

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 31 MARCH 2016 TOGETHER WITH
LIMITED REVIEW REPORT**

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

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 consolidated statement of financial position of Akbank T.A.Ş. ("the Bank") and its subsidiaries (together will be referred as "the Group") at 31 March 2016 and the related consolidated income statement, consolidated statement of income and expense items under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three-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 consolidated financial statements as at 31 March 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 consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true view of the financial position of Akbank T.A.Ş. at 31 March 2016 and of the results of its operations and its cash flows for the three-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 consolidated 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 consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Ayşe Zeynep Deldağ
SMMM, Partner

İstanbul, 22 April 2016

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

**THE CONSOLIDATED FINANCIAL REPORT OF
AKBANK T.A.Ş. AS OF
31 MARCH 2016**

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

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

Investments in associates, joint ventures and subsidiaries whose financial statements have been consolidated in this reporting package are as follows:

	Subsidiaries	Investments in Associates	Joint Ventures
1.	Ak Finansal Kiralama A.Ş.	-	-
2.	Ak Yatırım Menkul Değerler A.Ş.	-	-
3.	Ak Portföy Yönetimi A.Ş.	-	-
4.	Akbank AG	-	-
5.	Akbank (Dubai) Limited	-	-

A.R.T.S. Ltd., which is not subsidiary of the Bank but over which the Bank has 100% controlling power, has been included in the consolidation due to the reason that this company is "Structured Entity".

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

22 April 2016

Suzan SABANCI DİNÇER	Hayri ÇULHACI	Ş.Yaman TÖRÜNER	S. Hakan BİNBAŞGİL	K. Atıl ÖZUS	Türker TUNALI
Chairman of the Board of Directors	Head of the Audit Committee	Member of the Audit Committee	CEO	Executive Vice President	Senior Vice President

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

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AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 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", "the Parent Bank" or "Akbank") was established on 30 January 1948 as a private commercial bank, in accordance with the decision of the Council of Ministers, No.3/6710 and is authorized to perform all economic, financial and commercial activities which are allowed by the laws of the Turkish Republic ("T.C."). The status of the Bank has not changed since its foundation.

II. EXPLANATION ABOUT THE 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 Depository Receipts ("ADRs"). As of 31 March 2016, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2015: 51%).

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

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman:	Suzan SABANCI DİNÇER	Chairman and Executive Board Member	Graduate
Honorary Chairman,	Erol SABANCI	Honorary Chairman,	Undergraduate
Board Member, Consultant:		Board Member and Consultant	
Board of Directors:	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	Cem MENĞİ	Executive Board Member	Undergraduate
	Ş. Yaman TÖRÜNER	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 ENGIN	Head of Internal Audit	Undergraduate
Executive Vice Presidents:	A. Fuat AYLA	Credit Allocation	Undergraduate
	K. Atıl ÖZUS	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 and Private Banking	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment 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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 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 PARENT 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 31 March 2016, the Bank has 898 branches dispersed throughout the country and 1 branch operating abroad (31 December 2015: 901 branches and 1 branch operating abroad). As of 31 March 2016, the Bank employed 13.949 people (31 December 2015: 14.050).

The Parent Bank and its subsidiaries, Ak Yatırım Menkul Değerler A.Ş., AK Portföy Yönetimi A.Ş., Akbank AG, Ak Finansal Kiralama A.Ş., Akbank (Dubai) Limited and together with A.R.T.S. Ltd., which is not subsidiary of the Bank, but over which the Bank has 100% controlling power due to the reason that this company is "Structured Entity", has been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group" in these consolidated financial statements and notes to consolidated financial statements.

As at 31 March 2016, the Group employed 14.318 people (31 December 2015: 14.418).

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

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

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

None.

AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2016 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/03/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(I-a)	2.400.630	29.598.093	31.998.723	2.165.780	23.307.659	25.473.439
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	(I-b)	1.690.144	1.853.209	3.543.353	816.680	1.920.990	2.737.670
2.1 Trading Financial Assets		1.690.144	1.853.209	3.543.353	816.680	1.920.990	2.737.670
2.1.1 Government Debt Securities		9.004	-	9.004	9.996	107	10.103
2.1.2 Equity Securities		17.977	-	17.977	6.532	-	6.532
2.1.3 Trading Derivative Financial Assets		1.630.393	1.853.209	3.483.602	774.274	1.920.883	2.697.157
2.1.4 Other Marketable Securities		32.770	-	32.770	23.878	-	23.878
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)	563.367	5.641.189	6.204.556	1.586.889	7.228.274	8.815.163
IV. MONEY MARKETS		104	-	104	98	-	98
4.1 Interbank Money Market Placements		104	-	104	98	-	98
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-d)	20.692.165	23.124.311	43.816.476	19.567.662	23.816.778	43.384.440
5.1 Equity Securities		12.836	116.960	129.796	12.836	115.958	128.794
5.2 Government Debt Securities		20.521.287	15.659.476	36.180.763	19.376.723	15.929.478	35.306.201
5.3 Other Marketable Securities		158.042	7.347.875	7.505.917	178.103	7.771.342	7.949.445
VI. LOANS and RECEIVABLES	(I-e)	95.127.241	59.577.339	154.704.580	93.013.626	60.452.870	153.466.496
6.1 Loans and Receivables		94.980.211	59.577.339	154.557.550	92.866.313	60.452.870	153.319.183
6.1.1 Loans to Bank's Risk Group	(VI)	2.215.235	1.184.512	3.399.747	2.247.912	1.173.863	3.421.775
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		92.764.976	58.392.827	151.157.803	90.618.401	59.279.007	149.897.408
6.2 Loans under Follow-up		3.197.313	-	3.197.313	3.373.323	-	3.373.323
6.3 Specific Provisions [-]		3.050.283	-	3.050.283	3.226.010	-	3.226.010
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	(I-f)	5.228.882	5.394.851	10.623.733	5.184.759	5.503.681	10.688.440
8.1 Government Debt Securities		5.228.882	5.394.851	10.623.733	5.184.759	5.503.681	10.688.440
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 Associates Unconsolidated		3.923	-	3.923	3.923	-	3.923
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3.923	-	3.923	3.923	-	3.923
X. SUBSIDIARIES (Net)	(I-h)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)		-	-	-	-	-	-
11.1 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)	1.055.714	2.942.908	3.998.622	994.415	2.981.366	3.975.781
12.1 Financial Lease Receivables		1.332.691	3.370.821	4.703.512	1.278.004	3.421.676	4.699.680
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income [-]		276.977	427.913	704.890	283.589	440.310	723.899
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	(I-j)	543.828	4.399	548.227	648.858	2.510	651.368
13.1 Fair Value Hedge		543.828	321	544.149	648.858	575	649.433
13.2 Cash Flow Hedge		-	4.078	4.078	-	1.935	1.935
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)		763.975	2.445	766.420	793.600	2.530	796.130
XV. INTANGIBLE ASSETS (Net)		223.189	731	223.920	223.486	619	224.105
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		223.189	731	223.920	223.486	619	224.105
XVI. INVESTMENT PROPERTY (Net)	(I-k)	-	-	-	-	-	-
XVII. TAX ASSET		18.969	8.768	27.737	139.013	23.140	162.153
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(I-l)	18.969	8.768	27.737	139.013	23.140	162.153
XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-m)	183.138	-	183.138	179.866	-	179.866
18.1 Held for Sale Purpose		183.138	-	183.138	179.866	-	179.866
18.2 Related to Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-n)	1.516.572	1.014.584	2.531.156	1.327.027	581.081	1.908.108
TOTAL ASSETS		130.011.841	129.162.827	259.174.668	126.645.682	125.821.498	252.467.180

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

AKBANK T.A.S.
I. CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2016 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL)).

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/03/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	70.690.314	80.098.056	150.788.370	68.978.602	80.492.216	149.470.818
1.1 Deposits of Bank's Risk Group	(VI)	2.765.853	1.844.508	4.610.361	2.435.612	1.848.224	4.283.836
1.2 Other		67.924.461	78.253.548	146.178.009	66.542.990	78.643.992	145.186.982
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(II-b)	903.144	1.195.798	2.098.942	479.349	1.288.502	1.767.851
III. FUNDS BORROWED	(II-c)	442.740	24.800.851	25.243.591	303.083	25.873.792	26.176.875
IV. MONEY MARKETS		12.111.897	16.702.978	28.814.875	6.249.039	18.000.200	24.249.239
4.1 Funds from Interbank Money Market		2.398.081	-	2.398.081	80.031	-	80.031
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		9.713.816	16.702.978	26.416.794	6.169.008	18.000.200	24.169.208
V. SECURITIES ISSUED (Net)	(II-d)	4.139.495	8.278.613	12.418.108	3.373.821	9.036.968	12.410.789
5.1 Bills		2.315.670	382.265	2.697.935	1.548.685	892.932	2.441.617
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		1.823.825	7.896.348	9.720.173	1.825.136	8.144.036	9.969.172
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		4.136.123	1.115.634	5.251.757	3.832.655	1.010.762	4.843.417
VIII. OTHER LIABILITIES	(II-e)	1.376.869	168.172	1.545.041	1.358.302	134.559	1.492.861
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCIAL LEASE PAYABLES (Net)	(II-f)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	(II-g)	-	271.300	271.300	-	158.960	158.960
11.1 Fair Value Hedge		-	270.919	270.919	-	157.528	157.528
11.2 Cash Flow Hedge		-	381	381	-	1.432	1.432
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(II-h)	2.532.514	701.668	3.234.182	2.500.234	695.462	3.195.696
12.1 General Loan Loss Provisions		1.907.955	687.107	2.595.062	1.868.060	675.132	2.543.192
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		195.081	470	195.551	192.286	620	192.906
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		429.478	14.091	443.569	439.888	19.710	459.598
XIII. TAX LIABILITY	(II-i)	521.410	84.726	606.136	607.179	78.604	685.783
13.1 Current Tax Liability		521.410	26.777	548.187	607.179	21.152	628.331
13.2 Deferred Tax Liability		-	57.949	57.949	-	57.452	57.452
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)	29.223.933	(321.567)	28.902.366	28.527.127	(512.236)	28.014.891
16.1 Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2 Capital Reserves		2.431.732	(321.567)	2.110.165	2.219.173	(512.236)	1.706.937
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		(409.871)	(299.160)	(709.031)	(627.540)	(486.868)	(1.114.408)
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		3.895	-	3.895	3.895	-	3.895
16.2.8 Hedging Funds (Effective portion)		(258.372)	(22.407)	(280.779)	(253.262)	(25.368)	(278.630)
16.2.9 Value Increase of Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.348.974	-	1.348.974	1.348.974	-	1.348.974
16.3 Profit Reserves		21.175.592	-	21.175.592	18.675.645	-	18.675.645
16.3.1 Legal Reserves		1.386.657	-	1.386.657	1.336.311	-	1.336.311
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		19.199.849	-	19.199.849	16.772.396	-	16.772.396
16.3.4 Other Profit Reserves		589.086	-	589.086	566.938	-	566.938
16.4 Income or (Loss)		1.616.487	-	1.616.487	3.632.190	-	3.632.190
16.4.1 Prior Periods' Income or (Loss)		545.745	-	545.745	402.833	-	402.833
16.4.2 Current Period Income or (Loss)		1.070.742	-	1.070.742	3.229.357	-	3.229.357
16.5 Minority Interest		122	-	122	119	-	119
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		126.078.439	133.096.229	259.174.668	116.209.391	136.257.789	252.467.180

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

AKBANK T.A.Ş.
II. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2016

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

INCOME AND EXPENSE ITEMS		Note (Section Five)	CURRENT PERIOD (01/01-31/03/2016)	PRIOR PERIOD (01/01-31/03/2015)
I.	INTEREST INCOME	(III-a)	4.592.213	3.742.141
1.1	Interest on Loans	(III-a-1)	3.487.256	2.862.491
1.2	Interest on Reserve Requirements		47.956	2.856
1.3	Interest on Banks	(III-a-2)	22.867	11.689
1.4	Interest on Money Market Transactions		83	55.503
1.5	Interest on Marketable Securities Portfolio	(III-a-3)	947.825	731.202
1.5.1	Trading Financial Assets		3.015	1.749
1.5.2	Financial Assets at Fair Value Through Profit or Loss		166	-
1.5.3	Available-for-sale Financial Assets		747.673	552.210
1.5.4	Held- to- maturity Investments		196.971	177.243
1.6	Financial Lease Income		75.088	70.596
1.7	Other Interest Income		11.138	7.804
II.	INTEREST EXPENSE	(III-b)	2.532.963	1.872.544
2.1	Interest on Deposits	(III-b-4)	1.912.467	1.407.121
2.2	Interest on Funds Borrowed	(III-b-1)	127.759	91.288
2.3	Interest Expense on Money Market Transactions		277.685	194.212
2.4	Interest on Securities Issued	(III-b-3)	198.555	168.487
2.5	Other Interest Expenses		16.497	11.436
III.	NET INTEREST INCOME (I - II)		2.059.250	1.869.597
IV.	NET FEES AND COMMISSIONS INCOME		632.052	538.828
4.1	Fees and Commissions Received		744.304	640.649
4.1.1	Non-cash Loans		51.128	40.686
4.1.2	Other		693.176	599.963
4.2	Fees and Commissions Paid		112.252	101.821
4.2.1	Non-cash Loans		92	955
4.2.2	Other		112.160	100.866
V.	DIVIDEND INCOME		656	1.755
VI.	TRADING INCOME/(LOSS) (Net)	(III-c)	39.424	83.330
6.1	Trading Gains / (Losses) on Securities		31.134	166.828
6.2	Gains / (Losses) on Derivative Financial Transactions		[111.956]	145.784
6.3	Foreign Exchange Gains / (Losses)		120.246	[229.282]
VII.	OTHER OPERATING INCOME	(III-d)	294.351	271.931
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		3.025.733	2.765.441
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(III-e)	611.436	674.728
X.	OTHER OPERATING EXPENSES (-)	(III-f)	1.055.762	1.072.929
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1.358.535	1.017.784
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)		1.358.535	1.017.784
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(III-h)	287.790	232.606
16.1	Current Tax Provision		272.666	171.665
16.2	Deferred Tax Provision		15.124	60.941
XVII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		1.070.745	785.178
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-i)	1.070.745	785.178
23.1	Income/(Loss) from the Group		1.070.742	785.175
23.2	Income/(Loss) from Minority Interest	(III-g)	3	3
	Earning/(Loss) per share (in TL full)		0,00268	0,00196

