

AKBANK T.A.Ş.

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

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

INTERIM REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

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

Introduction

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

Scope of Review

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

Basis of Qualified Conclusion

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

Qualified Conclusion

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

Report on other regulatory requirements arising from legislation

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

Additional paragraph for convenience translation to English:

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

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

Ayşe Zeynep Deldağ
SMMM, Partner

İstanbul, 21 October 2016

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

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

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

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

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

21 October 2016

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

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

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

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AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

SECTION ONE
GENERAL INFORMATION ABOUT THE BANK

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

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

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

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

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

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

| Title | Name | Responsibility | Education |
|-----------------------------------|-----------------------|---|------------------|
| Chairman: | Suzan SABANCI DİNÇER | Chairman and Executive Board Member | Graduate |
| Honorary Chairman, | | Honorary Chairman, | |
| Board Member, Consultant: | Erol SABANCI | Board Member and Consultant | Undergraduate |
| Board of Directors: | Hayri ÇULHACI | Vice Chairman and Executive Board Member | Graduate |
| | Cem MENGİ | 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 ENGİN | 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 |
| | Bülent OĞUZ | SME Banking | Graduate |
| | H.Burcu CİVELEK YÜCE | Human Resources and Strategy | Graduate |
| | Ege GÜLTEKİN | Credit Monitoring and Follow-up | Graduate |
| | A.Özer İSFENDİYAROĞLU | Consumer Banking | Graduate |
| | Levent ÇELEBİOĞLU | Corporate, Investment and Private Banking | Undergraduate |
| | Emin Tolga ULUTAŞ | Direct Banking | Graduate |
| Internal Audit Committee: | Hayri ÇULHACI | Head of the Audit Committee | Graduate |
| | Ş. Yaman TÖRÜNER | Member of the Audit Committee | Undergraduate |

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

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

As of 19 September 2016, Emin Tolga Ulutaş has been assigned as Executive Vice President responsible of Direct Banking Unit instead of Orkun Oğuz who had resigned from his position on 19 July 2016.

IV. INFORMATION ON SHAREHOLDERS HAVING CONTROL SHARES:

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

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

The Bank's core business activities include consumer banking, commercial banking, SME banking, corporate-investment and private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş. As of 30 September 2016, the Bank has 882 branches dispersed throughout the country and 1 branch operating abroad (31 December 2015: 901 branches and 1 branch operating abroad). As of 30 September 2016 the Bank employed 13.744 people (31 December 2015: 14.050).

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

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

| ASSETS | | Note (Section Five) | CURRENT PERIOD (30/09/2016) | | | PRIOR PERIOD (31/12/2015) | | |
|---------------------|--|------------------------|--------------------------------|--------------------|--------------------|------------------------------|--------------------|--------------------|
| | | | TL | FC | Total | TL | FC | Total |
| I. | CASH AND BALANCES WITH CENTRAL BANK | (I-a) | 5.162.026 | 29.501.577 | 34.663.603 | 2.165.780 | 23.307.643 | 25.473.423 |
| II. | FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net) | (I-b) | 1.979.201 | 2.488.365 | 4.467.566 | 818.288 | 1.909.624 | 2.727.912 |
| 2.1 | Trading Financial Assets | | 1.979.201 | 2.488.365 | 4.467.566 | 818.288 | 1.909.624 | 2.727.912 |
| 2.1.1 | Government Debt Securities | | - | - | - | 1.548 | 107 | 1.655 |
| 2.1.2 | Equity Securities | | - | - | - | - | - | - |
| 2.1.3 | Trading Derivative Financial Assets | | 1.962.954 | 2.488.365 | 4.451.319 | 806.782 | 1.909.517 | 2.716.299 |
| 2.1.4 | Other Marketable Securities | | 16.247 | - | 16.247 | 9.958 | - | 9.958 |
| 2.2 | Financial Assets at Fair Value through Profit or Loss | | - | - | - | - | - | - |
| 2.2.1 | Government Debt Securities | | - | - | - | - | - | - |
| 2.2.2 | Equity Securities | | - | - | - | - | - | - |
| 2.2.3 | Loans | | - | - | - | - | - | - |
| 2.2.4 | Other Marketable Securities | | - | - | - | - | - | - |
| III. | BANKS | (I-c) | 1.677.094 | 6.111.621 | 7.788.715 | 1.556.559 | 6.301.738 | 7.858.297 |
| IV. | MONEY MARKETS | | 2.476.557 | - | 2.476.557 | - | - | - |
| 4.1 | Interbank Money Market Placements | | - | - | - | - | - | - |
| 4.2 | Istanbul Stock Exchange Money Market Placements | | - | - | - | - | - | - |
| 4.3 | Receivables from Reverse Repurchase Agreements | | 2.476.557 | - | 2.476.557 | - | - | - |
| V. | AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net) | (I-d) | 17.496.985 | 19.428.111 | 36.925.096 | 19.586.578 | 21.873.129 | 41.459.707 |
| 5.1 | Equity Securities | | 12.471 | 49.543 | 62.214 | 12.671 | 115.958 | 128.629 |
| 5.2 | Government Debt Securities | | 17.273.599 | 14.043.777 | 31.317.376 | 19.376.723 | 15.929.478 | 35.306.201 |
| 5.3 | Other Marketable Securities | | 210.715 | 5.334.791 | 5.545.506 | 197.184 | 5.827.693 | 6.024.877 |
| VI. | LOANS and RECEIVABLES | (I-e) | 103.707.973 | 50.267.117 | 153.975.090 | 92.888.955 | 48.874.528 | 141.763.483 |
| 6.1 | Loans and Receivables | | 103.562.583 | 50.267.117 | 153.829.700 | 92.741.642 | 48.874.528 | 141.616.170 |
| 6.1.1 | Loans to Bank's Risk Group | (VI) | 3.335.473 | 1.258.573 | 4.594.046 | 2.603.899 | 1.383.311 | 3.987.210 |
| 6.1.2 | Government Debt Securities | | - | - | - | - | - | - |
| 6.1.3 | Other | | 100.227.110 | 49.008.544 | 149.235.654 | 90.137.743 | 47.491.217 | 137.628.960 |
| 6.2 | Loans under Follow-up | | 3.851.463 | - | 3.851.463 | 3.373.323 | - | 3.373.323 |
| 6.3 | Specific Provisions (-) | | 3.706.073 | - | 3.706.073 | 3.226.010 | - | 3.226.010 |
| VII. | FACTORING RECEIVABLES | | - | - | - | - | - | - |
| VIII. | HELD-TO-MATURITY SECURITIES (Net) | (I-f) | 5.393.854 | 5.539.175 | 10.933.029 | 5.184.561 | 5.503.681 | 10.688.242 |
| 8.1 | Government Debt Securities | | 5.393.854 | 5.539.175 | 10.933.029 | 5.184.561 | 5.503.681 | 10.688.242 |
| 8.2 | Other Marketable Securities | | - | - | - | - | - | - |
| IX. | INVESTMENTS IN ASSOCIATES (Net) | (I-g) | 3.923 | - | 3.923 | 3.923 | - | 3.923 |
| 9.1 | Associates Consolidated Based on Equity Method | | - | - | - | - | - | - |
| 9.2 | Unconsolidated Associates | | 3.923 | - | 3.923 | 3.923 | - | 3.923 |
| 9.2.1 | Financial Investments in Associates | | - | - | - | - | - | - |
| 9.2.2 | Non-Financial Investments in Associates | | 3.923 | - | 3.923 | 3.923 | - | 3.923 |
| X. | SUBSIDIARIES (Net) | (I-h) | 347.316 | 1.071.457 | 1.418.773 | 347.316 | 1.003.425 | 1.350.741 |
| 10.1 | Financial Subsidiaries | | 347.316 | 1.071.457 | 1.418.773 | 347.316 | 1.003.425 | 1.350.741 |
| 10.2 | Non-Financial Subsidiaries | | - | - | - | - | - | - |
| XI. | JOINT VENTURES (Net) | | - | - | - | - | - | - |
| 11.1 | Joint Ventures Consolidated Based on Equity Method | | - | - | - | - | - | - |
| 11.2 | Unconsolidated Joint Ventures | | - | - | - | - | - | - |
| 11.2.1 | Financial Joint Ventures | | - | - | - | - | - | - |
| 11.2.2 | Non-Financial Joint Ventures | | - | - | - | - | - | - |
| XII. | FINANCIAL LEASE RECEIVABLES (Net) | (I-i) | - | - | - | - | - | - |
| 12.1 | Financial Lease Receivables | | - | - | - | - | - | - |
| 12.2 | Operating Lease Receivables | | - | - | - | - | - | - |
| 12.3 | Other | | - | - | - | - | - | - |
| 12.4 | Unearned Income (-) | | - | - | - | - | - | - |
| XIII. | HEDGING DERIVATIVE FINANCIAL ASSETS | (I-j) | 148.350 | 1.786 | 150.136 | 648.858 | - | 648.858 |
| 13.1 | Fair Value Hedge | | 148.350 | 1.786 | 150.136 | 648.858 | - | 648.858 |
| 13.2 | Cash Flow Hedge | | - | - | - | - | - | - |
| 13.3 | Foreign Net Investment Hedge | | - | - | - | - | - | - |
| XIV. | PROPERTY AND EQUIPMENT (Net) | | 730.969 | 1.717 | 732.686 | 788.655 | 1.746 | 790.401 |
| XV. | INTANGIBLE ASSETS (Net) | | 222.230 | - | 222.230 | 220.664 | - | 220.664 |
| 15.1 | Goodwill | | - | - | - | - | - | - |
| 15.2 | Other | | 222.230 | - | 222.230 | 220.664 | - | 220.664 |
| XVI. | INVESTMENT PROPERTY (Net) | (I-k) | - | - | - | - | - | - |
| XVII. | TAX ASSET | | - | - | - | 132.508 | 13.676 | 146.184 |
| 17.1 | Current Tax Asset | | - | - | - | - | - | - |
| 17.2 | Deferred Tax Asset | (I-l) | - | - | - | 132.508 | 13.676 | 146.184 |
| XVIII. | PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net) | (I-m) | 42.394 | - | 42.394 | 179.537 | - | 179.537 |
| 18.1 | Held for Sale Purpose | | 42.394 | - | 42.394 | 179.537 | - | 179.537 |
| 18.2 | Related to Discontinued Operations | | - | - | - | - | - | - |
| XIX. | OTHER ASSETS | (I-n) | 1.675.999 | 1.037.897 | 2.713.896 | 929.214 | 568.402 | 1.497.616 |
| TOTAL ASSETS | | | 141.064.871 | 115.448.823 | 256.513.694 | 125.451.396 | 109.357.592 | 234.808.988 |

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

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

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

| LIABILITIES | Note (Section Five) | CURRENT PERIOD (30/09/2016) | | | PRIOR PERIOD (31/12/2015) | | |
|---|------------------------|--------------------------------|--------------------|--------------------|------------------------------|--------------------|--------------------|
| | | TL | FC | Total | TL | FC | Total |
| I. DEPOSITS | (II-a) | 86.356.100 | 64.949.893 | 151.305.993 | 68.696.386 | 70.246.111 | 138.942.497 |
| 1.1 Deposits of Bank's Risk Group | (VI) | 3.135.144 | 2.175.520 | 5.310.664 | 2.552.668 | 2.182.629 | 4.735.297 |
| 1.2 Other | | 83.220.956 | 62.774.373 | 145.995.329 | 66.143.718 | 68.063.482 | 134.207.200 |
| II. TRADING DERIVATIVE FINANCIAL LIABILITIES | (II-b) | 601.994 | 906.381 | 1.508.375 | 479.349 | 967.525 | 1.446.874 |
| III. FUNDS BORROWED | (II-c) | 182.813 | 27.460.330 | 27.643.143 | 193.130 | 23.520.208 | 23.713.338 |
| IV. MONEY MARKETS | | 7.294.514 | 17.200.506 | 24.495.020 | 6.169.189 | 16.659.919 | 22.829.108 |
| 4.1 Funds from Interbank Money Market | | - | - | - | - | - | - |
| 4.2 Funds from Istanbul Stock Exchange Money Market | | - | - | - | - | - | - |
| 4.3 Funds Provided Under Repurchase Agreements | | 7.294.514 | 17.200.506 | 24.495.020 | 6.169.189 | 16.659.919 | 22.829.108 |
| V. SECURITIES ISSUED (Net) | (II-d) | 2.390.917 | 7.609.193 | 10.000.110 | 3.182.038 | 8.084.029 | 11.266.067 |
| 5.1 Bills | | 1.149.903 | 60.008 | 1.209.911 | 1.545.846 | 892.932 | 2.438.778 |
| 5.2 Asset Backed Securities | | - | - | - | - | - | - |
| 5.3 Bonds | | 1.241.014 | 7.549.185 | 8.790.199 | 1.636.192 | 7.191.097 | 8.827.289 |
| VI. FUNDS | | - | - | - | - | - | - |
| 6.1 Borrower Funds | | - | - | - | - | - | - |
| 6.2 Other | | - | - | - | - | - | - |
| VII. MISCELLANEOUS PAYABLES | | 3.724.575 | 1.128.425 | 4.853.000 | 3.508.887 | 952.862 | 4.461.749 |
| VIII. OTHER LIABILITIES | (II-e) | 2.337.759 | 152.194 | 2.489.953 | 1.350.110 | 118.766 | 1.468.876 |
| IX. FACTORING PAYABLES | | - | - | - | - | - | - |
| X. FINANCIAL LEASE PAYABLES (Net) | (II-f) | 37.857 | - | 37.857 | 63.970 | - | 63.970 |
| 10.1 Financial Lease Payables | | 49.636 | - | 49.636 | 82.124 | - | 82.124 |
| 10.2 Operating Lease Payables | | - | - | - | - | - | - |
| 10.3 Other | | - | - | - | - | - | - |
| 10.4 Deferred Financial Lease Expenses (-) | | 11.779 | - | 11.779 | 18.154 | - | 18.154 |
| XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES | (II-g) | 54.162 | 271.388 | 325.550 | - | 157.528 | 157.528 |
| 11.1 Fair Value Hedge | | 54.162 | 260.992 | 315.154 | - | 157.528 | 157.528 |
| 11.2 Cash Flow Hedge | | - | 10.396 | 10.396 | - | - | - |
| 11.3 Foreign Net Investment Hedge | | - | - | - | - | - | - |
| XII. PROVISIONS | (II-h) | 2.559.095 | 778.080 | 3.337.175 | 2.471.640 | 694.086 | 3.165.726 |
| 12.1 General Loan Loss Provisions | | 1.995.735 | 771.979 | 2.767.714 | 1.856.322 | 688.380 | 2.544.702 |
| 12.2 Restructuring Provisions | | - | - | - | - | - | - |
| 12.3 Reserve for Employee Benefits | | 197.285 | - | 197.285 | 187.178 | - | 187.178 |
| 12.4 Insurance Technical Provisions (Net) | | - | - | - | - | - | - |
| 12.5 Other Provisions | | 366.075 | 6.101 | 372.176 | 428.140 | 5.706 | 433.846 |
| XIII. TAX LIABILITY | (II-i) | 576.736 | 5.735 | 582.471 | 593.181 | 10.897 | 604.078 |
| 13.1 Current Tax Liability | | 480.707 | 5.735 | 486.442 | 593.181 | 10.897 | 604.078 |
| 13.2 Deferred Tax Liability | | 96.029 | - | 96.029 | - | - | - |
| 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) | 30.350.097 | (415.050) | 29.935.047 | 27.199.518 | (510.341) | 26.689.177 |
| 16.1 Paid-in capital | | 4.000.000 | - | 4.000.000 | 4.000.000 | - | 4.000.000 |
| 16.2 Capital Reserves | | 2.744.729 | (415.050) | 2.329.679 | 2.438.167 | (510.341) | 1.927.826 |
| 16.2.1 Share Premium | | 1.700.000 | - | 1.700.000 | 1.700.000 | - | 1.700.000 |
| 16.2.2 Share Cancellation Profits | | - | - | - | - | - | - |
| 16.2.3 Marketable Securities Valuation Differences | | (339.162) | (383.905) | (723.067) | (627.540) | (485.221) | (1.112.761) |
| 16.2.4 Property and Equipment Revaluation Differences | | 47.106 | - | 47.106 | 47.106 | - | 47.106 |
| 16.2.5 Intangible Assets Revaluation Differences | | - | - | - | - | - | - |
| 16.2.6 Investment Properties Revaluation Differences | | - | - | - | - | - | - |
| 16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures | | 4.895 | - | 4.895 | 4.895 | - | 4.895 |
| 16.2.8 Hedging Funds (Effective portion) | | (17.073) | (31.145) | (48.218) | (35.257) | (25.120) | (60.377) |
| 16.2.9 Value Increase of Assets Held for Sale | | - | - | - | - | - | - |
| 16.2.10 Other Capital Reserves | | 1.348.963 | - | 1.348.963 | 1.348.963 | - | 1.348.963 |
| 16.3 Profit Reserves | | 20.161.351 | - | 20.161.351 | 17.766.503 | - | 17.766.503 |
| 16.3.1 Legal Reserves | | 1.322.027 | - | 1.322.027 | 1.282.027 | - | 1.282.027 |
| 16.3.2 Status Reserves | | - | - | - | - | - | - |
| 16.3.3 Extraordinary Reserves | | 18.718.299 | - | 18.718.299 | 16.372.097 | - | 16.372.097 |
| 16.3.4 Other Profit Reserves | | 121.025 | - | 121.025 | 112.379 | - | 112.379 |
| 16.4 Income or (Loss) | | 3.444.017 | - | 3.444.017 | 2.994.848 | - | 2.994.848 |
| 16.4.1 Prior Periods' Income or (Loss) | | - | - | - | - | - | - |
| 16.4.2 Current Period Income or (Loss) | | 3.444.017 | - | 3.444.017 | 2.994.848 | - | 2.994.848 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 136.466.619 | 120.047.075 | 256.513.694 | 113.907.398 | 120.901.590 | 234.808.988 |

