

AKBANK

Every era has a beginning.

Every journey has a first step.

And everything starts with a countdown...

Change, innovation, and movement. These three core principles of the history of civilization have invaded the dreams of visionaries who have sought to make the world a better place for centuries. These good people gave hope to the world, offered a bright future to society, and changed the course of history.

Three of these people – young artists Heinz Mack, Otto Piene and Günther Uecker – brought their own unique interpretations to these principles in Germany in 1957. They interpreted the core themes of avant-garde art in their own unique style, and expressed their world of dreams with a brand-new approach. They reflected the illuminating essence of light in their works. And they created the ZERO movement that went on to shake the history of contemporary art to its core.

As one of the premier supporters of contemporary art in Turkey, we brought this approach, which spread to the entire world between 1958 and 1966 and was re-discovered in recent years, to Istanbul with the "ZERO: Countdown to the Future" exhibition.

Just like the Rodin, Dali, and Anish Kapoor exhibits at the Sakıp Sabancı Museum before, the works of these half-century-old, shining standard-bearers of contemporary art were greeted with great enthusiasm by Turkish art lovers.

We consider it a core responsibility to support the development of contemporary art in Turkey, and continue to facilitate the contribution of art to the development of our society. ZERO, which promotes renewal, dynamism, creativity, courage and optimism, directly corresponds to our core values.

We support a large number of projects in order to help the revitalizing and transformative power of art to penetrate every segment of society, leading to the proliferation of creative, innovative and original ideas.

Creating the Turkey of the future is a duty that goes well beyond banking. We develop and carry out a wide variety of projects with the understanding that culture and art are the core elements that enable creativity and the development of a culture of innovation in a country. We are trying to raise a creative and innovative generation that will help Turkey claim the place it deserves in the world socio-culturally and economically. We believe that our actions will inspire more free-thinking, productive, courageous, creative new generations that see beyond the here-andnow and expand the limits. We will continue to work proudly and enthusiastically to instill a robust culture & art approach in Turkey that influences the entire world.

All photos of the works were taken at the "ZERO. Countdown to the Future" exhibition that was held at the Sakıp Sabancı Museum between September 2 and January 10.

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AKBANK CONTINUES TO BE RECOGNIZED BY THE MOST DISTINGUISHED MEMBERS OF THE WORLD'S FINANCIAL COMMUNITY AS ONE OF TURKEY'S LEADING INSTITUTIONS.

MESSAGE FROM THE CHAIRMAN

Akbank will continue to pioneer Turkey's banking and finance industry with its traditions, strong DNA, and highly-qualified human capital that allows us to be optimistic about the future.

The global financial markets witnessed high fluctuations during 2015. The United States economy continued to recover while growth in emerging markets slowed due to the tightening in financial conditions and some structural dynamics. Economic activity in other developed regions such as the Euro Zone and Japan remained lackluster. Restructuring efforts continued in the Chinese economy, which has been the major driver of the world economic growth including during the 2009 crisis. China's attempt to shift the axis of economic growth from production and exports to a more services and domestic consumption-based model brought about a controlled economic slowdown and put the brakes on the global economy in the process.

Despite this challenging global outlook, growth in Turkey continued to accelerate with the impetus of private sector consumption and net exports in contrast to the economic developments in many other developing countries. While inflation remained high due to significant loss of value in the Turkish lira. similar to all other emerging market currencies, the current account deficit contracted, fiscal discipline was sustained, and the banking sector maintained its robust structure in 2015. We expect economic activity to be strong in 2016 due to the positive contributions of a healthy banking sector and low commodity prices to macro dynamics.

The capital adequacy ratio of the banking industry remains above the legal threshold and the target level despite a slight decline as a result of tightening financial conditions. Another noticeable development is that the non-performing loan (NPL) ratios did not tick up at all.

Ranked among the leading financial institutions both in Turkey and Europe with a solid capital base, effective risk management and high asset quality, Akbank maintained healthy profitable growth in 2015. Akbank will continue to deliver customer-driven, profitable growth and expand its balance sheet for years to come by acquiring new customers, establishing deep relationships with clients, and ensuring long-term relations with its entire customer base.

Akbank continues to be recognized by the most distinguished members of the world's financial community as one of Turkey's leading institutions. Akbank was named "Most Valuable Banking Brand in Turkey" for the fourth consecutive year by Brand Finance's widely referenced report, "Brand Finance Banking 500." In addition, Akbank was recognized as the "Best Bank in Turkey" by industryleading publications Euromoney, Global Finance, World Finance, and EMEA Finance, as a result of the Bank's strong performance in 2015. We owe all these accomplishments to our goal of creating high and sustainable value for our stakeholders in everything we do. In order to carry out this mission and to create value for Turkey, Akbank has developed the right strategy under all circumstances and market conditions, made appropriate and timely strategic decisions and never let short-term developments detract the Bank from its long-range objectives.

Akbank will continue to pioneer Turkey's banking and finance industry with its traditions, strong DNA, and highly-qualified human capital that allow us to be optimistic about the future. Akbank is ready to create new opportunities to further raise the industry standards that were set by the Bank in the first place. The Bank will continue to work hard to meet the evolving needs of its customers, help Turkey attain its goals, and realize its dreams. I would like to take this opportunity to thank our employees, partners, and social stakeholders for their contributions in our Bank's success as well as their confidence in us. O

Suzan Sabancı Dinçer Chairman of the Board of Directors



AKBANK WAS RECOGNIZED AS THE "MOST VALUABLE BRAND IN TURKEY" ACCORDING TO A STUDY CONDUCTED BY BRAND FINANCE IN 2015.

MESSAGE FROM THE CEO

Akbank maintained its healthy and profitable growth performance while supporting the growth of the Turkish economy thanks to its solid capital structure and effective risk management.

2015 was characterized by high levels of uncertainty, both on a national and global scale. The course of the global economy was determined by uncertainties regarding the Fed's monetary policy, the continued slowdown in developing countries led by China, plunging commodity prices, and major volatility in local currencies.

The Fed raised its policy rate in December in response to sustained recovery in the U.S. economy. The deflationary pressures and the extraordinarily accommodative monetary policies in the Euro Zone and in Japan resulted in a strong U.S. dollar globally during this period.

The Turkish economy registered mild growth in 2015 in the face of lackluster external demand, geopolitical risks, and the weakening Turkish lira. We expect Turkey to close 2015 with an economic growth rate of 3.7%. Turkey's foreign trade and current account balances improved significantly due in large part to plunging oil prices and the macro-prudential measures put in place by the administration. In addition, non-energy imports declined aided by relatively weak investments. As a result of these developments, Turkey's current account deficit shrank from USD 46.5 billion in 2014 to USD 32.2 billion in 2015. Inflation remained elevated throughout the year due to the loss of value in the Turkish lira and rising food prices.

The ratio of investments to national income was 18% in the third quarter while the savings-to-national income ratio was in the 14%-15% range. We project a 5% current account deficit if investments return to their trend level of 20%. Therefore, increasing total savings will continue to be a major issue for the Turkish economy.

The banking industry encountered challenges on multiple fronts during 2015. The expectation of a Fed rate hike loomed large for the entire year. The rate of return on equity (ROE) and the benchmark bond yield came very close to each other. The agenda of the banking industry was dominated by return on equity, capital adequacy ratio, asset quality, and the effects of the devaluation in the Turkish lira on the corporate sector throughout the year.

Akbank maintained its healthy and profitable growth performance while supporting the growth of the Turkish economy thanks to its solid capital structure and effective risk management during this period. The Bank's total cash and non-cash loans registered an increase compared to year-end 2014 and reached TL 185 billion during this period. Consolidated assets grew 15% to TL 252 billion over the same period.

We continued to support Turkey's high-value-added and export-oriented growth model this year, as our cash-loan support for the economy topped TL 153 billion. The Bank's support for the real sector by way of SME and corporate loans surpassed TL 113 billion with a 22% increase compared to the end of last year. Akbank's support for the growth of Turkish businesses was not limited to loans, either. We unveiled a number of new products in September to enable SMEs to conduct their banking transactions under attractive terms. As a result, many firms began receiving banking services under more advantageous conditions.

We kept our non-performing loan (NPL) ratio at a very low level of 2.2% while continuing to grow. We have set aside around 171% as provision for our non-performing loans taking into account the general loan provisions.

Akbank's total deposits soared 22% in 2015 and topped TL 149 billion. In an environment where savings are scarce in Turkey, we focused on attaining a loans-to-deposits ratio in the neighborhood of 100%.

Akbank continued to expand the investor base and set the credit costs in syndicated loans. We secured a three-year, USD 335 million syndicated loan facility in August and became the first Turkish bank to obtain a three-year syndicated loan since the 2008 global crisis. While extending the maturity, this loan also expanded the investor base of the Turkish syndication market by gaining new participating banks from Asia and the Middle East. We secured another syndicated loan in August, a one-year USD 1.2 billion facility. This represents a rollover of the syndicated loan that the Bank had secured last August with a 15 basis point reduction in cost. We obtained this facility with the participation of 41 banks from 15 countries at a lower cost despite the volatility in the international markets. These accomplishments proved once again that Akbank sets the costs and pioneers the sector in syndicated loans.

MESSAGE FROM THE CEO

As of year-end 2015, the Bank realized a gross profit of TL 4,179 million, corresponding to a net profit of TL 3,229 million after provisioning TL 950 million for taxes.

Akbank's accomplishments continued to be commended by prestigious international publications and platforms in 2015. In a study conducted by Brand Finance, an international brand valuation company, Akbank took the top spot on the "Turkey's Most Valuable Brands 2015" list. Akbank was voted the "Best Bank of Turkey" in the "2015 Excellence Awards," a prestigious event in the international banking industry organized by the world's leading financial publication group Euromoney. We won this award for the sixth time during the last 10 years.

Akbank was recognized with two Gold, three Silver, and three Bronze Stevie awards at the "International Business Awards" organized by Stevie Awards, which has been selecting the world's best products, services and communication projects since 2002.

Akbank Private Banking, the first private banking unit in Turkey, received The Banker's "Best Private Bank in Turkey" award. We became the first Turkish bank to win this award for two consecutive years.

We continue to prepare the Bank for the future. 92% of our transactions are executed outside of the branches. Mobile Banking constitutes one of the pillars of our strategy. We have ongoing intensive efforts in this area. With an operating expense to revenues ratio of 39% and an operating expenses to assets ratio of 1.7%, Akbank is one of the best banks not just in Turkey, but also in emerging markets. Akbank earns this distinction thanks to its lean banking approach, high efficiency, and focus on technology. Digital banking, which used to be supplemental service in previous years, is now a core sales channel and a business model under Akbank's new strategy. These channels are managed not just with an efficiency enhancement strategy, but also with an income and salesboosting strategy. The awards we win especially in the mobile banking area as well as Akbank's high rankings in the independent surveys conducted in Europe are a direct consequence of these efforts.

We were recognized with the "World's Best Mobile Banking App" award in the Consumer Banking category at the Global Finance Magazine's "Global Finance The World's Best Digital Bank Awards 2015." As part of the "Global Finance the World's Best Digital Bank Awards 2015," Akbank also won the "Best Digital Bank in Western Europe" award. In addition, Akbank was voted "Turkey's Best Digital Bank" with a total of six awards.

We believe in Turkey's great potential and are improving our infrastructure uninterruptedly. Akbank will continue to make its presence and difference felt in the market in this area in 2016. We will continue to focus on digitalization and technology in 2016, as mobile banking and digitalization remain at the core of our strategies. My esteemed colleagues, fellow "Akbankers," were the ones who brought Akbank to its success today and shouldered the "Sustainable Leadership" that we have been carrying out since 2012. We are proud of them. The average age of Akbank staff is 34. 94% of our employees hold at least a bachelor's degree. the highest ratio in the industry. In addition, 8% of the employees hold a postgraduate degree. Armed with this awareness, we continue to provide a full range of support and paths for their continuous development through an effective communication structure and extensive training opportunities. The Bank will transition to a new structure called "Next Generation Akbank" in 2016. "Akbankers" will once again be at the heart of Next Generation Akbank. This effort, which will completely reassess our business conduct and process, is also aimed to have a direct positive impact on the Bank's performance.

Akbank continues to be among the leading banks in Turkey as well as in Europe thanks to its solid capital base, effective risk management practices, reliable deposit base and high-quality asset composition. I would like to thank our customers, shareholders, and employees for this strong performance.

Hakan Binbaşgil CEO

AKBANK IN BRIEF AND MILESTONES

AKBANK LEVERAGES ITS STRONG INFRASTRUCTURE AND EXPERIENCED STAFF TO PROVIDE SUPERIOR-QUALITY SERVICES TO ITS CUSTOMERS.

Akbank was founded as a privatelyowned commercial bank in Adana on January 30, 1948. Established originally with the core objective to provide funding to local cotton growers, the Bank opened its first branch in the Sirkeci district of Istanbul on July 14, 1950. In 1954, after relocating its Head Office to Istanbul, the Bank rapidly expanded its branch network and had automated all banking operations by 1963.

Floated to the public in 1990, Akbank shares began trading on international markets and as an American Depository Receipt (ADR) after its secondary public offering in 1998.

Akbank's core business is banking activities, consisting of consumer banking, commercial banking, SME banking, corporate banking, private banking, foreign currency exchange, money markets and securities trading (Treasury transactions), and international banking services. In addition to traditional banking activities, the Bank also carries out insurance agency operations through its branches on behalf of Ak Insurance and AvivaSA Pensions and Life Insurance.

With a strong and extensive domestic distribution network of more than 900 branches and 14,000 employees, Akbank operates from its Head Office in Istanbul and 23 regional directorates across Turkey. In addition to providing services through branches, the Bank's traditional delivery channel, Akbank also serves customers through the Akbank Direkt Internet Branches, Akbank Direkt Mobile, the Call Center, 4,150 ATMs and more than 420,000 POS terminals as well as other high-tech channels.

A digital banking pioneer in Turkey, Akbank gathered all its efforts in this burgeoning area under the Akbank Direkt umbrella. This will allow the Bank to meet the financial solutions needs of its customers, provide services in the most convenient manner possible and deliver an excellent client experience. In today's world, where technology advances at lightning speed and customers are ever more demanding, Akbank Direkt strives to satisfy client needs without time or physical location limitations while pioneering technological innovations in both the sector and in Turkey.

Widely known for anticipating changes in trends and customer dynamics to develop new products and channels for meeting the individual financial needs of clients, Akbank has introduced many innovations to the Turkish banking industry. In addition to launching a significant number of new services in Turkey, including the "Big Red House" mortgage loanonly branches and the iPad Banking Branch, Akbank has also broken new ground globally. The Bank is the originator of such pioneering products and services as the Loan Machine and Mobile Loan innovations, which allow customers to obtain loans without having to visit a bank branch.

Akbank received the "Best Digital Bank in Western Europe" award in the Consumer banking category at the "World's Best Digital Bank Awards" organized by the Global Finance Magazine as one of the recognitions affirming the quality and superiority of Akbank's technology integrated with its business lines.

The Akbank Banking Center, which is the highest transaction capacity operations center in Turkey, commenced service in 2010. Equipped with state-of-the-art technology, this complex is positively contributing to Akbank's productivity.

Akbank conducts overseas operations through subsidiaries in Germany (Akbank AG) and Dubai (Akbank Dubai Limited) as well as a branch in Malta. The Bank's other subsidiaries, AkInvestment, AKAsset Management and Aklease, provide non-banking financial services alongside capital markets and investment services.

Equipped with state-of-the-art IT systems and a staff of experienced professionals, Akbank provides top quality services to an extensive portfolio of consumer and corporate banking customers.

AKBANK IN BRIEF AND MILESTONES

 Akbank received the "Best Digital
 Bank in Western Europe" award in the Consumer Banking category at the "World's Best Digital Bank Awards" organized by Global Finance Magazine. This was the most prominent of the prizes awarded to the Bank affirming the quality and superiority of Akbank's technology integrated with its business lines.

Harvard University Kennedy School of Government (Harvard KSG) has turned Akbank's transformation story and growth strategy in the aftermath of the 2001 crisis into a case study. The Bank adopted the "New Horizons Restructuring Program" in response to the Turkish economic crisis of 2001, when the country's economy and banking industry were struggling to deal with the impact of the crisis. The management, change and growth strategy which the Bank implemented turned the Bank's Program into a lecture topic and a reference success story on how to manage and achieve growth during a sharp economic downturn.

In addition, Harvard University conducted a case study last year regarding Akbank's steps in digital banking. The study emphasized the fact that digital banking will have a growing part in our lives in the years ahead. Banking will transition from branches to mobile platforms in Turkey, given its young population with high levels of smart phone and internet penetration. The case study underscores the cost-related contributions of Akbank Direkt as well as the advantage of automated transactions in minimizing human errors, and how it represents the beginning of a new era in banking.

The first Turkish bank to be a signatory to the United Nations Global Compact in 2007, Akbank shares its sustainability performance with its stakeholders via the Akbank Sustainability Report. The Bank has published this report in accordance with Global Reporting Initiative (GRI) standards every year since 2009.

With a robust capital base, reliable deposit structure, ability to raise foreign financing on favorable terms and solid asset quality, Akbank maintains its leading position in the Turkish banking sector. As of end-2015, Akbank reported consolidated net profit of TL 3,229 million (approximately USD 1,186 million) and total consolidated assets of about TL 252 billion (approx. USD 88 billion). The Bank's consolidated capital adequacy ratio of 14.5%, calculated according to Basel III standards, is among the highest in the sector.

Total loans of Akbank, which continues to conduct its operations to create value for the Turkish economy, jumped by 13% to TL 153 billion. Akbank's non-performing loan ratio of 2.2%, attained thanks to the Bank's effective risk management policies, is significantly below the sector average of 3.1%.

With an assessed brand value of over USD 2.5 billion, Akbank was named the "Most Valuable Banking Brand in Turkey," for four years in a row, by Brand Finance report of "Brand Finance Banking 500." Akbank was selected the "Most Valuable Brand in Turkey" once again by Brand Finance in 2015, becoming the first bank to hold this distinction in Turkey. In addition, Akbank was named the "Best Bank in Turkey" in 2015 by Euromoney, Global Finance, World Finance's, and EMEA Finance publications.

In addition, Akbank was named the "Best Cash Management Bank in Europe" by EMEA Finance as the first Turkish bank to earn this award.

As one of the most committed supporters of contemporary art in Turkey and with the aim of being present in all branches of art, Akbank's arts and culture initiatives span a wide range of fields. In addition to providing banking services, Akbank's expansive vision includes investments ranging from arts events geared toward social advancement such as jazz, theatre and contemporary arts to environmental protection practices such as the Carbon Disclosure Project.

The first Turkish bank to be a signatory to the United Nations Global Compact in 2007, Akbank shares its sustainability performance with its stakeholders via the Akbank Sustainability Report. The Bank has published this report in accordance with Global Reporting Initiative (GRI) standards every year since 2009.

51.1% of Akbank's shares are listed on the Istanbul Stock Exchange. The Bank's Level 1 ADRs are traded on the OTCQX in the United States. Akbank's market capitalization stood at USD 9.2 billion as of December 31, 2015.

A YEAR FULL OF ACCOMPLISHMENTS-2015

AKBANK WAS NAMED THE "MOST VALUABLE BRAND IN TURKEY" IN THE SURVEY CONDUCTED BY BRAND FINANCE.

Brand Finance

Turkey's Most Valuable Brands Ranking - Most Valuable Brand in Turkey World's Top 500 Most Valuable Banking Brands - 2015 Ranking -The Most Valuable Banking Brand in Turkey for the Fourth Consecutive Year

Euromoney

Best Bank in Turkey Best Private Banking Services Overall in Turkey

Global Finance

Best Bank in Turkey Best Private Banking Services Overall in Turkey Best Cash Management Bank in Turkey Best Digital Bank in the World in the Consumer Banking Category Best Digital Banking App in Western Europe in the Consumer Banking Category Best Digital Bank in Turkey World's Best Mobile Banking App

World Finance Best Bank in Turkey

EMEA Finance

Best Bank in Turkey Best Cash Management Bank in Europe

The Banker Best Private Banking Services Overall in Turkey

Foreign Policy Association Corporate Social Responsibility Award

VISA Europe Turkey Awards

Fastest Growing Bank in Visa Debit Card Transaction Volume

Turkey Customer Satisfaction Index

Consumer Banking - First Place among Private Sector Banks

Stevie International Business Awards

2 Gold, 3 Silver and 3 Bronze Awards

Stevie Awards for Sales & Customer Service

3 Bronze Awards

JP Morgan

Accomplishment Award in Straightthrough SWIFT Transfer Processing

Crystal Apple Awards

1 Gold, 2 Silver and 3 Bronze Awards

LACP Vision Awards

Akbank's 2015 Annual Report -Recognized as the Best Report in the World Akbank's 2015 Sustainability Report -Recognized as the Best Report in the World

Red Press Best Advertising Awards

Best Advertising Text in the Press Best Culture, Art and Entertainment Ad in the Press

Graphic Designers Trade Association Best Calendar Best Agenda

Felis Awards Innovative Use of Audience Felis Award in the Mobile Category •



Yves Klein, Pure Pigment (PIG 1), Re-creation of 1957 Work



AKBANK IN 2015

AKBANK WAS RECOGNIZED AS THE "BEST BANK IN TURKEY" BY EUROMONEY, GLOBAL FINANCE, WORLD FINANCE, AND EMEA FINANCE.

JANUARY

Akbank recognized as Rising Star of Europe thanks to Global Medium Term Note (GMTN) Program issuances

Akbank was recognized as one of the Rising Stars of Europe by the world's leading bond data platform mtn-i as a result of its successful issuances as part of its Global Medium Term Note (GMTN) Program.

Akbank issues the first Eurobond of 2015

The five-year, USD 500 million bond placed by Akbank became the first Eurobond issued by the Turkish banking industry in 2015.

Akbank partners with Harvard students for its Savings Campaign

Akbank partnered with Harvard Business School students in an attempt to further expand its portfolio of innovative products and services that promote savings.

FEBRUARY

Akbank named Turkey's Most Valuable Banking Brand once again in 2015

Akbank was named "The Most Valuable Banking Brand in Turkey" in the "World's Top 500 Most Valuable Banking Brands - 2015" survey conducted by the prestigious international brand valuation company Brand Finance for the fourth consecutive year.

Akbank launches debt security which Turkey has been awaiting for eight years

Akbank became the first and only Turkish bank to issue long-term, Turkish lira-denominated covered bonds backed by residential mortgages.

MARCH

Akbank lowers borrowing cost in its USD 1.2 billion syndicated loan Proving its expertise in overseas borrowing and strength in correspondent banking once again, Akbank rolled over its March 2014 syndication with greater demand and at a lower cost.

Citigroup Inc. Stake Sale

Citigroup Inc. announced its decision to focus on its core business activities and cease its minority involvements in other companies due to ongoing capital planning initiatives. It finalized the sale of its shares in Akbank corresponding to 9.9% of the Bank's share capital to a large number of potential buyers that have not been predetermined by way of accelerated equity offering.

Akbank issues its second Eurobond in 2015

This USD 500 million Eurobond placement once again demonstrated Akbank's presence and reputation in international banking. This issue became the first 10-year Eurobond issuance by the Turkish banking industry since 2012.

MAY

Akbank Direkt launches instantaneous commercial loan

Akbank Direkt's new service offers SMEs as well as all other commercial customers immediate access to commercial loans within their credit limits.

Akbank offers complimentary advisory service to SMEs

The "Ask an Akbank Specialist" application provides advisory services to SMEs in grants/incentives, tax, financial, and legal matters.

Akbank named Best Private Bank in Customer Satisfaction

Akbank took first place, with 74 points, among Consumer Banking Sector - Private Banks brands in the "Turkey Consumer Satisfaction Index (TMME)" survey.

JUNE

Brand Finance declares Akbank Most Valuable Brand in Turkey

Akbank became the first bank to earn the distinction of "Most Valuable Brand in Turkey" from Brand Finance.

JULY

Akbank reopens the three-year syndicated loan market

Akbank secured the first three-year syndicated loan facility in the Turkish banking industry since 2006.

Euromoney names Akbank Best Bank in Turkey

Akbank was voted the "Best Bank in Turkey" once again at the Euromoney Excellence Awards.

Global Finance says Akbank is the Best Bank in Turkey in Digital Banking

Akbank took the top spot with six first-place prizes at the "World's Best Digital Bank Awards" organized by Global Finance.

AUGUST

Akbank inks cooperation deal with one of India's largest banks: State Bank of India

Akbank and State Bank of India signed a cooperation agreement in order to support the accelerating foreign trade and investments between the two countries.

Akbank syndicated loans oversubscribed

Akbank rolled over the one-year syndicated loan it had secured last August in an oversubscribed placement at a lower borrowing cost.

Akbank signs cooperation agreement with China's China Export & Credit Insurance Corporation Sinosure

Akbank and Sinosure entered into a cooperation agreement to support the investments of Chinese companies in Turkey.

SEPTEMBER

Young people show heavy interest in "The Good State of the City"

Showing heavy interest in the volunteering project "The Good State of the City," young people volunteered to benefit society for one month as part of this initiative.

AKBANK IN 2015

Akbank is the Best in Western Europe in Digital Banking

Akbank won the "Best Digital Bank in Western Europe" distinction in the Consumer Banking category at the Global Finance Magazine's "Global Finance - The World's Best Digital Bank Awards 2015." In addition, Akbank was recognized with the "World's Best Mobile Banking App" award as part of the "Global Finance - The World's Best Digital Bank Awards 2015."

OCTOBER

Akbank develops certified exporters for the Turkish economy

As part of the Akbank Export Academy initiative organized jointly with the Sabancı University Executive Development Unit (EDU) to help SMEs succeed in exporting, Akbank began training certified exporters in Kayseri, Konya, and Izmir.

Akbank Wealth Management: Dawn of a new era in investment management

Akbank partnered with its subsidiaries AkInvestment and AKAsset Management for a major venture in July in order to adapt to the new era that was initiated with the latest amendments to the Capital Market Law and to meet changing customer needs.

Akbank, Sabancı University and MIT jointly establish Turkey's first Big Data Behavioral Analytics & Visualization Lab

The Big Data Behavioral Analytics & Visualization Lab, a joint venture of Akbank, Sabancı University, and Massachusetts Institute of Technology (MIT), pioneers the development of analytic products and services.

Akbank Direkt unveils threedimensional banking with iPhone 6s

Rapidly adapting the "3D Touch" functionality of Apple iPhone 6s and iPhone 6s Plus phones to banking products and services, Akbank Direkt became the first bank to offer threedimensional banking to its customers.

NOVEMBER

Akbank receives first-place prize from Visa

Akbank Neo debit card was recognized with the "Fastest Growing Bank in Visa Debit Card Transaction Volume" award at the Visa Europe Turkey's annual "Vizyonist" Visa Achievement Awards 2014.

The Banker honors Akbank with Best Private Bank in Turkey award

Akbank Private Banking, Turkey's first private banking unit, received the "Best Private Bank in Turkey" award from The Banker, one of the most prestigious financial publications in the world.

Akbank brings university students together with contemporary art at Contemporary Istanbul

Akbank introduced university students to the best contemporary art works with 200 complimentary Contemporary Istanbul Art Fair invitations that were given out through social media.

Akbank named Best Cash Management Bank in Europe

For the first time ever, EMEA Finance named a Turkish bank as the "Best Cash Management Bank in Europe."

DECEMBER

Akbank is the Best in Western Europe in Digital Banking

Akbank won the "Best Digital Bank in Western Europe" distinction in the Consumer Banking category at Global Finance Magazine's "Global Finance The World's Best Digital Bank Awards 2015." In addition, Akbank was recognized with the "World's Best Mobile Banking App" award as part of the "Global Finance The World's Best Digital Bank Awards 2015."

Akbank IR App

The first version of the Investor Relations application, which was launched in January 2016, was completed for the iOS operating system.

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING

During its February 25, 2016 meeting, the Board of Directors of Akbank decided on the following: The Ordinary General Meeting of Akbank T.A.Ş. is scheduled to be held at Sabancı Center, 4. Levent, Istanbul on Monday, March 28, 2016 at 14:00, for the purpose of discussing the subjects mentioned in the below agenda.

AGENDA OF THE ORDINARY GENERAL MEETING OF 2015:

- 1 Appointment of the Presidential Board,
- 2 Communication and discussion of the Report of the Board of Directors,
- 3 Communication of the Independent Auditors' Report,
- 4 Communication, discussion and ratification of the Financial Statements of 2015,
- 5 Discharge of liability of the members of the Board of Directors,
- 6 Decision on the appropriation of 2015 net profit,
- 7 Appointment of the Members of the Board of Directors whose terms have expired,
- 8 Determination of the compensation of the Members of the Board of Directors,
- 9 Appointment of the Independent Auditors,
- **10** Empowerment of the Board of Directors in connection with matters falling within the scope of articles 395 and 396 of the Turkish Commercial Code,
- **11** Determining the limits of donations for 2016,
- **12** Information regarding the donations realized in 2015.



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REPORT ON COMPLIANCE OF THE ANNUAL REPORT

(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

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

Report on the Audit of the Annual Report of the Board of Directors in Accordance with the Independent Auditing Standards

We have audited the annual report of Akbank T.A.S. ("the Bank") and its consolidated subsidiaries (together will be referred as "the Group") as at December 31, 2015.

Responsibility of the Bank's Board of Directors

In accordance with Article 514 of the Turkish Commercial Code (TCC) no.6102 and Communique on Principles and Procedures set out by the Regulations on Preparation and Issuance of Annual Reports of Banks published in official gazette no.26333 dated November 1, 2006, the Bank management is responsible for the preparation and fair presentation of annual report consistent with the consolidated and unconsolidated financial statements prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated November 1, 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA), circulars, interpretations published by BRSA and the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation; "BRSA Accounting and Reporting Legislation" ("consolidated and unconsolidated financial statements") and for the internal control considered for the preparation of a report of such quality.

Independent Auditor's Responsibility

Our responsibility is to express an opinion based on the independent audit we performed on the Bank's annual report, in accordance with the Article 397 of TCC and Communique on Independent Audit of Banks published in the Official Gazette no.29314 dated 2 April 2015 on whether the financial information provided in this annual report is presented fairly and consistent with the Bank's consolidated and unconsolidated financial statements there on which auditor's report dated February 29, 2016 has been issued.

We conducted our audit in accordance Independent Standards of Auditing ("ISA") which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). These standards require compliance with ethical requirements the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report is free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

An independent audit involves performing audit procedures to obtain audit evidence about the historical financial information. The procedures selected depend on the independent auditor's professional judgment.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information provided in the annual report of the Board of Directors is presented fairly and consistent with the audited consolidated and unconsolidated financial statements in all material respects.

Report on Other Responsibilities Arising from Regulatory Requirements

In accordance with paragraph 3 of Article 402 of the Turkish Commercial Code, within the framework of the Independent Auditing Standards 570 "Going Concern", no material uncertainty has come to our attention to be disclosed which causes us to believe that the Bank will not be able to continue as a going concern in the foreseeable future.

Göney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş A member firm gi Ernst & Young Global Limited

Partner ENE Istanbul-March 2, 2016

ESTABLISHMENT INFORMATION, CAPITAL AND SHAREHOLDER STRUCTURE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Establishment Information

Akbank was established as a privately-owned commercial bank pursuant to the authorization issued by Resolution No. 3/6710 of the Council of Ministers of Turkey dated December 12, 1947 to conduct the full array of banking operations and to carry out all types of economic, financial and commercial ventures and activities not prohibited by the laws of the Republic of Turkey and commenced operations on January 30, 1948 in Adana. The Bank's status has not changed since the day it was founded. Akbank's Commercial Registry Number is 90418.