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

AKBANK T.A.Ş.
III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 MARCH 2016

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

	Note (Section Five)	CURRENT PERIOD (31/03/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		102.228.183	239.477.917	341.706.100	97.206.807	228.649.384	325.856.191
I. GUARANTEES AND WARRANTIES	(IV-2, 3)	13.410.612	18.410.399	31.821.011	13.762.954	18.593.766	32.356.720
1.1 Letters of Guarantee		11.647.117	10.209.078	21.856.195	11.863.179	10.688.085	22.551.264
1.1.1 Guarantees Subject to State Tender Law		363.804	1.799.580	2.163.384	489.460	1.799.894	2.289.354
1.1.2 Guarantees Given for Foreign Trade Operations		-	3.615.469	3.615.469	-	4.121.220	4.121.220
1.1.3 Other Letters of Guarantee		11.283.313	4.794.029	16.077.342	11.373.719	4.766.971	16.140.690
1.2 Bank Acceptances		-	1.943.907	1.943.907	-	933.230	933.230
1.2.1 Import Letter of Acceptance		-	1.943.907	1.943.907	-	933.230	933.230
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		396	4.520.019	4.520.415	396	5.358.740	5.359.136
1.3.1 Documentary Letters of Credit		396	4.085.143	4.085.539	396	4.846.143	4.846.539
1.3.2 Other Letters of Credit		-	434.876	434.876	-	512.597	512.597
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		-	18.671	18.671	-	22.866	22.866
1.8 Other Guarantees		56.379	1.704.192	1.760.571	115.520	1.577.180	1.692.700
1.9 Other Collaterals		1.706.720	14.532	1.721.252	1.783.859	13.665	1.797.524
II. COMMITMENTS	(IV-1)	38.909.114	12.455.405	51.364.519	35.121.865	7.466.643	42.588.488
2.1 Irrevocable Commitments		38.414.619	12.264.472	50.679.091	34.577.080	7.298.052	41.875.132
2.1.1 Asset Purchase Commitments		5.259.549	8.589.055	13.848.604	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		6.016.203	3.674.483	9.690.686	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		6.111.310	-	6.111.310	5.764.751	-	5.764.751
2.1.8 Tax and Fund Liabilities from Export Commitments		3.066	-	3.066	2.956	-	2.956
2.1.9 Commitments for Credit Card Limits		17.767.667	-	17.767.667	17.672.898	-	17.672.898
2.1.10 Commitments for Credit Cards and Banking Services Promotions		105.229	-	105.229	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		3.151.595	934	3.152.529	3.207.367	1.008	3.208.375
2.2 Revocable Commitments		494.495	190.933	685.428	544.765	168.591	713.356
2.2.1 Revocable Loan Granting Commitments		471.234	-	471.234	505.135	-	505.135
2.2.2 Other Revocable Commitments		23.261	190.933	214.194	39.630	168.591	208.221
III. DERIVATIVE FINANCIAL INSTRUMENTS		49.908.457	208.612.113	258.520.570	48.322.008	202.588.975	250.910.983
3.1 Hedging Derivative Financial Instruments		1.228.638	15.598.043	16.826.681	1.228.638	11.575.795	12.804.433
3.1.1 Fair Value Hedges		1.228.638	12.756.747	13.985.385	1.228.638	11.298.317	12.526.955
3.1.2 Cash Flow Hedges		-	2.841.296	2.841.296	-	277.478	277.478
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		48.679.819	193.014.070	241.693.889	47.093.370	191.013.180	238.106.550
3.2.1 Forward Foreign Currency Buy/Sell Transactions		7.167.618	11.777.312	18.944.930	6.129.024	8.981.501	15.110.525
3.2.1.1 Forward Foreign Currency Transactions-Buy		3.585.339	5.872.797	9.458.136	2.647.607	4.857.383	7.504.990
3.2.1.2 Forward Foreign Currency Transactions-Sell		3.582.279	5.904.515	9.486.794	3.481.417	4.124.118	7.605.535
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		30.849.083	114.673.027	145.522.110	29.861.447	112.566.425	142.427.872
3.2.2.1 Foreign Currency Swap-Buy		14.391.417	31.584.973	45.976.390	11.458.152	31.255.612	42.713.764
3.2.2.2 Foreign Currency Swap-Sell		13.027.466	28.061.202	41.088.668	15.583.295	23.734.909	39.318.204
3.2.2.3 Interest Rate Swap-Buy		1.715.100	27.513.426	29.228.526	1.410.000	28.787.952	30.197.952
3.2.2.4 Interest Rate Swap-Sell		1.715.100	27.513.426	29.228.526	1.410.000	28.787.952	30.197.952
3.2.3 Foreign Currency, Interest Rate and Securities Options		10.027.907	55.212.680	65.240.587	10.274.802	58.882.918	69.157.720
3.2.3.1 Foreign Currency Options-Buy		4.953.066	6.692.542	11.645.608	4.938.312	7.023.471	11.961.783
3.2.3.2 Foreign Currency Options-Sell		5.074.841	6.699.430	11.774.271	5.336.490	6.753.791	12.090.281
3.2.3.3 Interest Rate Options-Buy		-	20.910.354	20.910.354	-	22.552.828	22.552.828
3.2.3.4 Interest Rate Options-Sell		-	20.910.354	20.910.354	-	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		635.211	11.351.051	11.986.262	828.097	10.582.336	11.410.433
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		643.191.151	159.562.629	802.753.780	623.498.370	160.734.015	784.232.385
IV. ITEMS HELD IN CUSTODY		38.685.709	10.709.313	49.395.022	38.949.600	11.806.667	50.756.267
4.1 Customer Fund and Portfolio Balances		2.861.462	-	2.861.462	2.820.657	-	2.820.657
4.2 Investment Securities Held in Custody		16.030.761	810.161	16.840.922	17.319.495	818.636	18.138.131
4.3 Cheques Received for Collection		15.660.580	857.252	16.517.832	14.928.116	876.770	15.804.886
4.4 Commercial Notes Received for Collection		3.646.686	1.295.328	4.942.014	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		486.220	7.746.572	8.232.792	485.753	8.656.630	9.142.383
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		210.735.937	53.301.044	264.036.981	201.769.401	49.562.840	251.332.241
5.1 Marketable Securities		97.534.150	431.523	97.965.673	93.300.273	443.023	93.743.296
5.2 Guarantee Notes		741.453	536.300	1.277.753	764.035	596.171	1.360.206
5.3 Commodity		70.028	26.208	96.236	63.620	37.493	101.113
5.4 Warrant		277	-	277	277	-	277
5.5 Immovables		82.570.955	39.179.280	121.750.235	78.618.442	36.241.798	114.860.240
5.6 Other Pledged Items		29.815.949	13.108.084	42.924.033	29.019.718	12.223.598	41.243.316
5.7 Pledged Items-Depository		3.125	19.649	22.774	3.036	20.757	23.793
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		393.769.505	95.552.272	489.321.777	382.779.369	99.364.508	482.143.877
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		745.419.334	399.040.546	1.144.459.880	720.705.177	389.383.399	1.110.088.576

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

AKBANK T.A.Ş.**IV. CONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2016**

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

INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (31/03/2016)	PRIOR PERIOD (31/03/2015)
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE- FOR- SALE FINANCIAL ASSETS	506.721	(427.885)
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. TRANSLATION DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	13.502	(5.466)
V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of Fair Value Changes)	6.018	861
VI. PROFIT/LOSS FROM FOREIGN NET INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion) (*)	(8.704)	4.334
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	(100.807)	84.538
X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	416.730	(343.618)
XI. CURRENT PERIOD INCOME / LOSS	1.070.745	785.178
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	90.909	162.879
11.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	[4.843]	[2.313]
11.3 Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	984.679	624.612
XII. TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI)	1.487.475	441.560

(*) Figure represents the effective part of the foreign exchange differences of the financial liabilities hedging the net investment risk of foreign investments as explained in Note II of Section Three.

İlişikteki açıklama ve dipnotlar bu finansal tabloların tamamlayıcı bir parçasıdır.

AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 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 Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD																			
(31/03/2015)																			
I.	Beginning Balance	4.000.000	1.405.892	1.700.000	-	1.295.468	-	14.150.654	399.725	3.378.639	260.884	(270.179)	47.106	3.895	(232.140)	-	26.139.944	100	26.140.044
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	-	1.295.468	-	14.150.654	399.725	3.378.639	(270.179)	47.106	3.895	(232.140)	-	26.139.944	100	26.140.044
Changes in the period																			
IV.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	(342.308)	-	-	-	-	(342.308)	-	(342.308)
VI.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	4.156	-	4.156	-	4.156
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	689	-	689	-	689
6.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	3.467	-	3.467	-	3.467
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	-	-	-	-	-	-	-	(5.466)	-	-	-	-	-	-	-	(5.466)	-	(5.466)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	785.175	-	-	-	-	-	-	785.175	3	785.178
XX.	Profit distribution	-	-	-	-	40.843	-	2.621.742	4.505	(3.378.639)	141.949	-	-	-	-	-	(569.600)	-	(569.600)
20.1	Dividends paid	-	-	-	-	-	-	-	-	(569.600)	-	-	-	-	-	-	(569.600)	-	(569.600)
20.2	Transfers to Reserves	-	-	-	-	40.843	-	2.621.742	4.505	(2.809.039)	141.949	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (III+IV+V+...+XVIII+XIX+XX)		4.000.000	1.405.892	1.700.000	-	1.336.311	-	16.772.396	398.764	785.175	402.833	(612.487)	47.106	3.895	(227.984)	-	26.011.901	103	26.012.004
CURRENT PERIOD																			
(31/03/2016)																			
I.	Prior Period End Balance	4.000.000	1.405.892	1.700.000	-	1.336.311	-	16.772.396	510.020	3.229.357	402.833	(1.114.408)	47.106	3.895	(278.630)	-	28.014.772	119	28.014.891
Changes in the period																			
II.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	405.377	-	-	-	-	405.377	-	405.377
IV.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.149)	-	(2.149)	-	(2.149)
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	4.814	-	4.814	-	4.814
4.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.963)	-	(6.963)	-	(6.963)
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 (**)	-	-	-	-	-	-	-	13.502	-	-	-	-	-	-	-	13.502	-	13.502
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)	-	-	-	-	-	-	-	-	1.070.742	-	-	-	-	-	-	1.070.742	3	1.070.745
XVIII.	Profit distribution	-	-	-	-	50.346	-	2.427.453	8.646	(3.229.357)	142.912	-	-	-	-	-	(600.000)	-	(600.000)
18.1	Dividends paid	-	-	-	-	-	-	-	-	(600.000)	-	-	-	-	-	-	(600.000)	-	(600.000)
18.2	Transfers to Reserves	-	-	-	-	50.346	-	2.427.453	8.646	(2.629.357)	142.912	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (I+II+III+...+XVI+XVII+XVIII)		4.000.000	1.405.892	1.700.000	-	1.386.657	-	19.199.849	532.168	1.070.742	545.745	(709.031)	47.106	3.895	(280.779)	-	28.902.244	122	28.902.366

(*) 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. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2016**

