loans	2.224.981	32.598	1.883.539	54.960
Medium and Long-term Loans	3.586.206	1.077.900	2.823.373	895.158
Interest on Loans Under Follow-Up	12.659	-	15.432	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	5.823.846	1.110.498	4.722.344	950.118

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

2. Information on interest income on banks:

	Current Period 30 June 2016		Prior Period 30 June 2015	
	TL	FC	TL	FC
From the CBRT	204	2.655	-	-
From Domestic Banks	3.232	4.238	19.816	1.479
From Foreign Banks	398	12.581	-	4.498
From Headquarters and Branches Abroad	-	-	-	-
Total	3.834	19.474	19.816	5.977

3. Information on interest income on marketable securities:

	Current Period 30 June 2016		Prior Period 30 June 2015	
	TL	FC	TL	FC
From Trading Financial Assets	24	1	115	62
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	979.976	470.668	718.048	407.634
From Held-to-Maturity Investments	225.322	174.740	200.118	130.118
Total	1.205.322	645.409	918.281	537.814

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available-for sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years.

As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The Bank determines the estimated inflation rates in line with this information. The estimated inflation rate used is updated during the year when necessary. In this context, as of 30 June 2016, valuation of such assets is made according to estimated annual inflation rate of 8%. If valuation of these securities indexed to the CPI had been done by the reference index valid through 30 June 2016, the Bank's Marketable securities valuation differences would be increased by TL 37 million (in full TL amount) and net profit would be decreased by TL 51 million (in full TL amount) to TL 2.288 million (in full TL amount).

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4. Information on interest income received from associates and subsidiaries:

	Current Period 30 June 2016	Prior Period 30 June 2015
Interests Received From Investments in Associates and Subsidiaries	21.321	23.592

b. Information on interest expense:

1. Information of interest expense on borrowings (*):

	Current Period 30 June 2016		Prior Period 30 June 2015	
	TL	FC	TL	FC
Banks	5.481	205.654	9.026	176.307
The CBRT	-	-	-	-
Domestic Banks	5.456	927	6.421	755
Foreign Banks	25	204.727	2.605	175.552
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	5.959	-	5.652
Total	5.481	211.613	9.026	181.959

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

2. Information on interest expense given to associates and subsidiaries:

	Current Period 30 June 2016	Prior Period 30 June 2015
To Associates and Subsidiaries	27.726	8.067

3. Information on interest expense given to securities issued:

	Current Period 30 June 2016		Prior Period 30 June 2015	
	TL	FC	TL	FC
Interest expense on securities issued	162.216	185.349	130.720	208.400

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4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

Current Period 30.06.2016	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	44	38.106	43.025	1.410	1.095	89	83.769
Saving Deposits	-	602.330	1.332.398	23.577	22.426	30.827	2.011.558
Public Sector Deposits	-	2.760	1578	395	71	41	4.845
Commercial Deposits	-	345.078	416.721	93.940	65.823	13.513	935.075
Other Deposits	2	35.340	121.206	19.438	26.425	8.315	210.726
Total	46	1.023.614	1.914.928	138.760	115.840	52.785	3.245.973
FC							
Foreign Currency Deposits	-	158.683	262.576	38.182	23.034	15.128	497.603
Bank Deposits	-	5.420	16.108	31.352	8.125	379	61.384
Precious Metals Deposits	-	-	1	-	234	99	334
Total	-	164.103	278.685	69.534	31.393	15.606	559.321
Grand Total	46	1.187.717	2.193.613	208.294	147.233	68.391	3.805.294