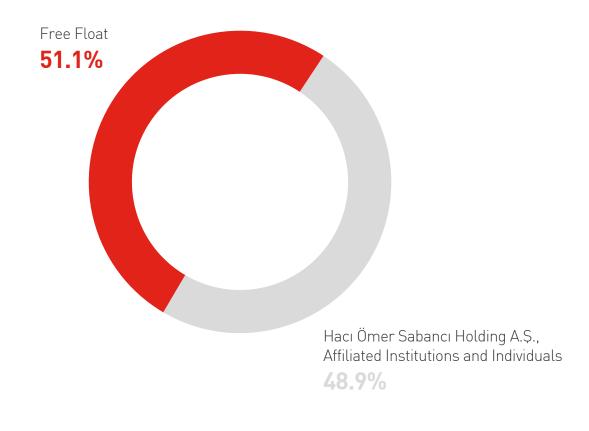
Website: www.akbank.com Address: Akbank Sabancı Center 4. Levent 34330 Istanbul Turkey Telephone: +90 212 385 55 55 Branch and ATM locations: can be reached at http://www.akbank.com/akbank-sube-atm.aspx.

Capital Structure

Akbank's issued capital is TL 4,000,000,000.

As of December 31, 2015, the Chairman of the Board of Directors, Ms. Suzan Sabancı Dinçer, holds 0.63% of Akbank's outstanding shares.

Shareholder Structure



Amendments to the Articles of Association

There was no change to the Articles of Association during the period.

AKBANK'S VISION, MISSION, STRONG FOUNDATIONS AND STRATEGIC GOALS

VISION

TO BECOME A SUSTAINABLE LEADER BY RENDERING EXCELLENT BANKING EXPERIENCE AND SUPPORTING TURKEY'S GROWTH

MISSION

TO BECOME THE MOST ADMIRED TURKISH COMPANY CONTINUOUSLY DELIVERING GREAT VALUE TO ITS STAKEHOLDERS VIA ITS HIGHLY SKILLED HUMAN RESOURCES

STRONG FOUNDATIONS

- TURKEY'S MOST VALUABLE BANK BRAND,
- ONE OF TURKEY'S MOST VALUABLE COMPANIES,
- LONG-TERM STRATEGIC MANAGEMENT WITH SUCCESSFUL IMPLEMENTATIONS,
- 901 BRANCHES ACROSS TURKEY AND HIGH-TECH DISTRIBUTION CHANNELS,
- THE INNOVATIVE POWER OF TURKEY WITH COUNTLESS FIRSTS IN THE SECTOR,
- A STABLE AND EXTENSIVE BROAD FUNDING BASE,
- SUSTAINABLE PROFITABILITY AS WELL AS HIGH RETURN ON EQUITY AND ASSETS,
- A ROBUST CAPITAL STRUCTURE WITH A CAPITAL ADEQUACY RATIO OF 14.5%,
- SUPERIOR ASSET QUALITY,
- LOW NON-PERFORMING LOANS RATIO OF 2.2%,
- HIGH LEVEL OF EFFICIENCY WITH AN OPERATIONAL COSTS/ASSETS RATIO OF 1.7%,
- POTENTIAL FOR FASTER GROWTH THANKS TO LOW LEVERAGE.

STRATEGIC GOALS

- ACHIEVE A LONG-TERM SUSTAINABLE RETURN ON EQUITY OF AT LEAST 14-16%,
- LEAD TURKEY'S BANKING SECTOR IN TERMS OF KEY MARKET SHARES,
- BE THE BEST BANK IN TURKEY IN TERMS OF CUSTOMER EXPERIENCE AND SATISFACTION,
- BE THE MOST VALUABLE BANK IN TURKEY.





OUR STRATEGY

AS ONE OF THE LARGEST FINANCIAL INSTITUTIONS IN TURKEY, AKBANK IS FOCUSED ON PRUDENT, HEALTHY AND PROFITABLE GROWTH.

As one of Turkey's largest financial institutions, Akbank's short and medium-term strategic goal is to be the leading financial services provider and universal bank in Turkey; and to serve as the house bank in foreign trade and investment activities in the markets where Turkish and foreign companies have a major presence in the international arena. Operating with the responsibility of creating value for the Turkish economy, Akbank employs the best human resources in providing the highest quality services to its customers to attain these goals. The Bank also strives to render an unprecedented digital and mobile banking experience and further improve on its successful performance in technology, efficiency, and innovation. Akbank believes in the power and future of Turkey. While Turkey and the Turkish banking industry are Akbank's first priority thanks to their high growth potential, the Bank also meticulously monitors overseas developments and regions that can be attractive in terms of the banking and finance industry and seizes the feasible opportunities.

CORPORATE AND INVESTMENT BANKING

AKBANK CORPORATE BANKING CONTINUED TO SERVE MORE THAN 2,000 CORPORATE CLIENTS IN 2015.

Corporate Banking

Akbank Corporate Banking continued to be the primary solution partner of corporate segment clients, serving as the main bank meeting their strategic and financial needs, and began offering digital solutions customized to individual customer needs.

Reorganized in line with evolving market needs, Corporate Banking began serving clients under the name of Corporate and Investment Banking Business Unit. Under the new structure, in addition to financial intermediation, the Bank aims to offer broad and structured corporate finance solutions at international standards in accordance with customer needs. After incorporating the Cash Management and Foreign Trade Department that plays a major role in the value chain in 2015, the Corporate and Investment Banking Business Unit assesses customer needs as a whole inclusive of the supply chain and dealer and distributor network with its specialist staff in foreign trade and cash management products. It also strives to grow in products and services offered within this scope.

Undertaking landmark projects in corporate finance in Turkey, Akbank extended USD 2.8 billion in corporate finance loans to Turkish and international corporations in 2015.

Akbank Corporate Banking leveraged its synergy with Akbank's other segments and subsidiaries to serve more than 2,000 corporate clients in 2015. The Corporate and Investment Banking Business Unit aims to bolster its leading market position by supporting the growth of its clients that it sees as "business partners" through an analytic approach that generates customized products and solutions.

Investment Banking

Specific export credit programs, infrastructure investments, which have been increasing in recent years, acquisition and project finance deals registered significant growth in 2015. The increase in investments both in the corporate scale and in the segment one notch below, as well as the interest of foreign investors in this area, elevated this market to a whole different level compared to previous years. During this period, Akbank Project Finance closely monitored the market and the bank's customers. worked proactively, and grew both its share in these loans as well as its client base, and reinforced its market position. These deals, which are structured professionally with multi-faceted evaluations and vast experience, require long-term, effective and rigorous risk measurement, management and monitoring. Akbank maintained its market-maker position in this business line while remaining steadfast to effective risk management and prudent lending policies in 2015.

With meticulous and deep-rooted relationship management and structuring experience in specific export credit deals, Akbank monitors privatization programs closely. The Bank provides financing for large scale projects such as direct asset sales, transfer of companies' rights of superficies, share transfers, infrastructure projects, PPP (publicprivate partnership) investments, power generation and real estate development. Akbank has been a major participant in the financing of many of the privatization and acquisition deals and investments that have made headlines in Turkey.

CORPORATE AND INVESTMENT BANKING

AKBANK WAS NAMED THE "BEST CASH MANAGEMENT BANK IN TURKEY" BY GLOBAL FINANCE, AND THE "BEST CASH MANAGEMENT BANK IN EUROPE" BY EMEA FINANCE.

To sustain and manage a healthy risk balance while pursuing growth, Akbank maintains a diversified loan portfolio by evenly distributing its project finance lending to a large number of industries such as energy, real estate, telecommunications, infrastructure, transportation and petrochemicals.

In addition, thanks to know-how that allows the Bank to provide a number of different investment banking products along with the support of its subsidiaries, Akbank maintained and reinforced its position as one of the sector's leading and pioneering banks that have achieved full integration. This advantage also allows the Bank to offer all products and services clients may demand in the investment banking and finance business line in a single package tailored to their needs.

CASH MANAGEMENT AND FOREIGN TRADE DIVISION

Akbank's Cash Management and Foreign Trade Division won two major awards in 2015. It was named the "Best Cash Management Bank in Europe" by EMEA Finance, a leading international financial publication. Akbank became the first Turkish bank to receive an award in this category for its contribution to enhancing the strength of Turkish companies in global competition in terms of cash management. In addition, Akbank was voted the "Best Cash Management Bank in Turkey" in Global Finance's regional "Best Treasury and Cash Management 2015" survey, one of the leading finance magazines in the world. Individual country winners' category was added to these awards for the first time in 2015. Winning this prestigious award represents a major accomplishment for the Bank.

The Cash Management and Foreign Trade Division expanded the Global Trade Specialists organization, which is deployed in the regions for foreign trade, into cash management. In an effort to provide faster, more effective and local support to cash management needs of clients, Akbank positioned cash products specialists in selected regional directorates; this organization increased the support for field operations.

As part of its e-transformation initiatives in 2015, the Cash Management and Foreign Trade Division began offering digital solutions to its customers with the launch of e-Invoice and e-Archive products. Focusing on digitalization, the Division aimed to simplify the lives of its customers by integrating its products and services into non-branch digital channels and increasing the usage of non-branch channels led by mobile banking. The number of active main companies and dealers in the Direct Debiting System increased 27% over the previous year while DDS lending volume was up by 21%. In addition, Supplier Finance discounting volume soared 52% compared to last year, and utility payment volume and money transfer volume grew 20% and 23%, respectively.

Akbank continued to support its exporting customers in 2015. Akbank once again assumed the main sponsorship for the "Stars of Export" Program, the first competition that serves to incentivize successful export firms organized for the 14th time last year. In an effort to support the sustainable growth of exporting customers, seminars were organized across the country as part of the "Export Academy" project that Akbank carries out jointly with Sabancı University. Akbank serves its customers engaged in foreign trade through a network of more than 2,500 correspondent banks in 160 countries.

Akbank's Cash Management and Foreign Trade Division will continue conducting operations with an innovative approach in order to develop new products and services, enrich the current product portfolio, invest in technology, and simplify customers' lives via digital solutions in 2016.

COMMERCIAL BANKING

AKBANK COMMERCIAL BANKING CONTINUED TO IMPROVE SERVICE QUALITY AND CUSTOMER EXPERIENCE IN 2015.

Akbank's Commercial Banking Department aims to create value for its clients and to ensure their profitable and sustainable growth. Akbank supports customers with banking products as well as practices and applications that will contribute to their development and growth.

As part of this effort, Akbank identifies financial and non-financial needs of clients proactively on an individual customer basis, develops solutions and helps them enhance their competitiveness. Akbank Commercial Banking strives to meet all banking needs of its customers via approximately 750 Commercial Banking specialists in 18 Commercial Branches and 209 Hybrid Branches. The Department continued to maintain close and continuous relations with customers through more than 200,000 client visits in 2015. In addition to frequent client visits, the Department had the opportunity to meet with more than 1,000 customers in various provinces through "For You" meetings and "Commercial Banking Customer Meetings."

Akbank Commercial Banking attained a substantial increase in speed and efficiency in 2015 by simplifying a large number of the Department's business processes. The Department stepped up improvements in Commercial Banking service locations, designed to deliver the most suitable service to clients based on their scale and specialized needs, and to address the ongoing growth of human resources.

Akbank Commercial Banking continued to improve service quality and customer experience in 2015 thanks to its accelerating digitalization initiatives. The Bank's customers began to be able to take out loans, without any transaction limitations within their credit lines and at rates determined for each customer's unique credit profile, through the Akbank Direkt Corporate Internet Branch. The Bank will also begin meeting customers' loan requests through the Akbank Direkt Mobile application in 2016. Akbank Commercial Banking continues to offer customized solutions that meet the needs of companies doing business in international markets, from their purchasing decisions to production and the collection of their sales receivables. Leveraging its extensive correspondent network to intermediate the foreign trade transactions of companies with many different locations in the world, Akbank strives to support the success of customers in overseas markets.

Akbank offers foreign trade financing solutions such as Country-Specific Loans, GSM Loans, Cash against Goods Export Credit, Installment Export Credit, Eximbank Loans, Discounted Export Letters of Credit and Export Factoring, and advance payments against L/C.

Hedging products such as options, forwards, asymmetric forwards and zero-cost collars are offered to customers who are seeking protection against foreign exchange, interest rate and commodity price fluctuation risk. Akbank Commercial Banking also structures unique derivative products in accordance with customer requirements.

COMMERCIAL BANKING

 Akbank Commercial Banking
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In 2015, Akbank Commercial Banking once again assumed the main sponsorship for the "Stars of Export-Export Incentive Awards," organized for the first time in 2002, serving to incentivize successful export firms.

In addition, Akbank extends longterm financing for industrial energy efficiency projects, insulation of buildings and renewable energy investments including geothermal, solar, biomass and biogas energy projects.

Other renewable energy project finance initiatives include the project financing of hydroelectric power plants (HEPP), wind power plants (WPP) and geothermal energy facilities. their credit lines and at rates determined for each customer's unique credit profile, through the Akbank Direkt Corporate Internet Branch. The Bank will also begin meeting customers' loan requests through the Akbank Direkt Mobile application in 2016.

Akbank Dubai allows the Bank to provide intermediation services for all cooperation and partnership opportunities of clients engaged in commercial activities in the Middle East and Gulf Region or who see these regions as part of their growth strategy. Akbank Dubai offers a comprehensive range of solutions to meet the needs of clients in medium to long term project financing, strategic advisory and risk management.

Akbank Commercial Banking continues to promote and sell products provided by its subsidiaries and/or sister companies such as Aklease, Ak Insurance, AkInvestment, AKAsset Management and AvivaSA Pensions and Life Insurance. The "Akbank Family-Owned Business Academy," which was launched after meticulous development efforts as a joint venture of Akbank and Sabancı University in 2014, continued to draw heavy interest in 2015. Aiming to provide academic support for the sustainable growth and institutionalization efforts of familyowned enterprises, the program is clear proof that Akbank also stands by its customers in meeting their nonbanking needs.

SME BANKING¹

AKBANK EXECUTES INITIATIVES FOR ARTISANS, WHICH ACCOUNT FOR A SIGNIFICANT SHARE OF SMES, UNDER THE "CRAFTSMEN FRATERNITY" CONCEPT.

Acting with the philosophy that "SMEs Power Turkey, Akbank Powers SMEs," Akbank carries out its SMEoriented initiatives in accordance with long-term objectives to create value for SMEs and support their sustainable development. The SME Banking Department serves the customers as determined in accordance with Akbank's business model. Akbank believes that supporting SMEs in any way is synonymous with providing support to the Turkish economy.

Akbank executes initiatives for artisans, which account for a significant share of SMEs, under the "Craftsmen Fraternity" concept. Believing that craftsmanship is not just a profession but also a distinctive culture, Akbank builds campaigns for this segment around the values of understanding and solidarity, which also constitute the essence of craftsmanship. Launched with the "Pay When You Can Loan," which offers flexible repayment terms for the credit craftsmen need, the offerings in this segment continued to expand with "Axess SME," "Pay as You Wish, Craftsmen," Member Merchant campaigns, "First Sale Savings Account," and "Cost Saving Tariffs." Akbank also signed a cooperation agreement with TESK (Confederation of Turkish Tradesmen and Craftsmen), the trade body of tradesmen and craftsmen.

Artisans are unable to focus on putting money aside due to bearing a heavy workload and are forced to use any cash they can get hold of for non-deferrable needs. Armed with this understanding, Akbank launched the "First Sale Savings Account" as a groundbreaking product in Turkey in order to resolve the artisans' need for savings with an approach that is near and dear to their hearts. Artisans who use the Akbank POS can set aside the proceeds from the first sale of each day. Artisans have the option of investing their savings in gold, foreign currencies or mutual funds. Artisans are able to use the balances in their First Sale Savings Accounts at any time without incurring a fee or a penalty.

SMEs encounter a number of expense items such as goods purchases and fixed payments during the course of their business dealings. While making these payments, they are also trying to spare any penny they can to grow their businesses. Setting out from this fact. Akbank SME Banking developed the "Cost Saving Tariffs" in order to simplify the lives of SMEs. Under these tariffs, SMEs can perform a certain number of banking transactions such as money transfers, EFT, checkbooks, and check collection for a predetermined fee. SME clients pay a single fixed fee for their banking transactions with this tariff. Since they do not pay

separate fees for each transaction they perform, they have cost certainty before the fact. They can make definitive calculations, pick the best tariff for their needs, and save money based on frequency of transactions and product and channel use.

The "QR Coded Check" product. which makes receiving checks more secure and reliable due to the querying of past check clearance performance from a reliable source. was also introduced to these customers. Persons receiving a QR coded check can reach the summary check-writing report of the issuer by scanning the QR code on the check using the mobile application of Findeks, the financial services platform of the Credit Bureau of Turkey (KKB). This puts commerce in the domestic market on more sound footing.

"Akbank Notification Packages" are offered for SMEs to stay on top of transactions in their accounts or credit cards. Akbank Notification Packages allow SMEs to receive instant SMS or e-mail messages regarding cash movements into or out of their accounts, expiration of their time deposits, clearance of checks, credit card purchases, cash advances, and many other transactions.

¹SME Banking serves the customers that are determined in accordance with the business model of Akbank.

SME BANKING

The SME Banking Department serves the customers as determined in accordance with Akbank's business model. Delivering more than just financial support to SMEs, Akbank SME Banking also provides them with the necessary information to help them access this source of funding, encourages their development and growth, and offers advisory and guidance services.

SMEs may have difficulty channeling their businesses into exports for various reasons such as lack of information on export marketing, lack of a plan and a strategy when venturing into overseas markets, and inability to access the required resources. "Akbank Export Academy" was established as a joint venture between the Bank and the Sabanci University Executive Development Unit (EDU) in order to enhance the knowledge and skills of SMEs in exports and support their sustainable development. The program helped the Bank's clients find answers to many of their questions such as "How will I Formulate My Export Strategy?"; "Who Would Buy from Me and Why?"; "Worldwide Developments"; "What are the Prevailing Trends?"; "How will I Overcome Cultural Differences?"; "What are the Economic Expectations that may Impact Exports?"; "What are the Government Subsidies/Incentives I can Take Advantage of?"

Pursuant to extremely positive feedback from the participants, the Akbank Family-Owned Business Academy that was initially launched as a joint venture of Akbank and Sabanci University in 2014 was organized for the fourth time at the end of last year. In response to the requests from the leading companies in the industry, the program was administered for Akbank customers as well as their distributors and dealers. The Akbank Family-Owned Business Academy targets family-owned businesses that wish to institutionalize their enterprises, who want to come up to speed on contemporary enterprise management, and which plan to turn the business over to the next generation. The program covered a wide variety of subjects of particular interest to family-owned business representatives including strategic management, business development, innovation, institutionalization, finance, best corporate governance practices, legal matters and human resources management. The Academy's training sessions were taught by EDU consultants, all of whom are expert in their respective subject matter and have executivelevel corporate experience, and the instructors of Deloitte Turkey and Pekin & Bayar Ortak Avukat Bürosu (Law Firm), the program partners. During the Academy, visits were organized to the manufacturing plants of Sabancı Holding companies and participants received a certificate from the Sabancı University's Executive Development Unit (EDU) at the completion of the program.

Akbank SME Banking offers many solutions that create value-added for the entrepreneurial ecosystem. The Department undertook initiatives for entrepreneurs in a large number of areas including funding support, training programs and competitions. As part of its partnership with Endeavor Foundation, the international nongovernmental organization that supports active entrepreneurs in the developing world, Akbank makes available a credit pool for Endeavor entrepreneurs offering such advantages as convenient collateral terms, long loan terms and low interest rates.

The Bank continued to administer the Akbank Entrepreneur Development Program this year jointly with Sabancı University in order to guide, support and train entrepreneurs. The program accepted applications from all individuals who are actively engaged, as a founding partner or executive, in the management of a company established in Turkey. As a result of the selection process, 50 entrepreneurs participated in five full days of training under the program. Participants received training and knowledge transfer in a wide range of subjects, from managing finances during an organization's growth phase and drafting marketing and operations plans according to different business models, to raising capital for financing needs and growing in domestic and overseas markets. Participants also had the opportunity to hear successful entrepreneurs who attended the program as quest speakers, as well as joining office visits to famous entrepreneurs to meet them.

It has been observed during the course of our interaction with the SMEs that small businesses are in need of information mostly regarding grants/incentives as well as legal and financial matters. The "Ask an Akbank Specialist" application developed based on this need provides detailed information to SMEs on the grants offered by Development Agency, KOSGEB (Small and Medium Enterprises Development Organization), and TÜBİTAK (The Scientific and Technological Research Council of Turkey) as well as domestic and international incentives on such subjects as investment incentive certificates, foreign trade, and entrepreneurship. SMEs can also obtain information on the Turkish Commercial Code, Turkish Obligations Code, Tax Procedures Law, Income Tax, Corporate Tax, and other similar matters. Thanks to this service, SMEs are able to stay on top of the developments and reach the most up-to-date information on anything they would like to be informed about without having to pay for such a valuable service.

CONSUMER AND PRIVATE BANKING

IN 2015, AKBANK FOCUSED ON ITS GOALS OF NEW CUSTOMER ACQUISITION, DEEPENING RELATIONSHIPS WITH EXISTING CUSTOMERS, AND PROFITABLE AND HEALTHY GROWTH.

Consumer Banking

Akbank has embraced the principle of placing the customer at the focal point of every product and service that it develops and provides. The Bank also established its technology infrastructure in accordance with the demands and needs of today, and created its banking services on the axis of customer satisfaction in the Consumer Banking segment. Setting out with the objective of providing an excellent customer experience, Akbank has reached a customer base of 13 million as a result of this approach. The primary factors that helped Akbank grow to this size are the service approach consistent with customer profiles, products developed based on the needs of the segment, constant stream of technological innovations, extensive domestic branch network with nearly 9,000 specialist branch employees, and vast human capital comprised of the best talent in the industry. As a result of its capability to roll out all domestic as well as international innovations for the benefit of customers in short order thanks to these superior competencies, Akbank will continue to be the leader and the pioneer of the Turkish banking industry.

Maintaining a Customer-Oriented Approach with the "Akbankers are Always Different" Vision

The rapidly-changing technology and mobility trends in recent years, coupled with evolving banking needs, necessitate that the banking industry respond to these developments dynamically. As a bank that is able to adapt to changing and developing circumstances and generate appropriate solutions necessitated by economic conditions quickly thanks to its banking experience of 68 years, Akbank maintained its position as a leader and a pioneer in 2015. Akbank has classified customers into subsegments based on their banking needs. demographic characteristics and volume of business with the Bank. This structure enabled Akbank to get to know customers more closely and engage in proactive marketing activities while process improvements helped the Bank exceed customer expectations in terms of service speed, the most important expectation of this day and age. Consequently, Akbank achieved a large increase in its active customer base in 2015. In addition to providing financial support in helping its customers realize their dreams, the Bank also paid particular attention to making customers feel like they are part of the Akbank family by sending personalized correspondences based on their life-cycle events.

Akbank is aware that the only way to consistently provide the highest service quality is to establish longterm relationships with customers based on loyalty and trust. Therefore, Akbank's customer relationship management is carried out by over 1,725 Consumer Banking customer relationship and portfolio managers. In addition, the services and products offered through Akbank Direkt channels have reached a significant number of customers and evolved to generate solutions for clients who value mobility.

Encouraging Saving, Growing Deposits

Turkey's innovative power Akbank continued to expand its customer base and deposit volume in 2015 as the Bank's consolidated total deposits reached TL 126 billion. This healthy deposit composition, a large share of which is comprised of individual customer deposits, diversifies risk and provides the Bank with flexibility in funding its lending activities as well as room for maneuvering in efficient utilization of its resources.

The Bank provides superior service quality on a consistent basis as a result of a customer satisfaction oriented approach. Continuing to deliver its experience in savings to customers using all channels and technological innovations, Akbank carried on with its campaigns geared toward small savings at full speed in 2015.

CONSUMER AND PRIVATE BANKING

Leveraging the advantage of its far-reaching branch network, the Bank continues to conduct effective deposit marketing activities in all corners of Turkey emphasizing opportunities presented by local market conditions. As a first among large private sector banks, Akbank last year launched the Akbank Direkt Serbest Account available exclusively through the Internet and Mobile channels. A flexible savings account that pays generous daily interest on small savings amounts, the Akbank Direkt Serbest Account continued to encourage self-directed services.

Attaching great importance to eliminating the country's current account deficit, which is considered the "Achilles' Heel" of Turkey's economy and its rapid growth ambitions, Akbank was among the institutions lending the strongest support to initiatives to boost national savings with the "Savings Campaign" that launched in 2012 and continued in 2015. To this end. Akbank is developing advantageous products and services that encourage saving while carrying out corporate social responsibility projects to raise savings awareness.

Akbank supports initiatives to increase financial literacy and encourage savings. As part of this commitment, the Bank launched the "Akbank Children: Heroes of the Economy" project in 2012. The project aims to reach the children at the ages that permanent habits are formed, help them become informed consumers, and foster savings awareness. Akbank highlights the importance of savings behavior with the activity materials such as the website prepared exclusively for this project, the board game played with the children as part of

classroom activities, savings poster, and certificate as well as the Akbank Ladybug Bank "Kumbirik." Akbank Children's Theatre also launched its 2014-2015 academic year campaign with a new play that delivers savingsrelated messages. The play titled "Family Tree," written by Rachel Barnett, delivered messages to elementary school students on savings and family values during an Anatolia Tour that spanned six provinces (Trabzon, Ordu, Samsun, Amasya, Ankara, and Kayseri) and then at the Gaziantep Children's Festival. The Bank has reached 55,000 students as of year-end 2015 with its activities and the play. Akbank hopes that the events organized at schools as well as the Ladybug Banks given out after performances will be close friends of the children on their journey to creating nest-eggs.

General Purpose Loans Growing with Target Customers, "My Loan is from Akbank" Approach Helps Customers Meet Their Needs

Akbank, one of the leaders in the consumer loans market, focused on the objectives of acquisition of new creditworthy customers and profitable and healthy growth with a broad customer base in 2015, and shaped its strategies in accordance with these goals. To this end, Akbank conducted active campaign management efforts in the general purpose loan market toward the target customer segments and implemented predefined limit applications for the potential customers throughout the year.

With a new addition to its long list of customer-oriented, innovative products, Akbank caught up to the digital age in its lending practices with the launch of the Akbank Direkt Loan. Providing a loan without the need to visit a branch, the "Direct Loan" offers Akbank customers an easy way to take out a loan. Allowing general purpose loan customers to transfer their loans directly and instantaneously to their accounts via akbank.com as of year-end 2014, Akbank also began providing this service through the Call Center and Akbank Direkt Internet channels in September. Adding Akbank Direkt Mobile to the loan origination channels as of December, the Bank in 2015 became capable of extending a loan to customers through all digital channels, obviating the need for the customers to visit a branch for the purpose of taking out a loan. The number of general purpose loans extended through the digital channels reached 30% of all loan originations in 2015.

Growing in Mortgage Loans with a 360-Degree Service Approach

Carrying out its mortgage lending activities under the Big Red House brand, Akbank provides privileged service to its clients including presale and post-sale services. Big Red House addresses all guestions and concerns of customers who want to be homeowners and enables them to make their loan applications easily and quickly through the www. buyukkirmiziev.com website and the 444 4 253 Call Center while also providing instant loan preapproval through these channels. Clients who want to purchase a home from housing projects under the attractive payment terms of Akbank Big Red House can reach the affiliated projects on www.buyukkirmiziev. com and complete applications conveniently at the Akbank stands located in the project sales offices. In addition, thanks to its cooperation with the real estate agents affiliated with real estate offices across Turkey, Akbank also offers convenient mortgage loans to people purchasing existing homes.

AKBANK WEALTH MANAGEMENT AIMS TO REACH OUT TO 96% OF THE OVERALL SAVINGS IN TURKEY.

AKBANK WEALTH MANAGEMENT

Launched on October 27, 2015, Akbank Wealth Management was designed to bring a breath of fresh air, not just to Akbank but also to the entire industry, and to effectively serve customer needs in non-deposit investment products.

Allowing customers to find answers to all of their investment-related questions on a single platform, Akbank Wealth Management is a product of cooperation and strong synergies with AkInvestment and AKAsset Management, Akbank subsidiaries that are the leading companies in their respective markets.

In an attempt to meet the investment-related needs of customers, Akbank Wealth Management:

- Analyzes individual investment propensities and determines the investor profiles of customers.
- Provides "Strategic Asset Allocation" recommendations based on the investor profile generated by AKAsset Management.
- For those customers who would like to channel their investments according to these recommendations:

- Provides "Portfolio Ideas" that handles the investment needs with a single transaction and eliminates the need for constantly monitoring the investments by updating investment allocations based on market conditions.

Generates "Investment Baskets²" that provides easy implementation of the portfolio allocation recommended in the investor profile, diversifies risk, and increases return potential.
Provides "General Investment Recommendations," a product of collaboration with AkInvestment, for customers who prefer to put together the portfolio that implements the recommended asset allocation themselves.

 For customers who follow the markets closely, trade various investment products, and would like to receive "Special Investment Recommendations" in addition to the "General Investment Recommendations," Akbank Wealth Management offers video conference opportunities with the specialized and experienced Investment Advisors³ of AkInvestment through the Banking Manager. Active in 380 branches in 49 provinces across Turkey, Akbank Wealth Management aims to reach out to 96% of the overall savings in Turkey while creating opportunities to introduce people with savings to the investment world. Under the Akbank Wealth Management model, the Bank aims to manage TL 70 billion worth of assets of Consumer, One-to-One, and Private Banking customers.

 $^2\,\rm Minimum$ purchase for the Investment Basket product is TL 1,000.

³ There is no minimum limit to be eligible for Akbank Wealth Management. In order to be eligible for Investment Advisory service, a customer must have at least TL 200,000, or its equivalent, worth of assets [TL or foreign currency-denominated Demand or Time Deposits, Mutual Fund, TL or foreign currencydenominated Treasury Bills/Government Bonds/ Eurobonds, or Stocks] at Akbank and must have successfully completed the "Suitability Test." Akbank and AkInvestment reserve the right to change the minimum asset threshold for the Investment Advisory service.

 $^{^{\}rm 1}$ Minimum purchase for the Portfolio Ideas product is TL 100,000.

CONSUMER AND PRIVATE BANKING

ONE-TO-ONE BANKING CONTINUES TO PROVIDE SERVICES FOR MORE THAN 200 THOUSAND CUSTOMERS ACROSS TURKEY, THROUGH DEDICATED ONE-TO-ONE CUSTOMER RELATIONSHIP MANAGERS AND A ONE-TO-ONE SPECIALIST LINE.

ONE-TO-ONE BANKING

One-to-One Banking is an allencompassing financial advisory services package that offers exclusive service, various advantages in banking products, and non-banking services for clients' social lives, through dedicated One-to-One Customer Relationship Managers and a One-to-One Specialist Line.

Expanding in scope across Turkey, Akbank's One-to-One Banking privileged service model offers a diversified lineup of products, special pricing and daily financial notifications complemented by benefits in many areas as well as exclusive social events.

The eligibility criteria for being a Oneto-One Banking customer were raised in 2015 with the new segmentation and service model. As a result, Oneto-One Banking Managers and the One-to-One Specialist Line began providing higher quality services to a fewer number of clients. Continuing to expand and grow in 2015, Akbank One-to-One Banking reached 135,000 clients across Turkey served by 340 One-to-One Banking Managers in more than 270 branches. The One-to-One Specialist Line, a remote service delivery model that broke new ground in Turkey, continued to serve 65,000 One-to-One Banking customers across the country via 120 specialist customer representatives in 2015.

The "One-to-One Banking Investor Meetings," where the domestic and global investment environment is assessed and the expectations and questions of Akbank One-to-One Banking customers regarding the markets are addressed as part of Akbank Wealth Management, were organized in Istanbul, Izmir, and Ankara.

The unique "World of One-to-One Privileges" offering that operates for the purpose of enhancing Akbank One-to-One Banking clients' social lives in addition to serving their financial needs as well as enriching the lives of customers' families and loved ones with exclusive benefits for every moment of everyday life continued to be with the customers in 2015. Akbank One-to-One Banking continued to invite clients to unique events, bringing them together at social occasions held with special themed concepts in 2015.

Akbank Direkt Plus, a web-based premium services platform that exclusively serves One-to-One Banking clients, continued to provide privileged service to its customers including Live Support via video chat, particularly for investment products, along with personal agenda tracking and reminders.