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

	Note (Section Five)	CURRENT PERIOD (31/03/2016)	PRIOR PERIOD (31/03/2015)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities	795.980	953.858
1.1.1	Interest received	4.516.811	3.676.923
1.1.2	Interest paid	(2.483.394)	(1.823.382)
1.1.3	Dividend received	656	1.755
1.1.4	Fees and commissions received	720.269	607.475
1.1.5	Other income	(727.792)	974.405
1.1.6	Collections from previously written-off loans and other receivables	178.273	176.753
1.1.7	Payments to personnel and service suppliers	(934.729)	(955.910)
1.1.8	Taxes paid	(563.084)	(392.986)
1.1.9	Other	88.970	(1.311.175)
1.2	Changes in operating assets and liabilities	(2.846.898)	(801.579)
1.2.1	Net decrease in trading securities	(19.597)	(27.917)
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	1.209.666	(562.269)
1.2.4	Net (increase) / decrease in loans	(1.182.135)	(5.103.072)
1.2.5	Net (increase) / decrease in other assets	(7.721.583)	(4.338.866)
1.2.6	Net increase / (decrease) in bank deposits	(9.556)	1.802.277
1.2.7	Net increase / (decrease) in other deposits	1.285.508	5.399.294
1.2.8	Net increase / (decrease) in funds borrowed	1.379.803	1.335.613
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	2.210.996	693.361
I.	Net cash provided from banking operations	(2.050.918)	152.279
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	65.989	132.523
2.1	Cash paid for acquisition of investments, associates and subsidiaries	-	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries	-	-
2.3	Purchases of property and equipment	(30.351)	(45.489)
2.4	Disposals of property and equipment	3.262	3.587
2.5	Cash paid for purchase of investments available-for-sale	(10.055.993)	(11.802.530)
2.6	Cash obtained from sale of investments available-for-sale	10.103.395	11.527.378
2.7	Cash paid for purchase of investment securities	-	(189)
2.8	Cash obtained from sale of investment securities	1.972	433.408
2.9	Other	43.704	16.358
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	(216.008)	3.675.996
3.1	Cash obtained from funds borrowed and securities issued	1.789.812	6.271.254
3.2	Cash used for repayment of funds borrowed and securities issued	(1.746.504)	(2.349.078)
3.3	Issued equity instruments	-	-
3.4	Dividends paid	(259.316)	(246.180)
3.5	Payments for finance leases	-	-
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(76.925)	285.977
V.	Net increase in cash and cash equivalents (I+II+III+IV)	(2.277.862)	4.246.775
VI.	Cash and cash equivalents at beginning of the period	(VI) 7.109.441	5.345.529
VII.	Cash and cash equivalents at end of the period	(VI) 4.831.579	9.592.304

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 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 consolidated 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 consolidated 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 consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements"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 consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

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

The amendments of TAS and TFRS which have entered into force as of 1 January 2016 have no material impact on the Group'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 Group. The Group 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 consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

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

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

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

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

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

As of 31 March 2016, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,7900, TL 3,1694 and TL 2,4767 for USD, EURO and Yen respectively.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

Consolidated financial statements are prepared in accordance with the "Turkish Financial Reporting Standard for Consolidated Financial Statements" ("TFRS 10") and "Communiqué on Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette no.26340 dated 8 November 2006.

Consolidation principles for subsidiaries:

Subsidiaries are the entities controlled directly or indirectly by the Bank.

Subsidiaries are consolidated using the full consolidation method. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items. The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group and presented separately in the Group's income. Minority interests are presented in the consolidated balance sheet, in the shareholders' equity.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

The Parent Bank and its subsidiaries, Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetimi A.Ş., Akbank AG, Ak Finansal Kiralama A.Ş., Akbank (Dubai) Limited and together with A.R.T.S. Ltd., which is not subsidiary of the Bank, but the Bank has 100% control power due to the reason that this company is "Structured Entity", has been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group" in these consolidated financial statements.

Ak Yatırım Menkul Değerler A.Ş. was established on 11 December 1996 to trade in capital markets in accordance with Capital Market Law. This company is delivering intermediary services in capital markets, discretionary portfolio management, derivative transactions, repurchase and reverse repurchase agreements with authorizations given by the Capital Markets Board for each transaction.

Ak Finansal Kiralama A.Ş. was established in 1988 for leasing operations and all kinds of agreements and transactions related to these operations.

Ak Portföy Yönetimi A.Ş. was established on 28 June 2000 in order to manage A and B type mutual funds of Akbank T.A.Ş., B Type variable fund of Ak Yatırım Menkul Değerler A.Ş. and pension funds of AvivaSa Emeklilik and Hayat A.Ş. and Groupama. Portfolios of retail customers are also managed.

Based on restructuring of Bank's foreign subsidiaries, Akbank NV and Akbank AG have merged in Akbank AG with the discontinuation of activities of Akbank N.V effective from 15 June 2012. Akbank AG operates in Germany, providing corporate and retail banking services.

Akbank (Dubai) Limited was established in December 2009 in Dubai International Finance Center (DIFC) to serve delivering intermediary services on acquisition and mergers, consultancy about financial instruments, intermediary services on loan and investment instruments.

A.R.T.S. Ltd. is a "Structured Entity" which was established in November 1999 for the purpose of supplying long term financing. Ak Receivables Corporation which was established in July 1998 for the similar purposes has been liquidated on March 1, 2016 due to the termination of financing program provided.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:

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

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

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

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Trading derivative financial assets" or "Hedging derivative financial assets"; if the fair value difference is negative, it is recorded to "Trading derivative financial liabilities" or "Hedging derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The 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 IAS 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 CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 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 Group ceases accruing interest income on non-performing loans and reverses any interest income accrued from such loans. No income is accounted until the collection is made according to the related regulation.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

Trading financial assets are financial assets which are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aimed at short-term profit making.

All regular way purchases and sales of trading financial assets are recognized at the settlement date, which is the date that the asset is delivered to/from the Bank. Trading financial assets are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. Interest earned while holding trading financial assets is accounted as interest income and dividends received are included separately in dividend income.

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

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

b. Financial assets available-for-sale:

Financial assets available-for-sale 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 CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 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 Group provides general and specific provisions for these loans and receivables in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" and with the scope of IAS, published in the Official Gazette dated 1 November 2006, no. 26333. If a receivable is collected which is provisioned in the same year, it is deducted from the "Special Provisions for 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 Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

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

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

The Group has no securities lending transactions.

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

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 Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Group has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. 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 any impairment in value of the leased asset, an impairment loss is recognized. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

The Group performs financial leasing operations as a "Lessor" through Ak Finansal Kiralama A.Ş. which is a consolidated subsidiary. The asset subject to the financial leasing is presented in the balance sheet as receivable equal to the net leasing amount. Interest income is recognized over the term of the lease using the net investment method which reflects a constant periodic rate of return and the unearned portion is followed under unearned interest income account.

The Group provides specific provisions for financial lease receivables in accordance with the "Communiqué Regarding the Principles and Procedures for the Provisions Provided for Receivables by Financial Leasing, Factoring and Finance Companies" published in Official Gazette no. 28861, dated 23 December 2013. The Group provides general provisions for non-impaired financial lease receivables.

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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 in the Group, the asset and the related income are recognized in the financial statements in which the change occurs.

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XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

b. Retirement rights:

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

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

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

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

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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.

The consolidated affiliates do not have the above mentioned retirement benefit plans for their employees. The retirement related benefits of the employees of the consolidated affiliates are subject to the Social Security Institution and other defined contribution plans.

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

Turkish Tax Legislation does not permit a parent bank and its subsidiaries to file a consolidated tax return. Therefore, a provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

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

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

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

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

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

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

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

Information on taxation in foreign associates are given below:

Akbank AG (Germany)

German-resident corporations (i.e. corporations with legal or business centers located in Germany) are subject to corporate taxation in Germany over their total income. Regardless of any profit distribution corporate tax is levied at 15% over total income. Effective corporate tax rate is 15,825% since an additional solidarity tax of 5,5% is applied over the calculated corporate tax. In addition to that, trade income tax at an approximate rate of 16% is levied by the local city governance. Accordingly, the total tax burden including all types of tax (corporate tax, solidarity tax and trade income tax) is approximately 32%.

Akbank (Dubai) Limited (United Arab Emirates)

Akbank Dubai, operating in Dubai International Finance Center, is not subject to taxes according to the legislations of this country.

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b. Deferred tax:

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

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

According to TAS 12, deferred taxes and liabilities resulting from different subsidiaries subject to consolidation are not presented as net; rather they are presented separately as assets and liabilities in the financial statements.

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

XIX. EXPLANATIONS ON BORROWINGS:

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 Group. 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.

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 March 2016 and 31 December 2015, there is no government grant for the Group.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

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

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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	Prior Period
	31 March 2016	31 March 2016
Net Profit for the Year	1.070.742	785.175
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00268	0,00196

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.

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

In order to be consistent with the presentation of financial statements dated 31 March 2016, there are certain reclassifications made on income statement and cash flow statement of 31 March 2015.

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

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 31 March 2016 Group's total capital has been calculated as 31.107.057 TL, capital adequacy ratio is % 14,60. As of 31 December 2015, Group's total capital amounted to 30.410.851 TL, Capital adequacy ratio was % 14,46 calculated pursuant to former regulations. This ratio is well above the minimum ratio required by the legislation.

a. Information about Consolidated Total Capital:

	Current Period 31 March 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	21.175.592	
Gains recognized in equity as per TAS	47.106	
Profit	1.616.487	
Current Period Profit	1.070.742	
Prior Period Profit	545.745	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	3.895	
Minorities' Share	122	
Common Equity Tier 1 Capital Before Deductions	29.949.094	
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	19.151	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	990.917	
Improvement costs for operating leasing	33.172	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	119.695	199.492
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	1.162.935	
Total Common Equity Tier 1 Capital	28.786.159	

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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	Current Period 31 March 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)	-	-
Third parties' share in the Additional Tier I capital	-	-
Third parties' share in the Additional Tier I capital [Temporary Article 3]	-	-
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 (-)	79.797	-
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)	28.706.362	
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)	-	-
Third parties' share in the Tier II Capital	-	-
Third parties' share in the Tier II Capital [Temporary Article 3]	-	-
Provisions [Article 8 of the Regulation on the Equity of Banks]	2.417.925	-
Tier II Capital Before Deductions	2.417.925	
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	2.417.925	
Total Capital (The sum of Tier I Capital and Tier II Capital)	31.124.287	
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	20	-
Other items to be defined by the BRSA (-)	17.210	-
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 31 March 2016	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital	31.107.057	
Total risk weighted amounts	213.013.002	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	13,51%	
Tier 1 Capital Adequacy Ratio	13,48%	
Capital Adequacy Ratio	14,60%	
BUFFERS		
Total buffer requirement	0,64%	
Capital conservation buffer requirement	0,63%	
Bank specific counter-cyclical buffer requirement	0,01%	
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	5,51%	
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 deferred tax assets based on temporary differences	-	
Limits related to provisions considered in Tier II calculation	255.617	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	2.595.062	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.417.925	
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	18.675.645
Gains recognized in equity as per TAS	47.106
Profit	3.632.190
Current Period Profit	3.229.357
Prior Period Profit	402.833
Provisions for Possible Risks	200.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	3.895
Minorities' Share	116
Common Equity Before Deductions	29.664.847
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 (-)	1.389.331
Leasehold improvements (-)	36.670
Goodwill or other intangible assets and deferred tax liability related to these items (-)	79.516
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	1.505.517
Total Common Equity Tier I Capital	28.159.330
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)	-
Third parties' share in the Tier II Capital	-
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 (-)	119.274
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	28.040.056

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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	2.391.050
Third parties' share in the Tier II Capital	-
Tier II Capital Before Deductions	2.391.050
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	2.391.050
CAPITAL BEFORE DEDUCTIONS	30.431.106
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	30.410.851
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	358.124

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

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

	USD	EURO	Yen
Balance Sheet Evaluation Rate	TL 2,7900	TL 3,1694	TL 2,4767
1.Day bid rate	TL 2,8334	TL 3,2081	TL 2,5175
2.Day bid rate	TL 2,8695	TL 3,2114	TL 2,5193
3.Day bid rate	TL 2,8733	TL 3,2082	TL 2,5251
4.Day bid rate	TL 2,8705	TL 3,2049	TL 2,5335
5.Day bid rate	TL 2,8789	TL 3,2141	TL 2,5477

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

USD	:TL 2,8968
EURO	:TL 3,2114
Yen	:TL 2,5603

As of 31 December 2015;

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

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

The table below summarizes the Group's exposure to foreign currency exchange rate risk, categorized by currency. Foreign currencies indexed assets, classified as Turkish Lira assets according to the Uniform Chart of Accounts are considered as foreign currency assets for the calculation of Net Foreign Currency Position. In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; trading derivative financial assets and liabilities, deferred tax assets and liabilities, prepaid expenses, general loan loss provision, hedging derivative financial assets and liabilities and shareholders' equity are excluded in the currency risk calculation. Therefore, there are differences between the amounts of foreign currency denominated assets and liabilities demonstrated on the table below and the amounts on the balance sheet. The Bank's real position, both in financial and economic terms, is presented in the table below:

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Current Period – 31 March 2016	EURO	USD	Other FC(*)	Total
Assets				
Cash Equivalents and Central Bank(***)	3.956.821	21.527.680	4.113.592	29.598.093
Banks	826.636	4.763.363	51.190	5.641.189
Financial Assets at Fair Value through Profit or Loss (Net)	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	3.336.734	19.787.577	-	23.124.311
Loans	27.196.930	35.594.959	61.666	62.853.555
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments (Net)	2.212.661	3.182.190	-	5.394.851
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	685	1.760	-	2.445
Intangible Assets (Net)	731	-	-	731
Other Assets	2.004.569	1.899.963	802	3.905.334
Total Assets	39.535.767	86.757.492	4.227.250	130.520.509
Liabilities				
Bank Deposits	1.183.473	9.259.503	586.566	11.029.542
Foreign Currency Deposits (***)	24.176.233	42.837.879	2.054.402	69.068.514
Funds from Interbank Money Market	977.995	15.724.983	-	16.702.978
Borrowings	9.032.549	15.767.219	1.083	24.800.851
Marketable Securities Issued (Net)	88.802	8.053.218	136.593	8.278.613
Miscellaneous Payables	697.499	414.374	3.761	1.115.634
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	130.999	73.829	4.682	209.510
Total Liabilities	36.287.550	92.131.005	2.787.087	131.205.642
Net on Balance Sheet Position	3.248.217	(5.373.513)	1.440.163	(685.133)
Net off-Balance Sheet Position (**)				
Net off-Balance Sheet Position (**)	(2.077.771)	4.891.985	(1.463.344)	1.350.870
Financial Derivative Assets	14.669.788	35.335.482	2.996.098	53.001.368
Financial Derivative Liabilities	16.747.559	30.443.497	4.459.442	51.650.498
Non-cash Loans	4.971.134	13.130.255	309.010	18.410.399
Prior Period – 31 December 2015				
Total Assets	38.606.527	84.885.534	3.813.504	127.305.565
Total Liabilities	36.260.877	95.199.089	3.130.013	134.589.979
Net on-Balance Sheet Position	2.345.650	(10.313.555)	683.491	(7.284.414)
Net off-Balance Sheet Position (**)	(1.060.502)	9.696.914	(711.580)	7.924.832
Financial Derivative Assets	11.691.940	35.565.987	2.383.944	49.641.871
Financial Derivative Liabilities	12.752.442	25.869.073	3.095.524	41.717.039
Non-cash Loans	5.540.104	12.755.039	298.623	18.593.766

(*) Of the "Other FC" total assets amounting to TL 4.227.250 (31 December 2015: TL 3.813.504), TL 45.875 is in British Pounds (31 December 2015: TL 48.078), and TL 18.316 is in Swiss Francs (31 December 2015: TL 25.397), 11.450 is in Japanese Yen (31 December 2015: TL 14.378). Of the total liabilities amounting to TL 2.787.087 (31 December 2015: TL 3.130.013) TL 1.297.824 is in British Pounds (31 December 2015: TL 1.525.121) and TL 271.606 is in Swiss Francs (31 December 2015: TL 287.999), TL 61.939 is in Japanese Yen (31 December 2015: TL 43.054).