Prior Period 30.06.2015	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	14	8.358	44.825	2.811	2.039	370	58.417
Saving Deposits	-	531.535	1.010.361	28.987	23.006	27.317	1.621.206
Public Sector Deposits	-	700	2.262	2.573	89	108	5.732
Commercial Deposits	-	275.787	226.428	31.205	21.778	4.287	559.485
Other Deposits	1	12.527	69.901	6.270	43.168	10.131	141.998
Total	15	828.907	1.353.777	71.846	90.080	42.213	2.386.838
FC							
Foreign Currency Deposits	-	105.557	116.157	20.645	38.247	21.660	302.266
Bank Deposits	-	9.489	33.359	31.409	3.611	171	78.039
Precious Metals Deposits	-	-	9	-	227	45	281
Total	-	115.046	149.525	52.054	42.085	21.876	380.586
Grand Total	15	943.953	1.503.302	123.900	132.165	64.089	2.767.424

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

	Current Period 30 June 2016	Prior Period 30 June 2015
Profit	2.935.279.824	2.990.069.386
Income From Capital Market Transactions	425.780	598.333
Income From Derivative Financial Transactions (*)	4.984.315	2.925.795
Foreign Exchange Gains	2.929.869.729	2.986.545.258
Loss (-)	2.934.994.775	2.989.996.103
Loss from Capital Market Transactions	268.210	392.547
Loss from Derivative Financial Transactions (*)	5.022.538	3.161.864
Foreign Exchange Loss	2.929.704.027	2.986.441.692
Total (Net)	285.049	73.283

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 14.629 (30 June 2015: TL 96.846).

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d. Explanations on other operating income:

"Other Operating Income" in the Income Statement mainly includes collections from receivables for which provision has been allocated in prior periods and the sale from non-performing loans portfolio. In addition, income amounting to TL 181.774 originating from the acquisition of Visa Europe Ltd, of which the Bank is a Shareholder, by Visa Inc., has been reflected to financial statements.

e. Provision expenses related to loans and other receivables of the Bank:

	Current Period 30 June 2016	Prior Period 30 June 2015
Specific Provisions for Loans and Other Receivables	875.852	973.564
III. Group Loans and Receivables	444.871	505.425
IV. Group Loans and Receivables	415.459	436.249
V. Group Loans and Receivables	15.522	31.890
General Provision Expenses	122.557	211.155
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	77.235	67.313
Financial Assets at Fair Value through Profit or Loss	-	9
Available-for-sale Financial Assets	77.235	67.304
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	87.982	47.325
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	87.982	47.325
Other	30.088	-
Total	1.193.714	1.299.357

f. Information related to other operating expenses:

	Current Period 30 June 2016	Prior Period 30 June 2015
Personnel Expenses	820.812	799.240
Reserve for Employee Termination Benefits	-	2.479
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	63.877	73.260
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	39.750	38.949
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	1.230	1.244
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	763.684	786.596
Operational Leasing Expenses	85.732	83.751
Maintenance Expenses	11.227	10.731
Advertisement Expenses	53.531	52.572
Other Expenses	613.194	639.542
Loss on Sales of Assets	23	92
Other(*)	348.031	420.803
Total	2.037.407	2.122.663

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(*) The balance shown in the "other" line includes fees and commissions reimbursements as per the decision of Consumer Arbitration Board, Courts and Offices of Enforcement amounting to TL 62.669 (30 June 2015: TL 126.109).

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

As of 30 June 2016, the Bank has a current tax expense of TL 590.035 and deferred tax income of TL 11.871. The amount of deferred tax income that occurred due to the temporary differences is TL 69.726 and deferred tax expense is TL 136.688; the amounts of deferred tax income occurred due to the closing of temporary differences is TL 99.113 and deferred tax expense is TL 20.280.

The Bank has no discontinued operations.

h. Explanations on current period net profit and loss:

1. Explanation on the quality, amount and frequency of the figures of the income and expense stemming from ordinary banking operations, if necessary to understand the performance of the Bank for the current period: None.
2. Explanation on the changes in the estimations regarding the figures on the financial statements, if there is a possibility that the profit and loss for the current or the following periods will be impacted: None.

i. Other figures on profit and loss statement:

"Other Fee and Commission Income" in the Income Statement mainly consists of commissions received from credit card, money transfer and insurance transactions.