As part of the One-to-One Banking concept, Akbank developed the "Expat Banking" service to better serve the increasing number of foreign professionals and retirees residing in Turkey. The Expat Banking service network is comprised of 18 branches in seven provinces where foreign nationals live in large numbers and continued providing all types of banking services for customers in the English language. Branches that do not have an expat customer representative on premises continued to offer remote service via the One-to-One Specialist Line Expat staff.

 As part of the One-to-One
 Banking concept, Akbank developed the "Expat Banking" service to better serve the increasing number of foreign professionals and retirees residing in Turkey. The Expat Banking service network is comprised of 18 branches

Akbank Continues to Grow in Gold Banking in 2015

After introducing the Akbank Gold Deposit Account in February 2012, Akbank reached a market share of 12% in the private sector as of third quarter 2015. Akbank helped channel more than 1.8 tons of gold from "under the mattress" into the economy via "Gold Invitation Days" and personalized express service.

Growing Product Portfolio in Mutual Funds

Akbank continues to offer investors a full array of investment options with an extensive lineup of mutual funds, including equities, fixed-income securities and commodities, in the domestic and overseas markets. According to data from third quarter 2015, Akbank reached 16% market share in specialty funds.

Assuming the distributorship of mutual funds pursuant to the launch of the Electronic Fund Distribution Platform of Turkey, Akbank accelerated the infrastructurebuilding efforts in order to provide the highest quality services to investors. Successfully turning over the funds it has chartered to AKAsset Management in 2015, Akbank took its place in the related platform as a leader and a pioneer. in seven provinces where foreign nationals live in large numbers and continued providing all types of banking services for customers in the English language. Branches that do not have an expat customer representative on premises continued to offer remote service via the One-to-One Specialist Line Expat staff.

Akbank's Flexible Savings Account -Mutual Funds allows clients to build a nest egg with regular contributions. In addition to the 11 mutual funds chartered by AKAsset Management, Akbank also offers three umbrella funds, appealing to different risk tolerance levels, comprised of Akbank mutual funds.

Stock Trading and VIOP at Akbank

Having always made significant contributions to further develop capital markets, Akbank offers customers fast and easy trade executions, both in stocks and in futures and options contracts, through digital channels as well as AkInvestment branches. Development efforts in the stock trading order channels continued at full pace in 2015 and the Bank made major strides toward its digitalization objective. Akbank continued to carry out developments in the mobile channels in order to enable customers to place orders and follow the markets from wherever they happen to be.

Pursuant to the Investment Activities Communiqué of the Capital Markets Board of Turkey, all equity holdings, along with all balances and reserved rights, in the investment accounts of the Bank's customers were transferred to new investment accounts opened at AkInvestment under the customers' names as of April 6, 2015.

Akbank Investor Centers, which provide specialized services to customers who trade in capital markets instruments, were reorganized as of April 2015 and began to serve clients as part of AkInvestment branches.

Thanks to its synergistic relationship with AkInvestment, Akbank accelerated its customer acquisition pace and efforts to inform the Bank's customers on market developments. Rewards campaigns for existing clients continued throughout the year, as the Bank offered opportunities to inactive customers to get acquainted with the capital markets.

In addition, Akbank successfully complied with the Borsa Istanbul NASDAQ Project in 2015 that it had been working on in conjunction with AkInvestment.





CONSUMER AND PRIVATE BANKING

MORE THAN 2 MILLION ACTIVE CUSTOMERS CHOSE AKBANK IN 2015 FOR NEARLY 4.3 MILLION PRIVATE PENSION SYSTEM, NON-LIFE AND LIFE INSURANCE PRODUCTS.

BANCASSURANCE

Akbank delivers insurance sales and after-sales services to customers through an extensive branch network, 24/7 Call Center, ATM network easily accessible in every corner of Turkey, and Akbank Direkt Internet, thanks to a sound technology systems infrastructure.

As a result of its cooperation with Ak Insurance and AvivaSA Pension and Life, both of which rank among the leaders in their respective sectors, Akbank once again maintained a brisk pace of growth in bancassurance in 2015, as bancassurance commission income jumped to 8.4% of Akbank's overall fee and commission income. More than 2 million active customers chose Akbank in 2015 for nearly 4.3 million Private Pension System, nonlife and life insurance products. Akbank maintained its vision of customer focus in 2015 by employing innovative approaches and creating simpler and more transparent processes in an attempt to ensure the sustainability of the process of change that was initiated with the Bancassurance Transformation Program, comply with the regulations that govern the bancassurance sector, and maximize customer satisfaction and experience.

TOTAL ASSETS UNDER MANAGEMENT AT AKBANK PRIVATE BANKING CLIMBED TO TL 25.5 BILLION IN 2015, UP 28% FROM YEAR-END 2014.

AKBANK PRIVATE BANKING

Akbank Private Banking offers core banking products along with alternative financial products to its clients with a greater level of specialization. In an effort to get to know the clients, differentiate their needs, and offer suitable solutions. the Private Banking Department generates the fastest and most tailor made solutions for the financial needs and expectations of the client while also touching on their lives with culture & art activities. Akbank Private Banking works closely with its clients to protect the family assets and values and assist the customers in passing these on to the next generations. The Department makes the necessary information regarding alternative investment products consistent with the needs. risk profile, and return expectations of the customers. Akbank Private Bankers who are subject matter experts in their field establish a relationship and dialog with their clients based on mutual trust, strive to get to know the clients closely, listen to their expectations, understand their risk/ investment profiles, and support them in generating solutions that will accomplish the client's goals. Private Bankers, each of whom serves a limited number of clients, constantly review their clients' investment strategies in light of the data flow.

Private banking services are offered through seven dedicated Private Banking branches across Turkey, with five in Istanbul and one each in Ankara and Izmir. In addition, a Private Banking corner is located in the Akbank Zorlu Branch and in the Bursa Fatih Sultan Mehmet Bulvari Branch.

Aiming to provide privileged service to clients, assist them with their investment decisions, and generate custom solutions tailored to specific clients as needed, Akbank Private Banking serves individuals with assets exceeding TL 1 million. Akbank Private Banking was named the "Best Private Bank in Turkey" by the international financial publications Euromoney, The Banker, and Global Finance in 2015.

The "Next Generation Program" that launched as of year-end 2015 with the support of Sabancı University is the first of its kind service in Turkey that prepares the next generation for the future. As part of the program, Akbank meets with high school and college age young people to educate them on such subjects as the responsibility that comes with family wealth, diversity of investment products, the concept of risk, the global economy, and philanthropy. In an attempt to render the best and highest quality service for clients' pension, insurance and leasing demands in addition to their investment needs and all other needs with a one-stop shop approach, Akbank Private Banking pays particular attention to establishing cooperation with Group companies and maintaining the vibrant intra-Group synergy. Private bankers, supported by experts and specialists from AkInvestment and AKAsset Management, constantly monitor their customers' investment strategies and provide them with exclusive solutions.

Guided by the principles of mutual trust and confidentiality in their dealings with clients, the Private Bankers also provide periodic reports to their customers on domestic and international markets as well as industry and product surveys.

Based on the results of the annual external client satisfaction survey, Akbank Private Banking identifies areas of improvement as well as strengths to be sustained and takes the necessary actions.

Total assets under management at Akbank Private Banking climbed to TL 25.5 billion in 2015, up 28% from year-end 2014.

CONSUMER AND PRIVATE BANKING

AKBANK FOCUSED ON PROFITABLE GROWTH AND KEEPING REVOLVING CREDIT BALANCES IN ITS CONSUMER CREDIT CARD PORTFOLIO UNDER CONTROL IN 2015.

PAYMENT SYSTEMS

Debit and Credit Cards

Akbank ranks among the four large players in the Turkish Payment Systems market with 5.65 million credit cards, 6.5 million debit cards, and a merchant member network of more than 320,000 businesses.

Akbank's cumulative credit card issuing volume grew 4% over the previous year to top TL 67 billion as of year-end 2015 for 12.4% market share in lending volume. Akbank's overseas issuing volume rose to TL 1.5 billion in 2015, up 15% over the same period of the prior year.

Within the scope of risk/return optimization, Akbank focused on profitable growth and keeping revolving credit balances in check in its consumer credit card portfolio in 2015. As a result of the actions taken in this respect, Akbank's consumer credit card lending as of year-end 2015 was down by 9% compared to 2014, amounting to TL 10.9 billion and 14.8% market share.

In addition, Akbank included customers in activation and retention programs in various stages of life as part of its value-based segmentation model, intensified actions to prevent the loss of valuable customers, and put together specialized persuasion teams at the call center. As a result of these initiatives, customer losses declined 20% compared to 2014.

Akbank also took a series of actions for healthier management of credit card fees and commission line items in 2015. Processes governing the annual fee appeals, which were generally resolved to the cardholders' benefit in order to increase customer satisfaction, were overhauled. In credit card fee appeals, the Bank began to ensure customer satisfaction via offers varying according to the value of the customer, which resulted in fewer card cancellations and higher card fee income.

In addition to profitability-related actions, the Bank also carried out regulatory compliance activities in response to the new laws, communiqués, and regulations that took effect during the year, the most important of which was the consumer loans regulation. As part of this regulation, origination, cancellation and early termination procedures of cash products in consumer credit cards were modified and interest calculation approach was updated.

Due in part to the new regulations, the share of commercial cards in the profitability of the Bank's payment systems increased significantly in 2015. Opportunities to acquire commercial cards presented to business owners who nevertheless use consumer credit cards proliferated; owing to the improvements in the technical infrastructure, it became simpler to guide these clients into obtaining a commercial credit card in an easy and guick manner.

As of year-end 2015, the commercial cards market grew 12% in terms of the number of cards while Akbank attained 42% growth by this measure. The number of Akbank commercial cards in circulation jumped from 147,000 at year-end 2014 to 208,000 by year-end 2015. The share of commercial cards in total cards issued by Akbank rose from 2.6% to 3.7%. Thanks to the portfolio management actions in cross selling and activation alongside the growth in the number of customers, issuing volume also increased 26% on the previous year. Akbank maintained its market share in this metric. Monthly average commercial cards issuing volume soared from TL 650 million in 2014 to TL 817 million as of year-end 2015. The share of commercial cards in Akbank's total issuing volume rose from 12% to 14.5%.

The growth in debit cards overshadowed the growth in credit cards in 2015. The limit-conscious shopping card Neo achieved 39% growth in 2015 in shopping purchase use over the previous year, outpacing the industry average of 28%. The share of Neo in all purchases made with Akbank consumer cards topped 5%.

In addition to a number of promotional campaigns encouraging the use of debit cards in shopping, the 10% restaurant discount program that was in effect for the entire year increased the product's frequency of use by 20%. The activation, retention and high turnover campaigns for customers who use Neo in making purchases resulted in market share gains. Akbank's market share in debit card shopping volume reached 9.7%.

Member Merchants

Acquiring 43,000 new members, Akbank's member merchant network climbed to 323,000 businesses with 420,000 POS terminals as of year-end 2015, continuing a strong performance in this segment.

The Bank's shared POS terminal initiatives, which are essential to the efficient operation of a POS network, continued in 2015 and reached 160,000 shared POS terminals, 52,000 of which are owned by Akbank.

Akbank has further strengthened its market position by broadening the Bank's member merchant network via agreements with sector leading companies and running consumeroriented promotional campaigns. As of year-end 2015, some 230,000 merchant members offer installment and rewards benefits to Axess cardholders. Akbank continued to expand the contactless POS network in 2015, as the number of merchant members capable of contactless transactions topped 35,000. Merchant members using EkoPOS tariffs, introduced in 2013 to allow Akbank merchant members to operate with a fixed monthly fee of as little as TL 29, without incurring any other commission or fees, reached 21,000 in 2015.

Pursuant to communiqués numbered 69 and 70 published by the Revenue Administration, as of October 1, 2013, taxpayers who own a cash register and use a portable POS device are required to start using a next generation payment-recording device. Akbank performed the requisite work with cash register manufacturers and offered its merchant members the option of using one of six different cash register POS brands in conjunction with the Akbank POS application. As of year-end 2015, Akbank has ongoing cash register POS initiatives with nearly 53,000 merchant members.





DIRECT BANKING

ACCORDING TO THE SURVEY CONDUCTED BY FORRESTER, AKBANK WAS NAMED ONE OF THE WORLD'S TOP 10 BANKS IN MOBILE BANKING.

As the value of time increases each passing day and the variety of transactions that can be performed on direct banking channels expands, customers are driven to use direct banking channels more extensively for their banking transactions. According to the September 2015 report of the Banks Association of Turkey (BAT), more than 16 million banking customers actively use internet banking; meanwhile, active users of mobile banking number more than 10 million in Turkey. Online banking users increase every day along with rising internet and smartphone penetration. Direct Banking channels are very popular particularly for viewing account information and balances, money transfers, and payment transactions.

Heavy customer interest in Akbank Direkt channels

Digital users grow every day along with rising internet and smartphone penetration. As of today, nearly 3 million Akbank customers each month execute banking transactions using the Bank's Direct Banking channels without ever visiting a branch. The share of utilization of mobile channels in banking is growing in the world alongside the digitalization trend. Akbank leverages its Digital Banking channels to reach customers who value mobility and speed, and focuses on providing a mobile banking service that is always in the palm of their hands where customers can perform banking transactions from wherever they happen to be and at any time. A typical Akbank customer visits a branch 2-3 times each year while using Internet Banking 4-5 times a month and Mobile Banking 15-20 times each month. 80% of Akbank Direkt Mobile users in particular now utilize this channel regularly every month.

Akbank Consumer Banking customers prefer digital channels especially for payment and money transfer transactions due to their convenience and speed advantages. 92% of EFTs and 87% of bill payments at Akbank are performed through the direct channels. The share of branches in cash withdrawals is declining, as nine out of every 10 cash withdrawal transactions are performed using the ATMs. Thanks to its investment in direct channels. Akbank transfers a large number of simple transactions that can be performed by customers on a selfservice basis to the ATM, Call Center, internet, and mobile channels. The Bank's Direct Banking channels are becoming a major sales channel, in addition to being a transaction channel, thanks to the products offered to ensure excellence in digital customer experience such as e-time

deposit, Direkt Kredi (general purpose loans from direct channels), Serbest Hesap (free account), Installment Commercial Loan, Artı Para (plus money), and Akbank Messenger.

More awards for Akbank Direkt Mobile

Downloaded by more than 3 million people to date, Akbank Direkt Mobile application also won a number of prestigious international awards. Voted the "Best Digital Bank in Western Europe" by Global Finance, Akbank was named one of the world's top 10 banks in mobile banking according to the survey conducted by Forrester. Being recognized as the "World's Best Mobile Banking App" by Global Finance in 2015 after winning the "Smartphone App of The Year" award from GSMA in 2014 constitutes vet another evidence of the Bank's success.

Akbank won these awards owing to its investments in technology with a focus on mobile banking, developments with human factor at its core, and creative marketing initiatives. The Bank acts very quickly in adapting the advances in technology to products and services, and pioneers the industry in mobile banking in this respect. Combining the opportunities presented by mobile technology with the experience of its specialized and expert employees, Akbank provides its customers with a user-friendly mobile banking experience that allows them to perform their transactions within seconds without interrupting their lives.

Akbank Direkt: First banking application of Apple TV

Features that were launched last year such as cash withdrawal with iBeacon and transaction confirmation with Touch ID were groundbreaking services offered to customers for the first time in Turkey by Akbank. With new additions to this list of innovative features in 2015, Akbank unveiled the Akbank Direkt application designed exclusively for Apple TV.

All investors, without the requirement to be an Akbank customer, can use Akbank Direkt to follow stock prices and foreign exchange rates, monitor BIST data, and reach video investment news on Apple TV. Equity investors can access Akbank Direkt which stands out with its investment transactions-friendly front page design, and follow real-time BIST 100 data on Apple TV.

Rapidly adapting the "3D Touch" functionality of Apple iPhone 6s and iPhone 6s Plus phones to banking products and services, Akbank became the first bank to offer three-dimensional banking to its customers.

Registering major accomplishments in mobile banking not just in Turkey but also on a global scale, Akbank Direkt broke another new ground with the application it developed that enables customers to perform cash withdrawal, payment, and money transfer transactions with a single touch for the first time. Akbank Direkt adapted the "3D Touch" functionality of the new iPhone 6s and iPhone 6s Plus smartphones to its banking products and services and unveiled for the use of its customers simultaneously with the launch of these devices. Akbank customers can initiate payment, cash withdrawal and money transfer transactions faster with a single touch using the 3D Touch functionality of the new iPhone 6s and iPhone 6s Plus smartphones.

All you need is a mobile phone to withdraw cash from Akbank ATMs

Akbank customers are able to withdraw cash from the Bank's ATMs within seconds without using a card, with just a mobile phone using SMS, reference code or iBeacon. As a bank that follows advances in technology closely and adapts them expeditiously, Akbank enables customers to withdraw cash using only a mobile phone without having to scan a QR code on ATM screens or worrying about forgetting to take their cards with them.

This feature that was rolled out in September allows customers to withdraw cash from the Bank's ATMs instantaneously, up to TL 5,000, with a reference code obtained from Akbank Direkt Mobile or an SMS sent from Akbank Direkt Mobile.

We continue to invest in wearable technology. We unveiled for our customers the most comprehensive application for day to day banking transactions on Apple watch: Akbank Direkt Apple Watch!

Akbank developed and unveiled for its customers the most comprehensive application of wearable technology in the banking sector, and in the finance industry in general. The Akbank Direkt Apple Watch application, the pioneer of wearable technology in Turkey, took its place in the App Store prior to the launch date of Apple Watch with its ease of use, simple design, and ease of access.

The Bank continues to undertake uninterrupted innovation efforts in mobile banking with a staff of the best specialists in their respective areas. Striving to maintain its pioneering position in mobile in Apple Watch, Akbank introduced the most comprehensive mobile banking application ever devised in this area. With a visual quality specific to Apple Watch, the Akbank Direkt Mobile application was designed to be userfriendly for the Bank's customers. The transactions that are performed most frequently by the customers within a day while logged into mobile banking were enabled for the watch, creating an all-encompassing application from viewing the available limit to withdrawing cash.

ATM

Akbank has one of the most extensive ATM networks in Turkey, with 4,150 ATMs deployed on the principle of expansive geographic reach and ease of access. In 2015, the Bank maintained its strategy of positioning its ATM network as a cash transactions center available to, preferred by, and recommended by everyone, whether Akbank customer or not.

Akbank's ATM network consists 99% of cash-deposit ATMs and 20% of Recycle ATMs, which increase service continuity and reduce operating costs by making available the banknotes deposited by one customer for the cash withdrawal transaction of another customer.

DIRECT BANKING

92% OF ALL TRANSACTIONS PERFORMED AT AKBANK ARE CARRIED OUT THROUGH DIRECT BANKING CHANNELS.

After receiving the "CRM Excellence" award from Gartner in the "Integrated Marketing" category in 2011, "Customer Analytics" category in 2013, and "Sales Effectiveness" category in 2014, Akbank became the only Turkish bank and Turkish company to win the "CRM Excellence" award for the third time.

Akbank ATMs served approximately 5 million customers and performed 17 million transactions on average each month during 2015.

The Bank worked on a number of major projects under the theme of "Migration and Efficiency" in an attempt to migrate transactions from human-based channels to Direct Banking channels, increase the efficiency of the channels, and create higher value-added for all Akbank stakeholders. As a result of these efforts, 26 million more transactions, corresponding to the number of transactions performed in 270 branches, were migrated to Direct Banking channels in 2015. In addition to the efficiency gains secured by the constantly rising transaction migration, the propensity of customers to use digital channels in their transactions also increased. The share of Direct Banking channels in the Bank's overall transactions was up from 81% in 2014 to 92% in 2015 while the share of Akbank Direkt (Internet+Mobile) rose from 60% to 75%.

CRM

Akbank CRM Department designed and implemented its holistic CRM approach by completing comprehensive projects under the key categories of sales and marketing automation, real time marketing, customer analytics, pricing and optimization in 2010.

After receiving the "CRM Excellence" award from Gartner in the "Integrated Marketing" category in 2011, "Customer Analytics" category in 2013, and "Sales Effectiveness" category in 2014, Akbank became the only Turkish bank and Turkish company to win the "CRM Excellence" award for the third time. The "Tam Isabet Akbanklı (Bull'seye Akbanker)" application is a new digital platform that was developed to manage the Bank's targets more effectively within the day to day workflow and which awards success. The platform aims to maintain a fast pace within a pleasantly competitive environment, and enhance sales motivation and concentration on periodic targets. This gamification platform, a first in its respective area nationally, will support Akbank's customer-oriented strategy. "Anahtar (Key)" application combined customer priorities and CRM portfolio priorities in a portfolio management approach, creating a construct that ensures multi-purpose work reflex, proactive multiple sales and marketing, deepening in clients, and efficiency gains.

Akbank plans to maintain industry leadership in CRM, particularly in next generation analytic solutions, customer-based pricing, and revenue optimization, by continuing to pursue a digital and real-time banking vision in 2016.

Akbank Call Center

Striving to render unprecedented experiences at every point of contact with its customers with its customeroriented service approach, Akbank Call Center continued to pioneer the industry in 2015 with its well-trained, experienced, highly-qualified, and solution oriented staff; rich array of transactions; and creative and resultoriented approaches that it pairs with superior use of technology.

Making nearly 60 million customer contacts in 2015, Akbank Call Center continued to distinguish itself in guick and easy access with more than 1,000 employees. Using constantly expanding technology deployment as a means to provide an unparalleled customer experience, Akbank Call Center completes customer transactions in a single call without the customer having to call again about the same issue. Leveraging its powerful CRM infrastructure to make dynamic offers to customers in line with their needs, the Bank is increasing its effectiveness and share in insurance, credit card, revolving credit card loan, and general purpose loan sales each passing day.

Making utmost use of every available technology in the call centers, Akbank Call Center continued to invest in new technologies in 2015. The Call Steering application, which interprets customer answers in the interactive voice response system and guides them to the appropriate point, directs customers to the correct customer representative in the first connection. The Speech Analytics application was deployed to, and began to be used by, all customer representatives in 2015. As a result, the Bank is now capable of conducting multi-faceted and detailed analysis of all incoming calls.

In addition to voice calls, Akbank Call Center also serves customers via the Facebook, Twitter, chat and video chat channels. As one of the first companies in Turkey to integrate with social media, Akbank also offers creative applications to customer through these channels. Akbank Call Center provides specialized services to more than 100,000 customers who prefer to receive service remotely. These services are concentrated in the areas of relationship and asset management rendered to Consumer, One-to-One, and SME Segment customers.

Within the Direct Banking approach, Akbank Call Center will continue to operate with a strategic vision of increasing focus on sales, enhancing efficiency via advances in technology and process improvements, and gaining a larger share of profit center business lines through specialized services.

TREASURY

THE DEPARTMENT'S EFFECTIVE LIQUIDITY MANAGEMENT BOOSTED THE BANK'S BALANCE SHEET AND COST FLEXIBILITY.

Akbank has embraced the principle of generating strategic solutions to meet its customers' needs and serving them at the highest-guality level.

Akbank maintained its dominant leadership position in the bonds and bills market in 2015 thanks to its expertise in international markets and its strong communication with foreign banks and customers.

Akbank Treasury Business Unit operates through five main departments. The Trading and Balance Sheet Management Department, Liquidity Management Department, Treasury Marketing Department, Economic Research Department and International Banking Department continue to be pioneering forces in the industry owing to their effective organizations and dynamism.

Trading and Balance Sheet Management Department

The Trading and Balance Sheet Management Department performs the pricing of spot and forward foreign exchange as well as all kinds of fixed-income securities, commodities and derivative products. In addition, the Department also manages the interest rate risk of the Bank's balance sheet and its off-balance sheet liabilities in accordance with the medium-term opinions of the Asset-Liability Committee and the Executive Risk Committee.

Named as one of 13 marketmakers by the Turkish Treasury Undersecretariat, Akbank maintained its position as the most active participant in the primary and secondary markets. Akbank also strengthened its leadership in the bond and bill market by increasing its market share in 2015. Akbank is the most preferred market-maker bank among foreign investors due to its competitive pricing in the TLdenominated securities market.

The Derivatives Trading Group is active in the over-the-counter and organized derivatives markets. The Group also manages the Bank's options position stemming from client transactions and enters into speculative foreign exchange and equity/index options positions as part of its portfolio-building function. When managing the options portfolio and risk parameters, the Group engages in active pricing according to client transactions and market direction. The Group works together with related departments with a customeroriented approach to develop various products to meet the needs of corporate, commercial, consumer and private banking customers. The Derivatives Trading Group increased

its derivatives volume and continued to be a market maker in 2015.

The FX Trading Group, active in the International Foreign Exchange Market as part of the Trading Department, works as a market maker for the TL exchange rate and quotes prices for both domestic and overseas banks. Working in coordination with the Treasury Marketing Department according to the foreign exchange needs of corporate clients, the Group quotes FX swap and FX spot prices for the demanded exchange rates that are traded within Akbank. As part of its precious metals trading business, the Department executes transactions on the Istanbul Gold Exchange (IGE) as well as in international OTC markets. Additionally, the FX Trading Group also undertakes brokerage tasks for the Gold Fund on the IGE.

The Balance Sheet Management Department performs the Fund Transfer Pricing function for the Bank's other business units. Furthermore, the Department aims to manage the Bank's balance sheet and income statement effectively in accordance with risk management principles.

The Department continued to execute the strategy of creating low-cost funding resources from international markets via repo transactions in 2015; as a result, the Department's positive contribution to the balance sheet in terms of maturity and cost structure was maintained during the year.

The Balance Sheet Management Department successfully achieved the goal of borrowing at various maturities in different currencies that was part of its strategy in 2015 by way of the GMTN program. The Department is in charge of managing this program in accordance with set targets.

The Treasury Department also executes IRS transactions for effective management of interest rate risk and has an active presence in the TL/US Dollar Cross Currency Swap markets for the Bank's funding needs. In addition, the Department has become the most important participant of the Cross Currency Swap options markets.

Akbank Trading Department is one of the top choices of international investors who want to execute trades in Turkey.

Liquidity Management Department

The Liquidity Management Department is in charge of managing Akbank's short and long-term foreign currency and Turkish lira liquidity. The Department engages in foreign currency and Turkish lira borrowings and placements through money market transactions and ensures effective management of the Bank's short-term funds utilizing various instruments such as FX swaps, repos and reverse repos.

The Department has an active and large presence in the BIST Repo-Reverse Repo Market and OTC money markets. To take maximum advantage of the market conditions in response to monetary policy measures, the Department effectively capitalized on the use of the BIST Repo, Reverse Repo Market, over-the-counter money market and the Central Bank of Turkey's Open Market Operations in 2015. The Department also managed the Bank's foreign currency and Turkish lira reserve requirements in the most effective manner.

The Liquidity Management Department aims to continue to engage in consistent funding in order to boost the Bank's balance sheet and cost flexibility in accordance with the changing market conditions in 2016.

Treasury Marketing Department

The Treasury Marketing Department serves customers in all segments with an extensive range of products that include spot foreign exchange, forward foreign exchange, gold, foreign exchange/gold/ interest rate/ commodity options, foreign exchange and interest rate swaps, government bonds and bills, bank bonds, Eurobonds, repo, deposits and loans. In addition to offering competitive prices in all products, the Department informs corporate segment clients about the developments and expectations in their financial markets and offers products tailored to risk management needs and business conduct of companies.

In addition to public offerings of bank bonds, the Treasury Department is also engaged in private-placement of bank bonds to domestic and overseas investors. The Department devises strategies for effective management of the Bank's deposit costs while supporting the creation of a more active and effective deposit policy from the viewpoint of foreign currency exchange and TL liquidity management. The Treasury Department employs proactive and creative methods to lower the cost of resources extended to the real economy.

The Treasury Marketing Department's goal in 2016 is to fulfill the treasury products-related demands of its customers with superior service quality, stronger technology infrastructure and new products consistent with market conditions, and to increase customer satisfaction, the number of customers served and market share.

Economic Research

The Economic Research Department, positioned within the Treasury Business Unit, closely monitors the global and domestic economic environment and market developments, ensures fast and effective information flow to all units of the Bank, and presents an opinion on their potential consequences. Thanks to such efforts, Akbank employees are kept well informed and properly equipped with a constant flow of up-to-date information about developments that steer the economy and the markets, and are prepared to address customer questions.

In addition, the Economic Research Department prepares macroeconomic forecasts for the business units of the Bank and contributes to the determination of the Bank's strategy and the budget. At the same time, the Department informs the Board of Directors, foreign investors and clients about current economic situation and market data.

TREASURY

International Banking

Akbank International Banking Business Unit continued to deliver fast and efficient solutions to customers for their foreign trade and payment transactions in addition to investment projects in 2015, leveraging its strong correspondent relationships in 155 countries. The Bank provided low-cost, long-term financing to customers through the export credit agencies of various countries. Thanks to Akbank's large-scale credit agreements and long-standing business relationships with export credit agencies, the Bank maintained favorable financing opportunities for the projects and investments of importers at more competitive pricing. The Bank deepened its relationships with export credit agencies such as HERMES, KEXIM, MALAYSIA EXIM, SERV, GSM- 102, SWEDISH EXPORT CREDIT CORPORATION, TAIWAN EXIM. As a consequence of the robust ties with these export credit agencies, the Bank continued to provide financing to its importer clients at more favorable terms.

2015 marked another successful year for Akbank as the Bank registered once again an outstanding performance in international borrowing transactions despite challenging market outlook throughout the year as part of its sustainable international borrowing strategy.

Akbank issued a USD 500 million Eurobond on January 23, 2015. This five-year placement marked the first senior unsecured Eurobond issuance of the Turkish banking sector in 2015. Akbank also completed its second Eurobond offering of the year on March 31, 2015, with a 10-year, USD 500 million senior unsecured facility. Akbank's March issue became the first 10-year senior unsecured Eurobond offering by a Turkish bank since 2012.The coupon rate of these Eurobonds were 4.00% and 5.125%, respectively.

The Bank issued a five-year, TL 407.3 million Mortgage Covered Bond to the European Investment Bank (EIB) on February 13, 2015. The transaction represents the first ever Turkish Residential Mortgage Covered Bond issuance in Turkey to date.

On March 21, 2015, Akbank secured a one-year, USD 1.2 billion syndicated loan with the participation of 37 banks. The loan consisted of two tranches of USD 421.3 million and EUR 737.6 million. The all-in cost of the loan was LIBOR+0.70% for the 364 day tranche and LIBOR+0.80% for the 367 day tranche.

In addition, the Bank secured a three year, USD 335 million syndicated loan facility on July 9, 2015 at an all-in cost of LIBOR+1.85%. The deal became the first three-year syndicated loan facility secured by a Turkish bank after a long period of recess since 2006.

On August 13, 2015, Akbank secured a USD 1.2 billion syndicated loan with the participation of 41 banks. The allin cost of the 367-day loan, structured in two tranches of USD 260.8 million and EUR 873.1 million, was LIBOR/ EURIBOR+0.75%.

Akbank concluded 59 private placements for a total of USD 917 million under its GMTN Program in 2015.

As part of its ARTS DPR Program, Akbank closed three securitizations deals during the year: a five-year issue of USD 150 million on July 7, 2015; five-year issue of USD 225 million and 12 year issue of USD 110 million on October 27, 2015.

Akbank signed a cooperation agreement with the State Bank of India, one of the largest banks of the country, on August 5, 2015. The agreement served to further support the accelerating foreign trade and investments between the two countries as well as bolstering Akbank's presence in the Far East market. The memorandum provides scope for cooperation between the two banks in a wide range of areas including investment banking, asset management, risk sharing, and the financing for the big ticket infrastructure projects. As part of this partnership, financial services are also provided to Indian companies investing in Turkey as well as to Turkish companies investing in India.

In addition, Akbank signed a cooperation agreement with Sinosure (China Export & Credit Insurance Corporation) on August 21, 2015. Akbank became the first Turkish bank to sign a cooperation agreement with Sinosure. Currently over 500 Chinese companies are operating in Turkey. Chinese foreign direct investment in Turkey reached USD 1 billion. As part of its "One Belt One Road" project, China will make energy, logistics, and infrastructure investments in Silk Road countries, which also includes Turkey. Sinosure will provide insurance for the projects that Chinese companies will participate as an investor or EPC.