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

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

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

| INCOME AND EXPENSE ITEMS | | Note (Section Five) | CURRENT PERIOD (01/01-30/09/2016) | PRIOR PERIOD (01/01-30/09/2015) | CURRENT PERIOD (01/07-30/09/2016) | PRIOR PERIOD (01/07-30/09/2015) |
|---------------------------------|---|------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| I. | INTEREST INCOME | (III-a) | 13.364.938 | 10.981.361 | 4.607.760 | 3.830.372 |
| 1.1 | Interest on Loans | (III-a-1) | 10.658.004 | 8.741.217 | 3.723.660 | 3.068.755 |
| 1.2 | Interest on Reserve Requirements | | 150.613 | 30.369 | 55.053 | 20.576 |
| 1.3 | Interest on Banks | (III-a-2) | 57.992 | 42.220 | 34.684 | 16.427 |
| 1.4 | Interest on Money Market Transactions | | 18.961 | 93.682 | 16.594 | 7.259 |
| 1.5 | Interest on Marketable Securities Portfolio | (III-a-3) | 2.454.961 | 2.050.597 | 769.447 | 709.131 |
| 1.5.1 | Trading Financial Assets | | 25 | 231 | - | 54 |
| 1.5.2 | Financial Assets at Fair Value Through Profit or Loss | | - | - | - | - |
| 1.5.3 | Available-for-sale Financial Assets | | 1.981.642 | 1.625.076 | 608.233 | 566.698 |
| 1.5.4 | Held- to- maturity Investments | | 473.294 | 425.290 | 161.214 | 142.379 |
| 1.6 | Financial Lease Income | | - | - | - | - |
| 1.7 | Other Interest Income | | 24.407 | 23.276 | 8.322 | 8.224 |
| II. | INTEREST EXPENSE | (III-b) | 7.473.456 | 5.754.820 | 2.528.086 | 2.071.624 |
| 2.1 | Interest on Deposits | (III-b-4) | 5.824.812 | 4.328.150 | 2.019.518 | 1.560.726 |
| 2.2 | Interest on Funds Borrowed | (III-b-1) | 355.560 | 293.913 | 138.466 | 102.928 |
| 2.3 | Interest Expense on Money Market Transactions | | 752.710 | 591.984 | 203.013 | 227.412 |
| 2.4 | Interest on Securities Issued | (III-b-3) | 504.697 | 513.472 | 157.132 | 174.352 |
| 2.5 | Other Interest Expenses | | 35.677 | 27.301 | 9.957 | 6.206 |
| III. | NET INTEREST INCOME (I - II) | | 5.891.482 | 5.226.541 | 2.079.674 | 1.758.748 |
| IV. | NET FEES AND COMMISSIONS INCOME | | 1.788.582 | 1.750.037 | 575.843 | 607.212 |
| 4.1 | Fees and Commissions Received | | 2.171.270 | 2.095.684 | 711.214 | 733.297 |
| 4.1.1 | Non-cash Loans | | 151.214 | 129.227 | 52.967 | 43.928 |
| 4.1.2 | Other | | 2.020.056 | 1.966.457 | 658.247 | 689.369 |
| 4.2 | Fees and Commissions Paid | | 382.688 | 345.647 | 135.371 | 126.085 |
| 4.2.1 | Non-cash Loans | | 238 | 238 | 58 | 83 |
| 4.2.2 | Other | | 382.450 | 345.409 | 135.313 | 126.002 |
| V. | DIVIDEND INCOME | | 21.419 | 13.336 | - | - |
| VI. | TRADING INCOME /(LOSS) (Net) | (III-c) | 560.773 | 74.954 | 275.724 | 1.571 |
| 6.1 | Trading Gains / (Losses) on Securities | | 213.931 | 197.197 | 56.361 | (8.589) |
| 6.2 | Gains / (Losses) on Derivative Financial Transactions | | 471.297 | 69.408 | 509.520 | 305.477 |
| 6.3 | Foreign Exchange Gains / (Losses) | | (124.455) | (191.751) | (290.157) | (295.317) |
| VII. | OTHER OPERATING INCOME | (III-d) | 774.010 | 516.971 | 121.564 | 93.481 |
| VIII. | TOTAL OPERATING INCOME (III+IV+V+VI+VII) | | 9.036.266 | 7.581.739 | 3.052.805 | 2.461.012 |
| IX. | PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-) | (III-e) | 1.566.451 | 1.774.384 | 537.954 | 589.656 |
| X. | OTHER OPERATING EXPENSES (-) | (III-f) | 3.138.922 | 3.144.654 | 1.101.515 | 1.021.991 |
| XI. | NET OPERATING INCOME/(LOSS) (VIII-IX-X) | | 4.330.893 | 2.662.701 | 1.413.336 | 849.365 |
| 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) | | 4.330.893 | 2.662.701 | 1.413.336 | 849.365 |
| XVI. | TAX PROVISION FOR CONTINUED OPERATIONS (±) | (III-g) | 886.876 | 577.171 | 308.712 | 177.719 |
| 16.1 | Current Tax Provision | | 778.845 | 482.203 | 188.810 | 122.980 |
| 16.2 | Deferred Tax Provision | | 108.031 | 94.968 | 119.902 | 54.739 |
| XVII. | CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI) | | 3.444.017 | 2.085.530 | 1.104.624 | 671.646 |
| XVIII. | INCOME FROM DISCONTINUED OPERATIONS | | - | - | - | - |
| 18.1 | Income from Non-current Assets Held for Sale | | - | - | - | - |
| 18.2 | Profit from Sales of Associates, Subsidiaries and Joint Ventures | | - | - | - | - |
| 18.3 | Income from Other Discontinued Operations | | - | - | - | - |
| XIX. | EXPENSES FOR DISCONTINUED OPERATIONS (-) | | - | - | - | - |
| 19.1 | Expenses for Non-current Assets Held for Sale | | - | - | - | - |
| 19.2 | Loss from Sales of Associates, Subsidiaries and Joint Ventures | | - | - | - | - |
| 19.3 | Expenses for Other Discontinued Operations | | - | - | - | - |
| XX. | PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX) | | - | - | - | - |
| XXI. | TAX PROVISION FOR DISCONTINUED OPERATIONS (±) | | - | - | - | - |
| 21.1 | Current Tax Provision | | - | - | - | - |
| 21.2 | Deferred Tax Provision | | - | - | - | - |
| XXII. | CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI) | | - | - | - | - |
| XXIII. | NET INCOME/(LOSS) (XVII+XXII) | (III-h) | 3.444.017 | 2.085.530 | 1.104.624 | 671.646 |
| Earnings per share (in full TL) | | | 0,00861 | 0,00521 | 0,00276 | 0,00168 |

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

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

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

| | Note (Section Five) | CURRENT PERIOD (30/09/2016) | | | PRIOR PERIOD (31/12/2015) | | |
|---|------------------------|--------------------------------|--------------------|----------------------|------------------------------|--------------------|----------------------|
| | | TL | FC | Total | TL | FC | Total |
| A. OFF-BALANCE SHEET COMMITMENTS (I+II+III) | | 126.485.822 | 306.148.032 | 432.633.854 | 97.042.850 | 225.281.018 | 322.323.868 |
| I. GUARANTEES AND WARRANTIES | (IV-2, 3) | 15.360.711 | 18.347.173 | 33.707.884 | 13.762.203 | 18.913.025 | 32.675.228 |
| 1.1 Letters of Guarantee | | 13.458.220 | 11.281.145 | 24.739.365 | 11.862.428 | 10.764.100 | 22.626.528 |
| 1.1.1 Guarantees Subject to State Tender Law | | 347.104 | 2.089.614 | 2.436.718 | 489.460 | 1.799.894 | 2.289.354 |
| 1.1.2 Guarantees Given for Foreign Trade Operations | | - | 2.903.905 | 2.903.905 | - | 4.114.385 | 4.114.385 |
| 1.1.3 Other Letters of Guarantee | | 13.111.116 | 6.287.626 | 19.398.742 | 11.372.968 | 4.849.821 | 16.222.789 |
| 1.2 Bank Acceptances | | - | 1.186.789 | 1.186.789 | - | 933.230 | 933.230 |
| 1.2.1 Import Letter of Acceptance | | - | 1.186.789 | 1.186.789 | - | 933.230 | 933.230 |
| 1.2.2 Other Bank Acceptances | | - | - | - | - | - | - |
| 1.3 Letters of Credit | | 520 | 4.091.135 | 4.091.655 | 396 | 5.326.265 | 5.326.661 |
| 1.3.1 Documentary Letters of Credit | | 520 | 3.673.569 | 3.674.089 | 396 | 4.846.143 | 4.846.539 |
| 1.3.2 Other Letters of Credit | | - | 417.566 | 417.566 | - | 480.122 | 480.122 |
| 1.4 Prefinancing Given as Guarantee | | - | - | - | - | - | - |
| 1.5 Endorsements | | - | - | - | - | - | - |
| 1.5.1 Endorsements to the Central Bank of Turkey | | - | - | - | - | - | - |
| 1.5.2 Other Endorsements | | - | - | - | - | - | - |
| 1.6 Purchase Guarantees for Securities Issued | | - | - | - | - | - | - |
| 1.7 Factoring Guarantees | | - | 15.387 | 15.387 | - | 22.866 | 22.866 |
| 1.8 Other Guarantees | | 51.184 | 1.759.125 | 1.810.309 | 115.520 | 1.852.899 | 1.968.419 |
| 1.9 Other Collaterals | | 1.850.787 | 13.592 | 1.864.379 | 1.783.859 | 13.665 | 1.797.524 |
| II. COMMITMENTS | (IV-1) | 39.949.805 | 16.175.193 | 56.124.998 | 35.082.215 | 12.341.070 | 47.423.285 |
| 2.1 Irrevocable Commitments | | 39.397.987 | 16.175.193 | 55.573.180 | 34.577.080 | 12.341.070 | 46.918.150 |
| 2.1.1 Asset Purchase Commitments | | 6.378.771 | 5.853.850 | 12.232.621 | 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 | | 6.131.671 | 3.993.508 | 10.125.179 | 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 | | 6.028.416 | - | 6.028.416 | 5.764.751 | - | 5.764.751 |
| 2.1.8 Tax and Fund Liabilities from Export Commitments | | 3.990 | - | 3.990 | 2.956 | - | 2.956 |
| 2.1.9 Commitments for Credit Card Limits | | 17.458.809 | - | 17.458.809 | 17.672.898 | - | 17.672.898 |
| 2.1.10 Commitments for Credit Cards and Banking Services Promotions | | 102.740 | - | 102.740 | 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 | | 3.293.590 | 6.327.835 | 9.621.425 | 3.207.367 | 5.044.026 | 8.251.393 |
| 2.2 Revocable Commitments | | 551.818 | - | 551.818 | 505.135 | - | 505.135 |
| 2.2.1 Revocable Loan Granting Commitments | | 551.818 | - | 551.818 | 505.135 | - | 505.135 |
| 2.2.2 Other Revocable Commitments | | - | - | - | - | - | - |
| III. DERIVATIVE FINANCIAL INSTRUMENTS | | 71.175.306 | 271.625.666 | 342.800.972 | 48.198.432 | 194.026.923 | 242.225.355 |
| 3.1 Hedging Derivative Financial Instruments | | 2.497.225 | 18.327.699 | 20.824.924 | 1.228.638 | 11.197.395 | 12.426.033 |
| 3.1.1 Fair Value Hedges | | 2.497.225 | 15.327.299 | 17.824.524 | 1.228.638 | 11.197.395 | 12.426.033 |
| 3.1.2 Cash Flow Hedges | | - | 3.000.400 | 3.000.400 | - | - | - |
| 3.1.3 Foreign Net Investment Hedges | | - | - | - | - | - | - |
| 3.2 Trading Derivative Financial Instruments | | 68.678.081 | 253.297.967 | 321.976.048 | 46.969.794 | 182.829.528 | 229.799.322 |
| 3.2.1 Forward Foreign Currency Buy/Sell Transactions | | 5.809.756 | 11.468.358 | 17.278.114 | 6.128.480 | 8.958.219 | 15.086.699 |
| 3.2.1.1 Forward Foreign Currency Transactions-Buy | | 2.909.985 | 5.698.713 | 8.608.698 | 2.647.607 | 4.845.645 | 7.493.252 |
| 3.2.1.2 Forward Foreign Currency Transactions-Sell | | 2.899.771 | 5.769.645 | 8.669.416 | 3.480.873 | 4.112.574 | 7.593.447 |
| 3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates | | 54.734.323 | 160.997.329 | 215.731.652 | 29.738.415 | 104.406.055 | 134.144.470 |
| 3.2.2.1 Foreign Currency Swap-Buy | | 27.900.427 | 46.095.783 | 73.996.210 | 11.246.658 | 28.538.905 | 39.785.563 |
| 3.2.2.2 Foreign Currency Swap-Sell | | 23.613.696 | 45.756.322 | 69.370.018 | 15.671.757 | 20.415.368 | 36.087.125 |
| 3.2.2.3 Interest Rate Swap-Buy | | 1.610.100 | 34.572.612 | 36.182.712 | 1.410.000 | 27.725.891 | 29.135.891 |
| 3.2.2.4 Interest Rate Swap-Sell | | 1.610.100 | 34.572.612 | 36.182.712 | 1.410.000 | 27.725.891 | 29.135.891 |
| 3.2.3 Foreign Currency, Interest Rate and Securities Options | | 7.906.869 | 66.739.282 | 74.646.151 | 10.274.802 | 58.882.918 | 69.157.720 |
| 3.2.3.1 Foreign Currency Options-Buy | | 3.737.874 | 8.327.871 | 12.065.745 | 4.938.312 | 7.023.471 | 11.961.783 |
| 3.2.3.2 Foreign Currency Options-Sell | | 4.168.995 | 8.091.389 | 12.260.384 | 5.336.490 | 6.753.791 | 12.090.281 |
| 3.2.3.3 Interest Rate Options-Buy | | - | 25.160.011 | 25.160.011 | - | 22.552.828 | 22.552.828 |
| 3.2.3.4 Interest Rate Options-Sell | | - | 25.160.011 | 25.160.011 | - | 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 | | 227.133 | 14.092.998 | 14.320.131 | 828.097 | 10.582.336 | 11.410.433 |
| B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI) | | 691.226.807 | 164.186.660 | 855.413.467 | 611.006.886 | 159.670.572 | 770.677.458 |
| IV. ITEMS HELD IN CUSTODY | | 27.993.865 | 8.449.128 | 36.442.993 | 26.860.299 | 11.806.667 | 38.666.966 |
| 4.1 Customer Fund and Portfolio Balances | | 3.366.562 | - | 3.366.562 | 2.820.657 | - | 2.820.657 |
| 4.2 Investment Securities Held in Custody | | 4.581.831 | 904.955 | 5.486.786 | 5.230.194 | 818.636 | 6.048.830 |
| 4.3 Cheques Received for Collection | | 15.666.308 | 970.165 | 16.636.473 | 14.928.116 | 876.770 | 15.804.886 |
| 4.4 Commercial Notes Received for Collection | | 3.896.318 | 1.486.500 | 5.382.818 | 3.395.579 | 1.454.631 | 4.850.210 |
| 4.5 Other Assets Received for Collection | | - | - | - | - | - | - |
| 4.6 Assets Received for Public Offering | | - | - | - | - | - | - |
| 4.7 Other Items Under Custody | | 482.846 | 5.087.508 | 5.570.354 | 485.753 | 8.656.630 | 9.142.383 |
| 4.8 Custodians | | - | - | - | - | - | - |
| V. PLEDGES RECEIVED | | 242.721.834 | 54.680.554 | 297.402.388 | 201.367.218 | 48.499.397 | 249.866.615 |
| 5.1 Marketable Securities | | 116.627.351 | 464.544 | 117.091.895 | 93.300.273 | 443.023 | 93.743.296 |
| 5.2 Guarantee Notes | | 794.932 | 385.093 | 1.180.025 | 737.605 | 408.356 | 1.145.961 |
| 5.3 Commodity | | - | 25.116 | 25.116 | - | 34.884 | 34.884 |
| 5.4 Warranty | | - | - | - | - | - | - |
| 5.5 Immovables | | 92.811.189 | 42.416.395 | 135.227.584 | 78.442.536 | 35.614.821 | 114.057.357 |
| 5.6 Other Pledged Items | | 32.488.362 | 11.389.406 | 43.877.768 | 28.886.804 | 11.998.313 | 40.885.117 |
| 5.7 Pledged Items-Depository | | - | - | - | - | - | - |
| VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES | | 420.511.108 | 101.056.978 | 521.568.086 | 382.779.369 | 99.364.508 | 482.143.877 |
| TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B) | | 817.712.629 | 470.334.692 | 1.288.047.321 | 708.049.736 | 384.951.590 | 1.093.001.326 |