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

(***) Of the Cash Equivalents and Central Bank TL 4.065.968 (31 December 2015: TL 3.663.362) and of the foreign currency deposits TL 693.333 (31 December 2015: TL 777.277) are 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 EMRC sets limits for the interest rate sensitivity of on and off-balance sheet items and the sensitivity is closely monitored and reported weekly. In the case of high market fluctuations, daily transaction based reporting and analyses are made.

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

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

Current Period – 31 March 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	22.806.245	-	-	-	-	9.192.478	31.998.723
Banks	2.556.939	238.132	-	-	-	3.409.485	6.204.556
Financial Assets at Fair Value Through Profit or Loss (Net)	289.771	1.425.018	1.325.829	273.562	164.820	64.353	3.543.353
Interbank Money Market Placements	104	-	-	-	-	-	104
Available-for-sale Financial Assets (Net)	4.386.502	4.279.862	7.728.346	19.344.339	7.755.554	321.873	43.816.476
Loans	42.798.553	26.961.370	40.140.655	38.516.409	6.140.563	147.030	154.704.580
Held-to-maturity Investments (Net)	504.381	548.912	2.815.184	6.755.256	-	-	10.623.733
Other Assets	671.028	968.614	1.653.964	1.740.586	325.785	2.923.166	8.283.143
Total Assets	74.013.523	34.421.908	53.663.978	66.630.152	14.386.722	16.058.385	259.174.668
Liabilities							
Bank Deposits	7.449.465	3.757.283	1.218.240	-	-	485.162	12.910.150
Other Deposits	83.490.557	14.614.115	12.733.042	2.162.552	342.650	24.535.304	137.878.220
Funds from Interbank Money Market	12.359.095	1.387.728	1.127.849	11.828.992	2.111.211	-	28.814.875
Miscellaneous Payables	262.309	197.195	274.058	89.032	43.544	4.385.619	5.251.757
Marketable Securities Issued (Net)	1.236.779	1.042.027	1.234.330	6.222.231	2.682.741	-	12.418.108
Borrowings	2.343.571	17.044.411	4.890.611	753.318	211.680	-	25.243.591
Other Liabilities (*)	513.997	747.127	926.435	341.472	108.595	34.020.341	36.657.967
Total Liabilities	107.655.773	38.789.886	22.404.565	21.397.597	5.500.421	63.426.426	259.174.668
Balance Sheet Long Position	-	-	31.259.413	45.232.555	8.886.301	-	85.378.269
Balance Sheet Short Position	(33.642.250)	(4.367.978)	-	-	-	(47.368.041)	(85.378.269)
Off-balance Sheet Long Position	23.493	2.435.490	3.029.566	-	-	-	5.488.549
Off-balance Sheet Short Position	-	-	-	(2.703.600)	(876.055)	-	(3.579.655)
Total Position	(33.618.757)	(1.932.488)	34.288.979	42.528.955	8.010.246	(47.368.041)	1.908.894

(*) 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	-	-	-	-	5.874.029	25.473.439
Banks	4.001.869	221.525	-	-	-	4.591.769	8.815.163
Financial Assets at Fair Value Through Profit or Loss (Net)	161.639	1.370.672	779.958	192.113	216.798	16.490	2.737.670
Interbank Money Market Placements	98	-	-	-	-	-	98
Available-for-sale Financial Assets (Net)	3.027.883	3.772.412	8.434.421	20.027.889	7.722.413	399.422	43.384.440
Loans	38.680.211	23.311.515	47.377.144	38.271.874	5.678.439	147.313	153.466.496
Held-to-maturity Investments (Net)	2.129.916	538.768	1.146.641	6.873.115	-	-	10.688.440
Other Assets	1.313.094	1.164.992	802.088	1.668.782	359.191	2.593.287	7.901.434
Total Assets	68.914.120	30.379.884	58.540.252	67.033.773	13.976.841	13.622.310	252.467.180
Liabilities							
Bank Deposits	7.555.987	4.837.964	267.238	-	-	256.697	12.917.886
Other Deposits	83.384.520	18.655.798	10.386.797	2.656.181	323.741	21.145.895	136.552.932
Funds from Interbank Money Market	9.126.813	1.716.681	867.723	10.328.904	2.209.118	-	24.249.239
Miscellaneous Payables	248.647	125.858	245.043	75.900	96.075	4.051.894	4.843.417
Marketable Securities Issued (Net)	257.468	1.461.110	1.473.515	6.489.944	2.728.752	-	12.410.789
Borrowings	2.761.728	18.122.250	4.345.062	724.989	222.846	-	26.176.875
Other Liabilities (*)	395.911	511.549	623.125	290.189	198.837	33.296.431	35.316.042
Total Liabilities	103.731.074	45.431.210	18.208.503	20.566.107	5.779.369	58.750.917	252.467.180
Balance Sheet Long Position	-	-	40.331.749	46.467.666	8.197.472	-	94.996.887
Balance Sheet Short Position	(34.816.954)	(15.051.326)	-	-	-	(45.128.607)	(94.996.887)
Off-balance Sheet Long Position	1.059.384	5.965.675	4.161.014	-	-	-	11.186.073
Off-balance Sheet Short Position	-	-	-	(5.180.675)	(4.240.072)	-	(9.420.747)
Total Position	(33.757.570)	(9.085.651)	44.492.763	41.286.991	3.957.400	(45.128.607)	1.765.326

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

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

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

Current Period - 31 March 2016	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	0,49	-	5,90
Banks	1,34	0,49	-	12,89
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	14,08
Interbank Money Market Placements	-	-	-	12,00
Available-for-sale Financial Assets (Net)	2,54	3,84	-	9,66
Loans	3,68	4,45	3,68	13,18
Held-to-maturity Investments (Net)	3,69	3,83	-	9,71
Liabilities				
Bank Deposits	0,39	1,18	-	10,85
Other Deposits	1,05	1,69	0,06	9,48
Funds from Interbank Money Market	1,07	1,70	-	8,67
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	1,58	4,69	-	10,38
Borrowings	0,93	2,13	-	8,01

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Prior Period – 31 December 2015	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	0,49	-	5,81
Banks	0,47	0,48	-	10,86
Financial Assets at Fair Value Through Profit or Loss (Net)	3,26	-	-	13,12
Interbank Money Market Placements	-	-	-	9,37
Available-for-sale Financial Assets (Net)	2,46	3,80	-	9,68
Loans	3,56	4,35	3,36	12,93
Held-to-maturity Investments (Net)	3,69	3,83	-	9,71
Liabilities				
Bank Deposits	0,51	1,02	-	9,53
Other Deposits	1,12	1,94	0,06	9,10
Funds from Interbank Money Market	0,05	1,50	-	7,69
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	1,57	4,48	-	10,02
Borrowings	1,06	1,86	-	8,00

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 its liabilities even in cases of stress, resulting from the market conditions or other conditions specific to the Bank.

The Bank has a high risk capacity 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 reports prepared to be discussed in Executive Risk Committee and ALCO meetings, stress tests, scenario analyses, risk limit compliance reports and legal liquidity reports.

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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 of subsidiaries in liquidity stress scenarios should not exceed the defined limits.

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 deposits, share of borrowings made from the market in total market volume are monitored and limited with the applied risk limits. Treasury 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 deposits.

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- 31.03.2016		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			39.915.523	28.660.490
CASH OUTFLOWS					
2	Retail and Customers Deposits	87.616.847	36.772.343	7.318.637	3.350.616
3	Stable deposits	24.304.100	6.532.367	1.202.248	326.618
4	Less stable deposits	63.312.747	30.239.977	6.116.389	3.023.998
	Unsecured Funding other than Retail and Small Business				
5	Customers Deposits	54.226.490	32.692.177	28.620.359	18.316.708
6	Operational deposits	3.883.535	1.390.057	970.884	347.514
7	Non-Operational Deposits	47.050.288	30.835.970	25.288.900	17.503.044
8	Other Unsecured Funding	3.292.667	466.150	2.360.575	466.150
9	Secured funding	-	-	21.813	21.813
10	Other Cash Outflows	24.116.495	16.121.102	22.363.725	14.544.606
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	22.170.878	14.370.209	22.170.878	14.370.209
12	Debts related to the structured financial products	-	-	-	-
	Commitment related to debts to financial markets				
13	and other off balance sheet liabilities	1.945.617	1.750.893	192.847	174.397
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	449.880	-	22.494	-
15	Other irrevocable or conditionally revocable commitments	46.163.613	11.919.173	2.308.180	595.958
16	TOTAL CASH OUTFLOWS	-	-	60.883.051	36.965.579
CASH INFLOWS					
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	14.147.647	6.302.462	9.229.695	5.086.479
19	Other contractual cash inflows	20.477.414	17.951.743	20.476.964	17.951.464
20	TOTAL CASH INFLOWS	34.625.061	24.254.205	29.706.659	23.037.943
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			39.915.523	28.660.490
22	TOTAL NET CASH OUTFLOWS			31.176.392	13.927.636
23	Liquidity Coverage Ratio (%)			128,13	214,76

(*)Simple arithmetic average calculated for the last three months of values calculated by taking the simple arithmetic average was used for calculating the average in last days of the related last three months

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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		40.208.564	28.575.791
CASH OUTFLOWS				
2	Retail and Customers Deposits		85.208.857	36.772.343
3	Stable deposits		24.044.967	6.532.367
4	Less stable deposits		61.163.890	30.239.977
	Unsecured Funding other than Retail and Small Business			
5	Customers Deposits		51.313.589	32.992.218
6	Operational deposits		3.594.333	1.348.712
7	Non-Operational Deposits		45.116.389	30.780.807
8	Other Unsecured Funding		2.602.867	862.699
9	Secured funding			76.445
10	Other Cash Outflows		22.328.218	14.385.247
	Liquidity needs related to derivatives and market valuation changes on derivatives transactions			
11			20.240.581	12.497.597
12	Debts related to the structured financial products		-	-
	Commitment related to debts to financial markets and other off balance sheet liabilities			
13			2.087.637	1.887.650
	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments			
14			513.147	-
15	Other irrevocable or conditionally revocable commitments		47.384.793	12.505.733
16	TOTAL CASH OUTFLOWS		57.106.129	35.207.988
CASH INFLOWS				
17	Secured Lending Transactions		-	-
18	Unsecured Lending Transactions		15.290.277	7.301.889
19	Other contractual cash inflows		18.723.880	15.588.966
20	TOTAL CASH INFLOWS		34.014.157	22.890.855
			Upper limit applied amounts	
21	TOTAL HQLA STOCK		40.208.564	28.575.791
22	TOTAL NET CASH OUTFLOWS		27.925.186	13.481.523
23	Liquidity Coverage Ratio (%)		144,64	214,80

(*)Simple arithmetic average calculated for the last three months of values calculated by taking the simple arithmetic average was used for calculating the average in last days of the related last three months

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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 56% and securities issued by Treasury of Republic of Turkey by 41%. Funding sources are mainly distributed between individual and retail deposits by 58%, corporate deposits by 26%, borrowings from banks by 6% and collateralized borrowings such as repurchase agreements by 6%.

Cash outflow amounting to TL 1.318 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.

Akbank Ag, part of the consolidation group and has an effect on liquidity coverage ratio in respect of its size, is subject to legal liquidity ratio projected by regulatory authority situated in its business location. In respect of its long term deposit insurance and borrowing structure which is hard to withdraw before maturity because of legal regulations, consolidated liquidity coverage ratio is higher than unconsolidated ratio.