In addition, Akbank closely monitored the international operations of its clients in 2015 and focused on forging new partnerships in target countries.

SUPPORT SERVICES

SOME 96% OF THE 804 MILLION TRANSACTIONS PERFORMED ANNUALLY BY THE AKBANK OPERATIONS CENTER ARE COMPLETED AUTOMATICALLY.

Akbank Operations Center

Akbank Operations Center strives to provide fast, superior and errorfree services and an unparalleled customer experience to Akbank's external and internal customers. With an effective and efficient organizational structure, experienced and specialized human capital, and an advanced technology systems infrastructure, the Operations Center figures among the key components that support the Bank's strong position in the sector.

Akbank Operations Center operates with a powerful team of 1,054 personnel so that the Bank can provide fast, exceptional and errorfree services to its 6.7 million active customers. Some 96% of the 804 million transactions performed annually by the Akbank Operations Center are completed automatically.

The primary functions performed by the Operations Center include:

- Turkish lira and foreign currency payments,
- Tax and Social Security Institution (SGK) premium payments,
- Operations of cash management products,
- Check and bill transactions, printing and distribution operations,
- Foreign trade operations,

- Consumer and commercial loan operations,
- Credit card and debit card operations,
- Member merchant and POS operations,
- Treasury, investment, derivative products, repo, investment and private pension fund services,
- Consumer custody services,
- Stock market share operations,
- Tax payments of branches,
- Physical and electronic archiving tasks,
- Legal proceedings,
- Cash collection and disbursement services encompassing branches, ATMs and customers,
- Operations to counter external fraud attempts using systems equipped with the most advanced technology.

In addition to the prior mentioned services, Akbank Operations Center delivers direct service to corporate and commercial banking clients without the involvement of branches. It has generated a high level of customer satisfaction with this pioneering service.

2015 Activities

Akbank Operations Center made sure and successful strides in 2015 in accordance with the Center's goal of providing high-quality, fast and efficient service.

• Business Excellence and Maximum Efficiency

Growing more and more each year, Akbank aims to manage its growth by using existing resources. This can only be accomplished through an efficiency-oriented operational model. As part of the "Improvements for You" program initiated in 2012 to increase business efficiency at the branches and the Operations Center, Akbank closely analyzed more than 1,350 processes and implemented over 293 process improvements in 2015. Launched in 2014, the Lean Operations Center project continued in 2015 with center operations processes improved using the "lean" approach. Improvements in line with the roadmap designated within the project will continue to be implemented in the coming year.

As a joint outcome of the Improvements for You and Lean Operations Center initiatives, the Bank created an additional workforce capacity equivalent to 987 personnel in 2015.

To ensure the best customer experience, most efficient processes, and effective use of technology, the Bank will continue to assess shifting more operations to unmanned channels and automation possibilities in 2016.

SUPPORT SERVICES

• Maximum Customer Satisfaction at Every Point of Contact

With customer satisfaction a top strategic priority, the Bank regularly measures the speed and quality of Akbank Operations Center's service quality via service level agreement (SLA)s. Transaction times of 31 types of service Akbank Operations Center provides to the branches dropped by an average of 4.5% in 2015.

Quality Applications

In line with a customer satisfaction oriented service approach, Akbank continues to make continuous enhancements and improvements in service quality. In 2015, Akbank solicited feedback from 200,000 clients regarding the Bank's service quality and potential areas of improvement, and tracked service quality at all points of contact with the customer on a daily basis. Using customer feedback proactively and effectively, the Bank identified and implemented actions to raise the quality of service provided by branches, Direct Channels and Head Office staff.

The Bank closely monitors and certifies twice annually service quality levels at branches and direct channels, the points of contact with customers. Action is taken regarding areas of improvement identified as a result of the evaluations.

The service quality levels at Head Office units that support the points of contact with customers are also paramount to the enhancement of customer satisfaction. Armed with this awareness, Akbank also monitors the quality of internal support services provided by Head Office staff regularly by way of service level agreements. Measurement results are shared transparently with the related staff and are used in planning training and development activities, identifying areas for improvement, and creating action plans for these areas. In 2015, Akbank set and began tracking 61 new service level targets via eight new SLAs while revising targets in 13 agreements. As a result, the Bank raised the quality of support provided by the Head Office to Branches and Direct Channels.

Providing comprehensible, simple and user-friendly screens at every point of contact with Akbank customers and employees is an integral element of service quality delivery at the Bank. In 2015, Akbank began measuring the user experience of its screens via lab research studies with customer participation. Designs of Bank systems and user interfaces are reviewed continuously based on the results of these measurements.

The Bank regularly analyzes customer feedback received through various channels and develops permanent solutions for the frequently cited areas that need improvement. A high level committee within Akbank tracks the changes in the number and content of customer feedback and oversees implementation of concrete and permanent actions in improvement areas. As part of these efforts, the Bank implemented permanent actions that aimed to sustain the maximum level of customer satisfaction in an ongoing manner, with the results welcomed by Akbank customers. Akbank was named the industry leader in the category "Consumer Banking/ Private Banks" in 2014 in the Turkey Customer Satisfaction Index (TMME) survey conducted by KalDer and KA Research Limited, according to the survey's results announced in May 2015.

Information Technology

Systematically and closely monitoring the latest innovations and advances in technology, Akbank Information Technology continued to implement a significant number of new strategic and tactical projects in 2015. Akbank Information Technology implemented more than 207 projects and completed nearly 4,500 smaller business tasks under these efforts during the year. With one of the most extensive branch, ATM and POS terminal networks in Turkey, Akbank invested nearly USD 100 million in technology in 2015.

Embracing the concept of providing convenient, state-of-the-art technology to customers and personnel under the core strategy of digitalization, the Department continued to move forward in 2015. Akbank Information Technology abides by three main strategies:

- Mobile Bank,
- Analytics Bank, and
- Industrial Bank.

The Department further enhanced the synergy thanks to new strategic partnerships and cooperation established with the business units it works with in the previous year.

Main achievements supporting Akbank's core strategies:

- As part of the road map to meet the Bank's mobile business needs. Akbank's efforts to increase sales activity by enriching sales and customer functions and to mobilize customer acquisition processes continued during the year. The Bank put into service customer analysis, various types of sales functionality, mobile business/process and administrative approvals and numerous mobile monitoring functions; it also finalized the distribution of mobile devices to RMs at Commercial, Corporate, SME, One-to-One and Private Banking.
- Akbank established product acquisition processes that do not require branch visits in order to increase the possibilities of acquiring digital products. The Bank, first of all, supplied consumer loan products; with the changes in the regulation on distant agreements, it ensured easy digital product acquisition via the Call Center and Akbank Direkt.
- The Bank enriched the website akbank.com with sales-oriented services after ensuring necessary security integrations, and enabled direct access facility to various Internet Branch functions. Akbank customers can apply for "Instalment Artı Para (Plus

Money)" and make payments in installments via the website without having to log in to Internet banking.

- The Bank enabled corporate clients to obtain corporate lending products via related applications on Akbank Direkt. As part of efforts to improve corporate client satisfaction, the Bank made major upgrades to the Corporate Internet Branch and Corporate Mobile application.
- The Bank put into service Flat IVR technology on the Call Center system infrastructure; by enabling IVR menu options, which operated on a key basis, to be chosen with speech, direct access to the services was provided.
- With the aim of improving digital payment services, Akbank customers were provided with real time bank transfer/money transfer facility during online shopping. The Bank established a new infrastructure to enable Akbank customers to shop on e-commerce websites with the instalment "Artı Para (Plus Money)" product along with credit cards.
- The Bank continued efforts to innovate in the digital arena and integrated Akbank Direkt Mobile application with the Apple Watch launched by Apple. Similarly, the Bank achieved Akbank Direkt integration with Apple TV.
- By launching Akbank Wealth Management, the Bank aimed to establish a service setup oriented toward compliance with new legal requirements and high financial performance. Under this effort,

the Bank determined risk profiles of its customers and AKAsset formulated asset distribution proposals that fit the profiles. The Bank expanded the product range provided for customers with new investment products formulated with respect to this asset distribution. By using the video call infrastructure depending on the customer segment AkInvestment provides personal investment advisory services.

- During the year, Akbank finalized systems-related initiatives to support Borsa Istanbul's transition to NASDAQ systems infrastructure and integration works in the Bank's channels. The Bank established a new structure to support all different types of commands enabled with the NASDAQ infrastructure, and put this functionality into service on all Akbank channels.
- Akbank developed a new analytical system infrastructure to manage the limits of retail, micro and credit card customers according to their habits. This effort enabled more rapid implementation of customer management initiatives with regard to changing market conditions.
- By utilizing "Unified Communications" infrastructure at branch locations, Akbank put into service new functionality in order to increase customer satisfaction in IVR processes varying according to branch type. The Bank provided customers with the self-service option and enabled the management some call types at the branches.

SUPPORT SERVICES

THANKS TO AKBANK'S MANAGEMENT REPORTING SYSTEM ARGUS, MANAGEMENT REPORTS ARE PROVIDED FOR USERS IN A CENTRAL, FLEXIBLE, EFFECTIVE AND FAST WAY.

- Projects completed by Akbank Information Technology in 2015 were recognized with awards at many well-known competitions. The major awards received during the year that served to recognize and attest to Akbank's deep expertise in information technology include:
 - "The World's Best Digital Banks - Western Europe" and "The World's Best Digital Banks" designations in the Best Mobile Banking App category at the Global Finance 2015 Best Digital Bank Awards,
 - First Place "Best Online Deposit, Credit and Investment Product Offerings," "Best Web Site Design," "Best Information Security Initiatives," "Best Mobile Banking App" categories at Global Finance 2015 World's Best Digital Banks Awards in Western Europe,
 - "Best Mobile App" granted to Akbank Direkt Mobile application at MMA Smarties 2015,
 - First Prize "Best Hybrid Cloud Solution" category with the infrastructure established under the "Unified Communications" program at The Cloud Awards, one of the leading award platforms in cloud computing.

- Second Prize awarded to Cash Withdrawal via iBeacon on Akbank Direkt Mobile at The 2015 Mainframe Mobile App Throwdown.
- At the International Business Awards, organized by Stevie Awards, one of the leading global business competitions:
 - First Prize awarded to the Akbank Direkt Mobile application in the "Experimental & Innovation" category,
 - Second Prize granted to Akbank website in the "Banking" category,
- Second Prize awarded to System Test Tools and Process Team in the "IT Team of the Year" category,
- Second Prize granted to Direkt Mobile Team in the "IT Team of the Year" category,
- Third Prize awarded to IT Akbank Direkt Banking in the "IT Department of the Year" category,
- Third Prize granted to Senior Vice President in charge of Akbank Project Management Department in the "IT Executive of the Year" category.

Business Intelligence Applications -ARGUS

Thanks to Akbank's management reporting system ARGUS, the Bank's management reports are provided for users in a centralized, flexible, effective and fast way.

Users can meet their information needs within strictly defined access limits and access healthy, reliable data in the fastest, easiest way. As a result of more effective management in report generation and information management processes, the Bank achieved a high level of efficiency.

With the aim of meeting the information needs of users, the Bank continued initiatives to expand the analyses and data encompassed in the system. The Bank provided senior management with the facility of accessing reports via tablet computers and smart phones.

Profitability System

The Bank effectively uses the results of the Profitability System, developed to enable multidimensional analysis of Akbank's profitability, to devise managerial and marketing strategies; hone the services provided at branches; and aid in success assessments as important performance criteria. Under the proactive security
 approach in newly developed products rolled out for customers in 2015, Akbank provided solutions and advisory services. The Bank ensured that the service offering would be delivered in a reliable and secure way.

As part of the Profitability System, the Bank periodically evaluated its profitability on a weekly and monthly basis in terms of the following criteria:

- Customer profitability,
- Customer relationship manager (CRM) profitability,
- Branch profitability,
- Segment profitability,
- Business unit profitability,
- Product profitability.

Expense and Investment Management

Under the various strategic expense and investment management initiatives, the Bank performed analyses and modeling efforts to further reinforce Akbank's leadership in the sector in terms of efficiency; as a result, the Bank achieved organization-wide increases in efficiency.

Budget

Akbank has an integrated, efficient and dynamic budgeting process that operates at the business unit, region, branch and CRM level. During the year, Akbank carried out risk and compliance management in the Application and Infrastructure Systems. As a result, the Bank ensured that the systems provided service at a certain level of security in line with legal and regulatory requirements.

The triennial strategic planning survey is also reviewed each year alongside the budget and the Bank's medium and long-term objectives and action plans are determined. Performance of the Bank is then monitored via monthly estimates generated throughout the year as well as by way of comparative analyses of periodic financial and operational realizations with the budget. In accordance with changes in the economic outlook, the budget is revised if and when it becomes necessary.

Information Security

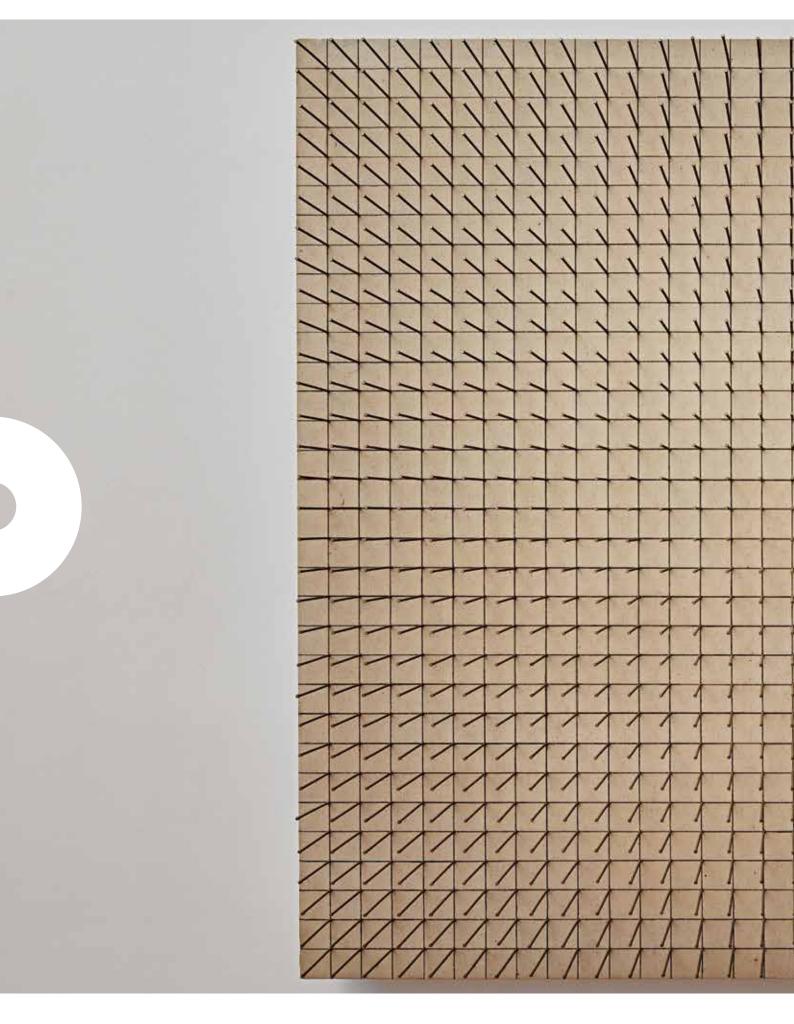
As part of the proactive security approach in newly developed products to be presented for customers in 2015, the Bank provided solutions and advisory services. The Bank's offered services were ensured to be delivered in a reliable and safe way.

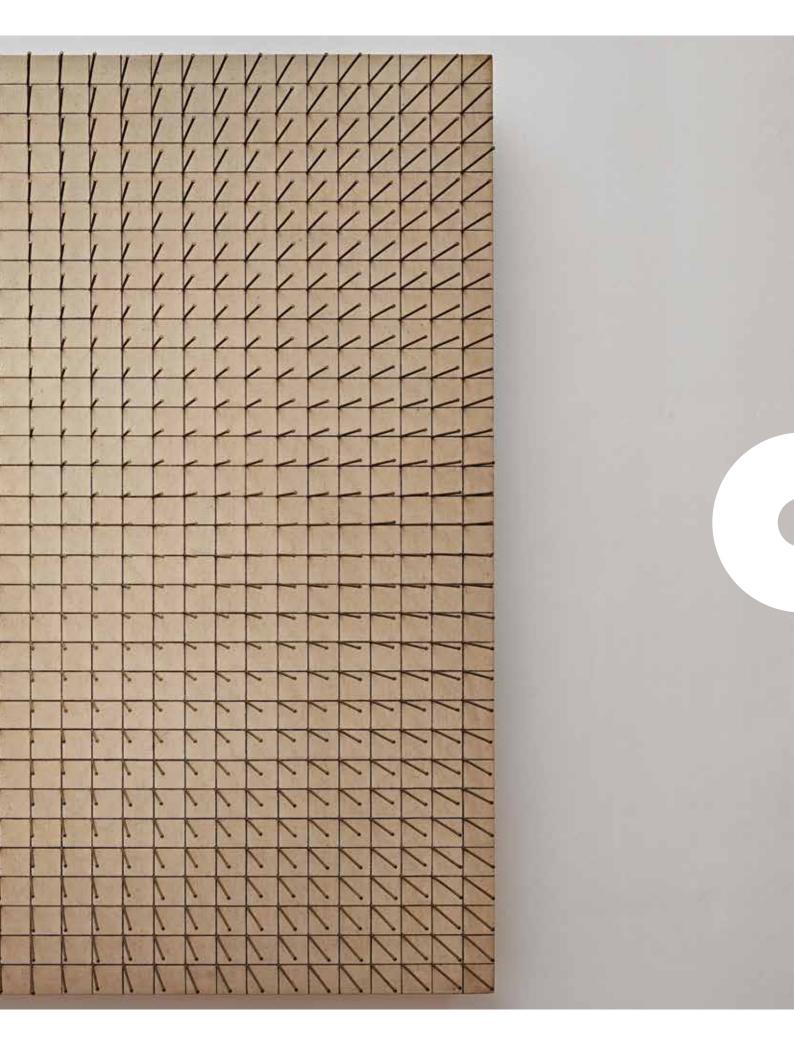
During the year, Akbank carried out risk and compliance management efforts in the Application and Infrastructure Systems. As a result, the Bank ensured that the systems provided service at a certain level of security in line with legal and regulatory requirements. Undertaking separation of duties and minimum authorization requirements initiatives, risk reduction activities related to information access were carried out. The Bank undertook initiatives to assure that audit trails for access to customer data are recorded in compliance with laws and regulations.

The Bank has made required infrastructure hardening for secure Internet access and in order to minimize data security risks; it has also completed efforts required for continuous monitoring of infrastructure systems.

Additional controls were put in place as part of application reinforcement efforts. The Operations Center continued to monitor and block sensitive data and performed PCI DSS scans.

Akbank updated its information security policies in accordance with emerging changes and threats. Initiatives to increase information security awareness continued and the Bank provided users in-class and e-learning trainings as well as instructive messages. The Bank set up a Computer Incident Response Team, which continues to operate as of today.





HUMAN RESOURCES AND STRATEGY

AKBANK'S MOST VALUABLE ASSET AND MOST IMPORTANT STRATEGIC PARTNER IS ITS INNOVATIVE, HIGHLY-SKILLED, SELF-IMPROVEMENT ORIENTED HUMAN CAPITAL.

Strategic Management

Reporting directly to the Executive Vice President in charge of Human Resources and Strategy, the Strategic Management Division works in close cooperation with senior management and related business units in setting strategic priorities in accordance with the Bank's medium-term vision.

The Division also manages and implements strategic initiatives aimed at achieving these priorities. The functions of the Strategic Management Division include providing internal advisory service and managing strategic projects within the Bank, closely following domestic and global developments and trends, and setting and implementing branch network strategy.

In 2015, the Strategic Management Division coordinate the process to set the Bank's aspirational targets for 2018 and to formulate the roadmap to achieve these targets. The Project proposals formulated in accordance with Akbank's strategic priorities were promptly and effectively put in action in cooperation with the related teams. As a result, the Department supported the Bank's strategy setting and decision-making processes while helping all related business units to take action in line with the Bank's strategic priorities.

Aiming to bolster the Bank's market position and differentiate from the competition in 2015, the Strategic Management Division:

- Completed the redesign of the service model in investment advisory in light of legal and regulatory changes and increased its efforts for the Bank to achieve profitable growth,
- Strengthened the in-house sales coaching system,
- Developed new service models for new customer segments that will support growth,
- Revamped the roles of channels on the Bank's sales and service model to respond to changing customer needs.

Analyzing global developments and major trends particularly in the banking and finance industry, the Strategic Management Division proactively identified potential areas of opportunity for the Bank during the year and briefed senior management via regular reports on the financial sector.

Human Resources

Innovative and highly-skilled human capital focused on constant selfimprovement is the most valuable asset and a strategic partner for the sustainable growth vision of Akbank, one of the leading and pioneering institutions of the banking industry.

Under Akbank's vision of employing the most qualified human capital in the Turkish banking industry, investing in its human resources, and creating value for all stakeholders, Akbank Human Resources Department's goal is to recruit, retain and develop talent on the way to permanent leadership.

The Human Resources policy aims to form human resource strategies consistent with the Bank's mission and goals; to provide the continuous development of employees in line with the industry needs, emerging markets, technology and customer expectations with the innovations of the globalization; and to direct organizational structure, operation and human resources. The major components of the roadmap are:

- Providing opportunities to support professional and personal development and implementing related practices,
- Constantly improving business conduct,
- Participatory career planning,
- Goal and competence-based, transparent and fair performance management,
- A rewarding mechanism that incentivizes and encourages superior performance,
- Constantly improving organizational effectiveness with a focus on employee productivity,
- Effective communication based on corporate values and culture.

When managing its human capital, the architect of the Bank's past accomplishments as well as the pillar of its future achievements, Akbank's philosophy is to provide equal opportunities to its employees in all processes, evaluating them fairly and transparency.

Akbank provides its employees who are committed to improving themselves constantly with support and equipment via various applications, an effective communication structure and a wide variety of training choices. Success in these subjects reinforces Akbank's standing among the companies which skilled and confident employees want to work for most.

Efficient Performance Management

Akbank accomplishes its corporate goals by growing alongside its highlycompetent and skilled employees who make Akbank what it is. The Bank supports the performance of its employees with new applications and advanced systems that will make their professional lives easier and increase their productivity.

As part of the Bank's performance evaluation system which allows for the observation of the contribution of each employee to the Bank's success and encourages open communication between the employee and his/ her supervisor, corporate goals are translated into personal goals and thus every employee works to achieve a common objective. The efficiency of the performance system depends on the system's transparency, simplicity and thorough measurability. With the targeting initiative carried out in 2015, the Bank aimed to improve the methodology of target distribution to regions, branches and CRMs. It also made improvements in the main components of the process, including target setting and measuring.

Akbank employs a Performance Management System based on concrete and measurable goals. Compensation and rewards within the Performance Management System, which is free from subjective elements and facilitate measurement/evaluation based on individual goals and competencies, provide periodic input into career development and training applications.

Employee Engagement

Keeping employee motivation and performance on top and developing the business results in parallel with this motivation is directly proportional with creating desired working environment and corporate culture. Seeing effective communication as one of the most important tools for success, Akbank conducts an "Employee Engagement Survey" each year for all personnel in order to make them feel valued and for the Bank to constantly regenerate itself.

Through this survey, Akbank elicits feedback on professional life, business processes and operations and focuses on areas for improvement.

Employee feedback is considered diligently to identify the expectations of employees truthfully.

The Employee Engagement Survey is implemented by an independent research company within the principle of confidentiality. The results are analyzed by the Human Resources Department and provided improvements and development in line with the outputs.

Being aware of the relation between happy employees and high level of corporate performance, the Bank believes in the value-add created by employee loyalty. Thus, the Bank progressively increases its investments in this field with faith in the importance of increasing the employee loyalty.

A Culture That Values Creativity, Innovation and Cooperation

With Akbank's human resources practices, the Bank aims to create and spread a corporate culture that prioritizes team spirit; adopts a collaborative work attitude; takes calculated risks; constantly evaluates and improves existing processes and business conduct with an innovative mindset; and places an importance on creativity.

HUMAN RESOURCES AND STRATEGY

Akbank implements elements of creativity via innovation teams comprised of employees, reinforces these through various training applications and provides further support via platforms conducive to open communication.

Akbank Academy

Akbank Academy closely monitors training and development trends that will effectively and swiftly respond to the changing needs of the industry in order to cultivate the best employees in the sector and transform trainings into an investment tool. To this end, the Academy initiated efforts to further expand personalized and easy-to-access training methods by focusing on the development areas of Bank personnel. In addition, the Bank encourages staff members to attend summits, conferences and seminars, both in Turkey and abroad, that will allow them to keep track of the latest developments in the sector and the world.

Training and development activities within Akbank Academy related to talent management and leadership continue to grow. The Bank organizes varied and ongoing programs, including solutions tailored to personal needs in order to develop the leaders of today and cultivate those of tomorrow. During these efforts, the Bank places significant emphasis on ensuring that the processes in competence development programs are designed in an efficient and transparent way. As part of the initiatives carried out under the talent management development, the Assessment Center's efforts to determine needs and formulate a personal development plan continues with tools such as surveys.

Professional development opportunities at institutions are among the most important expectations that younger generations have when they start their career. To meet these demands, Akbank Academy continues to use various learning methods and tools, including classroom trainings and online training tools. The Bank also strives to render trainings more entertaining with gamification systems and combine modern training methodologies with technology, constantly working to innovate the digital experience. Training technologies are not used only in online training tools, but also in classroom activities.

Akbank Academy uses a remote access system infrastructure. Employees are able to track their personal development plans alongside their career paths and access all details on the training they will attend on a single platform. In addition, managers are able to monitor the development performance of their teams. In the coming period, the Bank plans to focus on learning on the mobile platform and creating space for innovative applications with high user experience that will provide social learning and options to choose trainings from the digital catalog.

In keeping with the academic platform that will take Akbank forward into the future, the Bank's strategy in trainings towards field operations is to provide development resources with a customer-oriented approach, which prioritizes relationship management, quality, efficiency and sustainability. In addition, the Bank offers proposals to business units and field operations with a proactive working model. To this end, Akbank Academy has focused on the Bank's strategies, banking industry developments and the needs of the field operations, while ensuring close cooperation between the business units and the field. The Academy has implemented programs that will support employees in their career paths and has integrated trainings with their career goals. Akbank designed and put into service new programs to encourage on-the-job training and increase the sales performance of field staff. Ongoing systemic works and training content revision efforts continue to make sure that current career diplomas are more compact, exclusive to the needs, the segment and the person, without any time or location limitations, and are rendered simpler to provide easier access to information.

For the Bank's success today and in the future, Akbank frequently carries out exclusive online trainings to increase the rates of licensing and certification that are legally required. In addition, employees are provided support with testing and in-class trainings.

Under the Bank's learning organization strategy, Akbank seeks the support of its highly experienced employees as in-house instructors as well as in mentoring and in-house coaching applications. As a result, the Bank achieves productivity in sharing of experiences and development. While the Bank continues activities that increase the motivation levels of in-house instructors, the best architects of continuous development, the in-house instruction staff are supported with development programs.

ETHICAL VALUES FORM THE FOUNDATION OF RESPECT THAT AKBANK CURRENTLY ENJOYS IN THE BANKING INDUSTRY AND WITHIN SOCIETY IN GENERAL.

In keeping with the Bank's approach to resource use efficiency, Ankara Academy's training venue went into service as of February 2015. With the Ankara Academy venue, the Bank allows employees to reach the training center more easily without wasting time, ensures internal customer satisfaction and avoids possible workforce losses. A similar practice began at the ABM Academy venue as of July 2015.

As of end-2015, Akbank personnel averaged seven days of professional training for the fiscal year, as a result of the Bank's investment in training initiatives.

Effective Career Management

Achievement of the Bank's goals is supported through Career Management as a strategic business partner. As part of this effort, the Department's priority is to position existing human capital as effectively as possible while in the medium-tolong term carefully managing career plans for the development of the employee as well as advancement of the Bank. Under Career Management, Akbank tracks individual performance to ensure the Bank's sustainable performance while supporting participation in training programs related to the areas in need of development. The Bank assesses experience level, competence and

technical skills of employees and formulates backup plans for the positions to ensure the continuity of the organization going forward; the Bank also implements training and development programs that will help related employees to prepare for the designated positions. Staff members who successfully advance in their designated career paths and complete their required training programs are appointed to senior positions. Additionally, in accordance with organizational changes shaped by the Bank's emerging needs, employee career paths are regularly reviewed and revised in line with the Bank's strategic targets.

Every employee who is continually improving himself/ herself makes horizontal or vertical career moves at Akbank, where career paths are defined transparently for each job.

Ethical Values

Ethical values, which consist of the indispensable values of corporate culture and governance, are also the foundation of the respect that Akbank currently enjoys in the banking industry and within society in general. The Bank's main objective is to safeguard and further enhance this respectability while sustaining stability and confidence in the sector. Akbank takes utmost care to ensure that employees internalize the ethical values, which are presented through the Bank's internal communication channels and training programs, and act in accordance with this awareness. In addition, an "Ethics Line" that operates under the confidentiality principle on a 24/7basis was established to enable employees to raise their concerns about issues that they believe cannot be resolved within their departments, or for certain reasons prefer not to share with their colleagues/ department managers.

Akbank Employees

As of December 31, 2015, Akbank employed 14,050 personnel. The decrease in employee numbers is mainly due to the transfer of security personnel to an outsourcing company. The Bank's staff is 54% female and 46% male.

Some 94.9% of the Bank's employees are university graduates. The average age of the staff is 34 years while the average job tenure stands at eight years.

HUMAN RESOURCES AND STRATEGY

Monetary benefits and other administrative relationships for Akbank employees who are members of the Banking and Insurance Workers Labor Union (Banksis) are set by collective bargaining agreements made between the Bank and the unionized employees. The benefits of the non-unionized employees are determined by the Bank.

"INDICATOR (İNDİKATÖR)" HR Dashboard Project

The Bank ran the "INDICATOR" HR Dashboard Project in 2015 to systematically and analytically improve the human resources reporting system. It was put into service in December.

The reporting system provides high level reports that will fulfill the needs of the Bank's senior management and support Business Unit decisionmaking in a dashboard design. The Bank plans to establish a new data medium that can host regular and ad hoc reports that will meet the reporting demands of human resources at all levels. Having initially launched INDICATOR on the web and in mobile media at the Head Office level, the Bank plans to make INDICATOR available for use by the heads of the regional offices in 2016 and to enrich the report range and content.

Performance-Based Bonus Payments and Incentive Compensation

The performance bonus system helps Akbank increase the efficacy of its personnel in accomplishing corporate goals, ensuring the continuity of their performance, emphasizing individual performance, differentiating successful employees and rewarding employees who create value for the organization.

During performance evaluation meetings, employees review their performance results for the previous year with respect to their goals with their supervisors on a one-on-on basis and accomplishments as well as areas for improvement are identified.

In 2015, Akbank provisioned TL 115 million for employee performance bonus payments.

As parts of efforts in employer brand and employee engagement, the Bank developed new rewarding mechanisms aiming to:

- Directly contribute to the motivation and efficiency of employees,
- Ensure the recognition and appreciation of successful personnel and staff who create added value to the Bank in other areas,
- Highlight the "Value to People" concept by bolstering employee engagement.

To this end, Akbank implemented the following awarding systems:

- "Bull's Eye Awarding System" to create awareness on targets, encourage keeping performance high and follow person targetfulfillment;
- "Akbank's Perfect Role Model Awarding System" - to make sure that any positive behavior, effort or performance exceeding expectations or standards is recognized;

- "1001 Ideas Awarding System" to recognize proposals that are beneficial to Akbank and delivered to the 1001 Ideas Proposal System;
- "Your Candidate Awarding System" - to bring in candidates suitable to the corporate culture and the competences of the open position via our employees.