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

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

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

| INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY | | CURRENT PERIOD (30/09/2016) | PRIOR PERIOD (30/09/2015) |
|---|---|--|--------------------------------------|
| I. | ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE- FOR- SALE FINANCIAL ASSETS | 487.117 | (1.886.275) |
| II. | PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES | - | - |
| III. | INTANGIBLE ASSETS REVALUATION DIFFERENCES | - | - |
| IV. | TRANSLATION DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS | - | - |
| V. | PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of Fair Value Changes) | 15.199 | 24.541 |
| VI. | PROFIT/LOSS FROM FOREIGN NET INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion) | - | - |
| VII. | EFFECTS OF CHANGES IN ACCOUNTING POLICY AND CORRECTIONS | - | - |
| VIII. | OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS | - | - |
| IX. | TAX RELATED TO VALUATION DIFFERENCES | (100.463) | 372.347 |
| X. | NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX) | 401.853 | (1.489.387) |
| XI. | CURRENT PERIOD INCOME / LOSS | 3.444.017 | 2.085.530 |
| 11.1 | Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss) | 194.001 | 109.065 |
| 11.2 | Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement | (28.436) | (19.633) |
| 11.3 | Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement | - | - |
| 11.4 | Other | 3.278.452 | 1.996.098 |
| XII. | TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI) | 3.845.870 | 596.143 |

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

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

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

| | Note (Section Five) | Paid-in Capital | Adjustment to Share Capital(*) | Share Premiums | Share Cancellation Profits | Legal Reserves | Status Reserves | Extraordinary Reserves | Other Reserves | Current Period Net Income (Loss) | Prior Period Net Income (Loss) | Marketable Securities Valuation Differences | Property & Equipment Revaluation Differences | Bonus Shares from Invest. in Ass., Subs. and J.V. | Hedging Transactions | Val. Chan. in Prop. and Eq. HFS Purp./ Disc. Opr. | Total Shareholders' Equity | |
|--|--|-----------------|-----------------------------------|-------------------|----------------------------------|----------------|--------------------|---------------------------|-------------------|-------------------------------------|--------------------------------------|--|---|---|-------------------------|---|-------------------------------|------------|
| PRIOR PERIOD (30/09/2015) | | | | | | | | | | | | | | | | | | |
| I. | Beginning Balance | 4.000.000 | 1.405.892 | 1.700.000 | - | 1.245.067 | - | 13.823.484 | 101.971 | 3.159.678 | - | [293.820] | 47.106 | 4.895 | [82.447] | - | 25.111.826 | |
| II. | Corrections and Accounting Policy Changes Made According to TAS 8 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2.1 | Effects of Corrections | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2.2 | Effects of the Changes in Accounting Policies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| III. | Adjusted Beginning Balance (I+II) | (II-I) | 4.000.000 | 1.405.892 | 1.700.000 | - | 1.245.067 | - | 13.823.484 | 101.971 | 3.159.678 | - | [293.820] | 47.106 | 4.895 | [82.447] | - | 25.111.826 |
| Changes in the period | | | | | | | | | | | | | | | | | | |
| IV. | Increase/Decrease due to Mergers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| V. | Marketable Securities Valuation Differences | - | - | - | - | - | - | - | - | - | - | [1.509.020] | - | - | - | - | [1.509.020] | |
| VI. | Hedging transactions | - | - | - | - | - | - | - | - | - | - | - | - | - | 19.633 | - | 19.633 | |
| 4.1 | Cash Flow Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | 19.633 | - | 19.633 | |
| 4.2 | Foreign Net Investment Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| VII. | Property and Equipment Revaluation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| VIII. | Intangible Assets Revaluation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| IX. | Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| X. | Translation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XI. | Changes due to the disposal of assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XII. | Changes due to the reclassification of assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XIII. | Effects of changes in equity of investments in associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XIV. | Capital Increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 14.1 | Cash Increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 14.2 | Internal Resources | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XV. | Share Issuance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XVI. | Share Cancellation Profits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XVII. | Paid-in capital inflation adjustment difference | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XVIII. | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XX. | Current Year Income or (Loss) | - | - | - | - | - | - | - | - | 2.085.530 | - | - | - | - | - | - | 2.085.530 | |
| XX. | Profit Distribution | - | - | - | - | 36.960 | - | 2.548.613 | 4.505 | [3.159.678] | - | - | - | - | - | - | [569.600] | |
| 20.1 | Dividends paid | - | - | - | - | - | - | - | - | [569.600] | - | - | - | - | - | - | [569.600] | |
| 20.2 | Transfers to Reserves | - | - | - | - | 36.960 | - | 2.548.613 | 4.505 | [2.590.078] | - | - | - | - | - | - | - | |
| 20.3 | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Ending Balance (III+IV+V+.....+XVIII+XIX+XX) | | 4.000.000 | 1.405.892 | 1.700.000 | - | 1.282.027 | - | 16.372.097 | 106.476 | 2.085.530 | - | [1.802.840] | 47.106 | 4.895 | [62.814] | - | 25.138.369 | |
| CURRENT PERIOD (30/09/2016) | | | | | | | | | | | | | | | | | | |
| I. | Prior Period End Balance | 4.000.000 | 1.405.892 | 1.700.000 | - | 1.282.027 | - | 16.372.097 | 55.450 | 2.994.848 | - | [1.112.761] | 47.106 | 4.895 | [60.377] | - | 26.689.177 | |
| Changes in the period | | | | | | | | | | | | | | | | | | |
| II. | Increase/Decrease due to Mergers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| III. | Marketable Securities Valuation Differences | (II-k) | - | - | - | - | - | - | - | - | - | 389.694 | - | - | - | - | 389.694 | |
| IV. | Hedging transactions | - | - | - | - | - | - | - | - | - | - | - | - | - | 12.159 | - | 12.159 | |
| 4.1 | Cash flow Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | 12.159 | - | 12.159 | |
| 4.2 | Foreign Net Investment Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| V. | Property and Equipment Revaluation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| VI. | Intangible Assets Revaluation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| VII. | Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| VIII. | Translation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| IX. | Changes due to the disposal of assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| X. | Changes due to the reclassification of assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XI. | Effects of changes in equity of investments in associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XII. | Capital Increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 12.1 | Cash Increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 12.2 | Internal Resources | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XIII. | Share Issuance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XIV. | Share Cancellation Profits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XV. | Paid-in capital inflation adjustment difference | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XVI. | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| XVII. | Current Year Income or (Loss) | - | - | - | - | - | - | - | - | 3.444.017 | - | - | - | - | - | - | 3.444.017 | |
| XVIII. | Profit Distribution | - | - | - | - | 40.000 | - | 2.346.202 | 8.646 | [2.994.848] | - | - | - | - | - | - | [600.000] | |
| 18.1 | Dividends paid | - | - | - | - | - | - | - | - | [600.000] | - | - | - | - | - | - | [600.000] | |
| 18.2 | Transfers to Reserves | - | - | - | - | 40.000 | - | 2.346.202 | 8.646 | [2.394.848] | - | - | - | - | - | - | - | |
| 18.3 | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Ending Balance (I+II+III+...+XVI+XVII+XVIII) | | 4.000.000 | 1.405.892 | 1.700.000 | - | 1.322.027 | - | 18.718.299 | 64.096 | 3.444.017 | - | [723.067] | 47.106 | 4.895 | [48.218] | - | 29.935.047 | |

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

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

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

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

| | Note (Section Five) | CURRENT PERIOD (30/09/2016) | PRIOR PERIOD (30/09/2015) |
|--|--|--------------------------------|------------------------------|
| A. CASH FLOWS FROM BANKING OPERATIONS | | | |
| 1.1 | Operating Profit before changes in operating assets and liabilities | 2.689.146 | (965.285) |
| 1.1.1 | Interest received | 12.741.559 | 9.663.802 |
| 1.1.2 | Interest paid | (7.268.371) | (5.703.249) |
| 1.1.3 | Dividend received | 21.419 | 13.336 |
| 1.1.4 | Fees and commissions received | 2.171.725 | 2.050.022 |
| 1.1.5 | Other income | (691.479) | (873.934) |
| 1.1.6 | Collections from previously written-off loans and other receivables | 510.031 | 485.180 |
| 1.1.7 | Payments to personnel and service suppliers | (2.847.769) | (2.845.399) |
| 1.1.8 | Taxes paid | (1.258.505) | (629.700) |
| 1.1.9 | Other | (689.464) | (3.125.343) |
| 1.2 | Changes in operating assets and liabilities | 4.560.793 | 1.355.616 |
| 1.2.1 | Net decrease in trading securities | (5.007) | (23.684) |
| 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 | 8.487.375 | (868.734) |
| 1.2.4 | Net (increase) / decrease in loans | (12.775.121) | (15.735.148) |
| 1.2.5 | Net (increase) / decrease in other assets | (10.536.672) | (9.035.758) |
| 1.2.6 | Net increase / (decrease) in bank deposits | (3.131.599) | (420.635) |
| 1.2.7 | Net increase / (decrease) in other deposits | 15.308.856 | 27.970.858 |
| 1.2.8 | Net increase / (decrease) in funds borrowed | 3.916.170 | 4.402.868 |
| 1.2.9 | Net increase / (decrease) in payables | - | - |
| 1.2.10 | Net increase / (decrease) in other liabilities | 3.296.791 | (4.934.151) |
| I. | Net cash provided from banking operations | 7.249.939 | 390.331 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| II. | Net cash provided from investing activities | 4.717.384 | (1.564.970) |
| 2.1 | Cash paid for acquisition of investments, associates and subsidiaries | - | (358.121) |
| 2.2 | Cash obtained from disposal of investments, associates and subsidiaries | - | - |
| 2.3 | Purchases of property and equipment | (105.936) | (94.773) |
| 2.4 | Disposals of property and equipment | 164.413 | 13.467 |
| 2.5 | Cash paid for purchase of investments available-for-sale | (10.799.065) | (20.650.290) |
| 2.6 | Cash obtained from sale of investments available-for-sale | 15.897.057 | 18.906.101 |
| 2.7 | Cash paid for purchase of investment securities | - | - |
| 2.8 | Cash obtained from sale of investment securities | 130.051 | 1.112.448 |
| 2.9 | Other | (569.136) | (493.802) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| III. | Net cash provided from financing activities | (1.852.177) | 1.082.025 |
| 3.1 | Cash obtained from funds borrowed and securities issued | 4.049.332 | 9.670.886 |
| 3.2 | Cash used for repayment of funds borrowed and securities issued | (5.254.731) | (7.958.589) |
| 3.3 | Issued equity instruments | - | - |
| 3.4 | Dividends paid | (600.000) | (569.600) |
| 3.5 | Payments for finance leases | (46.778) | (60.672) |
| 3.6 | Other | - | - |
| IV. | Effect of change in foreign exchange rate on cash and cash equivalents | 127.175 | 734.746 |
| V. | Net increase in cash and cash equivalents (I+II+III+IV) | 10.242.321 | 642.132 |
| VI. | Cash and cash equivalents at beginning of the period | (M) 6.152.472 | 4.808.291 |
| VII. | Cash and cash equivalents at end of the period | (M) 16.394.793 | 5.450.423 |

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

SECTION THREE
ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

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

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

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

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

b. Explanation for convenience translation into English:

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

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

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

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

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

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

As of 30 September 2016, foreign currency denominated balances are translated into TL using the exchange rates of TL 3,0004 TL 3,3548 and TL 2,9617 for USD, EURO and Yen respectively.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

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

IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:

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

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

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

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

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

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

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

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

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

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

b. Financial assets available-for-sale:

Financial assets available-for-sale consist of financial assets other than "Loans and receivables", "Held-to-maturity", "Financial assets at fair value through profit or loss" and non-derivative financial assets. Financial assets available-for-sale are recorded by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets available-for-sale are remeasured at fair value. Interest income arising from available-for-sale calculated with effective interest method and dividend income from equity securities are reflected to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of securities classified as available-for-sale are recognized in the account of "Marketable securities valuation differences" under shareholders' equity, unless these assets are impaired, collected, sold, or disposed of. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

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.

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

d. Held-to-maturity financial assets:

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

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

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

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

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

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

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

The Bank has no securities lending transactions.

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

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

The Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Bank has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

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

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

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

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XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

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.

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

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

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

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

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

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

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

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

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

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

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

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

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

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b. Deferred tax:

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

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

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2016.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

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

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

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

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

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XXV. EARNINGS PER SHARE:

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

| | Current Period 30 September 2016 | Prior Period 30 September 2015 |
|--|---|---|
| Net Profit for the Year | 3.444.017 | 2.085.530 |
| Average Number of Issued Common Shares (Thousand) | 400.000.000 | 400.000.000 |
| Earnings Per Share (Amounts presented as full TL) | 0,00861 | 0,00521 |

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 30 September 2016, there are certain reclassifications made on income statement and cash flow statement of 30 September 2015.

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

I. EXPLANATIONS ON EQUITY:

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

As of 30 September 2016 Bank's total capital has been calculated as TL 32.159.891, Capital adequacy ratio is % 15,03. As of 31 December 2015, Bank's total capital amounted to TL 28.954.803, Capital adequacy ratio was % 14,58 calculated pursuant to former regulations. This ratio is well above the minimum ratio required by the legislation.

a. Information about Total Capital:

| | Current Period 30 September 2016 | Amounts related to treatment before 1/1/2014(*) |
|---|-------------------------------------|--|
| COMMON EQUITY TIER 1 CAPITAL | | |
| Paid-in capital following all debts in terms of claim in liquidation of the Bank | 5.405.892 | |
| Share issue premiums | 1.700.000 | |
| Reserves | 20.161.351 | |
| Gains recognized in equity as per TAS | 47.106 | |
| Profit | 3.444.017 | |
| Current Period Profit | 3.444.017 | |
| Prior Period Profit | - | |
| Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period | 4.895 | |
| Common Equity Tier 1 Capital Before Deductions | 30.763.261 | |
| 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 | 22.081 | |
| Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS | 779.996 | |
| Improvement costs for operating leasing | 25.678 | |
| Goodwill (net of related tax liability) | - | |
| Other intangibles other than mortgage-servicing rights (net of related tax liability) | 118.220 | 197.033 |
| 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 | 945.975 | |
| Total Common Equity Tier 1 Capital | 29.817.286 | |

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

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| | Current Period 30 September 2016 | Amounts related to treatment before 1/1/2014 (*) |
|--|-------------------------------------|---|
| ADDITIONAL TIER I CAPITAL | | |
| Preferred Stock not Included in Common Equity and the Related Share Premiums | - | |
| Debt instruments and premiums approved by BRSA | - | |
| Debt instruments and premiums approved by BRSA(Temporary Article 4) | - | |
| Additional Tier I Capital before Deductions | - | |
| Deductions from Additional Tier I Capital | | |
| Direct and indirect investments of the Bank in its own Additional Tier I Capital | - | |
| Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7. | - | |
| Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital | - | |
| The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital | - | |
| Other items to be defined by the BRSA | - | |
| Transition from the Core Capital to Continue to deduce Components | | |
| Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-) | 78.813 | - |
| 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) | 29.738.473 | |
| TIER II CAPITAL | | |
| Debt instruments and share issue premiums deemed suitable by the BRSA | - | |
| Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4) | - | |
| Provisions (Article 8 of the Regulation on the Equity of Banks) | 2.435.164 | |
| Tier II Capital Before Deductions | 2.435.164 | |
| 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 | 2.435.164 | |
| Total Capital (The sum of Tier I Capital and Tier II Capital) | 32.173.637 | |
| Deductions from Total Capital | | |
| Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law | - | |
| Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years | 19 | |
| Other items to be defined by the BRSA (-) | 13.727 | |
| 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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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

| | Current Period 30 September 2016 | Amounts related to treatment before 1/1/2014(*) |
|--|-------------------------------------|--|
| TOTAL CAPITAL | | |
| Total Capital | 32.159.891 | |
| Total risk weighted amounts | 214.023.220 | |
| Capital Adequacy Ratios | | |
| Core Capital Adequacy Ratio | 13,93% | |
| Tier 1 Capital Adequacy Ratio | 13,89% | |
| Capital Adequacy Ratio | 15,03% | |
| BUFFERS | | |
| Bank specific total common equity tier 1 capital ratio | 5,51% | |
| Capital conservation buffer requirement | 0,63% | |
| Bank specific counter-cyclical buffer requirement | 0,39% | |
| The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets | 5,93% | |
| Amounts below the Excess Limits as per the Deduction Principles | | |
| Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital | - | |
| Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital | - | |
| Amount arising from mortgage-servicing rights | - | |
| Amount arising from deferred tax assets based on temporary differences | 239.320 | |
| Limits related to provisions considered in Tier II calculation | | |
| General provisions for standard based receivables (before tenthousandtwentyfive limitation) | 2.767.714 | |
| Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used | 2.435.164 | |
| Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation | - | |
| Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation | - | |
| Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022) | | |
| Upper limit for Additional Tier I Capital subjected to temporary Article 4 | - | |
| Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4 | - | |
| Upper limit for Additional Tier II Capital subjected to temporary Article 4 | - | |
| Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4 | - | |

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

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

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

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

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

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

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II. EXPLANATIONS ON CURRENCY RISK

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

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

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

| | USD | EURO | Yen |
|-------------------------------|------------|-------------|------------|
| Balance Sheet Evaluation Rate | TL 3,0004 | TL 3,3548 | TL 2,9617 |
| 1.Day bid rate | TL 2,9959 | TL 3,3608 | TL 2,9451 |
| 2.Day bid rate | TL 2,9764 | TL 3,3362 | TL 2,9493 |
| 3.Day bid rate | TL 2,9709 | TL 3,3401 | TL 2,9489 |
| 4.Day bid rate | TL 2,9846 | TL 3,3546 | TL 2,9606 |
| 5.Day bid rate | TL 2,9474 | TL 3,3044 | TL 2,9146 |