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

Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 14.224.516 asset purchase commitments (31 December 2015: TL 5.154.131). TL 17.637.562 commitments for credit card limits (31 December 2015: TL 17.672.898). TL 6.133.694 commitments for cheque books (31 December 2015: TL 5.764.751)

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

The Bank has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments".

- 2 (i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits:

	Current Period 30 June 2016	Prior Period 31 December 2015
Bank Acceptance Loans	3.241.174	933.230
Letters of Credit	4.601.052	5.326.661
Other Guarantees	3.979.788	3.788.809
Total	11.822.014	10.048.700

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

	Current Period 30 June 2016	Prior Period 31 December 2015
Revocable Letters of Guarantee	954.079	651.210
Irrevocable Letters of Guarantee	12.559.097	12.025.211
Letters of Guarantee Given in Advance	2.394.082	2.681.029
Guarantees Given to Customs	2.807.158	3.012.808
Other Letters of Guarantee	4.994.460	4.256.270
Total	23.708.876	22.626.528

3. Information on non-cash loans:

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

	Current Period 30 June 2016	Prior Period 31 December 2015
Non-cash Loans Given against Cash Loans	3.556.610	3.379.264
With Original Maturity of 1 Year or Less Than 1 Year	1.691.334	1.582.036
With Original Maturity of More Than 1 Year	1.865.276	1.797.228
Other Non-cash Loans	31.974.280	29.295.964
Total	35.530.890	32.675.228

4. Mutual Funds :

As of 30 June 2016, the Bank is the founder of 2 mutual funds (31 December 2015: 3 unit) with an unaudited total fund value of TL 147.237 (31 December 2015: TL 214.758). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by İstanbul Settlement and Custody Bank, Inc.

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V. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

Information on cash and cash equivalents:

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency, money in transit, bought bank cheques together with demand deposits at banks including the CBRT are defined as "Cash"; Interbank money market and time deposits in banks with original maturities less than three months and investment in marketable securities excluding equity securities are defined as "Cash equivalents".

1. Cash and cash equivalents at the beginning of the period:

	Current Period 30 June 2016	Prior Period 30 June 2015
Cash	2.427.096	1.993.013
Cash, Foreign Currency and Other	1.409.682	1.478.793
Demand Deposits in Banks (*)	1.017.414	514.220
Cash Equivalents	3.725.376	2.815.278
Interbank Money Market Placements	-	700.000
Time Deposits in Banks	3.697.688	1.229.762
Marketable Securities	27.688	885.516
Total Cash and Cash Equivalents	6.152.472	4.808.291

(*) The restricted demand accounts are not included.

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

	Current Period 30 June 2016	Prior Period 30 June 2015
Cash	2.359.209	2.702.632
Cash, Foreign Currency and Other	1.608.053	1.398.592
Demand Deposits in Banks (*)	751.156	1.304.040
Cash Equivalents	1.655.291	7.462.491
Interbank Money Market Placements	-	3.300.000
Time Deposits in Banks	1.636.547	4.149.166
Marketable Securities	18.744	13.325
Total Cash and Cash Equivalents	4.014.500	10.165.123

(*) The restricted demand accounts are not included.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

VI. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP

Information on the volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period:

1. Current Period – 30 June 2016:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	619.370	190.178	3.367.840	1.447.302	-	-
Balance at the End of the Period	458.206	194.909	3.680.326	1.444.397	-	-
Interest and Commission Income Received	21.321	21	159.655	2.087	-	-

According to the German deposit insurance law, the Bank has given a "letter of undertaking" to the German Banking Institute related to Akbank AG, a subsidiary of the Bank. This letter of undertaking amounts to TL 4.721.617 as of 30 June 2016 (31 December 2015: TL 5.043.561).

2. Prior Period -31 December 2015:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	547.714	210.514	2.458.297	1.986.485	-	-
Balance at the End of the Period	619.370	190.178	3.367.840	1.447.302	-	-
Interest and Commission Income Received(*)	23.592	12	103.679	2.249	-	-

(*) 30 June 2015 amounts are used for income statement accounts.