Financial Benefits Provided to Members of the Board of Directors and Executives

As of December 31, 2015, Akbank paid TL 36.4 million on a consolidated basis to the executive management of the Group.

Akbank Staff Pension Fund Trust

Akbank Staff Pension Fund Trust has focused its activities related to current (employed) and retired members on the provision of healthcare services in 2015.

The retooled Health Center continues to operate in a modern, spacious and well-appointed facility with experienced specialist physicians on staff. The new call center provides appointment and advisory services to all employees. The revamped website serves as an appointment platform and features many user-friendly interactive applications such as e-authorization, e-referral, and lab test results.

As of December 31, 2015, highlights of their efforts include:

- Total assets of the Foundation amounted to TL 1,333.3 million.
- Number of members receiving pension salaries rose to 12,086.
- Some TL 250.4 million was paid to retirees, people with disabilities, widows and orphans.
- Health care assistance increased to TL 118.9 million as of December 31, 2015, up from TL 109.3 million in 2014.

Other Information on Company Operations

There are no major pending lawsuits against the Company that may impact the financial position or operations of the Company.

Donations and charitable contributions made during the year are reported to the General Assembly as a separate agenda item. In addition, the Bank expended TL 10.3 million as part of its social responsibility projects in 2015.

Number of Branch Employees

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total	7,606	8,103	9,088	8,653	8,817	8,969	9,604	9,459	9,415	8,995

SUBSIDIARIES

THE LARGEST TURKISH-OWNED BANK IN GERMANY IN TERMS OF ASSET SIZE AND CAPITAL BASE, AKBANK AG HAD A 6% SHARE OF CONSOLIDATED ASSETS IN 2015.

Akbank AG

A wholly-owned subsidiary of Akbank, Akbank AG had another successful year in 2015 in terms of growth, diversification of business areas as well as profitability. The Bank posted 9% growth in assets over the previous year, with total assets climbing to EUR 4.8 billion as of December 2015. The largest Turkish-owned bank in Germany in terms of asset size and capital base, Akbank AG had a 6% share of consolidated assets in 2015.

In 2015, Fitch Ratings assigned Akbank AG a long-term foreign currency rating of BBB-, the same as that of Akbank T.A.Ş. In addition, Akbank AG secured a USD 205 million syndicated loan in 2015 with the participation of leading European banks.

In line with its healthy, sustainable growth targets, Akbank AG increased its paid-in capital by 100% to EUR 200 million in June 2015.

Akbank AG's major products and services include various credit instruments, trade finance, money transfers and deposit services. Target clientele for lending activities primarily consist of multinationals based in Turkey as well as in the EU, Turkey's main trading partner. Standing out with its high asset quality since the bank's incorporation, Akbank AG remained committed to maintaining asset quality throughout 2015 and preserved its NPL ratio at nil.

Akbank AG has an extensive portfolio of funding sources, including retail, corporate and German public sector deposits as well as funding through the European Central Bank's refinancing program (MRO and LTRO).

Also active in retail banking, Akbank AG serves more than 16.000 retail deposit customers in Germany with a direct banking model. All these sources of funding help Akbank AG to diversify its funding base.

In addition to the receiving awards in the "Best Current Savings Deposit Bank" and "Best Deposit Bank" categories, the Bank was also recognized in the "Best Deposit Investment Bank" category at the Zins-Award held by NTV in 2015.

Aklease

The leasing sector's leader with its deeply rooted experience and a 99.99%-owned Akbank subsidiary, Aklease has conducted leasing operations since 1988.

Continuously growing 55% more than the industry on average over the last 10 years, Aklease boasts 12 branches, a solid capital base, specialized human resources, a broad funding network and a transparent approach. The company delivers fast, high quality, innovative leasing solutions for enterprises of all sizes in the real sector and the services industry. It specialized in the financing of machinery and equipment investments as well as in the refinancing existing investments.

Among the all the 27 years in the company's history, 2015 in particular saw Aklease take major steps to achieve healthy and sustainable growth.

The most preferred company in aircraft leasing in the sector since 2007, Aklease continued new aircraft operations in 2015, increasing the number of aircraft financed to date to 48. With the sale and lease back product - Boomerang Leasing - Aklease continues to support companies to recover their existing assets, thus contributing to the economic activity.

Thanks to the company's high funding capacity, Aklease continued to provide customers with long-term facilities at competitive rates. The company secures funds for customer from domestic and overseas banks, international financial institutions, money and capital markets, in particular for renewable energy and energy efficiency projects.

As a demonstration of confidence in the leasing sector and the future of Turkey's economy, Aklease boosted its paid-in capital to TL 248.4 million with a TL 60 million increase in April 2015.

Maintaining steady growth in 2015, Aklease's net leasing receivables rose to TL 4 billion in 2014, up 6% compared to year-end 2014. Meanwhile, net profit jumped 18% year-on-year while shareholders' equity went up to TL 690 million. Aklease secured its position among the leading companies in the leasing market in terms of capital, return on equity (ROE) and asset quality.

By capitalizing on its strong partners, solid capital base, high funding capability and the power of the company's expert human resources, Aklease plans to continue fueling investment growth in the real sector and the services industry in 2016, and helping build Turkey's future.

AkInvestment

Founded in 1996 to engage in capital markets activities in accordance with the provisions of the Capital Market Law and other applicable legislation, AkInvestment is a wholly-owned subsidiary of Akbank. Following the initiatives undertaken in compliance with new communiqués, AkInvestment was authorized as an "Intermediary Company with Broad Authority" by the Capital Markets Board (CMB) as of October 15, 2015.

With its expert and well-experienced staff, comprehensive in-depth research reports and customer oriented service approach, AkInvestment provides services for individual and corporate investors. Operating in international and domestic capital markets, AkInvestment serves individual investors at 11 branch locations in six cities with central sales teams using an innovative, all-inclusive approach. AkInvestment provides capital markets products and services to domestic and foreign institutional clients via its Domestic Sales, Corporate Sales and Trading Departments.

AkInvestment Research Department conducts analyses of international and domestic political, economic and sector developments, provides in-depth insight and aims to guide foreign and Turkish corporate and individual investors in their investment decisions in a timely and dynamic manner. As part of its research activities, in addition to macroeconomic and strategic analyses targeted at international and domestic markets, the Research Department offers value-added products based on basic and quantitative analysis for equities,

interest rates, foreign currency exchange and commodity markets. AkInvestment Research Department was named the "Best Research Department" in Extel Surveys 2015 with votes from global institutional investors reviewing 33 national and international intermediary companies providing research services focused on Turkey.

In 2015, AkInvestment maintained its leadership position in the sector with a 27% share in private sector debt securities issues, excluding issuances by the bank industry and subsidiaries. During the year, AkInvestment brokered funding worth TL 1.8 billion with 37 issues for 14 different companies outside the banking sector. Based on all transactions and brokerage institutions, AkInvestment has the highest transaction volume on the Debt Securities/Outright Purchases and Sales Market organized under Borsa Istanbul.

Having conducted its first issue in September 2015 and capable of pricing personal market guidance for qualified investors and all strategies directed at base assets, AkInvestment is the leading institution in the sector in structured debt instruments. In addition, in 2015 AkInvestment carried out 18 AkInvestment Structured Debt Securities transactions totaling TL 23.4 million and AkInvestment bond issues amounting to TL 50 million.

With its staff of specialists, AkInvestment's Corporate Finance Department provides advisory and brokerage services to institutions in public offerings and debt security issues, advisory services on the buy-side or the sell-side in mergers, acquisitions and partnerships, and privatization transactions.

SUBSIDIARIES

AKASSET MANAGEMENT IS THE MARKET LEADER IN THE TURKISH PENSION INVESTMENT FUND MANAGEMENT SECTOR WITH A MARKET SHARE OF 21%.

With its expert staff, AkInvestment offers an array of investment opportunities in various risk and asset classes, from leveraged forex markets and futures and options contracts to international equities and equity mutual funds, for investors 24 hours a day, five days a week. With the company's "TradeAll" electronic trading platform, investors deliver instructions and transfer their transactions on BIST and international markets to related markets in a reliable, easy and swift way. With Meta Trader4, the world's most common FX electronic trading platform, added to Trade All brand, AkInvestment moved a further step ahead of the competition.

Having started operations in 2015, the Investment Advisory Department works to establish long-term, multifaceted relationships between AkInvestment and clients, by providing high-quality, world-class advisory and brokerage services for corporate and retail customers in domestic and international capital market products. Comprised of experienced CMBlicensed specialists, the Investment Advisory team combines the synergy created with the strong research team with an extensive product range to provide investment advisory services that respond to customer expectations and their risk/return profiles determined after eligibility and suitability tests are conducted.

AKAsset Management

Established in 2000 to provide asset management services in capital markets to institutional and individual investors, AKAsset Management is a wholly-owned subsidiary of Akbank. AKAsset Management conducts operations in three core business lines: pension fund management, discretionary portfolio management and mutual funds. AKAsset Management is the market leader in pension fund management and the sector leader in total assets managed outside liquid investment funds.

Pursuant to legal and regulatory requirements instituted by the Capital Markets Board in 2015, AKAsset Management took over the management of 27 mutual funds previously launched by Akbank. It also established seven Capital Protected Investment Funds and two Asset Ideas Fund Basket Funds; the company manages and directs these funds. AKAsset Management also manages 22 Pension Investment Funds for AvivaSA Pension and Life Insurance Company; 12 Pension Investment Funds for Groupama Pension Company; one Pension Investment Fund for Allianz Life Insurance and Pension Company; two Akbank SICAV funds; and one capital market fund launched by Sompo Japan. AKAsset Management also started delivering broad asset management services in 2015, in addition to providing discretionary portfolio management services for large individual and large institutional investors, tailored to their financial expectations and risk profiles.

Total assets under management rose from TL 13.2 billion at end-2014 to TL 15.6 billion at end-2015, up 18% for the year. AKAsset Management ranked second in the Turkish asset management industry in terms of assets under management (AUM). Total AUM of the mutual fund portfolios managed by AKAsset Management stood at TL 2.86 billion as of year's end 2015, with a market share of 7.6%.

AKAsset Management is the market leader in the Turkish pension investment fund management sector in terms of AUM with a market share of 21.0%. The 35 pension funds managed by the company continued to grow steadily, totaling TL 10.1 billion as of year's end 2015. Established in 2006 and growing rapidly, Akbank's Discretionary Portfolio Management business line reported TL 2.2 billion AUM as of year-end 2015. In its asset management processes, the company pursues an investment strategy that focuses on liquidity and asset diversification while prioritizing risk management based on predefined rules.

Under the Akbank's Discretionary Portfolio Management services in 2015, the company launched Discretionary Funds, which were formed closed-ended specific to asset diversification and family/company or product. With the closed-end funds amounting to TL 130 million as of year-end 2015, the company was well positioned in an area where fund management sector has started to quickly develop.

AKAsset Management maintained its leadership position with respect to product range and investment universe made available to clients. The company offers a wide universe of investments - ranging from gold, commodities and lease certificates to private sector funds that invest in various world regions and in varying styles in the world, and corporate bonds. AKAsset Management also develops and manages investment management products, including "Portfolio Ideas," which aims to help investors at various profiles direct their savings. In addition, investor risk profiling tests and asset distribution recommendations proposed to customers help form the foundation of Akbank Wealth Management.

AKAsset Management provides support to raise awareness among AvivaSA customers on investment products and markets, with asset distribution proposals, monthly investment reports and informational videos, such as AvivaSA BES TV, for pension fund participants.

AKAsset Management was honored with the "Best Pension Fund Management" and "Most Innovative Asset Management Company" designations at the Global Finance and Review Awards in 2015. These awards recognized the company's success in world-class risk management, investment processes, new product development and sustainable performance criteria.

Akbank Dubai

In operation since 2010, Akbank Dubai Ltd. is the first Turkish bank established in the Dubai International Financial Centre. Akbank Dubai provides financial services - primarily international banking and corporate finance - to customers in Gulf countries as well as other markets in Turkey's surrounding region.

Maintaining close relations with all leading banks in the region with respect to foreign borrowing and international banking, Akbank Dubai assumed a significant role in securing funding resources to be deployed in Turkey in 2015. In addition, Akbank Dubai helps Turkish companies that want to do business in the region obtain letters of credit and letters of guarantee. Guiding the region's investors to invest in Turkey, Akbank Dubai Ltd.'s Corporate Finance Unit establishes relationships with Turkish companies and provides intermediation and advisory services for mergers and acquisitions. In 2015, the company brokered a prestigious acquisition transaction in the education sector. The transaction is one of the rare, direct foreign investments in the education field in Turkey.

Akbank Dubai stays in close contact with investments banks, other institutional investors, companies and family businesses in the GCC (Gulf Cooperation Council) region that are interested in investing in Turkish assets (stocks and others). It also helps the Bank's subsidiaries and units operate in these areas and generates more customers/funds from the GCC region.

Akbank Dubai Ltd. addresses customer needs in the region with superior professional service standards while contributing to the development of economic cooperation and dialogue between Turkey and countries in the Gulf. Akbank Dubai's mission is to become the most preferred leading Turkish bank in the region, based on the deep experience and know-how of the bank's seasoned management team, in its business areas.

AKBANK ART CENTER

AKBANK ART CENTER HAS PLAYED A PIONEERING ROLE IN FOSTERING CONTEMPORARY ART WITH DIVERSE EVENTS FOR THE LAST 22 YEARS.

Celebrating its 22nd anniversary in 2015, Akbank Art Center was established in 1993 in order to brand the innovative and visionary identity Akbank pursues in arts.

Having sponsored over 700 events throughout the year, the center has carried on its role as a pioneer in the development of contemporary art in Turkey and in its delivery to every segment of the society.

Akbank Art Center continued its events in various branches of arts ranging from exhibitions to concerts, from theatrical plays to films, from dance to children's workshops.

Akbank Art Center hosted a number of major exhibitions during 2015. These included:

The "Histories of Post-Digital" exhibition with 1960s and 1970s Media Art Snapshots, in the first two months of 2015; the "Percussive Hunter" exhibit of the Dutch curator Niekolaas Johannes Lekkerkerk, the winner of the International Curator Competition 2014; Akbank Contemporary Artists Award exhibition organized to support and encourage young, talented artists; and the "Louise Bourgeois: Larger than life" exhibition of one of the most prominent female artists of the 20th century, Louise Bourgeois.

Many Turkish and international artists have performed concerts as part of "Piano Days," "Akbank Art World Music Days," "Jazz Days" and "Akbank Art Masters and Students" in the Multi-Purpose Hall, a popular venue for performing arts audiences. In addition, acclaimed authors, poets, actors and actresses from the literary and art worlds came together with art enthusiasts during panel discussions and conversations held in the Multi-Purpose Hall during the year.

Akbank Art Center's Dance Workshop recorded many international achievements, organized workshops with internationally acclaimed choreographers and dance instructors, and continued dance lessons for both children and adults throughout 2015. Celebrating its 43rd anniversary in 2015, Akbank Children's Theatre staged, "Family Tree," a new, widely popular play that raises awareness of the importance of savings among children. This play was performed for thousands of children four times at Gaziantep State Theatre as part of the 6th Gaziantep Children's Festival.

"Photography Today," a book authored by Mark Durden, was published during the 21st anniversary year of Akbank Art Center. Narrating the story of which new dimensions were added to the historical journey of photography in the 21st century, what they mean, their reasons and conditions, "Photography Today" offers unique perspectives on the art of photography while providing an allaround pleasant reading experience. In 2015, Akbank Jazz Festival
 took pride in celebrating its 25th anniversary. The Festival included 55 concerts, four panel discussions, 13 workshops at 16 different locations and hosted about 200 musicians. Some 25,000 jazz enthusiasts attended the Festival's concerts and other events over the 11 day program.

In 2015, Akbank Jazz Festival took pride in celebrating its 25th anniversary. The Festival included 55 concerts, four panel discussions, 13 workshops at 16 different locations and hosted about 200 musicians. Some 25.000 jazz enthusiasts attended the Festival's concerts and other events over the 11 day program. Akbank Art carried out a new project that combined music and art exclusively for the 25th year of the Festival. A retrospective viewpoint, with an artistic insight, was presented to the Festival's 25 year history with the "25 Years of Akbank Jazz Festival with Illustrations" project, which was prepared by nine of the country's best illustration artists. In addition, an exclusive CD and record have been prepared to commemorate the 25th year of Akbank Jazz Festival. This year at the 25th Akbank Jazz Festival, youngsters also became involved with the voluntary initiatives, which Akbank has carried out for years with its own employees, as part of Akbank's corporate social responsibility efforts. Some 400 university students who volunteer at the "Şehrin İyi Hali" projects had the opportunity to attend a Belle & Sebastian concert performed on October 30 at Volkswagen Arena seated in the front row, which was reserved especially for them.

The 25th Akbank Jazz Festival continued its Jazz on Campus concerts in 2015. One of the most admired names in Turkish jazz, Elif Çağlar, brought the music's vigor and excitement together with young adults from universities at Jazz on Campus concerts held in Çanakkale, Izmir, Eskişehir, Gaziantep, Adana, Kayseri and Ankara on November 4-13. The 11th Akbank Short Film Festival, which is a prominent platform for short films in Turkey that strives to support new ideas and contributes to short film culture, presented cinema enthusiasts with the opportunity to enjoy important films shown in international festivals through workshops and conversations during a 10-day festival.

Contemporary Istanbul 2015 was held under the sponsorship of Akbank Art. Akbank Art hosted the "There Never Was - There Always Has Been" photography exhibition of world famous Spanish photographer Pablo Genovés.



Heinz Mack, The Sky Over Nine Columns, 2012-2014



BOARD OF DIRECTORS

Suzan Sabancı Dinçer CBE

Chairman and Executive Board Member

Suzan Sabancı Dincer is the Chairman and Executive Board Member of Akbank, Ms. Sabanci Dincer is also a board member of Sabancı Holding. Ms. Sabancı Dinçer began her career in banking in 1986 and joined Akbank in 1989. Suzan Sabancı Dincer is a member of the Institute of International Finance Board of Directors and Emerging Markets Advisory Board, Harvard University's Global Advisory Council. Harvard Business School's Global Leaders Circle, and Harvard Business School's Middle East, North Africa, and Central Asia Advisory Board (MCAB). Ms. Sabancı Dinçer founded Akbank's International Advisorv Board, a platform to discuss and evaluate global and local economic developments and their strategic implications for Turkey. She also sits on the Chatham House Panel of Senior Advisors. From 2010 to 2014. Ms. Sabancı Dincer served as the Chairman of the Turkish-British Business Council for two terms. In 2012, Her Majesty Queen Elizabeth II awarded Suzan Sabancı Dincer the title of "Commander of the Most Excellent Order of the British Empire (CBE)" in recognition of her proactive and influential contributions to the development of Turkey-UK relations. In 2014, Suzan Sabancı Dinçer was presented with the Order of Civil Merit (Orden del Mérito Civil) of the Kingdom of Spain by King Felipe VI of Spain for her contributions to the relations between the two countries and for her efforts to advance

cultural convergence. Ms. Sabanci Dincer is on the Board of Directors of the Global Relations Forum and a TÜSİAD (Turkish Industry and Business Association) member. She is also the Luxembourg Honorary Consul in Istanbul. Suzan Sabancı Dincer is strongly committed to social responsibility activities and assumes various positions in the fields of culture. education. the promotion of entrepreneurship and environmental protection: she is a member of the Board of Trustees of Sabancı University, as well as a founding member and board member of Endeavor Turkey and of the Advisory Board of Akbank Sanat and Member of the Honorary Committee of Contemporary Istanbul. Under her stewardship, Akbank became the first deposit bank in Turkey to issue a GRI (Global Reporting Initiative) rated Sustainability Report. It also pioneered the Carbon Disclosure Project in Turkey. Suzan Sabancı Dincer holds a BA in Finance from Richmond College in the UK and an MBA from Boston University in the USA. Ms. Sabancı Dincer is married with two children.

Erol Sabancı

Honorary Chairman and Consultant to the Board Member

Having served as a member of the Akbank Board of Directors since 1967, for a decade beginning from March 1998 Erol Sabancı served as the Chairman of the Board of Directors. Elected Honorary Chairman and Consultant to the Board on March 28, 2008, Erol Sabancı also serves as Vice Chairman of the Board of Directors of Sabancı Holding.

Hayri Çulhacı

Vice Chairman and Executive Board Member

Hayri Çulhacı was elected as Vice Chairman in 2010 and was appointed Chairman of the Audit Committee and Executive Risk Committee in 2011. Having joined Akbank as an Executive Vice President in 1990, Mr. Çulhacı was consecutively appointed as Executive Vice President in charge of Corporate Communications, Investor Relations and Strategy; as Advisor to the Chairman; and as Executive Board Member. Prior to joining Akbank, Hayri Çulhacı worked as Financial Analyst and Department Head in the Ministry of Finance. Mr. Çulhacı holds a BA degree in Economics from Ankara University, Faculty of Political Sciences and an MBA degree from Northeastern University in the USA. Hayri Çulhacı is a member of the Board of Trustees of Sabancı Foundation, a Board Member of Aksigorta A.Ş., and AvivaSA A.Ş.

Cem Mengi

Executive Board Member

Cem Mengi was elected as Executive Board Member in charge of Credits as of February 2014. Prior his appointment, during his career Mr. Mengi has successfully served in different private banks as Executive Vice President and Assistant CEO. He joined Akbank in 2001 as Senior Vice President in charge of Corporate Banking and Project Finance. Later, between 2008-2011, he served the Bank as Executive Vice President in charge of Corporate Banking and Project Finance. Cem Mengi achieved 'A levels' in Mathematics and Physics in the UK and graduated from International University with a bachelor's degree in Management Information Systems, Faculty of Management and Administration.

Yaman Törüner Board Member

Yaman Törüner became a member of the Board of Directors in March 1998. Having served as a Member of Parliament between 1995 and 1999, Yaman Törüner also served as a Minister of State in 1996. Between 1990 and 1994, Yaman Törüner served as the President of the Istanbul Stock Exchange and from 1972 until 1990 he worked in various administrative positions within the Central Bank of Turkey, also serving as the Governor of the Central Bank of Turkey between February 1994 and January 1996. Yaman Törüner is an op-ed columnist for the Milliyet daily.

Aykut Demiray

Board Member

Aykut Demiray joined Akbank as a Member of the Board of Directors on March, 2012. Aykut Demiray began his career in 1979 at T. Isbank as an Assistant Internal Auditor and undertook various duties in several units and branches, finally serving as Deputy Chief Executive between 1998 and 2011. A graduate of the Business Administration Department of the Faculty of Administrative Sciences from Middle East Technical University, Aykut Demiray is a Member of the Board of Trustees at Istanbul Culture University.

Aydın Günter

Board Member

Aydın Günter was appointed to the Board of Directors on March 27, 2014. Mr. Günter served at Sabancı Holding and held various positions, including Executive Vice President in charge of Financial Control and Finance from 1974 to 1994. In 1994, he founded his own consulting firm and served as a Member of the Board of Directors in various companies beginning from 1998. Prior to joining the Sabancı Group, Aydın Günter worked at the Ministry of Finance as a Tax Inspector. Aydın Gunter is a graduate of Ankara University, Faculty of Political Sciences.

Emre Derman Board Member

Emre Derman became a member of the Board of Directors in March 2015. Mr. Derman has led numerous large cross-border transactions in Turkey as a lawyer and an executive partner with the international law firm White & Case between 1989 and 2008. In addition to his work in Turkey he has worked in the New York and London offices of the firm and also in former Soviet Union and Eastern European countries during his term as a lawyer in financing transactions for the EBRD in 1994 to 1995. A former board member of Akbank in 2010. Mr. Derman has served as a Managing Director and the Senior Country Officer of JP Morgan in Turkey between 2011 and 2014. He is a member of various organizations relating to education and yacht racing and serves as a freelance consultant. Mr. Derman holds an LL.B. from Istanbul University Law School and an LL.M. from Harvard Law School.

Can Paker

Board Member

Can Paker became a member of the Board of Directors in March 2015. He received his master's degree from Berlin Technical University and continued his education at Yıldız Technical University to receive his Ph.D. in mechanical engineering and at Columbia University for his MBA (1973). Starting his professional career at Turk Henkel in 1971, he held various senior positions in the company, and served as the General Manager (from 1984) and President of the Board of Directors until 2004. Mr. Paker held positions on the boards of several private companies and civil society organizations such as Sabanci Holding, Sabanci University, Turkish Industrialists' and Businessmen's Association (TÜSİAD). Istanbul Culture and Arts Foundation (İKSV), The Open Society Foundation in Turkey and Robert College. He served as the Chairman of TESEV (Turkish Economic and Social Studies Foundation) between 1997 and 2015. He is currently the founding and managing partner of B.O.Y. Consulting and a founding member of PODEM (Center for Public Policy and Democracy Studies), an Istanbul based think tank established in 2015.

Hakan Binbaşgil

Board Member and CEO

Hakan Binbasgil joined Akbank as the Executive Vice President in charge of Change Management in October 2002. He initiated the Bank's "Restructuring Program" which has transformed Akbank into one of Turkey's most customer-focused. modern and innovative financial institutions. Hakan Binbaşqil was appointed Executive Vice President in charge of Retail Banking in November 2003, Deputy CEO in May 2008, and since January 2012 as Board Member and Chief Executive Officer of the Bank. Prior to joining Akbank, Binbaşgil worked as a Management Consultant in the London and Istanbul offices of Accenture, and as Executive Vice President in a different private sector bank. Mr. Binbaşqil also served on the boards of directors of numerous companies domestically and abroad. After graduating from Robert College, Hakan Binbaşgil graduated from Bosphorus University, Faculty of Mechanical Engineering. Mr. Binbaşqil also holds MBA and MS degrees in Finance from Louisiana State University-Baton Rouge, USA.

ADVISOR AND BOARD OF INTERNAL AUDITORS

Advisor

Josef Ackermann

Advisor to the Chairman

Josef Ackermann has been the Chairman of the Board of Directors of Zurich Insurance Group since March 2012. Prior to his position as Chairman, he served as Vice-Chairman for two years. After obtaining his doctorate in 1977, he joined Schweizerische Kreditanstalt (SKA). In 1990, he was appointed to the Board of Directors of SKA, becoming its Chairman in 1993. In 1996, Mr. Ackermann joined the Management Board of Deutsche Bank AG; in 2002, he became the Spokesman of the Management Board and Chairman of the Group Executive Committee and between February 2006 and May 2012 he was the Chairman of the Management Board. Mr. Ackermann is a Member of the Supervisory Board of Siemens AG, Germany (Second Deputy Chairman), a Member of the Board of Directors of Royal Dutch Shell, the Netherlands and of Investor AB. Sweden, as well as Vice-Chairman of the Board of Directors of Belenos Clean Power Holding Ltd, Biel. He also plays an active role in the World Economic Forum (Co-Chairman of the Foundation Board). St. Gallen Foundation for International Studies (Chairman), the Foundation Lindau Nobel Laureate Meetings at Lake Constance (Honorary Senate Member) and the Metropolitan Opera New York (Advisory Director). In 2007, Mr. Ackermann accepted an appointment as visiting professor in finance at the London School of Economics. In July 2008, he was appointed as Honorary Professor at Frankfurt's Johann Wolfgang Goethe University. Furthermore, he is an Honorary Fellow of the London Business School and holds an Honorary Doctorate from the Democritus University of Thrace in Greece. Mr. Ackermann studied economics and social sciences at the University of St. Gallen and received his Ph.D. in 1977.

Board of Internal Auditors

Eyüp Engin

Head of Internal Audit

Eyüp Engin joined Akbank in 1978 as an Assistant Internal Auditor. Following his auditing assignment, Eyüp Engin served as Department Head in Treasury, International Banking and Overseas Financial Institutions. He was appointed as the Executive Vice President in charge of International Banking in 1996. Subsequently, Mr. Engin served as Executive Vice President in charge of International Banking and Overseas Financial Institutions Marketing. Eyüp Engin was appointed to his current position of Head of Internal Audit in July 2007. He is a graduate of Middle East Technical University, Faculty of Economics and Business Administration.

INTERNATIONAL ADVISORY BOARD

Suzan Sabancı Dinçer Chairman

Josef Ackermann Member

Hamid Biglari

Member

Hamid Biglari is former Vice-Chairman and Head of Emerging Markets at Citigroup. He was a member of Citigroup's Operating Committee and held various senior management roles throughout his tenure at the institution, including Chair of the Business Development Committee (the most senior client committee in the bank) and Chief Operating Officer of the Institutional Client Group (the investment and corporate banking arm of the bank).

Prior to joining Citigroup, Dr. Biglari was a Partner at McKinsey & Company, where he co-led the firm's investment banking consulting practice. In that role, he advised CEOs at several bulge-bracket investment banks, commercial banks, insurance companies, investment management companies, and private equity firms. His experience base spans the entire spectrum of financial services.

Prior to that, Dr. Biglari was a theoretical nuclear physicist at Princeton University's Plasma Physics Laboratory, the nation's leading center for controlled thermonuclear fusion research. He is a member of the Council on Foreign Relations as well as a Trustee of Asia Society. He also sits on the Advisory Board of the Bendheim Center for Finance at Princeton University.

In 2009, Dr. Biglari was awarded the Ellis Island Medal of Honor, given for outstanding contributions to the United States by immigrants. Dr. Biglari holds a Ph.D. degree in Astrophysical Sciences from Princeton University.

Sir Winfried Bischoff Member

After serving as the Chairman of the Board of Directors of Citigroup from December 2007 until February 2009, Sir Winfried Bischoff has served as the Chairman of the Board of Directors of Lloyds Banking Group since September 2009. Following his tenure at Schroders Group as an executive, he was appointed Chairman of the Board of Directors of Schroders in May 1995; with the acquisition of Schroders' Investment Banking division by Citigroup, Sir Winfried Bischoff became the Chairman of the Board of Directors of Citigroup Europe in April 2000. Sir Winfried Bischoff served as a member of the Akbank Board of Directors from January 2007 until February 2008. Sir Winfried is currently a member of the Board of Directors of Eli Lilly and McGraw-Hill in the United States and

Prudential in the United Kingdom as well as the Chairman of the Board of Directors of the UK Career Academy Foundation. Sir Winfried Bischoff continues to serve as the Chairman of the European Advisory Board of Citigroup Inc. Sir Winfried entered the Honor List and was knighted in 2000 for his contributions to the banking industry.

Kemal Derviş Member

Serving as a member of the International Board of Overseers of Sabancı University and Advisor to the Istanbul Policy Center of Sabancı University, Kemal Derviş also conducts research as Vice President in the fields of global economics and global development at the Brookings Institution. Kemal Dervis was a Vice President at the World Bank, where he served for 22 years from 1996 to 2001 and the Executive Head of the United Nations Development Programme (UNDP) from August 2005 until March 2009. Mr. Dervis served as the Minister of Economics between 2001 and 2002 and prepared the restructuring program after the financial crisis that hit Turkey in February 2001. Kemal Dervis earned his bachelors and masters degrees in economics from the London School of Economics in the UK and completed his Ph.D. in Economics at Princeton University in the US.

INTERNATIONAL ADVISORY BOARD

Stephen K. Green Member

Stephen Green was educated at Lancing College, Sussex, and at Oxford University where he graduated in 1969 with a BA (First Class Honours) in Politics. Philosophy and Economics. He also obtained a Master's degree in Political Science from the Massachusetts Institute of Technology in 1975. He was made a Life Peer in 2010 and was appointed Minister of State for Trade and Investment in January 2011. He retired from this position in December 2013. Lord Green began his career in 1970 with the British Government's Ministry of Overseas Development. In 1977, he joined McKinsey & Co Inc., management consultants, with whom he undertook assignments in Europe, North America and the Middle East. He joined The Hong Kong and Shanghai Banking Corporation in 1982 with responsibility for corporate planning activities; in 1985 was put in charge of the development of the bank's global treasury operations. In 1992, he became Group Treasurer of HSBC Holdings plc with responsibility for the HSBC Group's treasury and capital markets businesses globally. In 1998, he was appointed to the Board of HSBC Holdings plc as an Executive Director. He became Group Chief Executive in 2003 and Group Chairman 2006. He retired from HSBC in December 2010. Lord Green was Chairman of the British Bankers' Association from 2006 to 2010. He also served as a Trustee of the British

Museum. He served as a nonexecutive director of BASF.se until 2010. He is Chairman of the Natural History Museum, Chairman of the International Advisory Council of the British Chambers of Commerce and is a member of the House of Lords EU Select Committee. Stephen Green is married with two daughters.