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

USD : TL 2,9561
EURO : TL 3,3186
Yen : TL 2,8995

As of 31 December 2015;

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

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

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

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| Current Period – 30 September 2016 | EURO | USD | Other FC | Total |
|---|---------------------|---------------------|--------------------|--------------------|
| Assets | | | | |
| Cash Equivalents and Central Bank(**) | 11.374.460 | 14.293.127 | 3.833.990 | 29.501.577 |
| Banks | 1.581.385 | 4.467.265 | 62.971 | 6.111.621 |
| Financial Assets at Fair Value through Profit or Loss (Net) | - | - | - | - |
| Interbank Money Market Placements | - | - | - | - |
| Available-for-sale Financial Assets (Net) | 1.992.908 | 16.918.079 | 517.124 | 19.428.111 |
| Loans | 23.776.590 | 30.215.562 | 72.772 | 54.064.924 |
| Investments in Associates, Subsidiaries and Joint Ventures | 1.069.214 | 2.243 | - | 1.071.457 |
| Held-to-maturity Investments (Net) | 2.264.696 | 3.274.479 | - | 5.539.175 |
| Hedging Derivative Financial Assets | - | - | - | - |
| Tangible Assets (Net) | - | 1.717 | - | 1.717 |
| Intangible Assets (Net) | - | - | - | - |
| Other Assets | 366.554 | 607.655 | 314 | 974.523 |
| Total Assets | 42.425.807 | 69.780.127 | 4.487.171 | 116.693.105 |
| Liabilities | | | | |
| Bank Deposits | 1.251.314 | 5.377.594 | 464.672 | 7.093.580 |
| Foreign Currency Deposits (**) | 21.380.946 | 34.203.692 | 2.271.675 | 57.856.313 |
| Funds from Interbank Money Market | 663.583 | 16.536.923 | - | 17.200.506 |
| Borrowings | 8.146.449 | 19.313.297 | 584 | 27.460.330 |
| Marketable Securities Issued (Net) | 33.595 | 7.445.692 | 129.906 | 7.609.193 |
| Miscellaneous Payables | 563.599 | 561.953 | 2.873 | 1.128.425 |
| Hedging Derivative Financial Liabilities | - | - | - | - |
| Other Liabilities | 70.972 | 90.615 | 2.443 | 164.030 |
| Total Liabilities | 32.110.458 | 83.529.766 | 2.872.153 | 118.512.377 |
| Net on Balance Sheet Position | 10.315.349 | (13.749.639) | 1.615.018 | (1.819.272) |
| Net off-Balance Sheet Position (*) | (10.155.997) | 13.451.950 | (1.593.213) | 1.702.740 |
| Financial Derivative Assets | 14.569.864 | 54.642.526 | 2.285.247 | 71.497.637 |
| Financial Derivative Liabilities | 24.725.861 | 41.190.576 | 3.878.460 | 69.794.897 |
| Non-cash Loans | 6.486.251 | 11.575.625 | 285.297 | 18.347.173 |
| Prior Period - 31 December 2015 | | | | |
| Total Assets | 31.249.901 | 75.804.964 | 3.810.134 | 110.864.999 |
| Total Liabilities | 27.290.590 | 89.261.006 | 3.046.902 | 119.598.498 |
| Net on-Balance Sheet Position | 3.959.311 | (13.456.042) | 763.232 | (8.733.499) |
| Net off-Balance Sheet Position (*) | (3.450.268) | 12.766.362 | (789.661) | 8.526.433 |
| Financial Derivative Assets | 9.053.600 | 35.435.549 | 2.303.294 | 46.792.443 |
| Financial Derivative Liabilities | 12.503.868 | 22.669.187 | 3.092.955 | 38.266.010 |
| Non-cash Loans | 5.847.197 | 12.799.680 | 266.148 | 18.913.025 |

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

(**) Of the Cash Equivalents and Central Bank and Other FC, TL 3.781.304 (31 December 2015: TL 3.663.362) and of the foreign currency deposits, TL 763.139 (31 December 2015: TL 777.277) is precious metal deposit account in demand.

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III. EXPLANATIONS ON INTEREST RATE RISK:

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

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

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

| Current Period – 30 September 2016 | Up to 1 Month | 1 – 3 Months | 3 – 12 Months | 1 – 5 Years | 5 Years and Over | Non-Interest Bearing | Total |
|--|--------------------------|-------------------------|--------------------------|------------------------|-----------------------------|---------------------------------|---------------------|
| Assets | | | | | | | |
| Cash Equivalents and Central Bank | 25.095.645 | - | - | - | - | 9.567.958 | 34.663.603 |
| Banks | 2.664.715 | 337.549 | 411.069 | - | - | 4.375.382 | 7.788.715 |
| Financial Assets at Fair Value Through Profit or Loss (Net) | 435.179 | 2.354.632 | 1.203.983 | 299.363 | 158.162 | 16.247 | 4.467.566 |
| Interbank Money Market Placements | 2.476.557 | - | - | - | - | - | 2.476.557 |
| Available-for-sale Financial Assets (Net) | 4.222.136 | 4.095.730 | 8.237.074 | 14.823.162 | 5.283.956 | 263.038 | 36.925.096 |
| Loans | 45.170.715 | 21.426.264 | 38.356.180 | 39.415.337 | 9.461.204 | 145.390 | 153.975.090 |
| Held-to-maturity Investments (Net) | 521.808 | 574.905 | 3.387.773 | 6.448.543 | - | - | 10.933.029 |
| Other Assets | 240.788 | 643.115 | 253.633 | 63.011 | 33.290 | 4.050.201 | 5.284.038 |
| Total Assets | 80.827.543 | 29.432.195 | 51.849.712 | 61.049.416 | 14.936.612 | 18.418.216 | 256.513.694 |
| Liabilities | | | | | | | |
| Bank Deposits | 6.365.368 | 2.426.670 | 368.279 | - | - | 269.620 | 9.429.937 |
| Other Deposits | 84.207.454 | 22.302.073 | 8.061.906 | 275.899 | 16 | 27.028.708 | 141.876.056 |
| Funds from Interbank Money Market | 10.776.006 | 7.988.807 | 5.730.207 | - | - | - | 24.495.020 |
| Miscellaneous Payables | 173.517 | 306.740 | 293.916 | 153.371 | 49.152 | 3.876.304 | 4.853.000 |
| Marketable Securities Issued (Net) | 384.303 | 456.447 | 653.521 | 5.606.009 | 2.899.830 | - | 10.000.110 |
| Borrowings | 2.089.025 | 22.899.029 | 2.096.958 | 505.573 | 52.558 | - | 27.643.143 |
| Other Liabilities (*) | 288.545 | 612.334 | 733.233 | 366.822 | 76.672 | 36.138.822 | 38.216.428 |
| Total Liabilities | 104.284.218 | 56.992.100 | 17.938.020 | 6.907.674 | 3.078.228 | 67.313.454 | 256.513.694 |
| Balance Sheet Long Position | - | - | 33.911.692 | 54.141.742 | 11.858.384 | - | 99.911.818 |
| Balance Sheet Short Position | (23.456.675) | (27.559.905) | - | - | - | (48.895.238) | (99.911.818) |
| Off-balance Sheet Long Position | 2.712.661 | 7.351.867 | 2.411.061 | - | - | - | 12.475.589 |
| Off-balance Sheet Short Position | - | - | - | (8.680.569) | (616.358) | - | (9.296.927) |
| Total Position | (20.744.014) | (20.208.038) | 36.322.753 | 45.461.173 | 11.242.026 | (48.895.238) | 3.178.662 |

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

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

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

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

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

| Current Period – 30 September 2016 | EURO | USD | Yen | TL |
|---|------|------|------|-------|
| Assets | | | | |
| Cash Equivalents and Central Bank | - | 0,49 | - | 4,78 |
| Banks | 0,01 | 0,54 | - | 8,40 |
| Financial Assets at Fair Value Through Profit or Loss (Net) | - | - | - | - |
| Interbank Money Market Placements | - | - | - | 8,22 |
| Available-for-sale Financial Assets (Net) | 2,98 | 3,75 | 3,79 | 10,05 |
| Loans | 3,99 | 5,21 | 4,19 | 13,08 |
| Held-to-maturity Investments (Net) | 3,69 | 3,87 | - | 10,41 |
| Liabilities | | | | |
| Bank Deposits | 0,59 | 1,22 | - | 8,92 |
| Other Deposits | 0,99 | 2,02 | 0,06 | 8,68 |
| Funds from Interbank Money Market | 1,42 | 1,83 | - | 7,47 |
| Miscellaneous Payables | - | - | - | - |
| Marketable Securities Issued (Net) | 4,00 | 4,92 | 1,29 | 8,97 |
| Borrowings | 0,65 | 2,47 | - | 6,69 |

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| Prior Period – 31 December 2015 | EURO | USD | Yen | TL |
|---|------|------|------|-------|
| Assets | | | | |
| Cash Equivalents and Central Bank | - | 0,49 | - | 5,81 |
| Banks | 0,10 | 0,40 | - | 10,99 |
| Financial Assets at Fair Value Through Profit or Loss (Net) | 3,26 | - | - | 10,38 |
| Interbank Money Market Placements | - | - | - | - |
| Available-for-sale Financial Assets (Net) | 2,70 | 3,81 | - | 9,94 |
| Loans | 3,76 | 4,59 | 3,36 | 12,91 |
| Held-to-maturity Investments (Net) | 3,69 | 3,83 | - | 10,13 |
| Liabilities | | | | |
| Bank Deposits | 0,49 | 1,03 | - | 9,53 |
| Other Deposits | 1,19 | 1,83 | 0,06 | 9,09 |
| Funds from Interbank Money Market | - | 1,53 | - | 7,60 |
| Miscellaneous Payables | - | - | - | - |
| Marketable Securities Issued (Net) | 1,57 | 4,54 | - | 10,01 |
| Borrowings | 0,78 | 1,84 | - | 6,09 |

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

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

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

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

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

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

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

Management of liquidity risk is shared by the ERC, ALCO, Treasury Department and Risk Management Department. The ERC 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 the ERC 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 resulted in stress scenarios of subsidiaries, should not exceed the fund limits provided by the Bank.

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

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

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

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

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

e) Information on liquidity risk mitigation techniques:

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

f) Information on the use of stress tests:

In cases of negative conditions such as an impairment in the securities in the Bank's portfolio, inability to replace short and long term borrowings, fast cash outflow, increase in non-performing loan ratio, high margin calls, the extent and duration of sufficient liquidity is analyzed by the stress tests made by the Risk Management Department. Risk limits determined according to analysis results exist within the Bank. It is ensured that the necessary actions are taken by sharing the analysis results and risk limit compliance status with the ALCO, ERC 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 ERC. The actions to be taken favor the benefits of depositors, creditors of the Bank and shareholders. In case one or several emergency situations occur, Bank's Liquidity Contingency Plan is put into use. After Liquidity Contingency Plan is put into use, Liquidity Contingency Management Committee is responsible from the determination of actions to be taken.

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Liquidity Coverage Ratio:

| Current Period- 30.09.2016 | | 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 | | | 39.853.634 | 25.413.024 |
| CASH OUTFLOWS | | | | | |
| 2 | Retail and Customers Deposits | 89.532.136 | 36.145.209 | 7.990.466 | 3.614.521 |
| 3 | Stable deposits | 19.254.942 | - | 962.747 | - |
| 4 | Less stable deposits | 70.277.194 | 36.145.209 | 7.027.719 | 3.614.521 |
| 5 | Unsecured Funding other than Retail and Small Business Customers Deposits | 55.448.143 | 27.437.004 | 28.567.161 | 15.043.462 |
| 6 | Operational deposits | 1.431.838 | 520.384 | 357.960 | 130.096 |
| 7 | Non-Operational Deposits | 51.257.575 | 26.718.414 | 26.458.566 | 14.718.727 |
| 8 | Other Unsecured Funding | 2.758.730 | 198.206 | 1.750.635 | 194.639 |
| 9 | Secured funding | - | - | 44.555 | 44.555 |
| 10 | Other Cash Outflows | 23.544.059 | 18.234.749 | 21.519.447 | 16.393.141 |
| 11 | Liquidity needs related to derivatives and market valuation changes on derivatives transactions | 21.296.932 | 16.189.752 | 21.296.932 | 16.189.752 |
| 12 | Debts related to the structured financial products | - | - | - | - |
| 13 | Commitment related to debts to financial markets and other off balance sheet liabilities | 2.247.127 | 2.044.997 | 222.515 | 203.389 |
| 14 | Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments | 500.331 | - | 25.017 | - |
| 15 | Other irrevocable or conditionally revocable commitments | 50.631.178 | 14.905.800 | 2.531.559 | 745.290 |
| 16 | TOTAL CASH OUTFLOWS | | | 60.678.205 | 35.840.969 |
| CASH INFLOWS | | | | | |
| 17 | Secured Lending Transactions | - | - | - | - |
| 18 | Unsecured Lending Transactions | 15.567.869 | 6.964.731 | 11.493.213 | 6.300.192 |
| 19 | Other contractual cash inflows | 19.381.703 | 14.724.374 | 19.380.158 | 14.723.111 |
| 20 | TOTAL CASH INFLOWS | 34.949.572 | 21.689.105 | 30.873.371 | 21.023.303 |
| | | | | Upper limit applied amounts | |
| 21 | TOTAL HQLA STOCK | | | 39.853.634 | 25.413.024 |
| 22 | TOTAL NET CASH OUTFLOWS | | | 29.804.834 | 14.817.666 |
| 23 | Liquidity Coverage Ratio (%) | | | 134,08 | 173,03 |

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

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

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

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 127% 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 60% and securities issued by Undersecretariat of the Treasury by 36%. Funding sources are mainly distributed between individual and retail deposits by 59%, corporate deposits by 27%, borrowings from banks by 5% and collateralized borrowings such as repurchase agreements by 5%.

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Cash outflow amounting to TL 1.769 million (in full TL amount) is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

| | Current Period - 30.09.2016 | | Prior Period - 31.12.2015 | |
|---------|-----------------------------|------------|---------------------------|------------|
| | TL+FC | FC | TL+FC | FC |
| Lowest | 127,58 | 159,82 | 124,69 | 165,77 |
| Week | 19.08.2016 | 30.09.2016 | 11.12.2015 | 02.10.2015 |
| Highest | 149,12 | 204,37 | 146,73 | 225,84 |
| Week | 22.07.2016 | 26.08.2016 | 16.10.2015 | 16.10.2015 |

Breakdown of assets and liabilities according to their outstanding maturities:

| Current Period - 30 September 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 | 8.821.717 | 25.786.682 | 55.204 | - | - | - | - | 34.663.603 |
| Banks | 4.375.382 | 2.664.714 | 337.550 | 411.069 | - | - | - | 7.788.715 |
| Financial Assets at Fair Value Through Profit or Loss (Net) | 16.247 | 195.550 | 338.869 | 735.571 | 1.371.370 | 1.809.959 | - | 4.467.566 |
| Interbank Money Market Placements | - | 2.476.557 | - | - | - | - | - | 2.476.557 |
| Available-for-sale Financial Assets (Net) | 263.038 | - | 111.139 | 2.283.611 | 21.770.236 | 12.497.072 | - | 36.925.096 |
| Loans | - | 21.106.039 | 26.184.764 | 33.070.718 | 53.040.753 | 20.427.426 | 145.390 | 153.975.090 |
| Held-to-maturity Investments (Net) | - | - | - | 582.100 | 9.209.598 | 1.141.331 | - | 10.933.029 |
| Other Assets | 293.891 | 1.123.182 | 87.488 | 154.825 | 438.785 | 380.964 | 2.804.903 | 5.284.038 |
| Total Assets | 13.770.275 | 53.352.724 | 27.115.014 | 37.237.894 | 85.830.742 | 36.256.752 | 2.950.293 | 256.513.694 |
| Liabilities | | | | | | | | |
| Bank Deposits | 269.620 | 6.365.368 | 2.426.670 | 368.279 | - | - | - | 9.429.937 |
| Other Deposits | 27.028.708 | 84.207.454 | 22.302.073 | 8.061.906 | 275.899 | 16 | - | 141.876.056 |
| Borrowings | - | 1.003.257 | 1.949.443 | 11.274.806 | 8.992.647 | 4.422.990 | - | 27.643.143 |
| Funds from Interbank Money Market | - | 7.418.410 | 1.115.519 | 2.999.347 | 10.262.332 | 2.699.412 | - | 24.495.020 |
| Marketable Securities Issued (Net) | - | 384.304 | 423.626 | 653.521 | 5.638.829 | 2.899.830 | - | 10.000.110 |
| Miscellaneous Payables | - | 3.931.240 | 75.898 | 142.890 | 291.651 | 411.321 | - | 4.853.000 |
| Other Liabilities (**) | - | 2.493.067 | 320.568 | 666.955 | 3.983.166 | 817.625 | 29.935.047 | 38.216.428 |
| Total Liabilities | 27.298.328 | 105.803.100 | 28.613.797 | 24.167.704 | 29.444.524 | 11.251.194 | 29.935.047 | 256.513.694 |
| Net Liquidity Excess/ (Gap) | (13.528.053) | (52.450.376) | (1.498.783) | 13.070.190 | 56.386.218 | 25.005.558 | (26.984.754) | - |
| Net Off-balance sheet Position | - | 69.231 | 159.854 | 585.222 | 1.160.767 | 1.203.588 | - | 3.178.662 |
| Financial Derivative Assets | - | 19.837.067 | 22.707.018 | 36.149.669 | 61.855.363 | 32.440.700 | - | 172.989.817 |
| Financial Derivative Liabilities | - | 19.767.836 | 22.547.164 | 35.564.447 | 60.694.596 | 31.237.112 | - | 169.811.155 |
| Non-cash Loans (***) | - | 988.387 | 3.019.377 | 9.899.595 | 3.722.201 | 16.078.324 | - | 33.707.884 |
| Prior Period - 31 December 2015 | | | | | | | | |
| Total Assets | 10.215.142 | 44.649.634 | 20.906.097 | 32.755.285 | 82.145.430 | 41.183.353 | 2.954.047 | 234.808.988 |
| Total Liabilities | 21.422.221 | 105.025.396 | 30.761.179 | 17.958.765 | 24.490.971 | 8.461.279 | 26.689.177 | 234.808.988 |
| Net Liquidity Gap | (11.207.079) | (60.375.762) | (9.855.082) | 14.796.520 | 57.654.459 | 32.722.074 | (23.735.130) | - |
| Net Off-balance sheet Position | - | (279.338) | (32.944) | 584.854 | 888.143 | 906.800 | - | 2.067.515 |
| Financial Derivative Assets | - | 22.774.933 | 12.850.101 | 21.663.588 | 21.363.944 | 43.493.869 | - | 122.146.435 |
| Financial Derivative Liabilities | - | 23.054.271 | 12.883.045 | 21.078.734 | 20.475.801 | 42.587.069 | - | 120.078.920 |
| Non-cash Loans (***) | - | 2.065.353 | 3.044.373 | 7.805.574 | 4.395.002 | 15.364.926 | - | 32.675.228 |

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

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

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

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VI. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 30 September 2016, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is 8,48 % (31 December 2015: 8,27%). This ratio is above the minimum required. Leverage ratio is almost on the same level in the current and previous period.