3. Information on deposits of the Bank's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 30.06.2016	Prior Period 31.12.2015	Current Period 30.06.2016	Prior Period 31.12.2015	Current Period 30.06.2016	Prior Period 31.12.2015
Balance at the Beginning of the Period	451.485	429.208	2.102.609	1.337.103	2.181.203	2.115.511
Balance at the End of the Period	971.079	451.485	2.147.843	2.102.609	2.248.100	2.181.203
Interest on Deposits(*)	27.726	8.067	124.372	76.374	77.352	61.114

(*) 30 June 2015 amounts are used for income statement accounts.

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4. Information on forward and option agreements and other similar agreements made with the Bank's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Transactions at Fair Value						
Through Profit or Loss						
Beginning of the Period	175.142	289.816	3.501.482	2.364.278	-	-
Balance at the End of the Period	576.595	175.142	3.437.828	3.501.482	-	-
Total Income/Loss (*)	784	(935)	4.677	(827)	-	-
Transactions for Hedging Purposes						
Beginning of the Period	329.126	-	-	-	-	-
Balance at the End of the Period	304.986	-	-	-	-	-
Total Income/Loss (*)	415	-	-	-	-	-

(*) 30 June 2015 amounts are used for income statement accounts.

Figures presented in the table above show the total of "sale" and "purchase" amounts of related transactions. Due to the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Bank. As of 30 June 2016, the net exposure for investments in associates and subsidiaries is TL 15.624 (31 December 2015: TL 20.675). For direct and indirect shareholders of the Bank TL 35.069 (31 December 2015: TL (-) 10.244).

5. Information regarding benefits provided to the Bank's key management:

As of 30 June 2016 benefits provided to the Bank's key management amount to TL 15.911 (30 June 2015: TL 15.338).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

SECTION SIX
EXPLANATIONS ON AUDITOR'S REVIEW REPORT

I. EXPLANATIONS ON AUDITOR'S REVIEW REPORT

The unconsolidated financial statements for the period ended 30 June 2016 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated 27 July 2016 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

SECTION SEVEN (*)
INFORMATION ON INTERIM ACTIVITY REPORT

THE MESSAGE FROM THE CHAIRMAN OF THE BOARD

In the second quarter of 2016, while oil prices and US dollar continue to be the determinants of risk appetite; concerns about global growth, Fed's more cautious approach about rate hikes, Brexit decision in Britain and concerns about European Banking sector caused global markets to remain volatile.

After Britain decided to leave the European Union in the referendum on 23th of June, central banks of the advanced economies successfully coordinated to set a bar against the excessive volatility in markets. Bank of England is expected to give additional stimulus in August. Looking forward, questions about how the Brexit process will be administered are creating uncertainties on both political and economic fronts. As a matter of fact; owing to the Brexit decision, IMF has already revised its global growth projections down. The impact of Brexit decision on the British economy will likely be more evident in 2017.

In the light of the recent developments, European Central Bank also stated that, if needed, it can provide further stimulus. ECB is planning to keep low levels of interest rates for an extended period and to continue with its asset purchases at least until March 2017. Fed; on the other hand, keeps its current policy stance. Longer term policy rate projections; however, also were revised downward.

Similarly; Bank of Japan continues with its expansionary monetary policy. The bank, which started to implement negative interest rates policy, is expected to give additional monetary stimulus in order to attain its inflation objective. All in all; global interest rates remain low, along with low economic growth, subdued inflation expectations as well as the uncertainties brought about by Brexit decision. 10 year government borrowing rates in Japan and Germany slid down into negative levels.

Domestically; economic growth remained robust in the first quarter due to strong consumption trend, whereas investment continued to be weak. In the second quarter, geopolitical developments and domestic dynamics would likely cause some deceleration in growth.

Regarding the external trade dynamics, recovery in the European Union is supporting exports, while the decline in energy expenditures in line to low energy prices continues. As a consequence; trade and current account deficits are still decreasing. The activity in tourism sector, however, is trending relatively weak due to geopolitical developments and terrorist incidents. Although the agreement with Russia is positive news for the sector, latest developments may continue to drag tourist activity in the coming months. Looking forward, after the Brexit decision, the expectations of growth deceleration in Britain and other European economies may also weigh on our exports.