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

	Current Period - 31.03.2016	
	TL+FC	FC
January	128,46	277,23
February	121,43	178,33
March	134,49	188,72

	Prior Period - 31.12.2015	
	TP+YP	YP
October	155,95	239,12
November	137,50	184,31
December	140,46	220,97

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 March 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	9.784.911	22.165.504	48.308	-	-	-	-	31.998.723
Banks	3.409.485	2.541.782	250.260	3.029	-	-	-	6.204.556
Financial Assets at Fair Value Through Profit or Loss (Net)	64.353	118.255	126.822	1.104.617	825.963	1.303.343	-	3.543.353
Interbank Money Market Placements	-	104	-	-	-	-	-	104
Available-for-sale Financial Assets (Net)	321.873	8.995	330.917	912.143	25.616.855	16.625.693	-	43.816.476
Loans	-	19.527.702	25.285.863	34.521.428	53.676.000	21.546.557	147.030	154.704.580
Held-to-maturity Investments (Net)	-	-	-	114.160	7.259.637	3.249.936	-	10.623.733
Other Assets	829.040	835.755	217.830	1.007.024	2.751.636	1.067.322	1.574.536	8.283.143
Total Assets	14.409.662	45.198.097	26.260.000	37.662.401	90.130.091	43.792.851	1.721.566	259.174.668
Liabilities								
Bank Deposits	485.162	7.449.465	3.757.283	1.218.240	-	-	-	12.910.150
Other Deposits	25.487.389	80.823.867	14.585.600	14.016.829	2.621.885	342.650	-	137.878.220
Borrowings	-	1.038.325	1.359.239	13.708.773	6.433.961	2.703.293	-	25.243.591
Funds from Interbank Money Market	-	12.359.094	1.387.729	1.127.849	11.828.992	2.111.211	-	28.814.875
Marketable Securities Issued (Net)	-	1.263.584	1.136.296	1.145.906	6.189.581	2.682.741	-	12.418.108
Miscellaneous Payables	396.528	4.191.086	51.380	196.341	184.703	231.719	-	5.251.757
Other Liabilities (**)	137.716	1.847.765	481.427	890.841	3.664.428	733.424	28.902.366	36.657.967
Total Liabilities	26.506.795	108.973.186	22.758.954	32.304.779	30.923.550	8.805.038	28.902.366	259.174.668
Net Liquidity Excess/ (Gap)	(12.097.133)	(63.775.089)	3.501.046	5.357.622	59.206.541	34.987.813	(27.180.800)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	(298.144)	589	824.144	536.197	846.110	-	1.908.896
Financial Derivative Liabilities	-	20.288.480	9.554.313	29.059.527	45.455.725	25.856.690	-	130.214.735
Non-cash Loans (***)	-	1.250.527	2.389.030	10.742.048	3.417.138	14.022.268	-	31.821.011
Prior Period - 31 December 2015								
Total Assets	11.468.251	45.879.443	22.389.295	38.514.973	91.141.869	41.421.849	1.651.500	252.467.180
Total Liabilities	22.993.963	105.797.736	32.917.347	24.434.256	29.386.654	8.922.333	28.014.891	252.467.180
Net Liquidity Excess/ (Gap)	(11.525.712)	(59.918.293)	(10.528.052)	14.080.717	61.755.215	32.499.516	(26.363.391)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	(282.597)	(133.237)	521.381	764.726	895.056	-	1.765.329
Financial Derivative Liabilities	-	23.205.575	13.692.495	22.971.630	22.967.966	43.500.490	-	126.338.156
Non-cash Loans (***)	-	2.052.141	3.048.802	7.778.711	4.302.278	15.174.788	-	32.356.720

(*) 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 31 March 2016, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is % 8,30 (31 December 2015: % 8,33). Leverage ratio is almost on the same level in the current and previous period.

Comparison table of total assets and total risk amounts in the financial statements prepared in accordance with TAS :

	Current Period 31 March 2016(**)	Prior Period 31 December 2015(**)
1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)	258.013.081	249.562.331
2 Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communique on Preparation of Consolidated Financial Statements of the Banks	1.995.373	1.967.300
3 Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	1.825.931	1.740.097
4 Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(26.506.506)	(24.099.825)
5 Differences between off- balance sheet itmes in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(603.372)	(619.515)
6 Other differences in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	108.646.820	105.009.592
7 Total Risk	343.371.327	333.559.980

(*) The consolidated financial statements prepared in accordance with the sixth paragraph of the Article 5 in the Communique on Preparation of Consolidated Financial Statements of the Banks.

(**)The arithmetic average of the last 3 months in the related periods

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Disclosure of Leverage ratio template :

	Current Period	Prior Period
	31 March 2016(*)	31 December 2015(*)
Balance sheet Assets		
1		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	256.135.462	247.950.964
2		
Assets deducted from Core capital)	79.683	118.637
3		
Total risk amount of balance sheet assets (sum of lines 1 and 2)	256.055.779	247.832.327
Derivative financial assets and credit derivatives		
4		
Cost of replenishment for derivative financial assets and credit derivatives	3.269.036	2.574.641
5		
Potential credit risk amount of derivative financial assets and credit derivatives	1.825.931	1.740.097
6		
Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	5.094.967	4.314.738
Financing transactions secured by marketable security or commodity		
7		
Risk amount of financing transactions secured by marketable security or commodity	3.583.104	3.004.421
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)	3.583.104	3.004.421
Off-balance sheet transactions		
10		
Gross notional amount of off-balance sheet transactions	79.240.849	78.930.395
11		
(Correction amount due to multiplication with credit conversion rates)	(603.372)	(619.515)
12		
Total risk of off-balance sheet transactions (sum of lines 10 and 11)	78.637.477	78.310.880
Capital and total risk		
13		
Core Capital	28.515.522	27.782.477
14		
Total risk amount(sum of lines 3, 6, 9 and 12)	343.371.327	333.462.366
Leverage ratio		
15		
Leverage ratio	8,30	8,33

(*) 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. According to Communiqué have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented:

- RWA flow statements of credit risk exposures under IRB
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an IMA

Overview of RWA

	Risk Weighted Amount		Minimum capital requirement
	Current Period 31 March 2016	Prior Period 31 December 2016	Current Period 31 March 2016
1 Credit risk (excluding counterparty credit risk) (CCR)	188.466.186	191.284.013	15.077.295
2 Standardised approach (SA)	188.466.186	191.284.013	15.077.295
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	4.781.670	1.821.995	382.534
5 Standardised approach for counterparty credit risk (SA-CCR)	4.781.670	1.821.995	382.534
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 (*)	186.119	-	14.889
10 Investments made in collective investment companies - %1250 weighted risk approach	-	-	-
11 Settlement risk	71	171	6
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	2.259.138	2.325.553	180.731
17 Standardised approach (SA)	2.259.138	2.325.553	180.731
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	17.319.818	14.905.738	1.385.585
20 Basic Indicator Approach	17.319.818	14.905.738	1.385.585
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)	213.013.002	210.337.470	17.041.040

(*) Amounts related to collective investment companies 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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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

VIII.EXPLANATIONS ON HEDGE TRANSACTIONS:

The Group hedges its TL and foreign denominated fixed rate financial assets with cross currency swaps and interest swaps. Within the scope of fair value hedge, fair value changes of hedging instrument and hedged item are accounted in the income statement. As long as the hedge relationship is effective, fair value change of the hedged item is disclosed together with its related asset or liability in the balance sheet for TL denominated fixed rate mortgage loans. 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 Group 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 Group also applies fair value hedge to hedge the foreign currency risk arising from investments abroad. Effective portion of the fair value change of the hedging instrument is accounted under "Hedging funds" under equity. Ineffective portion is accounted under income statement.

As of 31 March 2016, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet of the Bank are summarized in the following table:

	Current Period 31 March 2016			Prior Period 31 December 2015		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	1.228.638	543.828	-	1.228.638	648.858	-
-FC	15.598.043	4.399	271.300	11.575.795	2.510	158.960
Total	16.826.681	548.227	271.300	12.804.433	651.368	158.960

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1. Explanations on Accounting Net Investment Hedge:

The Group has been using hedge against fair value strategy to hedge against foreign currency risk born of EURO 320 million which represents share premiums and paid-in-capital of Akbank AG, one of its subsidiaries. EURO 320 million of syndication loans used by the Group have been classified as "hedge instruments."

2. Explanations on Fair Value Hedge:

Current Period - 31 March 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	(290.700)	286.600	(4.100)
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	(469)	466	(3)
Cross-currency swap	Fixed interest rate FC Issued Bonds, FC Lease Receivables	Interest rate and currency risk	463	(548)	(85)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	184.279	(181.491)	2.788
Cross-currency swap	Fixed interest rate TL available-for-sale financial assets, FC borrowings	Interest rate and currency risk	266.715	(262.725)	3.990

(*) Includes fair value differences arising from changes in foreign exchange rates for hedges against interest rate and foreign currency from the interest rate and foreign exchange risks.

(**) 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

Prior Period - 31 December 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)
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	88	(93)	(5)
Cross-currency swap	Fixed interest rate FC Issued Bonds, FC Lease Receivables	Interest rate and currency risk	412	(447)	(35)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, 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 hedges against interest rate and foreign currency from the interest rate and foreign exchange risks.

(**) 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

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As of 31 March 2016 fair value hedge transactions have been proven to be 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 31 March 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 8.880 (31 December 2015: 8.588 TL).

3. 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	4.078	-	249	(1.505)	-
Interest Rate Swap	Floating-rate FC funds borrowed portfolio	Cash Flow risk due to changes in interest rate of funds	-	(381)	(286)	(41)	-

As of 31 March 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 31 March 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 (71.199) (31 December 2015: (75.471) TL).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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IX.EXPLANATIONS ON BUSINESS SEGMENTS:

The Group 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.

Other Business segments consist of the operations of Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetim A.Ş. and Akbank (Dubai) Limited which are consolidated as subsidiary of Bank.

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

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

	Retail Banking	Corporate Banking, Commercial Banking and SME Banking	Treasury	Other and Unallocated	Bank's Total Activities
Current Period – 31 March 2016					
Operating Income	1.142.104	1.397.223	139.199	346.551	3.025.077
Profit from Operating Activities	431.702	928.157	86.469	(88.449)	1.357.879
Income from Subsidiaries	-	-	-	656	656
Profit before Tax	431.702	928.157	86.469	(87.793)	1.358.535
Corporate Tax	-	-	-	(287.790)	(287.790)
Minority Shares	-	-	-	(3)	(3)
Net Profit for the Period	431.702	928.157	86.469	(375.586)	1.070.742
Segment Assets	51.508.554	123.154.007	73.762.593	5.297.401	253.722.555
Investments in Associates.	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	5.448.190
Total Assets	-	-	-	-	259.174.668
Segment Liabilities	96.755.383	54.612.139	67.613.982	4.355.066	223.336.570
Undistributed Liabilities	-	-	-	-	6.935.732
Shareholders' Equity	-	-	-	-	28.902.366
Total Liabilities	-	-	-	-	259.174.668
Other Segment Items					
Capital Investment	-	-	-	22.751	22.751
Amortization	(7.744)	(5.498)	(21)	(40.483)	(53.746)
Non-cash Other Income-Expense	(146.059)	(157.303)	(73.477)	(234.700)	(611.539)

	Retail Banking	Corporate Banking, Commercial Banking and SME Banking	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period – 31 December 2015(*)					
Operating Income	844.693	1.022.608	343.254	553.131	2.763.686
Profit from Operating Activities	43.789	657.178	289.572	25.490	1.016.029
Income from Subsidiaries	-	-	-	1.755	1.755
Profit before Tax	43.789	657.178	289.572	27.245	1.017.784
Corporate Tax	-	-	-	(232.606)	(232.606)
Minority Shares	-	-	-	(3)	(3)
Net Profit for the Period	43.789	657.178	289.572	(205.364)	785.175
Segment Assets	49.331.189	118.578.688	75.311.131	4.599.381	247.820.389
Investments in Associates.	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	4.642.868
Total Assets	-	-	-	-	252.467.180
Segment Liabilities	94.752.440	55.026.875	64.354.829	3.445.966	217.580.110
Undistributed Liabilities	-	-	-	-	6.872.179
Shareholders' Equity	-	-	-	-	28.014.891
Total Liabilities	-	-	-	-	252.467.180
Other Segment Items					
Capital Investment	-	-	-	41.924	41.924
Amortization	(11.024)	(6.485)	(141)	(39.520)	(57.170)
Non-cash Other Income-Expense	(220.969)	(122.416)	(104.801)	(228.025)	(676.211)

(*) 31 March 2015 amounts are used for income statement accounts.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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**SECTION FIVE
INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Cash/Foreign Currency	907.354	403.628	935.450	448.460
The CBRT	1.493.244	29.137.582	1.230.328	22.776.999
Other(*)	32	56.883	2	82.200
Total	2.400.630	29.598.093	2.165.780	23.307.659

(*) As of 31 March 2016, precious metal account amounts to TL 46.730 (31 December 2015: TL 56.414).