Gao Jian

Member

Member of the CPC China Development Bank Committee and vice governor of China Development Bank since July 2003, Gao Jian graduated with a Doctorate's degree in Finance from the Institute of Financial Sciences of the Ministry of Finance of China. He successively held the posts of Vice Director of the Department of Laws and Regulations, Vice Director of the Department of State Debt Administration, Director of the Department of State Debt Administration and Director of the Department of Laws and Regulations of the Ministry of Finance between September 1990 and October 1998; assumed the post of Chief Economist, Director General of Treasury Department and concurrently Chief Representative of the Hong Kong Office of China Development Bank in October 1998; was appointed member of the CPC China Development Bank Committee, Assistant to the Governor and concurrently Director General of the Treasury Department and Chief Representative of the Hong Kong Office of China Development Bank in April 2001.

Michael Klein Member

Michael Klein is the Managing Partner of M. Klein and Company, LLC, which is a leading independent financial and strategic advisor to companies, investors, and governments. Mr. Klein was previously the Chairman of Citi's Institutional Clients Group and Vice Chairman of Citi, Inc. In that capacity, Mr. Klein was responsible for managing the Bank's relationships with leading companies, investment funds, and governments in more than 100 countries. Prior to that time Mr. Klein held a number of positions at Citigroup and Salomon Smith Barney including Head of Investment Banking. Mr. Klein led the efforts to build Citigroup's European businesses including the acquisition of the Investment Bank Schroder's PLC. He was also the founder of the firm's efforts advising and raising funds for private equity and other alternative investment firms. Mr. Klein is a member of various boards including: the Board of The Dow Chemical Company Agrosciences, IHS Inc., the Peterson Institute for International Economics, the American Academy of Berlin, Mount Sinai Medical Center and the Harvard Belfer Center. He is also an inaugural member of the United Nations' World Food Programme Investment Advisory Board. Mr. Klein has served as a quest lecturer at Columbia, Harvard, London Business School, St. Petersburg University and at various educational programs arranged by the US Government, including the Federal Reserve and the Securities and Exchange Commission.

Lubna Olayan Member

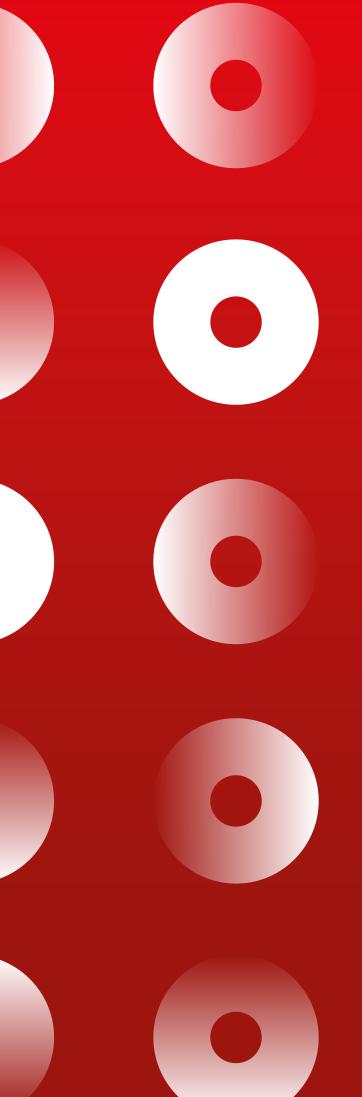
Lubna Olayan is the Deputy Chairman and Chief Executive Officer of the Olayan Financing Company, a subsidiary of the Olayan Group, which operates in Saudi Arabia and the Middle East. Ms. Olayan is also a member of the Board of Directors of Saudi Hollandi Bank, a publicly listed company in Saudi Arabia, and has been a member of the Board of Directors of WPP since March 2005. Lubna Olayan is a member of the International Advisory Board of the Council on Foreign Relations, a member of the Board of Directors of INSEAD and serves on the Board of Trustees of Cornell University and KAUST (King Abdullah University of Science and Technology). In October 2006, Ms. Olayan joined the International Advisory Board of Rolls Royce.

Hayri Çulhacı Member

Cem Mengi Member

Hakan Binbaşgil

Member



EXECUTIVE MANAGEMENT











EXECUTIVE MANAGEMENT

TOP ROW, FROM LEFT TO RIGHT:

1. MERT ERDOĞMUŞ Akinvestment General Manager

2. ORKUN OGUZ Executive Vice President - Direct Banking

3. AHMET FUAT AYLA Executive Vice President - Credits

4. TURGUT GÜNEY Executive Vice President - Technology & Operations 5. BURCU CIVELEK YÜCE Executive Vice President - Human Resources and Strategy

6. KERİM ROTA Executive Vice President - Treasury

7. K. ATIL ÖZUS Executive Vice President - CFO

3. BANU ÖZCAN Akbank AG Chairman of the Managing Board & CEO

BOTTOM ROW, FROM LEFT TO RIGHT:

9. ALP KELER AKAsset Management General Manager

10. KAAN GÜR Executive Vice President - Commercial Banking

11. EGE GÜLTEKİN Executive Vice President - Credit Monitoring and Collection

12. ARIF ISFENDIYAROĞLU Executive Vice President - Consumer and Private Banking 13. HAKAN BİNBAŞGİL Board Member and CEO

14. BÜLENT OĞUZ Executive Vice President - SME Banking

15. LEVENT ÇELEBİOĞLU Executive Vice President - Corporate and Investment Banking

16. ŞENOL ALTUNDAŞ Aklease General Manager

EXECUTIVE MANAGEMENT

Hakan Binbaşgil

Board Member and CEO Hakan Binbaşgil joined Akbank as the Executive Vice President in charge of Change Management in October 2002. He initiated the Bank's "Restructuring Program" which has transformed Akbank into one of Turkey's most customer-focused, modern and innovative financial institutions. Hakan Binbasgil was appointed Executive Vice President in charge of Retail Banking in November 2003, Deputy CEO in May 2008, and since January 2012 as Board Member and Chief Executive Officer of the Bank. Prior to joining Akbank, Mr. Binbaşgil worked as a Management Consultant in the London and Istanbul offices of Accenture, and as Executive Vice President in a different private sector bank. Mr. Binbaşqil also served on the boards of directors of numerous companies domestically and abroad. After graduating from Robert College, Hakan Binbaşgil graduated from Bosphorus University, Faculty of Mechanical Engineering. Mr. Binbaşqil also holds MBA and MS degrees in Finance from Louisiana State University-Baton Rouge, USA.

Ahmet Fuat Ayla

Executive Vice President - Credit Allocation

Ahmet Fuat Ayla joined Akbank as Corporate Branch Manager in 2002, became the Senior Vice President in charge of the Corporate and Commercial Credits Approval Unit in 2005 and was appointed as Executive Vice President in charge of Corporate and Commercial Credits Approval in 2007. Ahmet Fuat Ayla currently serves as Executive Vice President in charge of the Approval of Consumer, Corporate, Commercial and SME Loans. Ahmet Fuat Ayla serves as Vice Chairman of the Board of Directors at AKAsset Management. as well as Member on the Board of Directors of Akbank AG and AkInvestment. Before joining Akbank, Ahmet Fuat Ayla held various senior management positions at different private sector banks. Ahmet Fuat Ayla is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration

K. Atıl Özus

Executive Vice President - CFO Atıl Özus joined Akbank in November 2000 as Vice President of Financial Control and Risk Management, and later became Senior Vice President. In December 2007, he was appointed as Executive Vice President (CFO) in charge of Financial Coordination. Before joining Akbank, Atıl Özus served as an Audit Manager at Ernst&Young. A graduate of Boğaziçi University, Department of Business Administration, Atıl Özus is a Board Member at AKAsset Management, Aklease and Akbank AG.

Kerim Rota

Executive Vice President - Treasury Kerim Rota joined Akbank in November 2010 as Executive Vice President in charge of Treasury. Mr. Rota is also the Chairman of AKAsset Management, Vice Chairman of Akbank AG and a Member on the Board of Directors of Akbank (Dubai) Limited and AKLease. Before joining Akbank, Kerim Rota served as Executive Vice President at various different private sector banks. Kerim Rota is a graduate of Gazi University, Faculty of Engineering. Mr. Rota also holds a Master's degree in Business Administration from Bilgi University.

Kaan Gür

Executive Vice President -Commercial Banking

Kaan Gür joined Akbank as Executive Vice President in charge of Commercial and SME Banking in January 2011. Mr. Gür is also the Chairman of Aklease and Vice Chairman of Aklnvestment. Prior to joining Akbank, he held various senior management positions at different private sector banks. A graduate of Gazi University, Department of Banking and Insurance.

Turgut Güney

Executive Vice President -Technology and Operations

Turgut Güney joined Akbank in October 2011 as Executive Vice President in charge of Technology and Operation. Prior to joining Akbank, Güney served as a senior advisor at Computer Task Group and Oracle Consulting in the US and held various senior management positions at different banks, locally. Turgut Güney is a graduate of Hacettepe University, Department of Computer Engineering and holds a Master's degree from Southern Illinois University, Faculty of Engineering, Department of Computer Science.

Orkun Oğuz

Executive Vice President - Direct Banking

Orkun Oğuz joined Akbank as Executive Vice President in charge of Direct Banking and CRM in January 2013. Oğuz is also a Member on the Board of Directors of Akbank AG and AKInvestment,. Oğuz began his career working as a Marketing Analyst at FedEx in the United States and later served for many years as a Managing Partner at Peppers & Rogers Group, serving as Chief Executive Officer first of the EMEA region and finally of the US office and providing consultancy on Banking and Financial Services. Oğuz is a graduate of Boğaziçi University, Department of Mechanical Engineering and holds an MBA degree in Management from the University of Georgia, USA.

Bülent Oğuz Executive Vice President - SME Banking

Bülent Oğuz joined Akbank as a Manager on March 2003. He served as Vice President and Senior Vice President of SME and Consumer Banking respectively. Oğuz was appointed as Executive Vice President in charge of SME Banking in July 2013. Before joining Akbank, Oğuz held various managerial positions at Corporate Banking and Loans divisions at different private sector banks. Oğuz is a graduate of Middle East Technical University, Political Science and Public Administration and holds an Executive MBA degree from Sabancı University.

Burcu Civelek Yüce

Executive Vice President - Human Resources and Strategy

Burcu Civelek Yüce joined Akbank in 2006 and most recently served as Senior Vice President of Strategic Management. She was appointed Executive Vice President in charge of Human Resources and Strategy in May 2014. Her areas of responsibility cover human resources, strategic management and branch channel development. Prior to joining Akbank, she worked at international consulting and technology companies. Burcu Civelek Yüce has a B.Sc. degree in Industrial Engineering and an MBA degree from Boğaziçi University both first in rank. She also participated in courses in Harvard Business School and Koç University.

Ege Gültekin

Executive Vice President - Credit Monitoring and Follow Up Ege Gültekin joined Akbank in February 2015 as Executive Vice President in charge of Credit Monitoring and Follow Up of Consumer, Corporate, Commercial and SME Loans. Before joining Akbank, Ege Gültekin held various senior management positions at different banks and asset management companies. Ege Gültekin is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences and holds a Master's degree from Johns Hopkins University, Faculty of Engineering, Department of Information and Telecommunication Systems.

Arif İsfendiyaroğlu

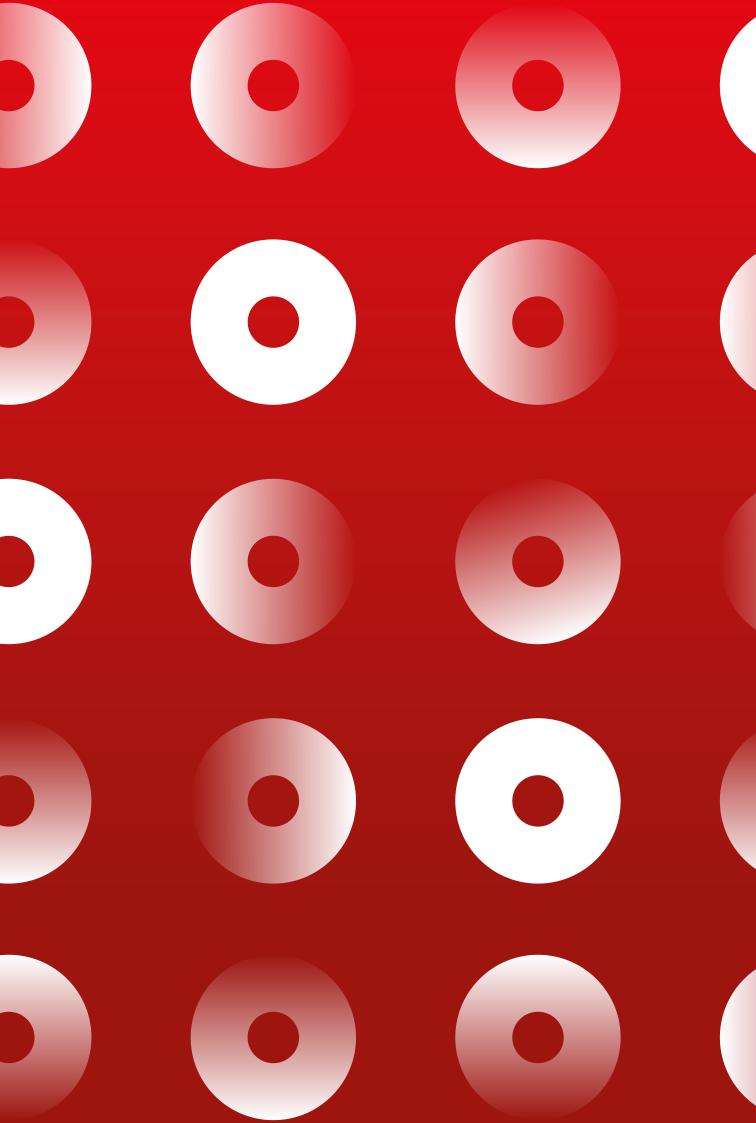
Executive Vice President -Consumer and Private Banking

Arif İsfendiyaroğlu joined Akbank in March, 2015 as Executive Vice President in charge of Consumer Banking and Payment Systems. Prior to joining Akbank, he held various senior management positions at different private sector banks. A graduate of Istanbul Technical University, Mechanical Engineering Faculty, Department of Textile Engineering, Arif Isfendiyaroğlu also holds a Master's degree in Business Administration from Bilgi University.

Levent Çelebioğlu

Executive Vice President -Corporate and Investment Banking

Levent Celebioğlu joined Akbank in May, 2015 as Executive Vice President in charge of Corporate and Investment Banking. Prior to joining Akbank, he held various senior management positions at different private sector banks. Celebioğlu is also the Chairman of Akbank AG, Akbank (Dubai) Ltd and AkInvestment. Levent Celebioğlu is a graduate of 9 Eylül University, Faculty of Economics, Monetary Economics & Banking Department.



SUBSIDIARIES

K. Banu Özcan

Akbank AG, Chairman of the Managing Board and General Manager

K. Banu Özcan was appointed General Manager of Akbank N.V. in September 2001. Following the merger of Akbank N.V. and Akbank AG, she was appointed the Chairman of the Managing Board and General Manager of Akbank AG as of June 2012. Prior to joining Akbank, Ms. Özcan held various positions at BNP-AK-Dresdner Bank A.S. and other overseas financial institutions. A graduate of Ludwig-Maximilians University, Department of Business Administration, Ms. K. Banu Özcan serves as a Member of the Board of Directors of the Association of Foreign Banks in Germany. In May 2014, K. Banu Özcan was appointed by Dr. Jens Weidmann, President of Deutsche Bundesbank (German Central Bank), as Advisory Board member of Deutsche Bundesbank, Regional Office in Hessen for a period of three years. In November 2014, K. Banu Özcan was also appointed by Frankfurt Mayor Peter Friedman to be International Frankfurt Trade Ambassador for 2015 and 2016 in order to expand Frankfurt's trade relations and promote the city.

Şenol Altundaş Aklease, General Manager

Senol Altundaş was appointed General Manager of Ak Finansal Kiralama A.Ş. (Aklease) on June 1, 2015. Mr. Altundaş held various senior management positions in Commercial and Corporate Banking at Akbank for 12 years. A graduate of Marmara University, Political Science and International Relations, Mr. Altundaş holds a Master's degree in Business Administration from Sabancı University.

Mert Erdoğmuş

AkInvestment General Manager

Mert Erdoğmuş was appointed General Manager of AkInvestment in January 2015. Prior to joining AkInvestment, he held various positions at banks and financial institutions for more than 20 years. Mert Erdoğmuş is a graduate of Istanbul University, Department of Business Administration and holds an MBA from Bloomsburg University of Pennsylvania.

Alp Keler

AKAsset Management, General Manager

Dr. Alp Keler joined AKAsset Management as General Manager in 2011. Prior to joining AKAsset Management, Dr. Keler held senior executive posts at various financial institutions. A graduate of Middle East Technical University, Department of Civil Engineering, he holds an MBA degree from Bilkent University, an MA in Economics Law from Galatasaray University and a Ph.D. in Banking from Marmara University.

Cem Ataç

Akbank (Dubai) Ltd., General Manager

Cem Ataç joined Akbank Group in 2009 and was appointed General Manager and Member of the Board of Directors of the Dubai office following its establishment. Prior to joining Akbank, Mr. Ataç held various senior executive posts and served as General Manager at various overseas banks. After graduating from Galatasaray High School, Cem Atac received his undergraduate and Master's degrees from the Sorbonne University, Department of Business Management as well as a Master's degree in Economic Policy and Planning from Northeastern University in Boston, USA.

Changes in the Organizational Structure during the Year

Ege Gültekin was appointed Executive Vice President in charge of the newly created Credit Monitoring and Follow Up Business Unit as of February 13, 2015.

Arif Özer İsfendiyaroğlu was appointed Executive Vice President in charge of the Consumer Banking and Payment Systems Business Unit as of March 2, 2015.

Emre Derman and Can Paker were elected as new Board Members to replace James Charles Cowles and M. Kaan Terzioğlu on the Bank's new Board of Directors elected at the Bank's Ordinary General Assembly Meeting of Shareholders dated March 26, 2015.

Executive Vice President of the Corporate Banking Business Unit Alper Hakan Yüksel resigned from his post at the Bank as of May 8, 2015. The Corporate Banking Business Unit continues its operations as the Corporate and Investment Banking Unit; Levent Çelebioğlu was appointed Executive Vice President in charge of this newly created business unit. Executive Vice President of the Corporate Communication Business Unit, Mehmet Sindel and Executive Vice President of the Private Banking Business Unit, Saltık Galatalı, resigned from their posts at the Bank as of June 30, 2015. The Consumer Banking and Payment Systems Business Unit, Private Banking Business Unit and Corporate Communication Business Unit were merged to establish the Consumer and Private Banking Business Unit which proceeds its operations as of the same date.

Executive Vice President of the International Banking Business Unit Hülya Kefeli resigned from her post at the Bank as of July 31, 2015. The International Banking Business Unit and Treasury Business Unit were merged as of the same date. Executive Vice President of the Operations Business Unit Özlen Sanıbelli resigned from her post at the Bank as of August 28, 2015

The Information Technology Business Unit and Operations Business Unit were merged to establish the Technology and Operations Business Unit which continues its operations as of the same date.

The Bank's Board of Directors resolved that Executive Vice President of the Technology and Operations Business Unit, Turgut Güney, be appointed as the Bank's Coordinator for Consumer Relations as of September 14, 2015.

BOARD OF DIRECTORS COMMITTEES

Audit Committee

The Audit Committee carries out the auditing and oversight activities on behalf of the Board of Directors. Specifically, the Audit Committee assists the Board of Directors in executing its responsibilities with regard to the matters stipulated below:

- Ensure the effectiveness and adequacy of the internal control, risk management and internal audit systems,
- Oversee the functioning of the internal control, risk management, internal audit, accounting and reporting systems in compliance with related legislation as well as the integrity of the resulting information,
- Conduct the initial assessment to assist the Board of Directors in selecting independent auditors and regularly monitor the activities of the independent auditors selected by the Board of Directors,
- Ensure that the internal audit activities of companies that are subject to consolidated audit under the Banking Law are conducted on a consolidated basis and facilitate their coordination,
- Notify the Board of Directors of issues that may undermine the sustainability and credibility of the Bank's business and/or may lead to breach of legislation and internal regulations of the Bank.

The Audit Committee receives regular reports from all units created under the internal control, internal audit and risk management systems as well as from independent auditors regarding the execution of their respective duties. It is incumbent on the Committee to notify the Board of Directors of issues that may undermine the sustainability and credibility of the Bank's business and/ or lead to breach of legislation and internal regulations of the Bank. The Bank's subsidiaries have also formed audit committees. Akbank's Audit Committee monitors the operations and activities of the subsidiaries' audit committees. Unless excused, all Committee members attend the meetings.

The Audit Committee members do not have a set term of office. The Audit Committee convenes at least four times each year.

Hayri Çulhacı

Chairman (Vice Chairman and Executive Board Member) Yaman Törüner Member (Board Member)

Background Information of Executives in Charge of Internal Systems Units

Please see page 70 of the Annual Report for the background information of the Board Member in Charge of Internal Systems Units, Hayri Çulhacı.

Please see page 72 of the Annual Report for Eyüp Engin's background information.

Dalga Öztürk, Head of Internal Control and Compliance

Dalga Öztürk joined Akbank as Head of the Audit and Regulatory Relations Department in January 2013 and was appointed Head of Internal Control and Compliance in May 2014. Prior to joining Akbank, she served as Bank Auditor at the Banking Regulation and Supervision Agency. She holds Bachelor's degrees from Ankara University, Faculty of Political Sciences and Marmara University, Faculty of Law as well as an MBA from Georgetown University.

Sebnem Muratoğlu, Senior Vice President of Risk Management

Sebnem Muratoğlu joined Akbank in 1995 as an Assistant Specialist in the Treasury Business Unit. Appointed Manager of Risk Management in 2003, she was promoted to Senior Vice President of Risk Management in 2006. A graduate of University of Kent, Department of Economics in the UK, Şebnem Muratoğlu has an MA in Finance from Macquarie University in Australia.

Credit Committee

The Credit Committee is the ultimate executive body to ratify lending decisions, assessing loan proposals that are cleared by the Head Office in terms of their compliance with legislation, banking principles and objectives and lending policies of the Bank. Unless excused, all Committee members attend the meetings. The Credit Committee convenes on an asneeded basis.

Suzan Sabancı Dinçer, Member (Chairman and Executive Board Member) Cem Mengi, Member (Executive Board Member) Hakan Binbaşgil, Member (Board Member and CEO)

An Appraisal Subcommittee was instituted at the Head Office level to support the Credit Committee and to conduct an initial assessment of loan applications submitted by branches.

The aim of the Appraisal Subcommittee is to perform initial screening in accordance with the approval criteria of the Credit Committee, thereby increasing efficiency and speed of the procedure while acting as a bridge between the branches and the Credit Committee to provide closer supervision and clearer direction for the branches.

Appraisal Subcommittee

Cem Mengi, Member (Executive Board Member)

Ahmet Fuat Ayla, Member (Executive Vice President - Credit Allocation) Dependent on the loan type, the Executive Vice President of the relevant business unit attends the Appraisal Subcommittee as a member.

Executive Risk Committee (ERC)

The Executive Risk Committee is responsible for developing risk policies, determining appropriate methods for measurement and management of risks, setting commensurate risk limits and monitoring their performance. All risk policies formulated are documented in writing and incorporated with the overall long-term strategy of the Bank. Unless excused, all Committee members attend the meetings. The Committee convenes at least four times each year.

Hayri Çulhacı, Chairman (Vice Chairman and Executive Board Member) Suzan Sabancı Dinçer, Member (Chairman and Executive Board Member) Cem Mengi, Member (Executive Board Member) Hakan Binbaşgil, Member (Board Member and CEO)

Corporate Governance Committee

The duties, authorities and responsibilities of the Corporate Governance Committee include:

 Attaining, overseeing and communicating the Bank's compliance with the Corporate Governance Principles,

- Scoping and overseeing relationships with investors as well as authorized bodies such as Capital Markets Board (CMB) and Borsa Istanbul (BIST),
- Ensuring and overseeing the establishment of an honest and transparent communications platform with the Bank's stakeholders,
- Formulating the Code of Ethics and overseeing compliance,
- Supervising the activities of the Shareholder Relations Unit,
- Creating a transparent system for determining, evaluating and training the suitable candidates for the Board of Directors, and carrying out activities for determining policies and strategies in this issue,
- Activities are carried out by the Members of the Remuneration Committee on behalf of the Board of Directors, for monitoring, auditing and reporting the remuneration practices,
- Determining, maintaining and monitoring policies regarding all Social Responsibility Projects, including culture and art activities,
- Ensuring and supervising that the Bank's Annual Report, website, and similar publicity channels are prepared in conformity with the Corporate Governance Principles,
- Supervising the preparation of the Corporate Social Responsibility Report,
- Ensuring and supervising that necessary actions are taken for protecting the Bank's brand and reputation.

The Committee convenes twice a year.

Hayri Çulhacı, Chairman (Vice Chairman and Executive Board Member) Suzan Sabancı Dinçer, Member (Chairman and Executive Board Member) Yaman Törüner, Member (Board Member) Aykut Demiray, Member (Board Member) K. Atıl Özus, Member (CFO -Responsible for Investor Relations)

Members of the Board of Directors: Hayri Çulhacı and Yaman Törüner are the members of the Remuneration Committee.

Asset-Liability Committee (ALCO)

The Asset-Liability Committee (ALCO) is a subcommittee presided over by the CEO. Responsible for daily liquidity and cash management, ALCO meets twice a week to take up developments in the economy and in the markets. In addition, development of investment, pricing and funding strategies as well as making decisions regarding daily liquidity management are also among the ALCO's responsibilities.

Unless excused, all Committee members attend the meetings.

Hakan Binbaşqil, Chairman (CEO) Atıl Özus, Member (Executive Vice President-CFO Kerim Rota, Member (Executive Vice President-Treasury) Kaan Gür, Member (Executive Vice President-Commercial Banking) Bülent Oğuz, Member (Executive Vice President-SME Banking) Arif İsfendiyaroğlu, Member (Executive Vice President-Consumer and Private Banking) Levent Çelebioğlu, Member (Executive Vice President-Corporate and Investment Banking) Sebnem Muratoğlu, Member (Senior Vice President-Risk Management)

SUMMARY REPORT OF THE BOARD OF DIRECTORS

Akbank maintained a leading position in the Turkish banking industry in 2015 thanks to a robust balance sheet, effective risk management, a customer-oriented approach and deep, long-standing international relationships. In 2015, Akbank's consolidated pre-tax profit reached TL 4,179 million while consolidated net profit increased to TL 3,299 million. Akbank's return on equity and return on assets were actualized as 12.1% and 1.3%, respectively in 2015.

Akbank's total consolidated assets rose to TL 252 billion with a 15% annual increase, while lending surged by 13% to TL 153 billion and deposits climbed 22% during the year to TL 149 billion.

Thanks to its effective risk management policies, Akbank's non-performing loan ratio stands at an extremely low level of 2.2%, significantly below the sector average of 3.1%. With its capital adequacy ratio hovering at a lofty 14.5%, Akbank stood well over the recommended ratio of 12% in the Turkish banking industry.

Despite the challenging economy related developments, Akbank continues to undertake efficiency initiatives. One of the most efficient banks in the industry, Akbank achieved an operational expenses-tototal assets ratio of 1.7% in 2015.

The Bank's objective is to create value for shareholders in every segment of the banking industry. Akbank will continue to undertake initiatives and investments in 2016 and ahead in an attempt to further enhance this successful performance, grow efficiently, and create value for all of its stakeholders.

We would like to thank our employees as well as our shareholders and social stakeholders for their contributions and support.

Respectfully yours,

Akbank Board of Directors

OUTSOURCED SERVICES

Pursuant to the Regulation on Bank Procurement of Support Services, Akbank procured support services in the areas of security, courier delivery, call center, marketing, operational services and information services from the firms listed in the table below.

In addition to the firms listed in the table, Akbank received support service from 148 auto dealers for car loan marketing activities and from 1,943 stores for retail credit.

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Geneks International Yazılım ve İletişim Teknolojileri Ltd. Şti. Globit Global Bilgi Teknolojileri A.Ş. DIP Bilgisayar Yazılım Ticaret Ltd. Şti.	Eretim Bilgisayar Hizmetleri ve Dan. Ltd. Şti.		
Globit Global Bilgi Teknolojileri A.Ş. DIP Bilgisayar Yazılım Ticaret Ltd. Şti.	Foreks Bilgi İletişim Hizmetleri A.Ş.		
DIP Bilgisayar Yazılım Ticaret Ltd. Şti.	Geneks International Yazılım ve İletişim Teknolojileri Ltd. Şti.		
	Globit Global Bilgi Teknolojileri A.Ş.		
GMG Bilgi Teknolojileri Ltd. Şti.	DIP Bilgisayar Yazılım Ticaret Ltd. Şti.		
	GMG Bilgi Teknolojileri Ltd. Şti.		

OUTSOURCED SERVICES

SUPPORT SERVICE PROVIDER	SERVICE PROCURED
Infina Yazılım A.Ş.	
Ingenico Ödeme Sistem Çözümleri A.Ş.	
Innova Bilişim Çözümleri A.Ş.	
Intelligence Analitik Sistemleri A.Ş.	
Kartek Kart ve Bilişim Teknolojileri Tic. Ltd. Şti.	
Key Internet Hizmetleri Bilgisayar Yazılım, Donanım, Mühendislik, Müşavirlik	
San. ve Tic. Ltd. Şti.	
GG Soft Yazılım Hizm. Tic. Ltd. Şti.	
Spark Bilgi İşlem Sistemleri San. ve Tic. A.Ş.	
Logo Elektronik Ticaret Hizmetleri A.Ş.	
Logo Yazılım Sanayi ve Tic. A.Ş.	
Matriks Bilgi Dağıtım Hizmetleri A.Ş.	
Mirsis Bilgi Teknolojileri Ltd. Ști.	Software. Software Maintenance/
Misys PLC	Troubleshooting, Patching and Product
NCR Bilişim Sistemleri Ltd. Şti.	Development Services
Netaș Telekominikasyon A.Ș.	Dereception
Novosoft Yazılım Teknolojiler Bilişim Sanayi ve Tic. A.Ş.	
Oracle Bilgisayar Sistemleri Ltd. Ști.	
Fonoklik İletişim Hizmetleri ve Tic. A.Ş.	
Provus Bilişim Hizmetleri A.Ş.	
Prozek Bilişim Çözümleri Ltd. Şti.	
Smartiks Bilgi Teknolojisi A.Ş.	
Uzman Bilişim Danışmanlık A.Ş.	
Vega Bilgisayar Hizmetleri Ltd. Şti.	
Verifone Elektronik ve Danışmanlık Ltd. Şti.	
V.R.P. Veri Raporlama Programlama Bilişim Yazılım ve Danışmanlık Hizmetleri	
Tic. A.Ş.	
Zenn Bilişim Teknolojileri San. ve Tic. Ltd. Şti.	

ACTIVITY AREA OF SUPPORT

RELATED PARTY TRANSACTIONS

Pursuant to the Banking Law, related-party transactions of the Bank cover all arms-length banking transactions in the scope of ordinary bank-customer relationship under the prevailing market conditions. Detailed disclosures on these dealings can be found in Note VII of Section 5 in the publicly-announced Unconsolidated Financial Statements, Notes to these Financial Statements and Independent Auditor's Report, prepared as of December 31, 2015. In addition, the aforementioned information can also be found in Note VII of Section 5 in the Consolidated Financial Statements, Notes to these Financial Statements and the Independent Auditor's Report.