Disclosure of Leverage ratio template:

| | | Current Period 30 September 2016 (*) | Prior Period 31 December 2015(*) |
|----|--|---|---|
| | Balance sheet Assets | | |
| 1 | Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals) | 246.933.525 | 230.426.568 |
| 2 | (Assets deducted from Core capital) | 76.992 | 116.954 |
| 3 | Total risk amount of balance sheet assets (sum of lines 1 and 2) | 246.856.533 | 230.309.614 |
| | Derivative financial assets and credit derivatives | | |
| 4 | Cost of replenishment for derivative financial assets and credit derivatives | 4.802.573 | 2.567.124 |
| 5 | Potential credit risk amount of derivative financial assets and credit derivatives | 3.174.871 | 1.677.057 |
| 6 | Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5) | 7.977.444 | 4.244.181 |
| | Financing transactions secured by marketable security or commodity | | |
| 7 | Risk amount of financing transactions secured by marketable security or commodity | 2.985.954 | 2.473.969 |
| 8 | Risk amount arising from intermediary transactions | - | - |
| 9 | Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8) | 2.985.954 | 2.473.969 |
| | Off-balance sheet transactions | | |
| 10 | Gross notional amount of off-balance sheet transactions | 88.638.437 | 83.896.331 |
| 11 | (Correction amount due to multiplication with credit conversion rates) | [438.969] | [462.772] |
| 12 | Total risk of off-balance sheet transactions (sum of lines 10 and 11) | 88.199.468 | 83.433.559 |
| | Capital and total risk | | |
| 13 | Core Capital | 29.354.423 | 26.491.856 |
| 14 | Total risk amount (sum of lines 3, 6, 9 and 12) | 346.019.399 | 320.461.323 |
| | Leverage ratio | | |
| 15 | Leverage ratio | 8,48 | 8,27 |

(*) Three months average values

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VII. EXPLANATIONS ON RISK MANAGEMENT:

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

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

1. Overview of RWA:

| | Risk Weighted Amount | | Minimum capital requirement |
|--|-------------------------------------|----------------------------------|-------------------------------------|
| | Current Period 30 September 2016 | Prior Period 31 December 2015 | Current Period 30 September 2016 |
| 1 Credit risk (excluding counterparty credit risk) (CCR) | 185.452.311 | 177.990.073 | 14.836.185 |
| 2 Standardised approach (SA) | 185.452.311 | 177.990.073 | 14.836.185 |
| 3 Internal rating-based (IRB) approach | - | - | - |
| 4 Counterparty credit risk | 9.159.951 | 4.310.626 | 732.796 |
| 5 Standardised approach for counterparty credit risk (SA-CCR) | 9.159.951 | 4.310.626 | 732.796 |
| 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 (*) | 200.824 | - | 16.066 |
| 10 Investments made in collective investment companies – %1250 weighted risk approach | - | - | - |
| 11 Settlement risk | - | 171 | - |
| 12 Securitization positions in banking accounts | - | - | - |
| 13 IRB ratings-based approach (RBA) | - | - | - |
| 14 IRB Supervisory Formula Approach (SFA) | - | - | - |
| 15 SA/simplified supervisory formula approach (SSFA) | - | - | - |
| 16 Market risk | 2.703.850 | 1.952.322 | 216.308 |
| 17 Standardised approach (SA) | 2.703.850 | 1.952.322 | 216.308 |
| 18 Internal model approaches (IMM) | - | - | - |
| 19 Operational Risk | 16.506.284 | 14.295.945 | 1.320.503 |
| 20 Basic Indicator Approach | 16.506.284 | 14.295.945 | 1.320.503 |
| 21 Standart Approach | - | - | - |
| 22 Advanced measurement approach | - | - | - |
| 23 The amount of the discount threshold under the equity (subject to a 250% risk weight) | - | - | - |
| 24 Floor adjustment | - | - | - |
| 25 Total (1+4+7+8+9+10+11+12+16+19+23+24) | 214.023.220 | 198.549.137 | 17.121.858 |

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:

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

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

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

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

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

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

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

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

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

| | Current Period 30.09.2016 | | | Prior Period 31.12.2015 | | |
|--|------------------------------|----------------|----------------|----------------------------|----------------|----------------|
| | Notional Amount | Assets | Liabilities | Notional Amount | Assets | Liabilities |
| Interest Rate and Cross Currency Swaps | | | | | | |
| -TL | 2.497.225 | 148.350 | 54.162 | 1.228.638 | 648.858 | - |
| -FC | 18.327.699 | 1.786 | 271.388 | 11.197.395 | - | 157.528 |
| Total | 20.824.924 | 150.136 | 325.550 | 12.426.033 | 648.858 | 157.528 |

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

1. Explanations on Fair Value Hedge:

Current Period: 30.09.2016

| 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 | (282.536) | 278.032 | (4.504) |
| Cross-currency swap | Fixed interest rate TL Mortgage Loans, FC borrowings | Interest rate and currency risk | 177.373 | (176.418) | 955 |

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

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

Prigid Period: 31.12.2015

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

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

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

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

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

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

- As of 30 September 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 (7.816) [31 December 2015: TL 7.972]

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

2. Explanations on Cash Flow Hedge:

| Hedging instrument | Hedged item | Nature of risk hedged | Hedging instrument FV | | Net gain/(loss) recognized in OCI during the period | Net gain(loss) reclassified to income statement during the year | Ineffective portion recognized in income statement (Net) |
|--------------------|---|---|-----------------------|-------------|--|---|--|
| | | | Assets | Liabilities | | | |
| Interest Rate Swap | Floating-rate long Term FC funds borrowed | Cash Flow risk due to changes in interest rate of funds | - | (10.396) | (20.347) | (6.948) | (206) |

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

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

- As of 30 September 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 (46.874) [31 December 2015: TL (75.471)].

IX. EXPLANATIONS ON BUSINESS SEGMENTS:

The Bank operates in three main business segments including consumer banking, commercial banking, SME banking, and corporate-investment and private banking with 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.

Consumer banking offers a variety of retail services such as deposit accounts, consumer loans, commercial installment loans, credit cards, insurance products and asset management services. The consumer banking products and services also include bank cards, investment funds trading, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking, telephone and internet banking.

Corporate banking, commercial banking and SME banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the 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. In the scope of private banking, The Bank serves the members of the high-income customers who have expectations for upper-class service quality both in banking and investment transactions.

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

Information on business segments as of 30 September 2016 and 31 December 2015 presented in the following tables include changes mentioned in Section One, Note III. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

| | Consumer Banking | Commercial Banking, SME Banking, Corporate-Investment and Private Banking | Treasury | Other and Unallocated | Bank's Total Activities |
|---|-----------------------------|--|-----------------|----------------------------------|------------------------------------|
| Current Period – 30 September 2016 | | | | | |
| Operating Income | 3.168.661 | 4.342.274 | 724.405 | 779.507 | 9.014.847 |
| Profit from Operating Activities | 1.157.351 | 2.818.874 | 559.892 | (226.643) | 4.309.474 |
| Income from Subsidiaries | - | - | - | 21.419 | 21.419 |
| Profit before Tax | 1.157.351 | 2.818.874 | 559.892 | (205.224) | 4.330.893 |
| Corporate Tax | - | - | - | (886.876) | (886.876) |
| Minority Shares | - | - | - | - | - |
| Net Profit for the Period | 1.157.351 | 2.818.874 | 559.892 | (1.092.100) | 3.444.017 |
| Segment Assets | 49.320.289 | 121.674.340 | 70.715.422 | - | 241.710.051 |
| Investments in Associates | - | - | - | - | 1.422.696 |
| Undistributed Assets | - | - | - | - | 13.380.947 |
| Total Assets | - | - | - | - | 256.513.694 |
| Segment Liabilities | 77.185.184 | 73.750.330 | 66.985.260 | - | 217.920.774 |
| Undistributed Liabilities | - | - | - | - | 8.657.873 |
| Shareholders' Equity | - | - | - | - | 29.935.047 |
| Total Liabilities | - | - | - | - | 256.513.694 |
| Other Segment Items | | | | | |
| Capital Investment | - | - | - | 98.556 | 98.556 |
| Amortization | (21.891) | (16.865) | - | (116.725) | (155.481) |
| Non-cash Other Income-Expense | (438.584) | (536.916) | (61.338) | (529.613) | (1.566.451) |

| | Consumer Banking | Commercial Banking, SME Banking, Corporate-Investment and Private Banking | Treasury | Other and Unallocated | Bank's Total Activities |
|--|-----------------------------|--|-----------------|----------------------------------|------------------------------------|
| Prior Period – 31 December 2015 (*) | | | | | |
| Operating Income | 2.623.867 | 3.523.395 | 738.736 | 682.405 | 7.568.403 |
| Profit from Operating Activities | 203.771 | 2.398.090 | 572.130 | (524.626) | 2.649.365 |
| Income from Subsidiaries | - | - | - | 13.336 | 13.336 |
| Profit before Tax | 203.771 | 2.398.090 | 572.130 | (511.290) | 2.662.701 |
| Corporate Tax | - | - | - | (577.171) | (577.171) |
| Minority Shares | - | - | - | - | - |
| Net Profit for the Period | 203.771 | 2.398.090 | 572.130 | (1.088.461) | 2.085.530 |
| Segment Assets | 47.424.063 | 108.311.938 | 72.433.551 | - | 228.169.552 |
| Investments in Associates | - | - | - | - | 1.354.664 |
| Undistributed Assets | - | - | - | - | 5.284.772 |
| Total Assets | - | - | - | - | 234.808.988 |
| Segment Liabilities | 71.703.121 | 67.518.120 | 61.671.659 | - | 200.892.900 |
| Undistributed Liabilities | - | - | - | - | 7.226.911 |
| Shareholders' Equity | - | - | - | - | 26.689.177 |
| Total Liabilities | - | - | - | - | 234.808.988 |
| Other Segment Items | | | | | |
| Capital Investment | - | - | - | 86.881 | 86.881 |
| Amortization | (31.415) | (18.782) | (330) | (118.307) | (168.834) |
| Non-cash Other Income-Expense | (731.140) | (402.746) | (59.075) | (581.423) | (1.774.384) |

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

SECTION FIVE
INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

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

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

| | Current Period | | Prior Period | |
|-----------------------|--------------------------|-------------------|-------------------------|-------------------|
| | 30 September 2016 | | 31 December 2015 | |
| | TL | FC | TL | FC |
| Cash/Foreign Currency | 1.117.722 | 470.419 | 935.450 | 448.444 |
| The CBRT | 4.044.304 | 28.915.319 | 1.230.328 | 22.776.999 |
| Other(*) | - | 115.839 | 2 | 82.200 |
| Total | 5.162.026 | 29.501.577 | 2.165.780 | 23.307.643 |

(*) As of 30 September 2016, precious metal account amounts to TL 42.114 (31 December 2015: TL 56.414).

2. Information related to the account of the CBRT:

| | Current Period | | Prior Period | |
|-----------------------------|--------------------------|-------------------|-------------------------|-------------------|
| | 30 September 2016 | | 31 December 2015 | |
| | TL | FC | TL | FC |
| Demand Unrestricted Account | 2.288 | - | 1.830 | - |
| Time Unrestricted Account | - | 7.901.258 | - | 853.816 |
| Time Restricted Account | - | - | - | - |
| Reserve Requirement | 4.042.016 | 21.014.061 | 1.228.498 | 21.923.183 |
| Total | 4.044.304 | 28.915.319 | 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 4% and 10,5% for TL deposits and other liabilities according to their maturities as of 30 September 2016 (31 December 2015: 5% and 11,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 25% for deposit and other foreign currency liabilities according to their maturities as of 30 September 2016 (31 December 2015: 5% and 25% for all foreign currency liabilities).

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

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

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

| | Current Period | | Prior Period | |
|----------------------|--------------------------|------------------|-------------------------|------------------|
| | 30 September 2016 | | 31 December 2015 | |
| | TL | FC | TL | FC |
| Forward Transactions | 96.451 | - | 198.176 | - |
| Swap Transactions | 1.863.712 | 2.326.826 | 607.710 | 1.688.199 |
| Futures Transactions | - | - | - | - |
| Options | 2.791 | 161.539 | 896 | 221.318 |
| Other | - | - | - | - |
| Total | 1.962.954 | 2.488.365 | 806.782 | 1.909.517 |

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

c. Information on banks account:

1. Information on banks account:

| | Current Period 30 September 2016 | | Prior Period 31 December 2015 | |
|-----------------------------------|-------------------------------------|------------------|----------------------------------|------------------|
| | TL | FC | TL | FC |
| Banks | 1.677.094 | 6.111.621 | 1.556.559 | 6.301.738 |
| Domestic | 1.662.505 | 1.029.751 | 1.556.559 | 1.830.694 |
| Foreign | 14.589 | 5.081.870 | - | 4.471.044 |
| Head Quarters and Branches Abroad | - | - | - | - |
| Total | 1.677.094 | 6.111.621 | 1.556.559 | 6.301.738 |

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

1. As of 30 September 2016, available-for-sale financial assets subject to repurchase agreements amount to TL 19.798.442 (31 December 2015: TL 19.184.557); and those given as collateral/blocked amounting to TL 933.264 (31 December 2015: TL 1.103.520).