CBRT cut its lending rate by 200bps to 8.75% since March, in the context of simplification process. The bank expects declining trend in core inflation to continue although there might be some increase in headline inflation. This outlook has been effective in CBRT's rate cut series. Moreover, CBRT stated that, if needed, it would continue to take additional liquidity measures, in the context of its financial stability objective. Public finances also performed well in the first half of the year and realizations are in line with the Medium Term Program targets.

In the banking sector, annual loan growth stands at 12%. Non performing loans ratio in the sector is low at 3.4% in May; even though a slight increase is observed this year. In the banking sector in general, capital adequacy ratio is robust at 15%.

To sum up, global nominal interest rates have come down to historical low levels, due to low growth and deflation dynamics, domestically volatility increased somewhat with the recent developments. The prompt actions of economic administrations regarding structural reform agenda will stabilize foreign investors' risk perceptions.

(*)Amounts in section seven expressed in full Turkish Lira ("TL") amount unless otherwise stated

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

MESSAGE FROM THE CEO

Please find our CEO's statement after the 1H16 financials announcement below:

Akbank CEO Hakan Binbaşgil started his statement on the bank's results of the first half of 2016 by noting their concern on the grievous incidents that took place last week: "We wish a speedy recovery to our country and nation. We hope that events that threaten our unity will never repeat themselves. We believe that our country will become even stronger when this process is resolved."

Evaluating Akbank's performance in the first 6 months of 2016, Binbaşgil stated, "What's important these days is that we continue our incremental support to our country. With our strong balance sheet, we continue to provide long-term foreign currency to our country and support the economy and investments without any interruptions. Despite the fluctuations in the markets this past week and the hasty decision of S&P, with the USD 250 million financing we secured with the delegation agreement signed with the IFC, we raise the long term borrowings in the last month to USD 1.6 billion. These borrowings, with up to 12 years maturity terms, once again confirmed the strength of Turkey's economic indicators and its banking sector, as well as the faith of investors in Akbank's performance. We are able to secure long-term borrowings despite the busy agenda. This shows that the normalization in the markets after the attempt on the July 15th continues, and the international confidence in Turkey's investment climate has begun to restore to the levels before the attempt."

Stating that the volatility in the international markets continued in the first half of 2016, Binbaşgil noted, "Despite the uncertainties in the global markets, our bank has performed extremely well. We increased our assets by 5.3 percent to TL 247 billion. We increased our support to our economy via total loans of over TL 183 billion, with TL 148 billion cash loans." Binbaşgil also stated that in the first half of 2016, Akbank reported a net profit of TL 2,339 million.

Drawing attention to the fact that the esteemed financial publication Euromoney named Akbank the Best Bank of Central and Eastern Europe at the end of June, Binbaşgil remarked: "This Year's Best Bank of Central and Eastern Europe came out of Turkey. This was the first time a Turkish bank had been bestowed this honour. This award is a testament to not just Akbank's power, but the entire Turkish banking sector."

Stating that the Turkish economy is built on strong foundations, Mr Binbaşgil said: "Turkey's macroeconomic indicators are currently very strong. The banking sector is solid with high potential for growth. Turkey's demographics, youth, entrepreneurial spirit, and dynamism will carry the country forward. Turkey has the power to achieve great things when it comes together. We are certain that, as a nation, we will focus on our long-term goals. At Akbank, we will continue focusing on our business; providing support to our customers and the economy without compromising our central principles such as sustainability and asset quality; and investing in our technology, infrastructure, and human resources."

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

A. INTRODUCTION

1. Changes in the Articles of Association during the period:

There is no change in the Articles of Association during the period.