AFFILIATION REPORT

The Board of Directors of Akbank has issued an Affiliation Report regarding the relations with Company's controlling shareholder and associate companies of the controlling shareholder in 2015 Activity Period. The conclusion of this report is given below as per the 199th Article of Turkish Commercial Code of n.6102.

Necessary explanations about the transactions between Akbank and the related parties are available in Footnote VII in Section Five of the Explanations and Footnotes Regarding the Consolidated Financial Statements. The Report issued by the Board of Directors of Akbank, states: "The legal transactions our Bank has carried out with the parent company Haci Ömer Sabanci Holding A.Ş. and Sabanci Group Companies are listed above. There is no financial loss in our Bank resulting from the fact that it is a member of the group Companies. All transactions have resulted in conformity with market examples, within the framework of an ordinary customer relationship."

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1. Declaration of Compliance with Corporate Governance Principles

Corporate governance, transparency and commitment to ethical values have always been a top priority for Akbank.

Akbank's pioneering firsts in corporate governance include:

- First bank to disclose its dividend policy (2003),
- First bank to state its Corporate Governance Principles in its Annual Report (2003),
- First bank to publish its Corporate Governance Principles on its website (2004),
- First bank to buy back its founders' shares (2005),
- First Turkish bank to be a signatory to the United Nations Global Compact (2007),
- First bank to publish its Global Compact Report (2010),
- Pioneer in its support of the launch of the Carbon Disclosure Project (CDP) in Turkey (2010),
- First deposit bank to publish a sustainability report in accordance with Global Reporting Initiative (GRI) standards (2010),
- First and only Turkish company included in the Global 500 Report of the Carbon Disclosure Project (2010).

The core corporate governance principles that regulate the relationships between Akbank's management, shareholders, employees and third parties (i.e. customers, legal authorities, suppliers, and all types of individuals and institutions which the Bank does business with) are stipulated below.

Integrity

The Bank remains committed to the principle of integrity in its activities, operations and relationships with all of its stakeholders and other parties.

Credibility

Aware that customer confidence lies at the heart of banking, Akbank provides customers and all other stakeholders with clear, comprehensible and accurate information and offers timely and comprehensive services in line with the promises made by the Bank.

Non-discrimination

Akbank refrains from harboring prejudice against stakeholders based on gender, behavior, opinion or ethnic origin and does not discriminate against anyone under any condition or circumstance.

Compliance

Akbank abides by all laws, regulations and standards.

Transparency

Except for the information deemed commercial secret, the Bank informs customers and the public at large thoroughly, accurately and promptly.

Pursuing Public Interest and Respect for the Environment

In all of its activities, practices and investments, Akbank acts to safeguard its image, interest and profitability as well as public interest, development of the banking industry, sustainability and the continuation of confidence in the sector while complying with laws and regulations related to the environment, consumer rights and public health.

Having adopted the Corporate Governance Principles stipulated in the Banking Legislation, Capital Markets Board and Turkish Commercial Code, the Bank pays utmost attention to implementing these principles. The Bank has achieved compliance with the compulsory articles of the Corporate Governance Principles issued by the Capital Markets Board in the Official Gazette n.28871 on the date 03.01.2014. In addition, activities are for compliance with the noncompulsory principles.

SECTION I-SHAREHOLDERS

2. Investor Relations Division

Akbank management strives to be in transparent and close communication with shareholders. To attain this goal, Akbank management has embraced the principle of equal treatment of all shareholders. The primary objective is to make Akbank shares an attractive and predictable investment vehicle for both existing shareholders and potential investors.

An Investor Relations Group was established in 1996 to manage and reinforce the Bank's relations with shareholders. Moreover, there is a Financial Coordination and International Reporting Department in Akbank in order to facilitate pursuing shareholders' rights.

The director who has administrative responsibilities in the Investor Relations and Sustainability Department and the Financial Coordination and International Reporting Department is: Atıl Özus, Executive Vice President - CFO atil.ozus@akbank.com.

Atil Özus who has "Capital Markets Activities Advanced Level License" and "Corporate Governance Rating Specialist License," was appointed as a member to the Corporate Governance Committee.

The Investor Relations Activity Report was presented to the Board of Directors in February 2015.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Financial Coordination and International Reporting Department

hissedarislemleri@akbank.com Telephone: +90 (212) 385 54 45 +90 (212) 385 54 77 +90 (212) 385 54 04 Osman Sezginer, Vice President osman.sezginer@akbank.com Ertan Büyüksaatçı, Manager ertan.buyuksaatci@akbank.com

Investor Relations and Sustainability Department

investor.relations@akbank.com Telephone: +90 (212) 385 51 13 +90 (212) 385 50 33 A. Cenk Göksan, Senior Vice President cenk.goksan@akbank.com Neslihan Yücel, Vice President neslihan.karagoz@akbank.com Ayşe Aldırmaz, Manager ayse.aldirmaz@akbank.com Burak Berki, Manager burak.berki@akbank.com Kemal Burak Songül

burak.songul@akbank.com

Main Tasks of the Financial Coordination and International Reporting Department:

- Regarding the General Assembly meetings, preparing the documents that will be presented for the information and review of the shareholders and taking necessary measures to ensure that the General Assembly meeting will be held in conformity with the relevant legislation, Articles of Association and other internal regulations of corporation;
- Performing capital increase transactions;
- Conducting dividend payment transactions;
- Providing timely responses to inquiries related to Company shares;
- Ensuring that necessary amendments are made to the Articles of Association in compliance with relevant legislation;

 Announcing all kinds of news that may have an impact on the exercise of shareholders' rights regularly via the Public Disclosure Platform (www.kap.gov.tr) as material disclosures.

The primary duties of the Investors Relations and Sustainability Department include:

- Administering relationships with current and potential institutional investors and credit rating agencies;
- Establishing communication between the Board of Directors and shareholders, responding to the questions of shareholders, and reporting shareholder opinions to the Board of Directors on a regular basis;
- Keeping regular, secure, and up-to-date records of the correspondence made between the investors and the corporation and other information and documents.
- Announcing developments related to Akbank and the Bank's periodic financial statements to shareholders in a timely fashion and keeping the investor relations section of the Akbank website upto-date;
- Preparing introductory presentations about the Bank, posting these on the website, and participating in investor meetings and conferences in Turkey and abroad;
- Undertaking initiatives to improve the Bank's Corporate Governance practices, overseeing and monitoring the fulfilment of the obligations arising from the Capital Markets legislation including corporate governance and public disclosure all relevant issues.

The Investors Relations and Sustainability Department is responsible for conveying the performance and strategies of the Bank to current and potential investors in the most accurate and transparent manner. In addition, the Department plays an active role in safeguarding shareholding rights and facilitating their exercise, particularly the right to obtain and examine information.

The Investor Relations and Sustainability Department joined the Executive Management team in participating in 17 domestic and overseas investor conferences in 2015; during the year, meetings with approximately 256 international investment funds and four rating agencies were held. In addition, the Department responded to more than 500 inquiries from investors and analysts via telephone and e-mail.

3. Exercise of Shareholders' Right to Information

Written and verbal information requests made by the corporate investors and shareholders are evaluated by the Investor Relations and Sustainability Department and Financial Coordination and International Reporting Department under the structure of Financial Coordination Business Unit. All questions that do not interfere with trade secrets are answered by these departments within the scope of equality principle while continuous communication is achieved between the management and shareholders.

All news that may have impacts on using shareholders' rights, are regularly announced via Public Disclosure Platform (www.kap.gov. tr) in Turkish and English as "material event disclosures." Moreover, there is link on the Bank's website to the Public Disclosure Platform.

Akbank maintains an investor relations website in Turkish and in English.

The addresses for access to the websites are:

http://www.akbank.com/yatirimciiliskileri/sayfalar/yatirimci-iliskileri. aspx for Turkish and

http://www.akbank.com/en/investorrelations/Pages/investor-relations. aspx. for English.

Furthermore, there is an "Akbank IR" application for the iOS operating system with Turkish and English language options.

Since the Bank implements the provisions of the Turkish Commercial Code in relation to appointment of a special auditor, this issue has not been provided for in a separate article in the Articles of Association. There was no request for appointment of a special auditor during the period covered by this report.

4. General Assembly Meetings

During the reporting period (January 1, 2015-December 31, 2015), one Ordinary General Assembly meeting was held. The participation rate at the Ordinary General Assembly meeting was 74% and all stakeholders wishing to attend the meeting were able to do so. Invitation to the General Assembly meeting held during the period was published in the Turkish Commercial Registry Gazette and a national daily newspaper.

The invitation to the General Assembly meeting is published at least three weeks prior to the General Assembly meeting in the Turkish Commercial Registry Gazette, in a national daily newspaper, on the Bank's website, on the Public Disclosure Platform (www. kap.gov.tr), on the e-YÖNET Corporate Governance and Investor Relations Portal (www.mkk.com.tr), e-SİRKET Aggregate Corporation Portal (www. mkk.com.tr) and on the e-GENEL KURUL Electronic General Assembly System (www.mkk.com.tr); and in accordance with the procedures

stipulated by law in order to reach as many shareholders as possible. The Annual Report is made available to shareholders three weeks prior to the General Assembly meeting on the Bank's website and at the Financial Accounting and Shareholder Relations Directorate, as well as at the Bank's Ankara, Adana and Izmir commercial branches. In addition. the matters stipulated in Article 1.3.1 of the Capital Markets Board's Corporate Governance Principles are announced to the shareholders alongside the invitation to the General Assembly on the Bank website.

The agenda of the General Assembly is drafted so as not to provoke conflicting interpretations. Matters transmitted by shareholders to the Investor Relations and Sustainability Department in writing to be included in the agenda are taken into consideration by the Board of Directors. With the e-mail sent by the Shareholder Jilber Topuz to our Bank's Shareholders Relations Unit. and to the registered e-mail address on 16.02.2015, a request was made to add the following agenda item to the agenda of the General Assembly that will be held in 2015 to discuss 2014 accounts:

"Appointing a private auditor in order to examine; the documents/ correspondences pertaining to the transactions performed, ii) whether or not Akbank T.A.Ş. management returned the file fees of housing, consumer, vehicle loans, with or without court order, to the customers in 2014, ii) whether or not different practices were made to customers in the process of returning the file / loan fees,"

Due to the fact that such returns were made both within the scope of relevant legal processes, and in parallel to the practices of the other banks in the sector, the request to add an agenda item to the agenda of the General Assembly was not considered appropriate by our Bank.

Agenda items are presented in a clear and comprehensible manner at the General Assembly. Shareholders exercise their right to pose questions and all questions are answered unless they pertain to commercial secrets.

Members of the Board of Directors who are the subject matter experts on the agenda items, other relevant persons, officials who have a responsibility in the preparation of the financial statements, and the statutory auditors attend the General Assembly meeting to provide the necessary briefings and to address any questions. Within the period; there were no questions asked by the shareholders at the Ordinary General Assembly.

Provisions of the Articles of Association provide for voting by proxy. Shareholders may cast their vote at General Assembly meetings either in person or through another person, whether a shareholder or not. Members of the media do not attend the Bank's General Assembly meetings.

General Assembly meetings are held at the Akbank Head Office building (Sabancı Center) in order to increase the participation of shareholders while ensuring their attendance at the lowest possible cost. Those eligible to attend the Bank's General Assembly meetings can also participate in these meetings and cast their votes through the electronic General Assembly system.

Donations and charitable contributions during the reporting period are made to various associations, foundations and organizations; their amounts are presented at the General Assembly as a separate agenda item.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

General Assembly meeting resolutions are made available to shareholders on the Public Disclosure Platform (www.kap.gov.tr), the e-YÖNET Corporate Governance and Investor Relations Portal (www. mkk.com.tr), e-ŞİRKET Aggregate Corporation Portal (www.mkk.com. tr) and e-GENEL KURUL Electronic General Assembly System (www.mkk. com.tr), and on the Bank websites.

5. Voting Rights and Minority Rights

Akbank avoids practices that obstruct the exercise of voting rights and provides all shareholders with equal, easy and convenient voting opportunities. The Articles of Association do not provide for privileged voting rights. The Bank is not in a cross-shareholding relationship with any company. The cumulative voting method is not used at Akbank.

There are no members elected by the minority rights in the Board of Directors. Minority rights are specified no less than one twentieth of the Bank's capital in the Articles of Association of the Bank. Furthermore, utmost attention is paid to using minority rights in conformity with the Turkish Commercial Code (TTK) and Capital Markets Board (SPK) regulations.

6. Right to Dividend

There are no privileges in the sharing of the Bank's profit. The principles of Akbank's profit distribution are stated on the website, in Article 82 of the Bank's Articles of Association and in the Annual Report.

After setting aside 5% of the profit as legal reserve and an amount equal to 5% of the paid-in capital to shareholders as the first dividend. The General Assembly is authorized to decide whether to distribute the remaining profit entirely or partially to shareholders or to set it aside as extraordinary reserve. The dividend proposal is prepared in accordance with the provisions of the Turkish Commercial Code, the Banking Regulation and Supervision Agency of Turkey, Capital Markets Board of Turkey and the Bank's Articles of Association; the proposal is presented to the General Assembly for approval.

Akbank publicly announced its dividend distribution policy as: "provided that no adverse conditions exist regarding domestic and/or global economic circumstances and that the Bank's capital adequacy ratio remains at the targeted level, distributing to its shareholders in cash or stock dividend up to 40% of the Bank's distributable profit."

During the reporting period, the Bank distributed TL 569.6 million to its shareholders as gross cash dividends.

7. Transfer of Shares

No provision exists in the Bank's Articles of Association that restricts transfer of shares.

SECTION II-PUBLIC DISCLOSURE AND TRANSPARENCY

8. Information Disclosure Policy

In accordance with the Capital Market Law and Corporate Governance Principles, the Information Disclosure Policy was formulated and approved by the Board of Directors and announced to the public on the Company website. The Board of Directors has the authority and the responsibility to supervise, oversee and improve the public disclosure and information dissemination policy of Akbank.

The Bank has tasked the Financial Accounting and Shareholder Transactions Directorate and the Investor Relations and Sustainability Department, jointly serving as the Investor Relations Division under the Financial Coordination business unit and the Corporate Communications Department, to supervise and oversee all matters pertaining to public disclosures.

Persons responsible for administering the Information Disclosure Policy are: Hakan Binbaşgil, Chief Executive Officer, Atıl Özus, Executive Vice President -Chief Financial Officer.

Publicly disclosed information is announced for public use via the Public Disclosure Platform (www. kap.gov.tr) and on the Bank's website in a timely, correct, complete, comprehensible, interpretable, economical and accessible manner for the entities that will make use of the announcement to make a decision. Moreover, the e-YÖNET: Corporate Governance and Investor Relations Portal of the Central Registry Agency is used for informing the investors.

The Prosecution authority has decided that it was unnecessary to prosecute after the TL 2000 judicial penalty, given to the Members of the Board of Directors - as per the 12th paragraph of the 562nd Article of the Turkish Commercial Code - upon a complaint made about a procedural deficiency in the information that must be available on the website via Bank's e-company portal, was paid.

Information about the future of the Bank, available on page 100 of the Annual Report, was announced via Public Disclosure Platform.

Public disclosure of the evaluations about the future is made in conformity with the provisions of the relevant legislation.

9. Company Website and Its Content

The Bank maintains a website in Turkish and in English.

The Turkish website can be reached at

http://www.akbank.com/tr-tr/ Sayfalar/default.aspx

and the English website can be reached at

http://www.akbank.com/en-us/ Pages/default.aspx

Information on the website is presented in accordance with the provisions of relevant legislation and is kept up-to-date.

The website contains information stipulated in the Capital Markets Board's Corporate Governance Principles; accordingly, the main categories of information that can be found on the website include:

- Information about members of the Board of Directors and Executive Management
- Board of Directors Committees
- International Advisory Board
- Detailed information about the Bank's corporate identity
- Corporate Governance Principles
 Report
- Ethical Principles
- Commercial registry information
- Capital Information
- Shareholder and management structure
- Up-to-date Articles of Association
- Material disclosures
- Annual Reports, periodic financial statements and reports
- Agendas and meeting minutes of General Assembly meetings
- List of attendees at the General Assembly
- Voting forms
- Bribery and corruption policy
- Dividend distribution policy, history and capital increases

- Prospectuses and circulars
- Information Disclosure Policy
- Compensation Policy
- Donation and Aid Policy
- Employee indemnity policy
- Policy of Compliance with Financial Crimes Investigation Board of Turkey (MASAK) regulations
- General Assembly Internal Resolution
- General Assembly Information Document
- Frequently asked questions

Annual Reports and financial information for at least the last five years are available on the Bank website. The address of the Akbank website appears on the letterhead of the Bank.

10. Annual Report

The Annual Report is prepared in accordance with the principles stipulated in the relevant legislation in sufficient detail that allows the public at large to have complete and accurate information about the Bank's activities.

SECTION III-STAKEHOLDERS

11. Informing Stakeholders

Aware that one of the core principles of its corporate responsibility is ongoing dialogue with all its stakeholders, Akbank strives to establish regular, continuous and trust-based communications with its stakeholders by taking heed of their expectations and opinions. Akbank's website, Akbank IR App, public disclosures, Akbank branches, the Call Center. social media (e.g. Twitter, Facebook), other media, advertising and public relations campaigns, the Annual Report and the Sustainability Report are the most important platforms used by the Bank to keep stakeholders informed. In addition, two-way dialogue platform

samples developed exclusively for each stakeholder group to elicit their feedback and to enter into dialogue with them are available in the Sustainability Report accessible at link below:

http://www.akbank.com/en/aboutus/corporate-social-responsibility/ Pages/sustainability-report.aspx

Akbank's "Ethical Principles" document, which stipulates relationships with stakeholders by group type, is also posted on the Bank website.

Akbank shares with its employees all information pertaining to the Bank's activities in every area, including new product and service offerings, messages from the management, corporate goals and strategies, brand communications activities and business conduct. Sharing of this information with personnel takes place in a rapid and effective manner outside of a paper medium over the Bank's Corporate Portal.

Akbank established an "Ethics Line" to enable employees to raise their concerns about issues that they believe cannot be resolved within their business units, or for whatever reasons cannot be taken to their colleagues/business line managers. The dedicated phone line provides personnel with support and advice when necessary in such circumstances. All calls received by the Ethics Line are reported to the Board of Internal Auditors.

Transactions in breach of legislation or ethical rules reported by the stakeholders are in turn reported to the Internal Systems Officer via the Board of Internal Auditors, Internal Control and Compliance, and Risk Management Department. When necessary, the issues are elevated to the Audit Committee.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

12. Participation of Stakeholders in Management

Akbank elicits the opinions of its stakeholders through an integrated platform via the channels of the Call Center, Bank branches, Contact Us Communication Form on the website, e-mail, facsimile and postal mail. Additionally, in accordance with the Bank's policy of ensuring customer satisfaction in every channel, customer expectations and demands expressed on complaint websites as well as on social media platforms such as Facebook and Twitter are also reviewed and assessed by the Bank.

Akbank monitors the level of customer satisfaction via periodic surveys and on social media channels on a regular basis and plans and rapidly implements actions in areas conducive to improvement based on the opinions and suggestions expressed by customers.

In addition, participation of employees in management is always encouraged and their innovative ideas for improving and expanding the Bank's business are forwarded to the related management functions via the suggestion system; there, suggestions are evaluated carefully and rewarded when deemed appropriate. In order to establish effective and efficient labor relations and foster team spirit, the Bank regularly engages in social responsibility activities that increase personnel communications and that facilitate teamwork.

13. Human Resources Policy

The Bank's objective is to attain results that make a difference with the strength of its human capital; deliver an excellent banking experience to Turkey; and create value for its shareholders. To sustain the Bank's success in this regard, the mission of Akbank Human Resources is to provide direction for the organizational structure, operations, human resource and business strategies in accordance with the objectives of the Bank.

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

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

The Bank's organizational structure, employee job descriptions and allocation of staff are announced to personnel and published on the Bank's Corporate Portal. Akbank has a transparent and flexible performance and rewarding system that is open to improvement and that emphasizes an objective evaluation framework. Performance and rewarding criteria are readily available to employees on the Bank's Human Resources Portal where each staff member has a dedicated, password-protected page. Akbank conducts the "Employee Satisfaction Survey" for all personnel each year to elicit feedback on professional life, work processes and functions; to closely monitor satisfaction and the level of corporate loyalty; and to identify improvement areas. The Employee Satisfaction Survey is administered by an independent research company on a confidential basis and the results are analyzed by the Human Resources Department; the Bank implements improvements and other modifications based on the findings.

The Bank's Ethics Line operates 24/7 on a confidential basis and allows employees to raise their concerns about issues they believe cannot be resolved within their business units, or for whatever reasons cannot be taken to their colleagues/line managers.

Structured in accordance with the organizational model, needs and expectations of the Bank's business lines, the Human Resources Business Unit acts as the strategic partner of Akbank's other business units in all human resources issues and provides them support as needed.

The Banksis-Banks and Insurance Workers Labor Union also maintains relationships with employees. The monetary rights of employees covered under the collective labor agreements as well as other administrative matters between the Bank and personnel are governed by these agreements that are signed every two years between the Bank and the Union.

The Bank executes all of its business processes, and those related to human resources in particular, on the basis of the principle of equality; as a result, Akbank does not discriminate based on race, religion, language or gender. When a complaint is received in regard to this issue, the Bank assesses the situation in accordance with the principles stipulated above.

14. Rules of Ethics and Social Responsibility

Akbank's principles, code of conduct and other aspects governing relationships with persons and institutions, both internal and external to the Bank, have been compiled and documented in writing as "Ethical Principles." The Bank's Ethical Principles are communicated to all staff members. This document can be accessed on both the Turkish and English website of the Bank (http:// www.akbank.com).

Akbank's Ethical Principles aim to regulate the conduct and behavior of personnel at all levels as well as their relationships with individuals and institutions within or outside the Bank. Approved on September 26, 2003 by Resolution No. 8783 of the Board of Directors and updated based on the prevailing circumstances and trends in the business world, the Bank's ethical rules are expected to be observed by all employees at all levels and fully complied with during the course of performance of their duties. Naturally, employees shall act with due diligence in line with the basic rules and principles in any situation not covered in this document. Since conduct in breach of the ethical principles can impact the Bank's activities and integrity in the eyes of its stakeholders, employees can report any irregularity to their supervisors and/or to the Ethics Line should they encounter conduct or a transaction in breach of the ethical principles or should they have a suspicion in this regard. In addition, all notifications made to the Ethics Line are kept confidential and staff members do not face a sanction for their notification

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

After publishing its Sustainability Report in accordance with Global Reporting Initiative (GRI) standards, a first among Turkish deposit banks in 2010, Akbank released its sixth Sustainability Report in 2015.

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

Akbank has also made major revisions to its internal business processes and policies by adding environmental and social factors to its ethical principles and its loan evaluation and procurement processes.

In order to internalize sustainability initiatives and support the transition to sustainable business conduct, the Bank administered Sustainability Approach training to more than 15,000 employees over the last three years via classroom-based and e-learning courses. Embracing the view that enlightenment of a country involves gaining diverse perspectives ranging from education to the arts, Akbank has worked diligently to shine a light to the future. Akbank will continue to contribute to society with the pioneering projects it undertakes in culture, the arts, education, youth, entrepreneurialism, savings and the environment.

SECTION IV-BOARD OF DIRECTORS

15. Structure and Composition of the Board of Directors

Akbank's Board of Directors governs and represents the Bank through the strategic decisions it makes with a rational and cautious risk management approach prioritizing the Bank's long-term interests by maintaining an optimal balance of risk, growth and return for the Bank.

Akbank's Board of Directors defines the Bank's strategic objectives, determines the human and financial resources the Bank will need, and oversees the management's performance. The Board of Directors supervises the compliance of the Bank's activities with applicable legislation and the Company's Articles of Association, internal regulations and policies.

The Board of Directors executes its activities in a transparent, accountable, fair and responsible manner. The Board of Directors plays an active role in maintaining effective communications between the Bank and its shareholders, and in obviating and resolving potential conflicts.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Section 3 of the Bank's Articles of Association stipulates the Bank's administrative structure and organization. This section states the duties and authorities of the members of the Board of Directors and executives. Within this framework, the duties, authorities and responsibilities of the Board of Directors are subject to the principles stipulated in the provisions of the Turkish Commercial Code and the Banking Law as well as the provisions of the Articles of Association.

The terms of the members of the Board of Directors who were elected in March 2015 will expire in 2016. All members of the Board of Directors attend the Board's meetings unless they have an excuse.

Suzan Sabancı Dinçer: Chairman and Executive Board Member Erol Sabancı: Honorary Chairman, Consultant to the Board and Board Member Hayri Çulhacı: Vice Chairman and Executive Board Member Cem Mengi: Executive Board Member Yaman Törüner: Board Member Aykut Demiray: Board Member Aydın Günter: Board Member Can Paker: Board Member Emre Derman: Board Member Hakan Binbaşgil: Board Member and CEO

Background information for the members of the Board of Directors is presented on page 70-71 of the Annual Report, on the Akbank website at the link below, and on the e-YÖNET portal (www.mkk.com.tr). The tasks and duties assumed by the Members of the Board of Directors in and outside the group are given in their résumés.

http://www.akbank.com/yatirimciiliskileri/kurumsal-yonetim/yonetimkurulu.aspx There are three executive and seven non-executive members on Akbank's Board of Directors. Suzan Sabancı Dinçer, Cem Mengi and Hakan Binbaşgil are executive Board members.

According to the Capital Markets Board's corporate governance principles, members of bank audit committees are considered independent members of the board of directors. Hayri Çulhacı and Yaman Törüner, the members of the Audit Committee, are independent Board members. The other Independent Member of our Bank is Mr. Aykut Demiray who has all independency criteria in line with the Capital Markets Board regulations and who was approved for a one year term at the Ordinary General Assembly Meeting held on March 26, 2015. The report dated January 12, 2015 stating Mr. Aydın Günter had the independency criteria was submitted to the Corporate Governance Committee while the Board of Directors decided to notify the Capital Markets Board about Mr. Aydın Günter as an independent member candidate.

The independence statement of Mr. Aydın Günter who was elected as an Independent Member of the Board of Directors at the Ordinary General Assembly Meeting held in 2015, is given below.

I do declare that I am a candidate for assuming the role of an "Independent Member" in the Board of Directors of the Akbank T.A.Ş.(Company), within the scope of the criteria stipulated in the legislations, the articles of association and the Capital Markets Board's Corporate Governance Communiqué, and within this scope;

a) Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and the Company and the subsidiaries of the Company, and shareholders who control the management of the Company or who have significant influence at the Company and juridical persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,

b) Within the last five years, I have not worked as an executive manager who would have important duties and responsibilities or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed (during the timeframe of selling/purchasing of the products and services.

c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors,

d) In accordance with the legislation, I will not be working fulltime in public institutions and organizations (except working as an academic at the university) after being elected as a member,

e) I am considered a resident in Turkey according to the Income Tax Law (n.193) dated 31/12/1960,

 f) I do have the strong ethic standards, professional standing and experience that will help me positively contribute to the activities of the Company and remain neutral in conflicts of interests between the company's shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,

g) I will be able to spare the sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfil the requirements of my tasks and duties,

h) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,

i) I have not been an independent member of the Board of Directors in more than three of the companies controlled by the same person, by the Company or by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,

j) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors.

The Bank's Articles of Association stipulate that members of the Board of Directors cannot undertake commercial transactions with the Bank in areas where the Bank is actively engaged either in person or by proxy, unless they have received the approval of the General Assembly. The provisions of Article 396 of the Turkish Commercial Code pertaining to the non-compete clause and the provisions of the Banking Law are reserved.

Powers of the Chairman of the Board of Directors and the General Manager were separated accurately and this issue was included in the Articles of Association.

16. Operating Principles of the Board of Directors

A secretariat is present to inform and communicate with the members of the Board of Directors. The Board of Directors meets at least 12 times. per vear. Members of the Board of Directors make every effort to attend every meeting and to convey their opinions. The Chairman of the Board of Directors determines the agenda of the Board of Directors meetings in consultation with the other Board members and the Chief Executive Officer. Information and documents related to the matters on the meeting agenda are made available for the examination of the members of the Board of Directors sufficiently before the meeting by adhering to the principle of equal information flow.

Members of the Board of Directors may make motions to the Chairman of the Board to amend the agenda prior to the meeting. The opinions of a member who does not attend the meeting but who submits his or her opinions to the Board of Directors in writing are communicated to the other members.

The form and conduct of Board of Directors meetings are documented in writing as stipulated by internal company regulations. Agenda items are discussed openly and from every possible perspective at the Board of Directors meetings. The Chairman of the Board of Directors makes the best effort to ensure the active participation of non-executive members in Board meetings.

For a resolution to be passed by the Board of Directors, a quorum consisting of the presence of more than half the members of the Board of Directors is necessary. A simple majority of the members in attendance is sufficient to adopt resolutions. Deliberations of the Board of Directors are regularly recorded by a secretary to be selected either from among the members or from outside of the Board. The minutes of the meeting must be signed by the members present; should there be any dissenting votes regarding the resolution(s), the reason must be recorded in the minutes and signed by the dissenting member(s). The validity of the resolution(s) is predicated upon their being documented in writing and signed. The procedures pertaining to the recording of the minutes for resolutions are stipulated in Article 31 (guorum for the gathering and resolutions of the Board of Directors) and Article 32 (minutes of Board resolutions) of Section 3 (the administrative structure and organization of the Bank) of the Articles of Association.

As stated in the Capital Markets Board decision, banks are obligated to comply with the CMB Corporate Governance Principles. Within the period, there were no non-complying transactions in contradiction of this obligation.

Besides their individual responsibilities, any damage/ loss that will be caused by the Top Managements' faults during their term of office are covered under insurance with a limit of USD 20 million.

Pursuant to Article 32 of the Articles of Association, members of the Board of Directors cannot undertake commercial transactions with the Bank in areas where the Bank is actively engaged either in person or by proxy, unless they have received the approval of the General Assembly. The Bank implements the provisions of Article 396 of the Turkish Commercial Code pertaining to the non-compete clause and the provisions of the Banking Law. The members of the Board of Directors did not perform any transactions with the Bank outside this scope in 2015.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

No member of the Board of Directors has a right to a weighted vote and/or veto power. Each member is entitled to one vote.

Pursuant to Article 32 of the Articles of Association, members of the Board of Directors may not participate in the discussion of matters concerning their personal benefit or the benefit of their relatives shown in Article 393 of the Turkish Commercial Code. In case such a matter becomes the subject of a Board discussion, the concerned member is required to inform the Board of his connection and have the same recorded in the minutes of that meeting, or, in the case of Article 390 paragraph 4, on the paper bearing the motion.

17. Number, Structure and Independence of the Committees Established under the Board of Directors

The areas of activity and the members of the committees constituted within the Bank are determined by the Board of Directors; when finalized, they are announced to the public in the Bank's Annual Report and on the website.

The Board of Directors provides all resources and support that the committees need in order to execute their functions. Committees invite the executives that they deem necessary to their meetings and elicit their opinions; they resort to independent expert opinions in matters that they deem necessary within the course of their activities.

All activities of the committees are recorded and documented in writing. Committees meet as frequently as the effectiveness of their activities require in accordance with their operating principles. They submit reports about their activities and the outcomes of their meetings to the Board of Directors. When the number of members of the Bank's Board of Directors is taken into consideration, one member of the Board of Directors assumes duties in more than one committee.

Within the structure of Akbank, we have; Audit Committee, Corporate Governance Committee, Credit Committee, and Executive Risk Committee. Committee members and their tasks are available in the Annual Report, page 84-85.

Akbank also has an Asset-Liability Committee (ALCO) presided by the Chief Executive Officer. Responsible for daily liquidity and cash management, ALCO meets twice weekly to discuss economic and capital market developments. In addition, ALCO develops investment, pricing and funding strategies for the Bank. Committee members are presented on page 85 of the Annual Report.

18. Risk Management and Internal Control Mechanism

The Board of Directors is responsible for formulating the Bank's fundamental approach to risk, including risk management policies and principles, strategies and risk-taking levels as well as regularly reviewing these and making modifications when necessary. The Executive Risk Committee, a committee of the Board of Directors, devises the policies and procedures related to the identification, measurement, monitoring, reporting and control of risks.