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

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|------------------------------|-------------------------------------|----------------------------------|
| | | |
| Debt Securities | 37.388.097 | 42.098.674 |
| Quoted to Stock Exchange | 37.209.985 | 41.853.151 |
| Not Quoted to Stock Exchange | 178.112 | 245.523 |
| Share Certificates | 62.214 | 128.629 |
| Quoted to Stock Exchange | - | - |
| Not Quoted to Stock Exchange | 62.214 | 128.629 |
| Impairment Provision (-) | 525.215 | 767.596 |
| Total | 36.925.096 | 41.459.707 |

e. Information related to loans:

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

| | Current Period 30 September 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 | 4.136.906 | 1.266.098 | 3.367.840 | 1.447.220 |
| Loans Granted to Employees | 102.787 | - | 99.195 | - |
| Total | 4.239.693 | 1.266.180 | 3.467.035 | 1.447.302 |

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

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 | Extension of Repayment Plan | Loans and Other Receivables (Total) | Loans and Receivables with Revised Contract Terms | Extension of Repayment Plan |
| | | | | | | |
| | | | Other Changes | | | Other Changes |
| Non-specialized Loans | 147.700.048 | 2.256.755 | - | 6.129.652 | 2.676.746 | - |
| Business Loans | 17.203.775 | 303.491 | - | 1.896.946 | 875.004 | - |
| Export Loans | 5.633.627 | 59.021 | - | 32.935 | 2.186 | - |
| Import Loans | - | - | - | - | - | - |
| Loans Granted to Financial Sector | 3.881.881 | 1.807 | - | 1.215 | - | - |
| Consumer Loans | 27.403.902 | 441.847 | - | 1.640.234 | 840.206 | - |
| Credit Cards | 11.952.988 | 348.968 | - | 748.039 | 508.142 | - |
| Other | 81.623.875 | 1.101.621 | - | 1.810.283 | 451.208 | - |
| Specialized Loans | - | - | - | - | - | - |
| Other Receivables | - | - | - | - | - | - |
| Total | 147.700.048 | 2.256.755 | - | 6.129.652 | 2.676.746 | - |

| Number of Extension | Standard loans and other receivables | Loans and other receivables under close monitoring |
|-------------------------------|--------------------------------------|--|
| Extended by 1 or 2 times | 2.169.643 | 2.268.985 |
| Extended by 3,4 or 5 times | 86.870 | 383.826 |
| Extended by more than 5 times | 242 | 23.935 |
| Total | 2.256.755 | 2.676.746 |

| Extension periods | Standard loans and other receivables | Loans and other receivables under close monitoring |
|-------------------|--------------------------------------|--|
| 0 - 6 Months | 191.824 | 781.145 |
| 6 - 12 Months | 137.995 | 210.402 |
| 1 - 2 Years | 498.506 | 512.420 |
| 2 - 5 Years | 832.494 | 950.557 |
| 5 Years and over | 595.936 | 222.222 |
| Total | 2.256.755 | 2.676.746 |

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

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

| Current Period – 30.09.2016 | Short-term | Medium and Long-term | Total |
|--|-------------------|-----------------------------|-------------------|
| Consumer Loans-TL | 386.273 | 27.663.132 | 28.049.405 |
| Mortgage Loans | 10.178 | 13.379.595 | 13.389.773 |
| Automotive Loans | 1.690 | 366.222 | 367.912 |
| Consumer Loans | 374.405 | 13.917.315 | 14.291.720 |
| Other | - | - | - |
| Consumer Loans- Indexed to FC | - | 13.630 | 13.630 |
| Mortgage Loans | - | 12.441 | 12.441 |
| Automotive Loans | - | - | - |
| Consumer Loans | - | 1.189 | 1.189 |
| Other | - | - | - |
| Consumer Loans-FC | - | - | - |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | - | - | - |
| Other | - | - | - |
| Consumer Credit Cards-TL | 9.886.592 | 684.977 | 10.571.569 |
| With Installment | 4.113.445 | 682.679 | 4.796.124 |
| Without Installment | 5.773.147 | 2.298 | 5.775.445 |
| Consumer Credit Cards-FC | 18.205 | - | 18.205 |
| With Installment | 5.482 | - | 5.482 |
| Without Installment | 12.723 | - | 12.723 |
| Personnel Loans-TL | 2.713 | 59.357 | 62.070 |
| Mortgage Loans | - | 2.677 | 2.677 |
| Automotive Loans | - | 133 | 133 |
| Consumer Loans | 2.713 | 56.547 | 59.260 |
| 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 | 40.196 | 20 | 40.216 |
| With Installment | 17.075 | 20 | 17.095 |
| Without Installment | 23.121 | - | 23.121 |
| Personnel Credit Cards-FC | 501 | - | 501 |
| With Installment | 179 | - | 179 |
| Without Installment | 322 | - | 322 |
| Credit Deposit Account-TL (Real Person) | 919.031 | - | 919.031 |
| Credit Deposit Account-FC (Real Person) | - | - | - |
| Total Consumer Loans | 11.253.511 | 28.421.116 | 39.674.627 |

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

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

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

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

| Current Period – 30.09.2016 | Short-term | Medium and Long-term | Total |
|---|-------------------|-----------------------------|-------------------|
| Commercial Installment Loans-TL | 1.011.533 | 5.933.700 | 6.945.233 |
| Mortgage Loans | 1.556 | 11.377 | 12.933 |
| Automotive Loans | 40.453 | 3.433 | 43.886 |
| Consumer Loans | 969.524 | 5.918.890 | 6.888.414 |
| Other | - | - | - |
| FC Indexed Commercial Installment Loans | 34.571 | 160.486 | 195.057 |
| Mortgage Loans | - | 3.232 | 3.232 |
| Automotive Loans | 1.831 | 1.843 | 3.674 |
| Consumer Loans | 32.740 | 155.411 | 188.151 |
| Other | - | - | - |
| Commercial Installment Loans-FC | 45 | 140.103 | 140.148 |
| Mortgage Loans | - | - | - |
| Automotive Loans | - | - | - |
| Consumer Loans | 45 | 140.103 | 140.148 |
| Other | - | - | - |
| Corporate Credit Cards-TL | 2.068.753 | 120 | 2.068.873 |
| With Installment | 849.587 | 91 | 849.678 |
| Without Installment | 1.219.166 | 29 | 1.219.195 |
| Corporate Credit Cards-FC | 1.663 | - | 1.663 |
| With Installment | 47 | - | 47 |
| Without Installment | 1.616 | - | 1.616 |
| Credit Deposit Account-TL (Legal Person) | 867.303 | - | 867.303 |
| Credit Deposit Account-FC (Legal person) | - | - | - |
| Total | 3.983.868 | 6.234.409 | 10.218.277 |

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

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|----------------|---|--|
| Domestic Loans | 149.161.296 | 138.207.438 |
| Foreign Loans | 4.668.404 | 3.408.732 |
| Total | 153.829.700 | 141.616.170 |

6. Loans granted to investments in associates and subsidiaries:

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|--|---|--|
| Direct Loans Granted to Investments in Associates and Subsidiaries | 457.140 | 619.370 |
| Indirect Loans Granted to Investments in Associates and Subsidiaries | - | - |
| Total | 457.140 | 619.370 |

7. Specific provisions accounted for loans:

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|--|---|--|
| Loans and Other Receivables with Limited Collectibility | 483.707 | 448.339 |
| Loans and Other Receivables with Doubtful Collectibility | 796.445 | 869.262 |
| Uncollectible Loans and Receivables | 2.425.921 | 1.908.409 |
| Total | 3.706.073 | 3.226.010 |

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

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

| | III. Group Loans and Other Receivables with Limited Collectibility | IV. Group Loans and Other Receivables with Doubtful Collectibility | V. Group Uncollectible Loans and Other Receivables |
|--|---|---|---|
| Current Period: 30 September 2016 | | | |
| (Gross Amounts Before Specific Provisions) | 37.034 | 44.663 | 58.012 |
| Restructured Loans and Other Receivables | 36.794 | 43.809 | 58.012 |
| Rescheduled Loans and Other Receivables | 240 | 854 | - |
| Prior Period: 31 December 2015 | | | |
| (Gross Amounts Before Specific Provisions) | 35.103 | 55.654 | 56.366 |
| Restructured Loans and Other Receivables | 34.624 | 55.457 | 52.131 |
| Rescheduled Loans and Other Receivables | 479 | 197 | 4.235 |

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

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 (+) | 1.423.864 | 7.057 | 23.461 |
| Transfers from Other Categories of Non-Performing Loans (+) | - | 1.255.183 | 1.165.996 |
| Transfers to Other Categories of Non-Performing Loans (-) | 1.255.183 | 1.165.996 | - |
| Collections (-) | 131.740 | 165.119 | 213.172 |
| Write-offs (-) (*) | 1.573 | 3.942 | 460.696 |
| Corporate and Commercial Loans | 324 | 2.313 | 103.384 |
| Consumer Loans | 1.049 | 1.034 | 114.588 |
| Credit Cards | 200 | 595 | 242.724 |
| Other | - | - | - |
| Balance at the End of the Period | 483.707 | 796.445 | 2.571.311 |
| Specific Provisions (-) | 483.707 | 796.445 | 2.425.921 |
| Net Balance at Balance Sheet (**) | - | - | 145.390 |

(*) 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 61 million (in full TL amount) after taking the collaterals into consideration for one of its commercial loans amounting to TL 206 million (in full TL amount).

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

| | III. Group Loans and Other Receivables with Limited Collectibility | IV. Group Loans and Other Receivables with Doubtful Collectibility | V. Group Uncollectible Loans and Other Receivables |
|--|---|---|---|
| Current Period: 30 September 2016 | | | |
| Balance at the End of the Period | 13.754 | 59.080 | 235.765 |
| Specific Provision (-) | 13.754 | 59.080 | 107.076 |
| Net Balance on Balance Sheet | - | - | 128.689 |
| Prior Period: 31 December 2015 | | | |
| Balance at the End of the Period | 14.731 | 10.469 | 224.180 |
| Specific Provision (-) | 14.731 | 10.469 | 93.568 |
| Net Balance at Balance Sheet | - | - | 130.612 |

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

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

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

| | III. Group 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 (Net): 30 September 2016 | | | |
| Loans granted to corporate entities and real persons (Gross) | 483.707 | 796.445 | 2.571.311 |
| Specific Provision Amount (-) | 483.707 | 796.445 | 2.425.921 |
| Loans granted to corporate entities and real persons (Net) | - | - | 145.390 |
| 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) | - | - | - |

f. Held-to-maturity investments:

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

| | Current Period 30 September 2016 | | Prior Period 31 December 2015 | |
|----------------------------------|-------------------------------------|------------------|----------------------------------|------------------|
| | TL | FC | TL | FC |
| Given as collateral/blocked | 111.065 | 1.857.118 | 133.439 | 1.903.784 |
| Subject to repurchase agreements | 3.555.358 | 3.399.350 | 2.918.515 | 3.011.127 |
| Total | 3.666.423 | 5.256.468 | 3.051.954 | 4.914.911 |

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

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|----------------------------------|-------------------------------------|----------------------------------|
| Government Bonds | 9.855.198 | 9.654.515 |
| Treasury Bills | - | - |
| Other Government Debt Securities | 1.077.831 | 1.033.727 |
| Total | 10.933.029 | 10.688.242 |

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

3. Information on held-to-maturity investments:

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|------------------------------|---|--|
| Debt Securities | 11.109.522 | 10.761.282 |
| Quoted to Stock Exchange | 11.109.522 | 10.761.282 |
| Not Quoted to Stock Exchange | - | - |
| Impairment Provision (-) | 176.493 | 73.040 |
| Total | 10.933.029 | 10.688.242 |

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

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|---|---|--|
| Balance at the Beginning of the Period | 10.688.242 | 10.799.905 |
| Foreign Currency Differences on Monetary Assets | 281.612 | 864.389 |
| Purchases During Year | - | - |
| Disposals Through Sales and Redemptions | 130.051 | 1.112.446 |
| Impairment Provision (-) | 103.453 | 63.740 |
| Change in Amortized Cost | 196.679 | 200.134 |
| Balance at the End of the Period | 10.933.029 | 10.688.242 |

g. Information on investments in associates (Net):

1. Information about investments in associates:

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

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

The financial figures stated below have been obtained from the financial statements dated 30 June 2016

| | Total Assets | Shareholders' Equity | Total Fixed Assets | Interest Income | Income from Marketable Securities Portfolio | Current Period Profit/ Loss | Prior Period Profit/Loss | Fair Value |
|---|-------------------------|---------------------------------|-----------------------------------|----------------------------|--|--|-------------------------------------|-----------------------|
| 1 | 68.992 | 39.246 | 47.932 | 383 | - | 9.586 | 5.165 | - |
| 2 | 171.986 | 123.290 | 118.180 | 1.917 | 17 | 10.180 | 17.045 | - |

3. Movement schedule of investments in associates:

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

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h. Information related to subsidiaries (Net):

1. Information on shareholders' equity of subsidiaries:

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

| | Ak Finansal Kiralama A.Ş. | Ak Yatırım Menkul Değerler A.Ş. | Ak Portföy Yönetimi A.Ş. | Akbank AG | Akbank (Dubai) Limited |
|--|---------------------------------|---------------------------------------|-----------------------------|------------------|------------------------------|
| Paid in Capital | 235.007 | 46.802 | 4.079 | 740.648 | 2.243 |
| Share Premium | - | - | - | - | - |
| Reserves | 453.950 | 59.231 | 11.366 | 1.045.064 | 9.463 |
| Gains recognized in equity as per TAS | - | - | 12 | - | - |
| Profit/Loss | 94.773 | 82.865 | 15.021 | 125.518 | 16.062 |
| - Net Current Period Profit | 94.773 | 21.939 | 14.650 | 125.518 | (567) |
| - Prior Year Profit/Loss | - | 60.926 | 371 | - | 16.629 |
| Development Cost of Operating Lease (-) | 69 | 1.172 | - | 181 | - |
| Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights | 459 | 1.143 | 197 | 496 | - |
| Total Common Equity | 783.202 | 186.583 | 30.281 | 1.910.553 | 27.768 |
| Total Additional Tier I Capital | - | - | - | - | - |
| Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-) | 306 | 762 | 131 | 330 | - |
| Total Tier I Capital | 782.896 | 185.821 | 30.150 | 1.910.223 | 27.768 |
| Tier II Capital | 21.355 | - | - | - | - |
| CAPITAL | 804.251 | 185.821 | 30.150 | 1.910.223 | 27.768 |
| Deductions from Capital | - | - | - | - | - |
| TOTAL CAPITAL | 804.251 | 185.821 | 30.150 | 1.910.223 | 27.768 |

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

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

3. Information on subsidiaries:

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

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

4. The financial figures have been obtained from the financial statements as at 30 September 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 | 4.895.519 | 782.577 | 25.306 | 257.098 | 292 | 94.773 | 59.624 | - |
| 2 | 1.302.178 | 188.898 | 6.161 | 72.390 | 23.878 | 21.939 | 19.164 | - |
| 3 | 36.533 | 30.478 | 983 | 2.746 | - | 14.650 | 11.805 | - |
| 4 | 18.137.448 | 1.911.230 | 1.409 | 391.704 | 49.136 | 125.518 | 100.105 | - |
| 5 | 28.868 | 27.768 | 14 | - | - | (567) | 3.985 | - |

5. Movement schedule of subsidiaries:

| | Current Period 30 September 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 (**) | 68.032 | 85.390 |
| Balance at the End of the Period | 1.418.773 | 1.350.741 |
| Capital Commitments | - | - |
| Share Percentage at the End of the Period (%) | - | - |

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

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

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

| Subsidiaries | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|------------------------------|---|--|
| Banks | 1.069.214 | 1.001.82 |
| Insurance Companies | - | - |
| Factoring Companies | - | - |
| Leasing Companies | 281.065 | 281.065 |
| Finance Companies | - | - |
| Other Financial Subsidiaries | 68.494 | 68.494 |

7. Subsidiaries quoted on a stock exchange: None.

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

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

| | Current Period 30 September 2016 | | Prior Period 31 December 2015 | |
|---|---|--------------|--|-----------|
| | TL | FC | TL | FC |
| Fair Value Hedge | 148.350 | 1.786 | 648.858 | - |
| Cash Flow Hedge | - | - | - | - |
| Net Investment Hedge in a foreign operation | - | - | - | - |
| Total | 148.350 | 1.786 | 648.858 | - |

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k. Information on the investment properties: None.

l. Information on deferred tax asset:

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

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

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

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|------------------------------|---|--|
| Cost | 43.116 | 182.908 |
| Accumulated Depreciation (-) | 722 | 3.371 |
| Net Book Value | 42.394 | 179.537 |

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|---------------------------------------|---|--|
| Opening Balance Net Book Value | 179.537 | 158.294 |
| Additions | 28.046 | 35.975 |
| Disposals (-), net | 163.757 | 11.432 |
| Depreciation (-) | 1.432 | 3.300 |
| Closing Net Book Value | 42.394 | 179.537 |

n. Information on other assets:

Other assets amount to TL 2.713.896 (31 December 2015: TL 1.497.616) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

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

1 (i). Current Period – 30 September 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 | 7.263.788 | 13.434.065 | 25.186.046 | 719.548 | 704.055 | 639.434 | 66.601 | 48.013.537 |
| Foreign Currency Deposits | 11.312.317 | 15.731.683 | 23.526.597 | 2.617.883 | 1.905.924 | 1.995.461 | 3.309 | 57.093.174 |
| Residents in Turkey | 8.676.695 | 15.361.348 | 21.859.383 | 1.624.138 | 1.075.507 | 1.189.228 | 3.239 | 49.789.538 |
| Residents Abroad | 2.635.622 | 370.335 | 1.667.214 | 993.745 | 830.417 | 806.233 | 70 | 7.303.636 |
| Public Sector Deposits | 1.087.480 | 93.215 | 41.170 | 25.081 | 1.879 | 51 | - | 1.248.876 |
| Commercial Deposits | 6.431.286 | 6.582.652 | 9.043.253 | 4.031.303 | 2.652.165 | 500.692 | - | 29.241.351 |
| Other Institutions Deposits | 238.253 | 234.224 | 2.969.534 | 760.033 | 1.089.108 | 224.827 | - | 5.515.979 |
| Gold Vault | 695.584 | 13.705 | 18.217 | 33.162 | 2.471 | - | - | 763.139 |
| Interbank Deposits | 269.620 | 1.652.515 | 3.544.937 | 3.014.513 | 888.353 | 59.999 | - | 9.429.937 |
| The CBRT | - | - | - | - | - | - | - | - |
| Domestic Banks | 10.806 | 895.138 | 16.037 | 6.014 | 28.065 | 4.009 | - | 960.069 |
| Foreign Banks | 235.777 | 757.377 | 3.528.900 | 3.008.499 | 860.288 | 55.990 | - | 8.446.831 |
| Participation Banks | 23.037 | - | - | - | - | - | - | 23.037 |
| Other | - | - | - | - | - | - | - | - |
| Total | 27.298.328 | 37.742.059 | 64.329.754 | 11.201.523 | 7.243.955 | 3.420.464 | 69.910 | 151.305.993 |

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

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

2. Information on saving deposits insurance:

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

| | Under the Guarantee of Deposit Insurance | | Exceeding the Limit of Deposit Insurance | |
|---|---|--|---|--|
| | Current Period 30 September 2016 | Prior Period 31 December 2015 | Current Period 30 September 2016 | Prior Period 31 December 2015 |
| Saving Deposits | 22.254.538 | 21.092.387 | 25.758.999 | 22.523.013 |
| Foreign Currency Saving Deposits | 7.165.309 | 7.409.503 | 26.338.421 | 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 | - | - | - | - |