2. Information related to the account of the CBRT:

	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Demand Unrestricted Account	2.020	-	1.830	-
Time Unrestricted Account	-	1.309.731	-	853.816
Time Restricted Account	-	-	-	-
Reserve Requirement	1.491.224	27.827.851	1.228.498	21.923.183
Total	1.493.244	29.137.582	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 31 March 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 31 March 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 31 March 2016, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 8.959 (31 December 2015: TL 8.463); and those subject to repo transactions amount to TL 1.606. (31 December 2015: TL 1.489).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Forward Transactions	300.635	-	198.176	-
Swap Transactions	1.324.415	1.619.131	577.202	1.699.565
Futures Transactions	-	-	-	-
Options	5.343	234.078	896	221.318
Other	-	-	-	-
Total	1.630.393	1.853.209	776.274	1.920.883

c. Information on banks account:

1. Information on banks account:	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Banks	563.367	5.641.189	1.586.889	7.228.274
Domestic	563.367	1.897.641	1.586.889	1.834.297
Foreign	-	3.743.548	-	5.393.977
Head Quarters and Branches Abroad	-	-	-	-
Total	563.367	5.641.189	1.586.889	7.228.274

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

1. As of 31 March 2016, available-for-sale financial assets subject to repurchase agreements amount to TL 21.938.284 (31 December 2015: TL 20.185.224); and those given as collateral/blocked amounting to TL 4.200.185 (31 December 2015: TL 1.939.145).

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

	Current Period 31 March 2016	Prior Period 31 December 2015
Debt Securities	44.167.602	44.023.242
Quoted to Stock Exchange	43.948.904	43.796.801
Not Quoted to Stock Exchange	218.698	226.441
Share Certificates	129.796	128.794
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	129.796	128.794
Impairment Provision (-)	480.922	767.596
Total	43.816.476	43.384.440

e. Information related to loans:

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

	Current Period 31 March 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	3.399.747	1.564.527	3.421.775	1.447.220
Loans Granted to Employees	95.431	-	99.195	-
Total	3.495.178	1.564.609	3.520.970	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	149.721.114	2.175.898	-	4.836.436	2.649.412	-
Business Loans	25.065.524	248.210	-	1.578.717	704.708	-
Export Loans	6.423.270	41.771	-	53.030	19350	-
Import Loans	683.461	-	-	-	-	-
Loans Granted to Financial Sector	4.883.904	5.696	-	1661	-	-
Consumer Loans	26.914.292	399.925	-	1.606.508	933.476	-
Credit Cards	11.502.354	507.314	-	728.216	692.794	-
Other	74.248.309	972.982	-	868.304	299.084	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	149.721.114	2.175.898	-	4.836.436	2.649.412	-

	Standard loans and other receivables	Loans and other receivables under close monitoring
Number of Extension		
Extended by 1 or 2 times	2.094.076	2.317.220
Extended by 3,4 or 5 times	81.349	332.013
Extended by more than 5 times	473	179
Total	2.175.898	2.649.412

	Standard loans and other receivables	Loans and other receivables under close monitoring
Extension periods		
0 - 6 Months	269.295	652.805
6 - 12 Months	169.835	199.553
1 - 2 Years	507.322	605.427
2 - 5 Years	733.301	1.046.186
5 Years and over	496.145	145.441
Total	2.175.898	2.649.412

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

Current Period- 31.03.2016	Short-term	Medium and Long-term	Total
Consumer Loans-TL	173.230	27.489.758	27.662.988
Mortgage Loans	3.968	13.331.857	13.335.825
Automotive Loans	754	470.364	471.118
Consumer Loans	168.508	13.687.537	13.856.045
Other	-	-	-
Consumer Loans- Indexed to FC	-	14.716	14.716
Mortgage Loans	-	13.640	13.640
Automotive Loans	-	-	-
Consumer Loans	-	1.076	1.076
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	9.678.641	790.645	10.469.286
With Installment	3.993.204	788.594	4.781.798
Without Installment	5.685.437	2.051	5.687.488
Consumer Credit Cards-FC	14.556	-	14.556
With Installment	4.577	-	4.577
Without Installment	9.979	-	9.979
Personnel Loans-TL	1.546	57.485	59.031
Mortgage Loans	-	2.740	2.740
Automotive Loans	-	144	144
Consumer Loans	1.546	54.601	56.147
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	36.134	35	36.169
With Installment	14.986	35	15.021
Without Installment	21.148	-	21.148
Personnel Credit Cards-FC	231	-	231
With Installment	103	-	103
Without Installment	128	-	128
Credit Deposit Account-TL (Real Person)	784.065	-	784.065
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	10.688.403	28.352.639	39.041.042

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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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 – 31.03.2016	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	371.683	6.244.326	6.616.009
Mortgage Loans	652	18.954	19.606
Automotive Loans	11.323	8.289	19.612
Consumer Loans	359.708	6.217.083	6.576.791
Other	-	-	-
FC Indexed Commercial Installment Loans	11.822	128.658	140.480
Mortgage Loans	-	3.695	3.695
Automotive Loans	659	3.474	4.133
Consumer Loans	11.163	121.489	132.652
Other	-	-	-
Commercial Installment Loans-FC	214	121.067	121.281
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	214	121.067	121.281
Other	-	-	-
Corporate Credit Cards-TL	1.707.853	557	1.708.410
With Installment	717.097	535	717.632
Without Installment	990.756	22	990.778
Corporate Credit Cards-FC	1.918	-	1.918
With Installment	11	-	11
Without Installment	1.907	-	1.907
Credit Deposit Account-TL (Legal Person)	820.060	-	820.060
Credit Deposit Account-FC (Legal person)	-	-	-
Total	2.913.550	6.494.608	9.408.158

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 31 March 2016	Prior Period 31 December 2015
Domestic Loans	149.214.364	148.428.324
Foreign Loans	5.343.186	4.890.859
Total	154.557.550	153.319.183

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

7. Specific provisions accounted for loans:

	Current Period 31 March 2016	Prior Period 31 December 2015
Loans and Other Receivables with Limited Collectibility	433.935	448.339
Loans and Other Receivables with Doubtful Collectibility	817.540	869.262
Uncollectible Loans and Receivables	1.798.808	1.908.409
Total	3.050.283	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: 31 March 2016			
(Gross Amounts Before Specific Provisions)	38.804	55.299	59.246
Restructured Loans and Other Receivables	38.735	54.059	59.194
Rescheduled Loans and Other Receivables	69	1.240	52
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

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 (+)	453.574	2.137	6.487
Transfers from Other Categories of Non-Performing Loans (+)	-	422.798	408.599
Transfers to Other Categories of Non-Performing Loans (-)	422.798	408.599	-
Collections (-)	44.471	65.579	68.223
Write-offs (-) (*)	709	2.479	456.747
Corporate and Commercial Loans	296	1.886	101.635
Retail Loans	332	365	113.475
Credit Cards	81	228	241.637
Other	-	-	-
Balance at the End of the Period	433.935	817.540	1.945.838
Specific Provisions (-)	433.935	817.540	1.798.808
Net Balance at Balance Sheet (**)	-	-	147.030

(*) 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).

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 31 March 2016			
Balance at the End of the Period	11.282	18.867	220.725
Specific Provision (-)	11.282	18.867	90.395
Net Balance on Balance Sheet	-	-	130.330
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

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

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): 31 March 2016			
Loans granted to corporate entities and real persons (Gross)	433.935	817.540	1.945.838
Specific Provision Amount (-)	433.935	817.540	1.798.808
Loans granted to corporate entities and real persons (Net)	-	-	147.030
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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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

(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 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Given as collateral/blocked	444.751	1.840.917	133.637	1.903.784
Subject to repurchase agreements	3.569.773	3.317.393	2.918.515	3.011.127
Total	4.014.524	5.158.310	3.052.152	4.914.911

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

	Current Period 31 March 2016	Prior Period 31 December 2015
Government Bonds	9.626.906	9.654.713
Treasury Bills	-	-
Other Government Debt Securities	996.827	1.033.727
Total	10.623.733	10.688.440

3. Information on held-to-maturity investments:

	Current Period 31 March 2016	Prior Period 31 December 2015
Debt Securities	10.733.381	10.761.480
Quoted to Stock Exchange	10.733.381	10.761.480
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	109.648	73.040
Total	10.623.733	10.688.440

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

	Current Period 31 March 2016	Prior Period 31 December 2015
Balance at the Beginning of the Period	10.688.440	10.800.111
Foreign Currency Differences on Monetary Assets	(86.776)	864.389
Purchases During Year (*)	-	382
Disposals Through Sales and Redemptions	1.972	1.112.849
Impairment Provision (-)	36.608	63.740
Change in Amortized Cost	60.649	200.147
Balance at the End of the Period	10.623.733	10.688.440

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g. Information on investments in associates (Net):

1. Non-consolidated associates:

1 (i). Reasons for being out of consolidation for non-consolidated associates: In accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks they have been left out of the scope of consolidation.

1 (ii). Information about non-consolidated associates:

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

1 (iii). Main financial figures of non-consolidated associates, in the order of the above table:

The financial figures stated below have been obtained from the financial statements dated 31 December 2015

	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	68.358	29.660	42.971	1.019	-	3.869	3.490	-
2	154.333	113.004	81.803	4.870	-	34.774	21.834	-

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

	Current Period 31 March 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	-	-
Revaluation/Impairment	-	-
Balance at the End of the Period	3.923	3.923
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

2. Consolidated subsidiaries within the current period: None.

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

h. Information on subsidiaries (Net):

1. Information related to shareholders' equity of major subsidiaries:

The amounts below are obtained from the 31 March 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	11.367	942.411	7.481
Gains recognized in equity as per TAS	-	-	12	-	-
Profit/Loss	29.031	69.417	4.665	40.299	16.789
-Net Current Period Profit	29.031	8.491	4.294	40.299	160
-Prior Year Profit/Loss	-	60.926	371	-	16.629
Development Cost of Operating Lease (-)	132	1.341	-	190	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	367	1.197	141	419	-
Total Common Equity	717.489	172.912	19.982	1.722.749	26.513
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 1 st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	245	798	94	279	-
Total Tier I Capital	717.244	172.114	19.888	1.722.470	26.513
Tier II Capital	21.219	-	-	-	-
CAPITAL	738.463	172.114	19.888	1.722.470	26.513
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	738.463	172.114	19.888	1.722.470	26.513

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

2. Non-consolidated subsidiaries: None.

3. Consolidated subsidiaries:

3 (i). Information about consolidated subsidiaries:

Title	Address (City / Country)	The Parent Bank's Share Percentage-If Different Voting Percentage (%)	Consolidation Method
1 Ak Finansal Kiralama A.Ş.	İstanbul/Turkey	99,99	Full Consolidation
2 Ak Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	100,00	Full Consolidation
3 Ak Portföy Yönetimi A.Ş.	İstanbul/Turkey	100,00	Full Consolidation
4 Akbank AG	Frankfurt/Germany	100,00	Full Consolidation
5 Akbank [Dubai] Limited	Dubai/TheUnitedArab Emirates	100,00	Full Consolidation

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

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Main financial figures of consolidated subsidiaries, in the order of the above table:

The financial figures have been obtained from the financial statements as at 31 March 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	4.563.007	719.036	1.914	84.532	166	29.031	25.579	-
2	1.385.282	175.450	5.895	18.103	6.567	8.491	6.895	-
3	24.625	20.123	642	1.259	-	4.294	3.947	-
4	14.849.682	1.723.358	1.414	123.445	13.747	40.299	28.707	-
5	27.745	26.513	26	-	-	160	2.366	-

Though not being the subsidiary of the Bank, A.R.T.S Ltd. which was established in November 1999 respectively in connection with rising long-term financing, is included in the full scope of consolidation as "Structured Entity" due to the 100% control of this entity by the Group.

3 (ii). Movement schedule for consolidated subsidiaries:

	Current Period 31 March 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 (***)	8.704	85.390
Balance at the End of the Period	1.359.445	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 XV.

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

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

Subsidiaries	Current Period 31 March 2016	Prior Period 31 December 2015
Banks	1.009.886	1.001.182
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	281.065	281.065
Finance Companies	-	-
Other Financial Subsidiaries	68.494	68.494

3 (iv). Subsidiaries quoted on a stock exchange: None.

i. Information on finance lease receivables (Net):

	Current Period 31 March 2016		Prior Period 31 December 2015	
	Gross	Net	Gross	Net
2016	1.221.644	1.058.248	1.461.941	1.232.830
2017	1.084.206	879.489	1.009.706	822.731
2018	826.966	689.295	784.343	656.898
2019	584.972	496.306	892.889	468.864
2020 and following years	985.724	875.284	550.801	794.458
Total	4.703.512	3.998.622	4.699.680	3.975.781

j. Information on the hedging derivative financial assets:

	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Fair Value Hedge	543.828	321	648.858	575
Cash Flow Hedge	-	4.078	-	1.935
Net Investment Hedge in a foreign operation	-	-	-	-
Total	543.828	4.399	648.858	2.510

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k. Information on the investment properties: None.

l. Information on deferred tax asset :

As of 31 March 2016, deferred tax asset of the Group is TL 27.737 (31 December 2015: TL 162.153). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

Deferred tax assets and liabilities, which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation in the Bank and in consolidated subsidiaries, are presented as net on an individual entity level. As noted in Note XVIII of Section Three, for the purposes of consolidated financial statements deferred taxes arising from different consolidated subsidiaries are presented separately in assets and liabilities. There are no carry forward tax losses that can be used as deductions for the tax calculation for the Group. An explanation on the net deferred tax liability is given in Note II-i-2 of Section Five.