2. Important Issues and Transactions during the period:

On 18 March 2016, Akbank has signed a 367-day, dual tranche syndicated loan agreement of USD 370.4 million and EURO 783,5 million (equivalent to USD 1.2 billion). The loan will be used for trade finance purposes. The all-in cost for each tranche is LIBOR + 0.85% and EURIBOR + 0.75% respectively.

Bank has sold a non-performing loan portfolio of TL 450.1 million for TL 49.1 million to Güven Varlık Yönetim A.Ş on June 30, 2016.

Income amounting to TL 181.774 originating from the acquisition of Visa Europe Ltd, of which the Bank is a Shareholder, by Visa Inc., has been reflected to financial statements.

Bank has secured the equivalent of USD 1.4 billion through its Diversified Payment Rights securitization programme in 10 separate tranches with maturities ranging from 5 to 12 years.

Bank has issued TL 2.1 billion nominal worth of bills in total to qualified investors with separate maturities and nominal values during the period.

There is no change in information which has been disclosed in accordance with "Regulation on the Principles And Procedures Concerning The Preparation Of And Publishing Annual Report By Banks" excluding disclosures related with financial statements.

B. BANKING SECTOR 2Q16 OVERVIEW

In the first half of 2016, both loan and deposit growth in the sector was 5.4% .

As of June 30, 2016, NPL ratio of the sector was at 3.3%.

C. UNCONSOLIDATED FINANCIAL RESULTS

1. Main Balance Sheet Items (TL Million) :

	30.06.2016	31.12.2015
	Unconsolidated	Unconsolidated
	Financial Results	Financial Results
Total Assets	247.353	234.809
Loans	147.951	141.763
Deposits	140.812	138.942
Equity	29.021	26.689
Net Income (30.06.2015)	2.339	1.414

2. Main Financial Ratios (%) :

	30.06.2016	31.12.2015
	Unconsolidated	Unconsolidated
	Financial Results	Financial Results
Loans / Total Assets:	59,8	60,4
Deposits / Total Assets:	56,9	59,2
ROE (30.06.2015):	16,9	11,2
ROA (30.06.2015):	1,9	1,3
NPL Ratio:	2,3	2,3
CAR:	%14,88	%14,58
EPS (30.06.2015) (TL):	0,00585	0,00353

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

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

3. Akbank 2Q16 Results Overview:

Akbank reported a gross profit of TL 2 billion 918 million while setting aside TL 578 million of tax provisions, the bank reported a net unconsolidated profit of TL 2 billion 339 million in the first half of the year. ROE in the first six months of the year was 16.9%.

As of June 30, 2016 Akbank's unconsolidated total assets increased by 5.3% up to TL 247.4 billion. Total cash loans grew by 4.4% to TL 150 billion while total deposits was up to TL 140.8 billion with an increase of 1.3%.

Akbank's NPL ratio was 2,1% as of June 2016-end. While 25% of total loans are comprised of consumer loans, 35% are corporate, 32% are commercial and remaining 8% are other commercial loans.

4. Bank's Expectations For 2016:

There is no change in "Forward Looking Expectations" of the bank which has been disclosed to public as Material Events Disclosure on 7.1.2016.

	2016 Macro Indicators (%)
GDP Growth, real terms	3,5
Inflation	~8
Banking Sector Growth	
Loan Growth	13-15
Deposit Growth	13-15

Akbank Growth Guidance (Consolidated)

	2016 (%)
Asset Growth	14-16
Loan Growth	15-17
TL	15-17
FX (USD terms)	7-9
Deposit Growth	15-17
TL	15-17
FX (USD terms)	7-9
	2016 (%)
Return on Assets	~1,5
Leverage Ratio	~9,5x
Return on Equity	~14,0
Net Interest Margin	Flat
Net Fees & Commission Growth	~15
Operational Expense Growth	~8
Operational Cost/Income	~37
Operational Cost/Assets	~1,6
Capital Adequacy Ratio	~14
Loans/Deposits Ratio	Max 105
Non-Performing Loans Ratio	~2,2
Net Cost of Risk	~90 bps
Earnings per Share Growth	+25