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

| | Current Period 30 September 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 | 808.797 | 926.599 |
| Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004 | - | - |
| Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities | - | - |

b. Information on trading derivative financial liabilities:

Table of negative differences for trading derivative financial liabilities:

| | Current Period 30 September 2016 | | Prior Period 31 December 2015 | |
|----------------------|---|----------------|--|----------------|
| | TL | FC | TL | FC |
| Forward Transactions | 114.337 | - | 249.438 | - |
| Swap Transactions | 487.163 | 715.916 | 229.908 | 709.626 |
| Futures Transactions | - | - | - | - |
| Options | 494 | 190.465 | 3 | 257.899 |
| Other | - | - | - | - |
| Total | 601.994 | 906.381 | 479.349 | 967.525 |

c. Information on borrowings:

1. Information on banks and other financial institutions:

| | Current Period 30 September 2016 | | Prior Period 31 December 2015 | |
|--|---|-------------------|--|-------------------|
| | TL | FC | TL | FC |
| Borrowings from the CBRT | - | - | - | - |
| From Domestic Banks and Institutions | 182.765 | 218.525 | 176.604 | 106.101 |
| From Foreign Banks, Institutions and Funds | 48 | 27.241.805 | 16.526 | 23.414.107 |
| Total | 182.813 | 27.460.330 | 193.130 | 23.520.208 |

2. Information on maturity structure of borrowings:

| | Current Period 30 September 2016 | | Prior Period 31 December 2015 | |
|----------------------|---|-------------------|--|-------------------|
| | TL | FC | TL | FC |
| Short-term | 181.515 | 1.954.270 | 176.604 | 2.697.280 |
| Medium and Long-term | 1.298 | 25.506.060 | 16.526 | 20.822.928 |
| Total | 182.813 | 27.460.330 | 193.130 | 23.520.208 |

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

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d. Information on securities issued (Net):

| | Current Period 30 September 2016 | | Prior Period 31 December 2015 | |
|--------------|-------------------------------------|------------------|----------------------------------|------------------|
| | TL | FC | TL | FC |
| Bank bills | 1.149.903 | 60.008 | 1.545.846 | 892.932 |
| Bonds | 1.241.014 | 7.549.185 | 1.636.192 | 7.191.097 |
| Total | 2.390.917 | 7.609.193 | 3.182.038 | 8.084.029 |

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 2.489.953 (31 December 2015: TL 1.468.876) and do not exceed 10% of the total balance sheet.

f. Information on financial leasing agreements:

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

Liabilities incurred due to financial leasing agreements:

| | Current Period 30 September 2016 | | Prior Period 31 December 2015 | |
|-------------------|-------------------------------------|---------------|----------------------------------|---------------|
| | Gross | Net | Gross | Net |
| Less Than 1 Year | 41.116 | 31.113 | 67.104 | 51.860 |
| Between 1-4 Years | 8.520 | 6.744 | 15.020 | 12.110 |
| More Than 4 Years | - | - | - | - |
| Total | 49.636 | 37.857 | 82.124 | 63.970 |

g. Information on the hedging derivative financial liabilities:

| | Current Period 30 September 2016 | | Prior Period 31 December 2015 | |
|---|-------------------------------------|----------------|----------------------------------|----------------|
| | TL | FC | TL | FC |
| Fair Value Hedge | 54.162 | 260.992 | - | 157.528 |
| Cash Flow Hedge | - | 10.396 | - | - |
| Net Investment Hedge in a foreign operation | - | - | - | - |
| Total | 54.162 | 271.388 | - | 157.528 |

h. Information on provisions:

1. Information on general provisions:

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|---|-------------------------------------|----------------------------------|
| General Provisions | 2.767.714 | 2.544.702 |
| Provisions for Group I. Loans and Receivables | 2.214.911 | 2.065.397 |
| - Additional Provision for loans with extended payment period | 92.260 | 70.085 |
| Provisions for Group II. Loans and Receivables | 314.319 | 305.259 |
| - Additional Provision for loans with extended payment period | 68.019 | 62.876 |
| Provisions for Non-cash Loans | 123.687 | 108.853 |
| Other | 114.797 | 65.193 |

2. Employment termination benefits and unused vacation rights:

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

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The amount payable consists of one month's salary limited to a maximum of TL 4.297,21 (in full TL amount) [31 December 2015: TL 3.828,37 (in full TL amount)] for each year of service. This liability is legally not funded and there is no funding requirement.

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

| | Current Period 30 September 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 4.297,21 (1 January 2016: TL 4.092,53) effective from 1 July 2016 has been taken into consideration in calculating the reserve for employee termination benefits.

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

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|--|---|--|
| Prior Period Closing Balance | 122.202 | 66.018 |
| Recognized as an Expense During the Period | 30.135 | 60.909 |
| Actuarial Loss / (Gain) | - | 63.783 |
| Paid During the Period | (30.135) | (68.508) |
| Balance at the End of the Period | 122.202 | 122.202 |

As of 30 September 2016, the Bank has allocated vacation liability amounting to TL 75.083 (31 December 2015: TL 64.976).

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

As of 30 September 2016, the provision related to foreign currency differences of foreign indexed loans amounts to TL 2.108 (31 December 2015: TL 23.811), which is offset with the balance of foreign currency indexed loans in these financial statements.

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

Provision for non-cash loans that are non-funded and non-transformed into cash as of 30 September 2016 is amounting to TL 64.340 (31 December 2015: TL 83.868).

5. Information on other provisions:

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

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 96.602 (31 December 2015: TL 139.240).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVIII of Section Three. As of 30 September 2016, the corporate tax liability after the deduction of temporary taxes paid is TL 222.636 (31 December 2015: TL 361.173).

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1 (i). Information on taxes payable:

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|--|---|--|
| Corporate Taxes Payable | 222.636 | 361.173 |
| Taxation on Marketable Securities | 114.333 | 96.179 |
| Property Tax | 1.857 | 1.706 |
| Banking Insurance Transaction Tax (BITT) | 91.606 | 89.428 |
| Foreign Exchange Transaction Tax | - | - |
| Value Added Tax Payable | 647 | 4.201 |
| Other | 51.776 | 48.543 |
| Total | 482.855 | 601.230 |

1 (ii). Information on premium payables:

| | Current Period 30 September 2016 | Prior Period 31 December 2015 |
|--|---|--|
| Social Security Premiums – Employee | 9 | 6 |
| Social Security Premiums – Employer | 28 | 19 |
| Bank Social Aid Pension Fund Premium– Employee | 3 | 9 |
| Bank Social Aid Pension Fund Premium – Employer | 3 | 11 |
| Pension Fund Membership Fees and Provisions – Employee | - | - |
| Pension Fund Membership Fees and Provisions – Employer | - | - |
| Unemployment Insurance – Employee | 1.165 | 923 |
| Unemployment Insurance – Employer | 2.331 | 1.845 |
| Other | 48 | 35 |
| Total | 3.587 | 2.848 |

2. Information on deferred tax liability:

As of 30 September 2016, deferred tax liability of the Bank is TL 96.029 (31 December 2015: (-) TL). An explanation about the net deferred tax asset is given in Note I-L of Section Five.

j. Information on shareholders' equity:

1. Presentation of paid-in capital:

| | Current Period 30 September 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.

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

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

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

8. Information on marketable securities value increase fund:

| | Current Period | | Prior Period | |
|--|--------------------------|------------------|-------------------------|------------------|
| | 30 September 2016 | | 31 December 2015 | |
| | TL | FC | TL | FC |
| From Investments in Associates, Subsidiaries, and Joint Ventures | - | - | - | - |
| Valuation Difference | (339.162) | (383.905) | (627.540) | (485.221) |
| Foreign Currency Differences | - | - | - | - |
| Total | (339.162) | (383.905) | (627.540) | (485.221) |

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III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

| | Current Period 30 September 2016 | | Prior Period 30 September 2015 | |
|--|-------------------------------------|------------------|-----------------------------------|------------------|
| | TL | FC | TL | FC |
| Short-term Loans | 3.467.109 | 51.611 | 2.908.541 | 77.817 |
| Medium and Long-term Loans | 5.480.356 | 1.640.296 | 4.322.556 | 1.410.711 |
| Interest on Loans Under Follow-Up | 18.632 | - | 21.592 | - |
| Premiums Received from the Resource Utilization Support Fund | - | - | - | - |
| Total | 8.966.097 | 1.691.907 | 7.252.689 | 1.488.528 |

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

2. Information on interest income on banks:

| | Current Period 30 September 2016 | | Prior Period 30 September 2015 | |
|---------------------------------------|-------------------------------------|---------------|-----------------------------------|---------------|
| | TL | FC | TL | FC |
| From the CBRT | - | 4.703 | - | - |
| From Domestic Banks | 25.581 | 7.256 | 31.602 | 2.394 |
| From Foreign Banks | 1.556 | 18.896 | - | 8.224 |
| From Headquarters and Branches Abroad | - | - | - | - |
| Total | 27.137 | 30.855 | 31.602 | 10.618 |

3. Information on interest income on marketable securities:

| | Current Period 30 September 2016 | | Prior Period 30 September 2015 | |
|--|-------------------------------------|----------------|-----------------------------------|----------------|
| | TL | FC | TL | FC |
| From Trading Financial Assets | 24 | 1 | 163 | 68 |
| From Financial Assets at Fair Value through Profit or Loss | - | - | - | - |
| From Available-for-sale Financial Assets | 1.410.239 | 571.403 | 1.094.074 | 531.002 |
| From Held-to-Maturity Investments | 339.849 | 133.445 | 298.864 | 126.426 |
| Total | 1.750.112 | 704.849 | 1.393.101 | 657.496 |

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 nine-month fixed real coupon rates and a maturity of 5 to 10 years. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The Bank determines the estimated inflation rates in line with this information. The estimated inflation rate used is updated during the year when necessary. In this context, as of 30 September 2016, valuation of such assets is made according to estimated annual inflation rate of 8%. If valuation of these securities indexed to the CPI had been done by the reference index valid through 30 September 2016, the Bank's Marketable securities valuation differences would be increased by TL 13 million (in full TL amount) and net profit would be decreased by TL 20 million (in full TL amount) to TL 3.424 million (in full TL amount).

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

| | Current Period 30 September 2016 | Prior Period 30 September 2015 |
|--|---|---|
| Interests Received From Investments in Associates and Subsidiaries | 30.575 | 35.964 |

b. Information on interest expense:

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

| | Current Period 30 September 2016 | | Prior Period 30 September 2015 | |
|----------------------------------|---|----------------|---|----------------|
| | TL | FC | TL | FC |
| Banks | 8.446 | 332.530 | 13.017 | 272.613 |
| The CBRT | - | - | - | - |
| Domestic Banks | 8.421 | 1.480 | 9.061 | 1.161 |
| Foreign Banks | 25 | 331.050 | 3.956 | 271.452 |
| Headquarters and Branches Abroad | - | - | - | - |
| Other Institutions | - | 14.584 | - | 8.283 |
| Total | 8.446 | 347.114 | 13.017 | 280.896 |

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

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

| | Current Period 30 September 2016 | Prior Period 30 September 2015 |
|--------------------------------|---|---|
| To Associates and Subsidiaries | 47.888 | 12.465 |

3. Information on interest expense given to securities issued:

| | Current Period 30 September 2016 | | Prior Period 30 September 2015 | |
|---------------------------------------|---|-----------|---|-----------|
| | TL | FC | TL | FC |
| Interest expense on securities issued | 227.196 | 277.501 | 206.564 | 306.908 |

4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

| Current Period 30.09.2016 | 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 | 137 | 56.473 | 64.248 | 1.938 | 1.737 | 162 | 124.695 |
| Saving Deposits | - | 896.902 | 1.994.511 | 38.233 | 37.040 | 46.382 | 3.013.068 |
| Public Sector Deposits | - | 5.138 | 2.888 | 982 | 115 | 41 | 9.164 |
| Commercial Deposits | - | 525.554 | 653.261 | 187.297 | 133.836 | 24.085 | 1.524.033 |
| Other Deposits | 3 | 47.395 | 190.886 | 45.286 | 51.234 | 13.438 | 348.242 |
| Total | 140 | 1.531.462 | 2.905.794 | 273.736 | 223.962 | 84.108 | 5.019.202 |
| FC | | | | | | | |
| Foreign Currency Deposits | - | 224.669 | 376.975 | 64.674 | 31.571 | 21.220 | 719.109 |
| Bank Deposits | - | 7.713 | 24.571 | 41.969 | 11.159 | 578 | 85.990 |
| Precious Metals Deposits | - | - | 1 | - | 352 | 158 | 511 |
| Total | - | 232.382 | 401.547 | 106.643 | 43.082 | 21.956 | 805.610 |
| Grand Total | 140 | 1.763.844 | 3.307.341 | 380.379 | 267.044 | 106.064 | 5.824.812 |

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| Prior Period 30.09.2015 | 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 | 26 | 12.504 | 63.330 | 4.037 | 2.501 | 431 | 82.829 |
| Saving Deposits | - | 841.109 | 1.560.058 | 42.214 | 32.682 | 40.733 | 2.516.796 |
| Public Sector Deposits | - | 1.128 | 3.290 | 3.764 | 132 | 160 | 8.474 |
| Commercial Deposits | - | 449.083 | 348.057 | 43.778 | 33.619 | 8.564 | 883.101 |
| Other Deposits | 2 | 23.392 | 106.114 | 8.156 | 49.234 | 15.386 | 202.284 |
| Total | 28 | 1.327.216 | 2.080.849 | 101.949 | 118.168 | 65.274 | 3.693.484 |
| FC | | | | | | | |
| Foreign Currency Deposits | - | 176.237 | 219.537 | 32.999 | 63.579 | 32.584 | 524.936 |
| Bank Deposits | - | 17.567 | 40.936 | 46.298 | 4.165 | 328 | 109.294 |
| Precious Metals Deposits | - | - | 12 | - | 347 | 77 | 436 |
| Total | - | 193.804 | 260.485 | 79.297 | 68.091 | 32.989 | 634.666 |
| Grand Total | 28 | 1.521.020 | 2.341.334 | 181.246 | 186.259 | 98.263 | 4.328.150 |

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

| | Current Period 30 September 2016 | Prior Period 30 September 2015 |
|---|-------------------------------------|-----------------------------------|
| Profit | 3.031.729.604 | 4.988.736.182 |
| Income From Capital Market Transactions | 632.086 | 711.639 |
| Income From Derivative Financial Transactions (*) | 6.048.809 | 5.467.593 |
| Foreign Exchange Gains | 3.025.048.709 | 4.982.556.950 |
| Loss (-) | 3.031.168.831 | 4.988.661.328 |
| Loss from Capital Market Transactions | 418.155 | 514.442 |
| Loss from Derivative Financial Transactions (*) | 5.577.512 | 5.398.185 |
| Foreign Exchange Loss | 3.025.173.164 | 4.982.748.701 |
| Total (Net) | 560.773 | 74.854 |

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 415.283 (30 September 2015: TL 359.843).

d. Explanations on other operating income:

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

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

| | Current Period 30 September 2016 | Prior Period 30 September 2015 |
|--|-------------------------------------|-----------------------------------|
| Specific Provisions for Loans and Other Receivables | 1.306.786 | 1.403.676 |
| III. Group Loans and Receivables | 484.967 | 475.510 |
| IV. Group Loans and Receivables | 778.499 | 848.428 |
| V. Group Loans and Receivables | 43.320 | 79.738 |
| General Provision Expenses | 223.012 | 370.708 |
| Provision Expense for Possible Risks | - | - |
| Marketable Securities Impairment Expense | - | - |
| Financial Assets at Fair Value through Profit or Loss | - | - |
| Available-for-sale Financial Assets | - | - |
| Investments in Associates, Subsidiaries and Held-to-maturity | | |
| Securities Value Decrease | 3.467 | - |
| Investments in Associates | - | - |
| Subsidiaries | - | - |
| Joint Ventures | - | - |
| Held-to-maturity Investments | 3.467 | - |
| Other | 33.186 | - |
| Total | 1.566.451 | 1.774.384 |

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f. Information related to other operating expenses:

| | Current Period 30 September 2016 | Prior Period 30 September 2015 |
|--|---|---|
| Personnel Expenses | 1.227.239 | 1.204.087 |
| Reserve for Employee Termination Benefits | - | - |
| Bank Social Aid Provision Fund Deficit Provision | - | - |
| Impairment Expenses of Fixed Assets | - | - |
| Depreciation Expenses of Fixed Assets | 93.550 | 108.067 |
| Impairment Expenses of Intangible Assets | - | - |
| Goodwill Impairment Expenses | - | - |
| Amortization Expenses of Intangible Assets | 60.499 | 58.505 |
| Impairment Expenses of Equity Participations for which Equity Method is Applied | - | - |
| Impairment Expenses of Assets Held for Resale | - | - |
| Depreciation Expenses of Assets Held for Resale | 1.432 | 2.262 |
| Impairment Expenses of Fixed Assets Held for Sale | - | - |
| Other Operating Expenses | 1.240.294 | 1.164.065 |
| Operational Leasing Expenses | 132.127 | 125.297 |
| Maintenance Expenses | 17.534 | 16.102 |
| Advertisement Expenses | 93.603 | 77.995 |
| Other Expenses | 997.030 | 944.671 |
| Loss on Sales of Assets | 23 | 177 |
| Other(*) | 515.885 | 607.491 |
| Total | 3.138.922 | 3.144.654 |

(*) 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 76.564 (30 September 2015: TL 175.102). In addition, as a result of the audit performed by Ministry of Customs and Trade in accordance with Consumer Protection Law - No: 6502, an administrative fine amounting to TL 116.254 is notified to the Bank. Part of the related fine amounting to TL 87.191, calculated as a result of %25 cash allowance according to the Misdemeanor Law - No: 5326 Provisional Article 17/6, is represented in this row.