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

	Current Period 31 March 2016	Prior Period 31 December 2015
Cost	187.490	183.237
Accumulated Depreciation (-)	4.352	3.371
Net Book Value	183.138	179.866

	Current Period 31 March 2016	Prior Period 31 December 2015
Opening Balance Net Book Value	179.866	158.652
Additions(*)	7.600	42.857
Disposals (-), net	3.252	18.343
Depreciation (-)	1.076	3.300
Closing Net Book Value	183.138	179.866

n. Information on other assets:

Other assets amount to TL 2.531.156 (31 December 2015: TL 1.908.108) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

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

1 (i). Current Period – 31 March 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	5.688.124	11.172.456	25.087.817	460.667	440.402	598.442	78.207	43.526.115
Foreign Currency Deposits	12.688.999	13.660.923	25.793.752	3.469.940	4.034.200	8.723.510	3.858	68.375.182
Residents in Turkey	9.226.302	13.177.017	24.063.369	1.685.154	904.193	2.958.585	3.770	52.018.390
Residents Abroad	3.462.697	483.906	1.730.383	1.784.786	3.130.007	5.764.925	88	16.356.792
Public Sector Deposits	1.131.379	16.763	20.359	7.038	1.519	161	-	1.177.219
Commercial Deposits	5.171.989	5.101.256	6.301.924	2.245.233	1.232.000	231.723	-	20.284.125
Other Institutions Deposits	171.896	959.931	1.733.720	393.898	348.183	214.619	-	3.822.247
Gold Vault	635.002	11.774	9.617	22.681	14.258	-	-	693.332
Interbank Deposits	485.162	1.983.602	4.356.186	5.002.571	1.013.652	68.977	-	12.910.150
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	9.381	969.739	9.015	-	2.003	-	-	990.138
Foreign Banks	104.582	1.013.863	4.347.171	5.002.571	1.011.649	68.977	-	11.548.813
Participation Banks	371.199	-	-	-	-	-	-	371.199
Other	-	-	-	-	-	-	-	-
Total	25.972.551	32.906.705	63.303.375	11.602.028	7.084.214	9.837.432	82.065	150.788.370

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	9.425.204	16.275.713	26.262.848	1.836.401	5.101.733	9.203.957	4.156	68.110.012
Residents in Turkey	8.162.755	15.755.616	24.538.202	1.076.617	798.916	3.129.479	4.064	53.465.649
Residents Abroad	1.262.449	520.097	1.724.646	759.784	4.302.817	6.074.478	92	14.644.363
Public Sector Deposits	827.355	9.616	38.014	10.414	1.593	2.313	-	889.305
Commercial Deposits	5.139.789	6.149.494	7.277.063	441.389	414.558	252.271	-	19.674.564
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	256.697	1.503.563	4.122.452	6.749.223	217.182	68.769	-	12.917.886
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	8.656	162.141	247.674	-	-	-	-	418.471
Foreign Banks	207.791	1.341.422	3.874.778	6.749.223	217.182	68.769	-	12.459.165
Participation Banks	40.250	-	-	-	-	-	-	40.250
Other	-	-	-	-	-	-	-	-
Total	22.425.480	35.472.585	65.010.227	9.786.063	6.335.983	10.348.250	92.230	149.470.818

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

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: The deposit amounts of the consolidated subsidiaries located abroad are subject to local insurance regulations and are not included in the table below.

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 31 March 2016	Prior Period 31 December 2015	Current Period 31 March 2016	Prior Period 31 December 2015
Saving Deposits	21.270.098	21.092.387	22.256.017	22.523.013
Foreign Currency Saving Deposits	7.631.201	7.409.503	26.726.625	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 31 March 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	933.597	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 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Forward Transactions	268.186	-	249.438	-
Swap Transactions	632.693	935.996	229.908	1.030.603
Futures Transactions	-	-	-	-
Options	2.265	259.802	3	257.899
Other	-	-	-	-
Total	903.144	1.195.798	479.349	1.288.502

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	426.212	526.460	286.556	520.324
From Foreign Banks, Institutions and Funds	16.528	24.274.391	16.527	25.353.468
Total	442.740	24.800.851	303.083	25.873.792

2. Information on maturity structure of borrowings:

	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Short-term	159.924	2.368.579	209.421	3.284.045
Medium and Long-term	282.816	22.432.272	93.662	22.589.747
Total	442.740	24.800.851	303.083	25.873.792

3. The liabilities providing the funding sources of the Group are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Group and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitized borrowings and post-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 Group.

d. Information on securities issued (Net):

	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Bank bills	2.315.670	382.265	1.548.685	892.932
Bonds	1.823.825	7.896.348	1.825.136	8.144.036
Total	4.139.495	8.278.613	3.373.821	9.036.968

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 1.545.041 (31 December 2015: TL 1.492.861) and do not exceed 10% of the total balance sheet.

f. Information on financial leasing agreements: None.

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g. Information on the hedging derivative financial liabilities:

	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
Fair Value Hedge	-	270.919	-	157.528
Cash Flow Hedge	-	381	-	1.432
Net Investment Hedge in a foreign operation	-	-	-	-
Total	-	271.300	-	158.960

h. Information on provisions:

1. Information on general provisions:

	Current Period 31 March 2016	Prior Period 31 December 2015
General Provisions	2.595.062	2.543.192
Provisions for Group I. Loans and Receivables	2.089.209	2.046.557
- Additional Provision for loans with extended payment period	93.975	70.085
Provisions for Group II. Loans and Receivables	287.251	305.259
- Additional Provision for loans with extended payment period	64.237	62.876
Provisions for Non-cash Loans	119.166	108.853
Other	99.436	82.523

2. Employment termination benefits and unused vacation rights:

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

The amount payable consists of one month's salary limited to a maximum of TL 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 Group arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	Current Period 31 March 2016	Prior Period 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 4.092,53 (1 January 2015: TL 3.541,37) effective from 1 January 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	Prior Period
	31 March 2016	31 December 2015
Prior Period Closing Balance	124.027	67.034
Recognized as an Expense During the Period	10.925	62.388
Actuarial Loss/(Gain)	-	63.770
Paid During the Period	(10.977)	(69.165)
Balance at the End of the Period.	123.975	124.027

As of 31 March 2016, the Group has allocated vacation liability amounting to TL 71.575 (31 December 2015: TL 68.879).

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

As of 31 March 2016, the provision related to foreign currency differences of foreign indexed loans amounts to TL 65.954 (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 31 March 2016 is amounting to TL 78.833 (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 Group has provisions for credit cards and banking services promotion activities amounting to TL 136.348 (31 December 2015: TL 139.240).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVIII of Section Three. As of 31 March 2016, the corporate tax liability after the deduction of temporary taxes paid is TL 270.536 (31 December 2015: TL 379.083).

1 (i). Information on taxes payable:

	Current Period	Prior Period
	31 March 2016	31 December 2015
Corporate Taxes Payable	270.536	379.083
Taxation on Marketable Securities	122.470	96.179
Property Tax	1.913	1.706
Banking Insurance Transaction Tax (BITT)	92.247	90.711
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	12.424	4.831
Other	44.995	52.145
Total	544.585	624.655

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1 (ii). Information on premium payables:

	Current Period 31 March 2016	Prior Period 31 December 2015
Social Security Premiums – Employee	701	362
Social Security Premiums – Employer	137	414
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	938	948
Unemployment Insurance – Employer	1.761	1.895
Other	59	37
Total	3.602	3.676

2. Information on deferred tax liability:

As of 31 March 2016, the deferred tax liability of the Group amounts to TL 57.949. (31 December 2015: TL 57.452). An explanation about the net deferred tax asset is given in Note I-l of Section Five.

j. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period 31 March 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 Group's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainties at these indicators;

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

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

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

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8. Information on marketable securities value increase fund:

	Current Period 31 March 2016		Prior Period 31 December 2015	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(409.871)	(299.160)	(627.540)	(486.868)
Foreign Currency Differences	-	-	-	-
Total	(409.871)	(299.160)	(627.540)	(486.868)

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	Current Period 31 March 2016		Prior Period 31 March 2015	
	TL	FC	TL	FC
Short-term Loans	1.084.183	25.894	916.840	35.113
Medium and Long-term Loans	1.745.563	625.385	1.389.109	513.213
Interest on Loans Under Follow-Up	6.231	-	8.216	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	2.835.977	651.279	2.314.165	548.326

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

2. Information on interest income on banks:

	Current Period 31 March 2016		Prior Period 31 March 2015	
	TL	FC	TL	FC
From the CBRT	204	1.139	-	-
From Domestic Banks	13.793	1.986	9.879	938
From Foreign Banks	-	5.745	-	872
From Headquarters and Branches Abroad	-	-	-	-
Total	13.997	8.870	9.879	1.810

3. Information on interest income on marketable securities:

	Current Period 31 March 2016		Prior Period 31 March 2015	
	TL	FC	TL	FC
From Trading Financial Assets	3.014	1	1.705	44
From Financial Assets at Fair Value through Profit or Loss	-	166	-	-
From Available-for-sale Financial Assets	501.244	246.429	368.170	184.040
From Held-to-Maturity Investments	112.249	84.722	101.819	75.424
Total	616.507	331.318	471.694	259.508

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 31 March 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 31 March 2016, the Bank's Marketable securities valuation differences would be decreased by TL 57 million (in full TL amount) and net profit would be increased by TL 78 million (in full TL amount) to TL 1.149 million (in full TL amount).

4. Information on interest income received from associates and subsidiaries: None.

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b. Information on interest expense:

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

	Current Period 31 March 2016		Prior Period 31 March 2015	
	TL	FC	TL	FC
Banks	8.605	116.079	8.684	79.748
The CBRT	-	-	-	-
Domestic Banks	8.514	2.270	5.908	471
Foreign Banks	91	113.809	2.776	79.277
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	3.075	-	2.856
Total	8.605	119.154	8.684	82.604

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

2.Information on interest expense given to associates and subsidiaries: None.

3.Information on interest expense given to securities issued:

	Current Period 31 March 2016		Prior Period 31 March 2015	
	TL	FC	TL	FC
Interest expense on securities issued	96.645	101.910	77.372	91.115

4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

Current Period-31.03.2016	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	20	19.762	15.582	457	239	-	36.060
Saving Deposits	-	306.124	661.908	11.875	10.713	15.348	1.005.968
Public Sector Deposits	-	1.209	756	182	34	39	2.220
Commercial Deposits	2	18.800	56.359	7.611	7.665	4.465	94.902
Other Deposits	-	159.650	204.344	30.524	25.559	9.274	429.351
Total	22	505.545	938.949	50.649	44.210	29.126	1.568.501
FC							
Foreign Currency Deposits	1.107	88.731	154.776	10.053	12.974	44.412	312.053
Bank Deposits	-	2.835	11.069	14.688	2.954	203	31.749
Precious Metals Deposits	-	-	1	-	119	44	164
Total	1.107	91.566	165.846	24.741	16.047	44.659	343.966
Grand Total	1.129	597.111	1.104.795	75.390	60.257	73.785	1.912.467

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Prior Period – 31.03.2015	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	10	5.141	29.178	1.244	1.379	311	37.263
Saving Deposits	-	261.436	482.481	15.605	12.435	14.248	786.205
Public Sector Deposits	-	391	1.442	1.229	45	74	3.181
Commercial Deposits	-	131.252	123.144	23.021	10.665	1.716	289.798
Other Deposits	1	5.731	38.025	4.300	22.730	3.997	74.784
Total	11	403.951	674.270	45.399	47.254	20.346	1.191.231
FC							
Foreign Currency Deposits	1.646	50.880	44.921	10.344	23.086	47.529	178.406
Bank Deposits	-	3.951	20.615	10.534	2.276	3	37.379
Precious Metals Deposits	-	-	5	-	95	5	105
Total	1.646	54.831	65.541	20.878	25.457	47.537	215.890
Grand Total	1.657	458.782	739.811	66.277	72.711	67.883	1.407.121

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

	Current Period 31 March 2016	Prior Period 31 March 2015
Profit	1.664.231.794	1.322.545.185
Income From Capital Market Transactions	154.153	333.886
Income From Derivative Financial Transactions (*)	4.081.362	1.898.587
Foreign Exchange Gains	1.659.996.279	1.320.312.712
Loss (-)	1.664.192.370	1.322.461.855
Loss from Capital Market Transactions	123.019	167.058
Loss from Derivative Financial Transactions (*)	4.193.318	1.752.803
Foreign Exchange Loss	1.659.876.033	1.320.541.994
Total (Net)	39.424	83.330

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL (-) 66.895 (31 March 2015: TL 410.804)

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.

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

	Current Period 31 March 2016	Prior Period 31 March 2015
Specific Provisions for Loans and Other Receivables	461.946	482.565
III. Group Loans and Receivables	426.265	437.060
IV. Group Loans and Receivables	31.180	35.403
V. Group Loans and Receivables	4.501	10.102
General Provision Expenses	51.870	122.000
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	30.542	31.583
Financial Assets at Fair Value through Profit or Loss	-	18
Available-for-sale Financial Assets	30.542	31.565
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	40.638	34.864
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	40.638	34.864
Other	26.440	3.716
Total	611.436	674.728

f. Information related to other operating expenses:

	Current Period 31 March 2016	Prior Period 31 March 2015
Personnel Expenses	437.700	428.798
Reserve for Employee Termination Benefits	103	1.483
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	32.874	37.205
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	19.796	19.664
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	10
Depreciation Expenses of Assets Held for Resale	1.076	301
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	368.300	370.961
Operational Leasing Expenses	44.044	41.522
Maintenance Expenses	4.723	5.259
Advertisement Expenses	19.332	28.544
Other Expenses	300.201	295.636
Loss on Sales of Assets	23	83
Other(*)	195.890	214.424
Total	1.055.762	1.072.929

(*) 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 36.820 (31 March 2015: TL 62.276).