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

As of 30 September 2016, the Bank has a current tax expense of TL 778.845 and deferred tax expense of TL 108.031. The amount of deferred tax income that occurred due to the temporary differences is TL 44.434 and deferred tax expense is TL 227.701; the amounts of deferred tax income occurred due to the closing of temporary differences is TL 98.984 and deferred tax expense is TL 23.748.

The Bank has no discontinued operations.

h. Explanations on current period net profit and loss:

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

i. Other figures on profit and loss statement:

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

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

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

Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 12.232.621 asset purchase commitments (31 December 2015: TL 5.154.131). TL 17.458.809 commitments for credit card limits (31 December 2015: TL 17.672.898). TL 6.028.416 commitments for cheque books (31 December 2015: TL 5.764.751)

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

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

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

| | Current Period | Prior Period |
|-----------------------|--------------------------|-------------------------|
| | 30 September 2016 | 31 December 2015 |
| Bank Acceptance Loans | 1.186.789 | 933.230 |
| Letters of Credit | 4.091.655 | 5.326.661 |
| Other Guarantees | 3.690.075 | 3.788.809 |
| Total | 8.968.519 | 10.048.700 |

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

| | Current Period | Prior Period |
|---------------------------------------|--------------------------|-------------------------|
| | 30 September 2016 | 31 December 2015 |
| Revocable Letters of Guarantee | 969.833 | 651.210 |
| Irrevocable Letters of Guarantee | 12.625.482 | 12.025.211 |
| Letters of Guarantee Given in Advance | 2.743.117 | 2.681.029 |
| Guarantees Given to Customs | 2.794.015 | 3.012.808 |
| Other Letters of Guarantee | 5.606.918 | 4.256.270 |
| Total | 24.739.365 | 22.626.528 |

3. Information on non-cash loans:

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

| | Current Period | Prior Period |
|--|--------------------------|-------------------------|
| | 30 September 2016 | 31 December 2015 |
| Non-cash Loans Given against Cash Loans | 4.312.077 | 3.379.264 |
| With Original Maturity of 1 Year or Less Than 1 Year | 2.193.232 | 1.582.036 |
| With Original Maturity of More Than 1 Year | 2.118.845 | 1.797.228 |
| Other Non-cash Loans | 29.395.807 | 29.295.964 |
| Total | 33.707.884 | 32.675.228 |

4. Mutual Funds :

As of 30 September 2016, the Bank is the founder of 2 mutual funds (31 December 2015: 3 unit) with an unaudited total fund value of TL 128.349 (31 December 2015: TL 214.758). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by İstanbul Settlement and Custody Bank, Inc.

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

V. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

Information on cash and cash equivalents:

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

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

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

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

(*) The restricted demand accounts are not included.

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

| | Current Period 30 September 2016 | Prior Period 30 September 2015 |
|--|---|---|
| Cash | 2.982.215 | 2.933.022 |
| Cash, Foreign Currency and Other | 1.661.866 | 1.648.325 |
| Demand Deposits in Banks (*) | 1.320.349 | 1.284.697 |
| Cash Equivalents | 13.412.578 | 2.517.401 |
| Interbank Money Market Placements | 2.476.000 | - |
| Time Deposits in Banks | 10.898.473 | 2.448.220 |
| Marketable Securities | 38.105 | 69.181 |
| Total Cash and Cash Equivalents | 16.394.793 | 5.450.423 |

(*) The restricted demand accounts are not included.

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

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

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

1. Current Period – 30 September 2016:

| Bank's Risk Group | Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) | | Direct and Indirect Shareholders of the Bank | | Other Real and Legal Persons that have been included in the Risk Group | |
|---|--|----------|--|-----------|--|----------|
| | Cash | Non-Cash | Cash | Non-Cash | Cash | Non-Cash |
| Loans and Other Receivables | | | | | | |
| Balance at the Beginning of the Period | 619.370 | 190.178 | 3.367.840 | 1.447.302 | - | - |
| Balance at the End of the Period | 457.140 | 201.275 | 4.136.906 | 1.266.180 | - | - |
| Interest and Commission Income Received | 30.575 | 33 | 249.699 | 3.515 | - | - |

According to the German deposit insurance law, the Bank has given a "letter of undertaking" to the German Banking Institute related to Akbank AG, a subsidiary of the Bank. This letter of undertaking amounts to TL 6.326.816 as of 30 September 2016 [31 December 2015: TL 5.043.561].

2. Prior Period -31 December 2015:

| Bank's Risk Group | Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) | | Direct and Indirect Shareholders of the Bank | | Other Real and Legal Persons that have been included in the Risk Group | |
|--|--|----------|--|-----------|--|----------|
| | Cash | Non-Cash | Cash | Non-Cash | Cash | Non-Cash |
| Loans and Other Receivables | | | | | | |
| Balance at the Beginning of the Period | 547.714 | 210.514 | 2.458.297 | 1.986.485 | - | - |
| Balance at the End of the Period | 619.370 | 190.178 | 3.367.840 | 1.447.302 | - | - |
| Interest and Commission Income Received(*) | 35.964 | 20 | 175.758 | 4.646 | - | - |

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

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

| Bank's Risk Group | Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) | | Direct and Indirect Shareholders of the Bank | | Other Real and Legal Persons that have been included in the Risk Group | |
|--|--|----------------------------|--|----------------------------|--|----------------------------|
| | Current Period 30.09.2016 | Prior Period 31.12.2015 | Current Period 30.09.2016 | Prior Period 31.12.2015 | Current Period 30.09.2016 | Prior Period 31.12.2015 |
| Balance at the Beginning of the Period | 451.485 | 429.208 | 2.102.609 | 1.337.103 | 2.181.203 | 2.115.511 |
| Balance at the End of the Period | 954.243 | 451.485 | 2.138.589 | 2.102.609 | 2.217.832 | 2.181.203 |
| Interest on Deposits(*) | 47.888 | 12.465 | 182.765 | 136.674 | 114.623 | 94.045 |

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

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

| Bank's Risk Group | Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) | | Direct and Indirect Shareholders of the Bank | | Other Real and Legal Persons that have been included in the Risk Group | |
|-----------------------------------|---|--------------|--|--------------|---|--------------|
| | Current Period | Prior Period | Current Period | Prior Period | Current Period | Prior Period |
| | 30.09.2016 | 31.12.2015 | 30.09.2016 | 31.12.2015 | 30.09.2016 | 31.12.2015 |
| Transactions at Fair Value | | | | | | |
| Through Profit or Loss | | | | | | |
| Beginning of the Period | 175.142 | 289.816 | 3.501.482 | 2.364.278 | - | - |
| Balance at the End of the Period | 1.255.413 | 175.142 | 3.402.449 | 3.501.482 | - | - |
| Total Income/Loss (*) | 3.422 | (448) | 9.274 | 3.207 | - | - |
| Transactions for Hedging Purposes | | | | | | |
| Beginning of the Period | 329.126 | - | - | - | - | - |
| Balance at the End of the Period | 301.069 | - | - | - | - | - |
| Total Income/Loss (*) | 821 | - | - | - | - | - |

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

Figures presented in the table above show the total of "sale" and "purchase" amounts of related transactions. Due to the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Bank. As of 30 September 2016, the net exposure for investments in associates and subsidiaries is TL (-) 2.912 (31 December 2015: TL 20.675). For direct and indirect shareholders of the Bank TL 6.832 (31 December 2015: TL (-) 10.244).

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

As of 30 September 2016 benefits provided to the Bank's key management amount to TL 20.840 (30 September 2015: TL 21.024).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

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

SECTION SIX
EXPLANATIONS ON AUDITOR'S REVIEW REPORT

I. EXPLANATIONS ON AUDITOR'S REVIEW REPORT

The unconsolidated financial statements for the period ended 30 September 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 21 October 2016 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

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

SECTION SEVEN (*)
INFORMATION ON INTERIM ACTIVITY REPORT

THE MESSAGE FROM THE CHAIRMAN OF THE BOARD

In the third quarter of the year, expansionary moves from the ECB and BOJ; and FOMC members reducing their policy rate projections to only one rate hike this year, and domestically rating downgrades have been effective.

In its September meeting FED reiterated that labor market has continued to strengthen and growth of economic activity has picked up from the modest pace seen in the first half. Moreover, recently announced data also seem to support a rate hike in December. While ECB is in wait&see mode; BOE, after the Brexit decision in June, performed a 25 basis point cut in policy rate and expanded its asset purchase program both in size and scope in order to provide additional support to growth.

BOJ, after introducing "quantitative and qualitative monetary easing (QQE) with a negative interest rate", the Bank decided to introduce "QQE with yield curve control" in order to achieve its price stability target of 2% at the earliest possible time. Within this framework, 10 year government bond yield is targeted at zero percent. With this move, a steeper yield curve will counterbalance negative impact of negative interest rates on banking sector profitability.

While consumption expenditures continued to support economic activity domestically, private investment expenditures and net exports (exports minus imports) remained weak. As a result, growth in the first half of the year stood at 3,9%. Leading indicators point out a deceleration of economic activity in the third quarter. The recent easing of macro prudential measures regarding credit cards and consumer loans will likely give further boost to private consumption as well as growth. In October, Medium- Term Economic Program (2017-2019) has been announced and 2016 GDP growth expectation revised down to 3,2%. We expect 2016 GDP growth to be in line with this level.

On the external trade front; gold exports and increasing demand from European Union turned export growth to positive in the second quarter. However due to less number of workdays, exports growth went down to negative territory, again in the third quarter. On the other hand, external trade deficit has continued to shrink along with the decline in net energy expenditures. Decreasing deficit in external trade has also led current account deficit to come down significantly; yet weak tourism revenues have offset this positive outlook. In the coming months, the lagged effect of the rise in oil prices may slow down the decreasing trend in energy expenditures. Hence; the outlook in energy prices, non-energy imports and tourism revenues will be essential in the trend of current account deficit.

In the meantime, CBRT is continuing with its simplification of the interest rate policy. In this regard; the bank decreased the O/N lending rate by 250 basis points to 8,25% since March. We expect CBRT to continue with its simplification steps as long as both headline and core consumer inflations continue to decline.

Credit rating agency Moody's decreased Turkey's credit rating from investment grade of "Baa3" to non-investment-grade "Ba1" level, while keeping the outlook at "stable". The rationale behind the rating cut is Moody's' opinion about the increasing risks regarding Turkey's external financing need, deterioration of institutional strength and weakening in growth outlook. Ongoing, strong fiscal discipline served as a basis for stable outlook. As a matter of fact newly-announced medium term program also intends to maintain government debt stock-to-GDP ratio below 2%.

Although the slow down in annual loan growth continued in the banking sector; it may accelerate along with the cuts in short term interest rates and measures to stimulate consumer loans market in the near future. While low level of non-performing loans is continuing at only 3,3%, the level of capital adequacy ratio stands at high at 16%.

Consequently; globally low interest rate environment and yield search of institutional investors would continue to support capital inflows to emerging economies. In the meantime, steps to be taken regarding the implementation of structural reforms will continue to be critical.

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

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

MESSAGE FROM THE CEO

Please find our CEO's statement after the 3Q16 financials announcement below:

Despite the difficult conditions in the global markets, we had a high performance in the third quarter. With our strong balance sheet and the long-term financing we provide from abroad, we continued to support the economy.

Akbank has maintained its strong performance in balance sheet and asset quality this quarter. We increased our support to the economy through loans by 8 percent to TL 188 billion, with TL 154 billion cash loans. Our assets increased by 9 percent to over TL 257 billion. In the first nine months of the year, our total deposits increased by 9 percent to over TL 151 billion. Akbank reported a net profit of TL 3 billion 682 million while setting aside TL 999 million of tax provisions. Another indicator of our healthy growth this quarter has been our NPL ratio of 2,2 percent.

Using its strong balance sheet, Akbank will continue to bring resources to Turkey and transfer these to the real sector. We were able to renew our syndicated loan of USD 1,2 billion with a demand of over 100 percent in August, confirming once again the confidence of investors abroad in our bank and sector. We increased financing through international borrowings to USD 5,8 billion in the last nine months, with USD 1,9 billion with an average maturity of 5 years.

With the "Akbank One Stop Corporate Investmen Banking" we launched recently, we aim to create more effective solutions for investment finance. Our corporate clients can now benefit from our corporate and investment banking services and access to the experience and expertise of our subsidiaries with one step.

We received the title "Best Bank in Central and Eastern Europe" from Euromoney, a testament to the power of the banking system in Turkey. Our employees continue to work with dedication to raise the bar in banking and create value for our country. We look to the future with hope, and continue our investments for a stronger Turkey. High-quality human resources and investment in technology remain our focus.

I would like to thank our customers and stakeholders for the trust they place in Akbank; and our employees for their performance.

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A. INTRODUCTION

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

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

2. Important Issues and Transactions during the period:

On 18 March 2016, Akbank has signed a 367-day, dual tranche syndicated loan agreement of equivalent to USD 1,2 billion.

Bank has sold a non-performing loan portfolio of TL 450,1 million for TL 49,1 million to Güven Varlık Yönetim A.Ş.

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

Bank has secured the equivalent of USD 1,4 billion through its Diversified Payment Rights securitization programme in 10 separate tranches with maturities ranging from 5 to 12 years.

Bank has signed a dual currency, multi-tranche syndicated loan agreement of equivalent to USD 1,2 billion with separate maturities (1 and 3 years) on August 2016.

Bank has secured USD 250 million financing from International Finance Corporation (IFC) with 8 years maturity through its Diversified Payment Rights securitization programme on August 2016.

After Fitch Ratings affirmation Akbank's National Rating as "AA+" with "Stable" outlook on 26 August 2016, Fitch also has revised Akbank's IDRs' outlook to "Negative" from "Stable".

After the resignation of Orkun Oğuz, Executive Vice President responsible from Direct Banking, on 19 July 2016, E.Tolga Ulutaş has been appointed as Executive Vice President for Direct Banking as of 19 September 2016.

As the result of the audit carried out by the Ministry of Customs and Trade within the context of Law no. 6502, an administrative fine of 116.254.138 TL has been imposed to our Bank. This decision is subject to objection at Administrative Courts. The administrative fine will be paid in advance to take the advantage of the 25% discount in accordance with article 17/6 of the Law on Misdemeanors No. 5326 reserving all objection rights.

Moody's had placed ratings of Turkey and Turkish Banks including Akbank under review for downgrade on 20 July 2016. Akbank's long-term foreign and local currency deposit ratings were downgraded to "Ba2/Ba1" from "Baa3", respectively while short-term foreign and local currency deposit ratings were downgraded to "Not Prime" from "P-3", and foreign and local currency debt ratings were downgraded to "Ba1" from "Baa3" and Baseline Credit Assessment was downgraded to "ba2" from "ba1" on 26 September 2016.

Bank has issued TL 1,3 billion nominal worth of bills in total to qualified investors with separate maturities and nominal values during the period.

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

B. BANKING SECTOR 3Q16 OVERVIEW

In the nine months of 2016, loan growth in the sector was 8,4% and deposit growth in the sector was 7,4%.

As of 30 September 2016, NPL ratio of the sector was at 3,3%.

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

C. UNCONSOLIDATED FINANCIAL RESULTS

1. Main Balance Sheet Items (TL Million) :

| | 30.09.2016 | 31.12.2015 |
|-------------------------|--------------------------|--------------------------|
| | Unconsolidated | Unconsolidated |
| | Financial Results | Financial Results |
| Total Assets | 256.514 | 234.809 |
| Loans | 153.975 | 141.763 |
| Deposits | 151.306 | 138.942 |
| Equity | 29.935 | 26.689 |
| Net Income (30.09.2015) | 3.444 | 2.086 |

2. Main Financial Ratios (%) :

| | 30.09.2016 | 31.12.2015 |
|--------------------------|--------------------------|--------------------------|
| | Unconsolidated | Unconsolidated |
| | Financial Results | Financial Results |
| Loans / Total Assets: | 60,0 | 60,4 |
| Deposits / Total Assets: | 59,0 | 59,2 |
| ROE (30.09.2015): | 16,2 | 11,0 |
| ROA (30.09.2015): | 1,9 | 1,3 |
| NPL Ratio: | 2,4 | 2,3 |
| CAR: | 15,03% | %14.58 |
| EPS (30.09.2015) (TL): | 0,00861 | 0,00521 |

3. Akbank 3Q16 Results Overview:

Akbank reported a gross profit of TL 4 billion 331 million while setting aside TL 887 million of tax provisions, and reported a net bank-only profit of TL 3 billion 444 million in the first nine months of the year. ROE of the bank has realized at 16,2% by the end of first nine months of the year.

As of 30 September 2016 Akbank's bank-only total assets increased by 9,2% up to TL 256,5 billion. Total cash loans grew by 8,6% to TL 154 billion while total deposits was up to TL 151,3 billion with an increase of 8,9%.

Akbank's NPL ratio was 2,4% as of 30 September 2016. While 26% of total cash loans based on unconsolidated financials are comprised of consumer loans, 32% are corporate, 33% are commercial and remaining 9% 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 January 2016.

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

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

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 |