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g. Information on income/loss from minority interest:

	Current Period	Prior Period
	31 March 2016	31 March 2015
Income/(loss) from minority interest	3	3

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

As of 31 March 2016, the Group has a current tax expense of TL 272.666 and deferred tax expense of TL 15.124. The amount of deferred tax income that occurred due to the temporary differences is TL 17.931 and deferred tax expense is TL 64.966 the amounts of deferred tax income occurred due to the closing of temporary differences is TL 55.358 and deferred tax expense is TL 23.447 respectively.

The Group has no discontinued operations.

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

m. Other figures on profit and loss statement:

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

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

Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 13.848.604 asset purchase commitments (31 December 2015: TL 5.154.131), TL 17.767.667 commitments for credit card limits (31 December 2015: TL 17.672.898) and TL 6.111.310 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 Group has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments".

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

	Current Period 31 March 2016	Prior Period 31 December 2015
Bank Acceptance Loans	1.943.907	933.230
Letters of Credit	4.520.415	5.359.136
Other Guarantees	3.500.494	3.513.090
Total	9.964.816	9.805.456

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

	Current Period 31 March 2016	Prior Period 31 December 2015
Revocable Letters of Guarantee	705.006	651.210
Irrevocable Letters of Guarantee	11.428.908	12.025.211
Letters of Guarantee Given in Advance	2.536.100	2.681.029
Guarantees Given to Customs	2.927.516	3.019.643
Other Letters of Guarantee	4.258.665	4.174.171
Total	21.856.195	22.551.264

3. Information on non-cash loans:

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

	Current Period 31 March 2016	Prior Period 31 December 2015
Non-cash Loans Given against Cash Loans	3.206.020	3.411.739
With Original Maturity of 1 Year or Less Than 1 Year	1.776.563	1.614.511
With Original Maturity of More Than 1 Year	1.429.457	1.797.228
Other Non-cash Loans	28.614.991	28.944.981
Total	31.821.011	32.356.720

4. Mutual Funds :

As of 31 March 2016, the Group is the founder of 45 mutual funds (31 December 2015: 43 mutual funds) with an unaudited total fund value of TL 3.237.728 (31 December 2015: TL 3.283.444). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Istanbul Settlement and Custody Bank, Inc.

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V. INFORMATION ON CASH AND CASH EQUIVALENTS:

a. Information on cash and cash equivalents:

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

Cash and foreign currency, 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	Prior Period
	31 March 2016	31 March 2015
Cash	3.049.765	2.247.086
Cash, Foreign Currency and Other	1.409.698	1.478.809
Demand Deposits in Banks (*)	1.640.067	768.277
Cash Equivalents	4.059.676	3.098.443
Interbank Money Market Placements	98	700.000
Time Deposits in Banks	4.031.890	1.512.927
Marketable Securities	27.688	885.516
Total Cash and Cash Equivalents	7.109.441	5.345.529

(*) The restricted demand accounts are not included.

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

	Current Period	Prior Period
	31 March 2016	31 March 2015
Cash	2.121.913	2.473.005
Cash, Foreign Currency and Other	1.321.167	1.469.244
Demand Deposits in Banks (*)	800.746	1.003.761
Cash Equivalents	2.709.666	7.119.299
Interbank Money Market Placements	104	4.850.000
Time Deposits in Banks	2.549.274	1.998.830
Marketable Securities	160.288	270.469
Total Cash and Cash Equivalents	4.831.579	9.592.304

(*) The restricted demand accounts are not included.

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

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

1. Current Period – 31 March 2016:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables					
Balance at the Beginning of the Period	-	-	3.421.775	1.447.302	-	-
Balance at the End of the Period	-	-	3.399.747	1.564.609	-	-
Interest and Commission Income Received	-	-	75.289	1.089	-	-

2. Prior Period -31 December 2015:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables					
Balance at the Beginning of the Period	-	-	2.464.548	1.986.485	-	-
Balance at the End of the Period	-	-	3.421.775	1.447.302	-	-
Interest and Commission Income Received(*)	-	-	60.228	924	-	-

(*) 31 March 2015 amounts are used for income statement accounts.

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

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31.03.2016	31.12.2015	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Deposit						
Balance at the Beginning of the Period	-	-	2.102.633	1.337.174	2.181.203	2.115.511
Balance at the End of the Period	-	-	2.438.340	2.102.633	2.172.021	2.181.203
Interest on Deposits(*)	-	-	57.360	35.536	38.735	28.849

(*) 31 March 2015 amounts are used for income statement accounts.

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

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

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31.03.2016	31.12.2015	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	3.501.482	2.364.278	-	-
Balance at the End of the Period	-	-	3.938.687	3.501.482	-	-
Total Income/Loss(*)	-	-	(710)	8.470	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss(*)	-	-	-	-	-	-

(*) 31 March 2015 amounts are used for income statement accounts.

Figures presented in the table above show the total of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Group. As of 31 March 2016, the net exposure for direct and indirect shareholders of the Group is TL 35.740 (31 December 2015: TL (-) 10.244).

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

As of 31 March 2016 benefits provided to the Group's key management amount to TL 15.969 (31 March 2015: TL 6.473).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 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 interim period consolidated financial statements for the period ended 31 March 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 22 April 2016 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

**SECTION SEVEN (*)
INFORMATION ON ON INTERIM ACTIVITY REPORT**

MESSAGE FROM THE CHAIRMAN

In early 2016, uncertainty in China and volatile trend in oil prices have been effective on global markets. However, after the Chinese Economic Administration's communication that there would not be any necessity for additional devaluation in the yuan and along with the partial recovery in oil prices, global risk perception turned positive.

Another important dynamic affecting the global market trend is the Fed policy rate hike process, as pointed out in its communication strategy. After the lift-off in December, Fed stressed that; due to uncertainty regarding the financial markets, slower global economic growth and weak inflation outlook, Fed will be cautious in raising policy rates and adjusted its rate hike projections downward. The implication of this policy is that a stronger dollar could adversely affect both US trade and inflation and simultaneously cause an additional decline in commodity prices. This may again lead to increased global volatility and risk.

Other major central banks have also been supportive: As a reaction to deflationary concerns and to support the lending of the banking sector, the European Central Bank (ECB) has announced a comprehensive stimulus package. ECB, which has already been implementing negative interest rates since June 2014, lowered its deposit rate and further expanded the amount and scope of the asset purchase program during its March meeting. Meanwhile, Bank of Japan has also adopted a negative interest rate policy in order to reach its inflation target.

Oil prices will continue to have an impact on global markets: low trend in oil prices is associated with increased credit risk in energy companies and loss of employment as well as leading to lower government spending and capital outflow risks for the oil-exporting countries. It is a source of volatility.

With this global economic outlook, Turkish economy continued its strong growth trend posting a robust growth of 4% in 2015, through the support of private consumption. Industrial production figure for the first two months of 2016 confirms the continued strong trend. On the external balances, while the recovery trend in the EU countries gives support to exports, geopolitical risks have continued to exert downward pressure. On the import side; low oil prices is supporting the ongoing contraction in energy imports, whereas non-energy imports show some signs of recovery. Overall; the contraction in foreign trade deficit would contribute to the improvement in the current account deficit but decline in tourism revenues will be limiting this effect. Annualized current account deficit which was USD 32 billion by the end of 2015 decreased to USD 30.5 billion as of February.

Annual inflation decelerated to 7.46% in March. Thanks to the fall in food prices and moderate demand conditions, we expect inflation to stand at 7.8% at the year-end. On the monetary policy front; CBRT cut the O/N lending rate (the upper boundary of the interest rate corridor) by 25bps in accordance with the diminishing volatility in global markets. We expect O/N lending rate cuts to continue in the coming months in line with the recent stability of the Turkish Lira and declining inflation. The budget performance for the first quarter was also positive and we see that realizations are consistent with the year-end targets.

On the banking sector front; annual loan growth rates stood at close to 15% by the end of March. Non-performing loans are generally low and stable; although in some segments, we have seen limited increase. Capital Adequacy Ratio of the sector, however, continues to be strong at 15%.

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

MESSAGE FROM THE CEO

In the first quarter of 2016, despite uncertainties in the international markets, we increased our assets by 11 percent with respect to the first quarter of 2015 to over TL 259 billion. In the same period, we increased the support we provide to the growth of the Turkish economy to TL 186 billion via cash and noncash loans. Our bank reported a gross profit of TL 1 billion 359 million, with a net consolidated profit of TL 1 billion 71 million while setting aside TL 288 million of tax provisions. Our return on equity became 15% in this quarter. This strong performance was achieved thanks to our high asset quality, strong financial foundations, qualified human resources, and well-developed technological infrastructure.

The banking sector plays an important role in fostering economic growth and creating value. We continue to support the investments necessary for Turkey to realize its potential. As Akbank, we put great importance on entrepreneurship and the development of our corporate customers, including SMEs. We increased our support to our economy via total loans of over TL 186 billion, with TL 155 billion cash loans.

In the period, we aim to become the first choice for those who want to add the most value to their investments. For our customers to manage their investments better, we formed Akbank Wealth Management with Ak Investment and Ak Asset Management. This way, the wealth of our customers is being managed actively in Turkey, according to global standards. Our customers were given the chance to invest in new areas with the newly formed funds. With our rapidly increasing customers, the total amount of assets we manage has surpassed TL 223 billion in the first quarter of 2016. Our total deposits increased by 16% since the first quarter of last year, surpassing TL 150 billion.

Digitalization will determine the future of banking. With this in mind, we have been making important investments in this area. While the digital banking market in Turkey saw a growth of 21% in 2015, Akbank grew by 40 percent in this area. In the first quarter of 2016, the number of customers that use digital channels reached 3 million, and the number of active mobile banking customers reached 2.5 million. Akbank Direkt Mobile was awarded as the Best Mobile Banking Application by Global Finance last year. We will keep up our momentum in mobile banking.

Akbank employees play a great role in the success of Akbank. 94 percent of our employees are university graduates, while the sector average is 77. We are in the sector's top ranks in terms of employees with a graduate degree. We continue to invest in our human resources in order to better cater to the needs of our young and dynamic country.

Despite the uncertainties in the international markets, we renewed our syndicated loan of USD 1.2 billion in March and became the first Turkish bank to apply different interest rates for Dollar and Euro tranches in the Turkish syndicated loan market. We will continue to support the economic growth of our country with the best conditions possible.

The strength of Akbank's brand has been proven once again by Brand Finance's study released in February. We became "The Most Valuable Banking Brand in Turkey" in Brand Finance's "The World's 500 Most Valuable Banking Brands-2015" study for the fifth consecutive year. The fact that we are the most valuable banking brand in Turkey consistently supports our title "The Most Valuable Brand in Turkey." Once again, I would like to thank our customers, shareholders and employees for this strong performance.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

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.

The issuance of bill with a nominal value of TL 358,310,000 and term of 98 days to qualified investors has been realized as of February 26, 2016.

The issuance of bill with a nominal value of TL 694,410,000 and term of 119 days to qualified investors has been realized as of March 16, 2016.

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 March 31, 2016.

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.

3. BANKING SECTOR 1Q16 OVERVIEW

In the first quarter of 2016, loan growth in the sector was 1.6% while deposit growth was at 2.7% during the same period.

As of March 31, 2016, NPL ratio of the sector was at 3.2%.

B. CONSOLIDATED FINANCIAL RESULTS

1. Main Balance Sheet Items (TL Million) :

	31.03.2016	31.12.2015
	Consolidated	Consolidated
	<u>Financial Results</u>	<u>Financial Results</u>
Total Assets	259,175	252,467
Loans	154,705	153,466
Deposits	150,788	149,471
Equity	28,902	28,015
Net Income (31.03.2015)	1,071	785

2. Main Financial Ratios (%) :

	31.03.2016	31.12.2015
	Consolidated	Consolidated
	<u>Financial Results</u>	<u>Financial Results</u>
Loans / Total Assets:	59.7	60.8
Deposits / Total Assets:	58.2	59.2
ROE:	15.0	12.1
ROA:	1.7	1.3
NPL Ratio:	2.0	2.2
CAR:	14,60%	14.46%
EPS (31.03.2015) (TL):	0.00268	0.00196

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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

3. Akbank 1Q16 Results Overview:

Akbank reported a gross profit of TL 1 billion 359 million while setting aside TL 288 million of tax provisions, the bank reported a net consolidated profit of TL 1 billion 71 million in the first three months of the year. ROE of the bank was 15.0% in the first quarter of the year.

As of March 31, 2016 Akbank's consolidated total assets increased by 3% up to TL 259.2 billion. Total cash loans grew by 1% to TL 154.7 billion while total deposits was up to TL 150.8 billion with an increase of 1.1%.

Akbank's NPL ratio was down to 2% as of March 2016-end. While 25% of total loans are comprised of consumer loans, 37% are corporate, 30% 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
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