These policies are reviewed and evaluated periodically at the meetings of the Executive Risk Committee and Asset-Liability Committee. The Chief Executive Officer ensures that the Bank's units operate in line with the risk management policies and strategies established by the Board of Directors. In addition, internal control and internal audit activities performed periodically also provide the necessary inspections for compliance with risk management policies and strategies.

The Risk Management Department, the Board of Internal Auditors and the Internal Control and Compliance Division report directly to the Board of Directors. The Audit Committee's Assessment Report is presented on page 105 of the Annual Report.

19. The Bank's Strategic Objectives

The Board of Directors has clearly and comprehensibly formulated the vision, mission and short- and longterm strategic objectives of Akbank as presented in the Annual Report and on the Bank's website. The Articles of Association state that the duties and responsibilities of the Board of Directors are subject to the principles stipulated in the provisions of the Turkish Commercial Code and the Banking Law as well as the provisions of the Articles of Association. The Articles of Association also obligate the Board of Directors to meet at least once a month and establish the circumstances thereof clearly. At its meetings, the Board of Directors monitors the Bank's progress in light of its strategic objectives and evaluates its performance.

The Board of Directors approves the annual budget of the Bank and its strategic plan. The Board of Directors closely monitors the budgeted and the actual figures, gathers information regarding deviations and follows up on its decisions. If there are significant deviations in macroeconomic indicators from those assumed in the budget, the budget is revised and resubmitted for approval to the Board of Directors. The Board of Directors monitors strategic objectives, budget targets and actuals on a daily, weekly or monthly basis depending on the nature of the issues under review. In addition to printed reports, the Board also has access to the Bank's financial statements, various financial and non-financial indicators by customer, branch and business unit or for the Bank as a whole through the Management Information System.

20. Financial Benefits

Article 37 of the Articles of Association states: "The General Assembly shall determine, under these Articles of Association, a monthly salary or attendance fee for members of the Board of Directors." Remunerations for the members who assume certain tasks in our Bank are determined by the General Assembly within the scope of the authorization granted.

Akbank does not use stock options or payment plans based on the Company's performance in compensating the independent members of the Board of Directors.

Article 50 of the Banking Law limits the loans to be extended by Akbank to the Directors serving on the Board within a clear framework of restrictions. No loans are made to the members of the Board of Directors outside of this scope.

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY AS PER THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ ON THE REPORTING PRINCIPLES REGARDING FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

We have examined the Akbank T.A.Ş. Annual Report pertaining to 01.01.2015 - 31.12.2015 period that we have attached, as per the Capital Markets Board's Communiqué on the Reporting Principles Regarding Financial Reporting in Capital Markets. Thus, we have concluded that the Annual Report does not include any explanations contrary to facts or any deficiencies regarding important issues, and that it accurately reflects the facts about the company's financial status and activity results.

Best regards,

Hunghicilly

Hayri ÇULHACI Chairman of the Audit Committee

Maindari Q

S. Hakan BİNBAŞGİL CEO

K. Atıl ÖZUS Executive Vice President

SUMMARY RESULTS FOR 2015 AND FUTURE EXPECTATIONS OF THE BANK

With the strategies it has implemented in 2015, Akbank strengthened the structure of its balance sheet, maintained the quality of its assets, and continued growing in conformity with its sustainable profitability target.

In 2015, Akbank's consolidated assets exceeded TL 252 billion increasing by 15%. In the same period, Akbank's total loans exceeded TL185 billion, TL 153 billion of which is composed of cash loans. Furthermore, Akbank's total deposits reached TL 149 billion increasing by 22%. In 2015, market shares of Akbank's loans and deposits in the sector were 9.3% and 10.5%, respectively.

As of 2015, 37% of Akbank's total loans were corporate loans, and 37% were SMEs and commercial loans, while 26% of Akbank's total loans consumer loans. In the same period, Akbank's corporate, commercial and SME loans in TL increased 27% in total, while the market share of these loans increased from 8.5% to 9.3%. On the other hand, there was a 7.5% decrease in Akbank's consumer loans (apart from credit cards) while the market share of these loans was 9.4%. There was a 6% decrease in Akbank's retail credit cards in parallel to the consumer loans, while their market share was 13.8%

In a period of high uncertainty in the market, Akbank continued to maintain the quality of its assets, and its non-performing loans ratio was 2.2% while the sector average was 3.1%. Akbank sets aside 171% provisions for non-performing loans, including general provisions.

The syndicated loans Akbank received successfully indicate its power and prestige in the area of international banking. With the USD 335 million in syndicated loans received in August 2015, Akbank became the first Turkish bank receiving a 3-year term syndicated loan since 2006. As of 2015 year-end, the loans Akbank received overseas were USD 8.9 billion. Furthermore, the total amount of Akbank's debt instruments in circulation was TL 3.4 billion and USD 3.1 billion as of 2015 year-end.

Continuing to be one of the most productive banks not only in Turkey, but also among the developing countries, the ratio of Akbank's operational expenses to its total assets was 1.7% in 2015.

As of 2015 year-end, Akbank's consolidated net profit was TL 3,229 million (approximately USD 1,186 million), and its non-consolidated net profit was TL 2,995 million (approximately USD 1,100 million). While Akbank's return on equity was 12.1% in 2015, its return on assets was 1.35%. Moreover, Bank's leverage ratio was 9.0x.

Akbank's consolidated capital adequacy ratio, measured in accordance with Basel III standards, was 14.5%, well above the legal limit of 12% while its consolidated Tier-1 ratio was 13.3%, which was one of the highest ratios in the sector.

The Bank's high capital adequacy, low leverage ratio, strong asset quality, high liquidity, effective risk management policy, qualified human resources and technological infrastructure, are the strongest factors supporting Akbank's sustainable profitable growth.

Bank's Expectations For 2016

Macroeconomic Indicators (%)	2016	
GDP Growth, real terms	3.5	
CPI Inflation	~8.0	

Banking Sector Growth (%)	2016	Compound Annual Growth Rate 2016-2018 (%)
Asset Growth	12-14	13-15
Loan Growth	13-15	14-16
Deposit Growth	13-15	14-16

Akbank Growth Guidance (Consolidated)	2016 (%)	Compound Annual Growth Rate 2016-2018 (%)
Asset Growth	14-16	15-17
Loan Growth	15-17	16-18
TL	15-17	16-18

	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	Min ~14%	
Loans/Deposits Ratio	Max ~105%	
Non-Performing Loans Ratio	~2.2%	
Net Cost of Risk	~90 Bps	
Earnings per Share Growth	+25%	

	2017 and Beyond	
Return on Assets	1.5-1.7%	
Return on Equity	14-16%	
Leverage Ratio	~9.5x	

ASSESSMENT OF FINANCIAL POSITION, PROFITABILITY AND DEBT SERVICING CAPACITY

Akbank conducts its operations with high profitability and strengthens its equity capital. A very small portion of the Bank's equity capital is tied down in fixed investments such as fixed assets and subsidiaries, with free equity capital standing at high levels and invested in interest-bearing assets. Thanks to its sound capital structure and effective risk management, Akbank's capital adequacy ratio stands significantly above the minimum set by the relevant legislation and the Bank is capable of servicing its debt in every market condition due to the ample liquidity it enjoys.



AKBANK STOCK PERFORMANCE IN 2015

Akbank shares ended the year at TL 6.70 decreasing by 21% in 2015. During the same period, the decline in the XBANK banking index was 25%.

FINANCIAL INFORMATION AND RISK MANAGEMENT

Risk Management

Effective risk management is among the core elements of Akbank's corporate culture as well as one of the most important strengths of the Bank's competitiveness.

Akbank's risk management practices are aimed at identification, measurement and reporting of risks on a consolidated and unconsolidated basis via policies, implementation procedures and limits set in accordance with the nature and magnitude of the Bank's activities based on its risk-return profile, as well as the determination of the overall capital requirement relative to the risk profiles.

Risk Management Policies

The risk management system is a process that involves all units of the Bank. The core elements of Akbank's overall risk management policy are:

- Effectively managing the risks within the Bank's risk profile in accordance with the materiality criterion; possessing a centralized risk structure that encompasses all major risk areas,
- Managing existing and potential risks from the very first stage with the help of steering risk strategies, policies and procedures, models and parameters,
- Acting with a risk-oriented management approach in strategic decision-making processes,
- Complying with national and local obligations in risk management in full on a consolidated basis,
- Being open to change and improvement according to changing market conditions.

Key Responsibilities

The Board of Directors is in charge of determining the Bank's fundamental attitude toward risk while setting out the risk principles as well as the level of risk exposure. The Board of Directors manages risk through the Executive Risk Committee (ERC).

The ERC is responsible for formulating risk policies, determining methods to measure and manage risk, setting commensurate risk limits and monitoring their performance. All risk policies formulated by the ERC are documented in writing and incorporated with the overall longterm strategy of the Bank.

Risk Categories

Credit Risk

Credit risk is risk exposure arising from the possibility of the counterparty's failure to meet its obligations defined by an agreement. Akbank manages credit risk inherent in its banking products, such as loans, guarantees and letters of credit issued to clients, utilizing prudent lending policies and procedures. Akbank assigns an internal rating to the counterparties to assess their credit quality for all credit transactions. As part of credit risk monitoring, the Bank sets limits for each industry, client, type of credit and borrowing customer segment.

Credit risk management is a process where credit risks are assessed and monitored consistently; it encompasses all loan portfolios on a consolidated basis. As part of the credit risk management process, the Risk Management Department is responsible for measuring, monitoring and reporting credit risk using statistical models. In addition to risk limits pertaining to credit risk, various concentrations in the loan book are analyzed. Developments regarding the cost of credit and non-performing loans are reported regularly. In addition, stress tests and scenario analyses are conducted for the credit portfolio.

Credit Appraisal Process

Corporate, Commercial and SME Loans:

The Bank continued to improve its lending policies and system/ process applications for Corporate, Commercial and SME loans in 2015. A new model for rating commercial loan applications was activated.

As part of the proactive risk management initiatives, Akbank continued to conduct monitoringoriented frequent company and sector visits and portfolio reviews and the development of the portfolio quality was tracked by way of periodic risk analyses.

Akbank continued to conduct training programs for improving loan approval processes and the risk approach.

Akbank made improvements in micro loan application and evaluation processes that shortened the service times. A new model for rating commercial loan applications was activated in 2015. Within 2015, the project for revising the portfolio limit management with new generation decision models was launched. With this project, the aim is to manage both personal and commercial needs and limits of micro segment customers with a single system.

Consumer Loans and Credit Cards: Personal Loans and Credit Cards portfolio is managed via rating models and workflows personalized for customers, in a low cost method that will minimize nonperforming loans. Studies continue regularly on the issues to be improved in personal loan and credit card applications and assessment processes.

The project of revising customer limit management for personal loans and credit cards via new generation decision models, continues. With this project, 360 degree customer limit assessments will be made.

The Loan Tracking and Monitoring" Unit was separated from the Loan Allocation Unit, and structured as a separate business unit. As a consequence of this organizational change, collection processes of nonperforming loans in particular, were re-designed, and job descriptions and responsibilities of in-house and outsourced teams were redefined in line with these new collection strategies. On the other hand, systemic improvements were made in conformity with these new strategies, to increase the integration of tracking and monitoring operations, to accelerate collection processes, and enable performance increase.

Market Risk

Market risk exposure arises from fluctuations in foreign exchange rates, interest rates and market prices of equities. Foreign exchange rate risk and interest rate risks are considered to be the two most important components of market risk.

Market risk is measured via two separate methods: internal model and standard formula. According to the internal model, market risk is measured using the Value at Risk (VaR) and ES - Expected Shortfall approaches that take into consideration various risk factors. The VaR model is based on the assumptions of a 99% confidence interval and a 10-day holding period. VaR and ES analyses are conducted and reported to the executive management on a daily basis. VaR is also utilized in speculative trading as a risk and limit management tool. VaR analyses are supported by scenario analyses and stress tests, as a result of which the analyses take in consideration the effects of unexpected and highly-unlikely but high-impact events as well as market fluctuations. Back tests on model outcomes are performed regularly.

FINANCIAL INFORMATION AND RISK MANAGEMENT

Operational Risk

Within the Bank, Operational Risk Management activities are carried out under the coordination of the Risk Management Department, Internal Control and Compliance Division, and the Board of Internal Auditors. On the one hand, a permanent improvement is achieved by monitoring and controlling, on a regular basis, the operational risks regarding the Bank's existing processes, products and services. On the other hand, all potential risks that new products and services of the Bank will create on the Bank's structure and activities are effectively assessed.

The Operational Risk Committee, established with the aim of providing support to operational risk management throughout the Bank, and creating a platform that incorporates all relevant units, continued its activities. In the four committee meetings organized in 2015, assessments were made regarding the important issues in terms of operational risk, and implemented actions were tracked.

Asset-Liability Risk

Asset and liability risk is managed through the decisions made at the ERC meetings. ALCO formulates strategies for liquidity management and determines the position the Bank will take in accordance with the daily changes in interest rates and foreign exchange rates.

The Bank's interest rate sensitivity is measured and reported weekly. In addition, daily as well as transactionbased analyses are also conducted during significant market fluctuations and under certain circumstances. Repricing term mismatch and duration mismatch analyses, net economic value change analyses under different interest rate stress scenarios and income simulations are used for interest rate risk management. Repricing risk, yield curve risk, basis risk and optionality are considered under interest rate risk scope.

The Bank manages the interest rate risk on a portfolio basis and tries to minimize the impacts of fluctuations in market interest rates on the profitability, financial position 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, varying the interest structuring for the short- or long-term positions, or using derivative contracts to mitigate interest rate risk are applied actively.

Liquidity Risk

Akbank (the Bank) created a liquidity management framework that will provide necessary liquidity resources in order to fulfill its legal obligations on time. Akbank protects itself from possible negative effects of the liquidity risks with its widespread deposit base, strong capital structure, diversified international debt sources. Moreover, if necessary Akbank has additional sources within the scope of the limits allocated for the Central Bank, BIST Repo Market, Takasbank (Istanbul Settlement and Custody Bank) Money Market and the banks, and with its liquid securities portfolio.

Akbank meets its short term funding needs with deposits. On the other hand, its wide range of deposit base and high level of core deposit ratios also enable long term funding. Long term investments can be made with long term funds obtained from abroad. Paying attention to the foreign exchange liquidity management, sufficient level of reserves are kept in order to meet the liquidity needs completely.

REPORT OF THE AUDIT COMMITTEE

Assessment of the Audit Committee regarding Operations of Internal Control, Internal Audit and Risk Management Systems and their Performance in 2015

Akbank's Audit Committee held four meetings in 2015. During these meetings, the Audit Committee undertook efforts geared toward executing its duties and responsibilities that are stipulated on page 84 of this Annual Report.

Internal audit, internal control and risk management operations, duties and responsibilities are separate from each other at the Bank. They are carried out by the Board of Internal Auditors, the Internal Control and Compliance Division, and the Risk Management Department, which are organizationally independent from one another yet function in coordination and report directly to the Board of Directors.

Evaluation of the operations and ensuring the sustainability, adequacy and effectiveness of the Bank's internal systems, comprised of all branches and departments as well as the subsidiaries of the Bank that are subject to consolidated audit, are utmost priorities for Akbank's Board of Directors. The duties and responsibilities of the Board of Directors vis-à-vis the internal systems are executed by the Board of Directors, the Audit Committee, and the Director of Internal Systems for Internal Audit, Internal Control and Risk Management.

The Board of Internal Auditors made significant contribution to: managing risks that may result from the activities of the Bank; compliance of the transactions, applications, systems and models with the internal external legislation; developing service quality, productivity and performance; improving cost management; protecting the assets; protecting the reputation and brand value of the Bank.

Planning and performing its activities with a risk oriented approach, and in accordance with the legal obligations, the Board of Internal Auditors: evaluates the potential risks in branches, subsidiaries, Headquarters' units, and in all Bank activities and practices; determines the areas that need to be developed and enhanced; and reviews whether internal control, risk management and corporate governance is in conformity, effective and sufficient or not. The results of the audits are not only reported, but all kinds of improving, enhancing suggestions are made to add value and to strengthen the internal systems. Furthermore, the consequences of the actions taken about these issues are effectively and continuously monitored.

The Board of Internal Auditors makes intensive use of technology in all areas to constantly develop and improve its operations. It creates certification and training opportunities for the professional development of its auditors and strives to make contributions to the Bank with its experienced, well-trained, qualified and competent human capital. As a consequence of the audits and assessments made in 2015; no important factors that may have negative impacts on the activities of the Bank, or that may hinder the Bank from fulfilling its obligations, were detected. It was concluded that: internal control, risk management and corporate governance of the Bank functioned successfully and effectively; the activities of the Bank had low risk in general; financial and legal reports were accurate; and iv) activities were carried out in conformity with the legislation.

As a consequence, with its risk oriented approach, qualified human resources, intensive technology utilization, experienced and prudent management, the internal audit system is effective and successful in preventing, detecting and eliminating risks thanks to its strong, experienced and effective management staff.

The main purpose of the Internal Control and Compliance Division is to ensure that Bank's activities are efficiently and effectively carried out in compliance with the laws and other regulations in a strong internal control environment. Controls are made by competent and experienced internal control personnel in branches and in the units of the Headquarters through onsite and/or centralized activities.

REPORT OF THE AUDIT COMMITTEE

Within the scope of the activities: i) process of enabling information and system security was supervised; ii) our current processes and transactions were tested; iii) internal control system was continuously developed and updated; iv) activities were performed in collaboration with responsible units in processes that require compliance; v) Bank employees were given trainings; vi) obligations stipulated in the Law n.5549 on Prevention of Laundering of Proceeds of Crime and Financing of Terrorism were fulfilled, vi) risk assessments were made regarding the firms providing support services to the Bank; and vii) all our branches were controlled at least once a year.

Activities carried out by the Internal Control and Compliance Department significantly contributed to; keeping the loss resulting from operational risks at a low level, and continuing our activities effectively and efficiently, in compliance with the legislation, in an effective control environment.

The Risk Management Department continued its activities to ensure the most accurate calculation and reporting of the Bank's potential risk exposure in accordance with the materiality criterion using effective risk management measurements and methods. Closely monitoring the financial and economic developments in global markets, Basel principles and other international regulations and developments in the risk management field, the Department made improvements in existing practices. With its skilled and competent staff, the Risk Management Department constantly improves itself and increases its contribution to the Bank by closely monitoring the changes and innovations in the internationallyaccepted risk management principles, regulations and models.

Analyses, calculations, simulations, scenario analyses, stress tests and other tasks performed as part of the Bank's risk management activities provide continuous and systematic input into the strategic decisions of the Bank's Board of Directors and Executive Management and support the overall decision-making mechanism.

With the 2015 ICAAP Report (Internal Capital Adequacy Assessment Process Report) prepared under the coordination of the Risk Management Department, validation and audit reports regarding ICAAP were evaluated and approved by the Audit Committee. The set of 2015 ICAAP reports was submitted to BRSA upon the approval of the Board of Directors.

In consideration of the overall activities and operations of the internal control, internal audit and risk management systems of Akbank in 2015, efforts undertaken are deemed highly effective and satisfactory. Hayri Çulhacı, Chairman of the Audit Committee Yaman Törüner, Member of the Audit Committee

Disclosure of Public and Private Audits:

Akbank operates pursuant to the provisions of Banking Law No. 5411 and is subject to the regulation and oversight of the Banking Regulation and Supervision Agency of Turkey (BRSA) according to the provisions of the same law. Within this scope, BRSA undertook routine auditing activities during the year.

CREDIT RATINGS

MOODY'S	Rating
Long-Term TL Rating	Baa3
Short-Term TL Rating	Prime-3
Long-Term FX Rating	Baa3
Short-Term FX Rating	Prime-3
Financial Strength Rating	D+
Baseline Credit Assessment	ba1
Bond Rating	Baa3
Outlook	Negative

FITCH RATINGS	
Long-Term TL Rating	BBB-
Short-Term TL Rating	F3
Long-Term FX Rating	BBB-
Short-Term FX Rating	F3
Long-Term National Rating	AA+ (tur)
Viability Rating	bbb
Support	3
Long-Term Bond Rating	BBB-
Short-Term Bond Rating	F3
Outlook	Stable

FIVE-YEAR SUMMARY FINANCIAL FIGURES

Five-Year Summary Consolidated Financial Figures (TL million)

	2011	2012	2013	2014	2015
Total Assets	139,907	163,478	195,482	218,697	252,467
Deposits	80,771	90,688	112,473	122,294	149,471
Loans	74,356	92,360	118,010	136,131	153,466
Shareholders' Equity	18,131	22,476	22,135	26,140	28,015
Net Profit	2,535	3,005	3,077	3,379	3,229

Five-Year Summary Unconsolidated Financial Figures (TL million)								
	2011	2012	2013	2014	2015			
Total Assets	133,552	155,854	183,737	205,451	234,809			
Deposits	76,814	86,105	105,277	113,373	138,942			
Loans	70,306	87,656	110,676	125,978	141,763			
Shareholders' Equity	17,554	21,913	21,339	25,112	26,689			
Net Profit	2,395	2,950	2,942	3,160	2,995			

DISCLOSURES RELATED TO EVENTS SUBSEQUENT TO THE BALANCE SHEET

Disclosures related to events subsequent to the balance sheet can be found in Note IX of Section 5 in the publiclyannounced Unconsolidated Financial Statements, Notes to these Financial Statements and Independent Auditor's Report, prepared as of December 31, 2015. In addition, the aforementioned information can also be found in Note IX of Section 5 in the Consolidated Financial Statements, Notes to these Financial Statements and Independent Auditor's Report.



Güney Bağımsız Denetim ve SMMM AŞ Eski Büyükdere Cad. Orjin Maslak No:27 Maslak, Sarıyer 34398 İstanbul - Turkey

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AUDIT REPORT ABOUT THE EARLY RISK DETECTION SYSTEM AND THE EARLY RISK DETECTION COMMITTEE

(Convenience translation of a report on sufficiency of early detection system and early risk detection committee originally issued in Turkish)

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

We have assessed the early risk detection system and the committee established by Akbank T.A.S. ("Bank").

Responsibility of the Board of Directors

As per the first paragraph of the 378th Article of the Turkish Commercial Code n. 6102, the board of directors is obligated to ensure early diagnosis on the reasons threatening the existence, development and continuation of the Bank, to take necessary measures and implement solutions on this issue, to establish an expert committee for the risk management, to run and develop the system.

Responsibility of the Independent Audit Firm

Our responsibility is to make a conclusion – based on the audit we performed – regarding early risk detection system and the committee. Our audit was conducted in conformity with the Turkish Commercial Code and with "The Principles Regarding Audit Report on the Early Risk Detection System and the Committee" published by the Public Oversight, Accounting and Auditing Standards Board, and with the code of ethics. These principles require evaluating whether or not the Bank has established the early risk detection system and the committee, and if established, whether or not the system and the committee function within the framework of the 368th Article of Turkish Commercial Code. The suitability of the remedies against the risks proposed by the early risk detection committee and the implementations made by the management against the risks, are not within the scope of our assessments.

Information about the Early Risk Detection System and the Committee

The Bank established the early risk detection system and High Priority Risk Committee. The committee is composed of seven members as permanent members and other participants. To the Board of Directors, the committee presented the reports that it prepared with the aim of, early diagnosis on the reasons threatening the existence and development of the Bank within the period between January 1 and December 31, 2015, taking necessary measures and implementing solutions on this issue and monitor of risk.

Conclusion

As a result of our audit, we concluded that: Akbank T.A.Ş's early risk detection system and early risk detection committee, with all its important aspects, are sufficient within the framework of the 378th Article of the Turkish Commercial Code.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş A member furn of Ernst & Young Global Limited

Istanbul, March 2, 2016

SMMM

Damla Marman.

Partner

AKBANK T.A.Ş.

PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT 31 DECEMBER 2015 TOGETHER WITH AUDIT REPORT

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



Güney Bağımsız Denetim ve SMMM AŞ Eski Büyükdere Cad. Orjin Maslak No:27 Maslak, Sarıyer 34398 İstanbul - Turkey Tel : +90 212 315 30 00 Fax: +90 212 230 82 91 ey.com Ticaret Sicil No: 479920-427502

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

Independent auditor report

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

Report on the Unconsolidated Financial Statements

We have audited the accompanying unconsolidated balance sheet of Akbank T.A.Ş. ("the Bank") as at December 31, 2015 and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Bank's Board of Directors for the financial statements

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statement in accordance with "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 (BRSA), circulars, interpretations published by BRSA and BRSA Accounting and Reporting Legislation which includes the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Independent Auditor's responsibility

Our responsibility is to express an opinion on the unconsolidated financial statements based on our audit. We conducted our audit in accordance with communique "Independent Audit of Banks" published by BRSA on the Official Gazette No.29314 dated April 2, 2015 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the unconsolidated financial statements. The procedures selected depend on the independent auditor's professional judgment, including the assessment of risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers the internal control relevant to bank's preparation and fair presentation of the unconsolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An independent audit also includes evaluating the appropriateness of accounting policies used by the management as well as evaluating the overall presentation of the unconsolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion:

Subsequent to the reversal of TL 70.000 thousands during the year 2014, the accompanying unconsolidated financial statements as at December 31, 2015 include a general reserve amounting to TL 200.000 thousands which is fully provided in 2013 by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Qualified Opinion:

In our opinion, except for the effect of the matter referred in the preceding paragraph on the unconsolidated financial statements, the accompanying unconsolidated financial statements the financial statement presents fairly, in all material respects, the financial position of Akbank T.A.Ş. as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with BRSA Accounting and Reporting Legislation.

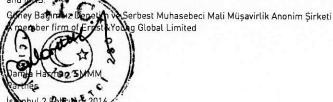
Reports on arising from other regulatory requirements:

In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2015 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.

In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Additional paragraph for convenience translation to English:

As explained in detail in Note I.b. of Section Three, accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting 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 ISO



THE UNCONSOLIDATED FINANCIAL REPORT OF AKBANK T.A.Ş. AS OF 31 DECEMBER 2015

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E-mail	:	http://www.akbank.com/bize-ulasin/gorus-onerileriniz-icin.aspx

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

- Section One
- GENERAL INFORMATION ABOUT THE BANK
- Section Two UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- Section Three EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
 - Section Four INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
 - Section Five EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- Section Six OTHER EXPLANATIONS
 - Section Seven EXPLANATIONS ON INDEPENDENT AUDITOR'S 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.

2 February 2016









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Suzan SABANCI DİNÇER Chairman of the Board of Directors

Hayri ÇULHACI Ş.Yaman TÖRÜNER Head of the Member of the Audit Committee 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 31 DECEMBER 2015

(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 Depository Receipts ("ADRs"). As of 31 December 2015, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2014: 41%).

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	<u>Responsibility</u>	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 MENGI	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 PEKER	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
	Orkun OĞUZ	Direct Banking	Graduate
	Bülent OĞUZ	SME Banking	Graduate
	H.Burcu CİVELEK YÜCE	Human Resources and Strategy	Graduate
	Ege GÜLTEKİN	Credit Monitoring and Follow-up	Graduate
	A.Özer İSFENDİYAROĞLU	Consumer and Private Banking	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment Banking	Undergraduate
	Hayri ÇULHACI	Head of the Audit Committee	Graduate
Internal Audit Committee:	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 31 DECEMBER 2015

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

As of 13 February 2015, Ege Gültekin has been assigned as Executive Vice President responsible from the newly established Credit Monitoring and Follow up Unit.

As of 2 March 2015, Arif Özer İsfendiyaroğlu has been assigned as Executive Vice President responsible from the newly established Retail Banking and Payment Systems Unit.

During The Ordinary General Assembly Meeting of the Bank dated 26 March 2015, Emre Derman and Can Paker have been appointed as a Board Member in lieu of James Charles Cowles and M. Kaan Terzioğlu in the election of new Board of Directors.

As of 8 May 2015, Corporate Banking Unit's Executive Vice President Alper Hakan Yüksel has resigned from his position. Corporate Banking Unit is continuing its operations as Corporate and Investment Banking and Levent Çelebioğlu has been appointed as the new established Unit's Executive Vice President as of the same date.

As of 30 June 2015, Corporate Communication Unit's Executive Vice President Mehmet Sindel and Private Banking Unit's Executive Vice President Saltık Galatalı have resigned from their positions. Consumer Banking and Payment Systems Unit has merged with Private Banking Unit and Corporate Communications Unit and is continuing its operations as Consumer and Private Banking Unit as of the same date.

As of, 31 July 2015, International Banking Unit's Executive Vice President Hülya Kefeli has resigned from her position. International Banking Unit has merged with Treasury Unit as of the same date.

As of 28 August 2015, Operation Unit's Executive Vice President Özlen Sanıbelli has resigned from her position. Information Technologies Unit has merged with Operation Unit and is continuing its operations as Technology and Operation Unit as of the same date.

IV. INFORMATION ON SHAREHOLDERS HAVING CONTROL SHARES:

Name/Commercial Title	Share Amounts (Nominal)	Share Percentages	Paid-in Capital (Nominal)	Unpaid Portion
Hume, commercial ritle	(Holling)	rereentages	(Itolillat)	1 01 001
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 and private banking, commercial banking, SME banking, corporate and investment banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş and AvivaSA Emeklilik ve Hayat A.Ş. As of 31 December 2015, the Bank has 901 branches dispersed throughout the country and 1 branch operating abroad (31 December 2014: 990 branches and 1 branch operating abroad). As of 31 December 2015 the Bank employed 14.050 people (31 December 2014: 16.305). Decrease in the Bank's personnel is caused by the transfer of private security guards to an outsource firm.

AKBANK T.A.Ş. I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2015 (STATEMENT OF FINANCIAL POSITION) (Amounts are expressed in thousands of Turkish Lira (TL).)

	ASSETS	Note (Section Five)	C TL	URRENT PERIOD (31/12/2015) FC	Total	TL	PRIOR PERIOD (31/12/2014) FC	Total
I. II.	CASH AND BALANCES WITH CENTRAL BANK FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	(I-a) (I-b)	2.165.780 818.288	23.307.643 1.909.624	25.473.423 2.727.912	3.518.600 550.537	16.921.441 856.473	20.440.041 1.407.010
2.1 2.1.1	Trading Financial Assets Government Debt Securities		818.288 1.548	1.909.624 107	2.727.912 1.655	550.537 2.705	856.473 2.491	1.407.010 5.196
2.1.1	Equity Securities		-	-	-	68	2.471	68
2.1.3	Trading Derivative Financial Assets		806.782	1.909.517	2.716.299	547.764	853.982	1.401.746
2.1.4	Other Marketable Securities		9.958	-	9.958	-	-	-
2.2 2.2.1	Financial Assets at Fair Value through Profit or Loss Government Debt Securities		-	-	-	-	-	-
2.2.1	Equity Securities		_	_	_	_	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other Marketable Securities		-	-	-	-	-	-
III. IV.	BANKS MONEY MARKETS	(I-c)	1.556.559	6.301.738	7.858.297	394.111 700.215	4.361.986	4.756.097 700.215
4.1	Interbank Money Market Placements			-	-	/00.215	-	/00.213
4.2	Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	700.215	-	700.215
۷.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-d)	19.586.578	21.873.129	41.459.707	21.409.138	16.662.333	38.071.471
5.1 5.2	Equity Securities		12.671	115.958 15.929.478	128.629	12.162	161	12.323 32.437.908
5.2 5.3	Government Debt Securities Other Marketable Securities		19.376.723 197.184	5.827.693	35.306.201 6.024.877	21.283.380 113.596	11.154.528 5.507.644	32.437.908 5.621.240
VI.	LOANS and RECEIVABLES	(I-e)	92.888.955	48.874.528	141.763.483	86.195.794	39.782.190	125.977.984
6.1	Loans and Receivables		92.741.642	48.874.528	141.616.170	86.044.468	39.782.190	125.826.658
6.1.1	Loans to Bank's Risk Group	(VII)	2.603.899	1.383.311	3.987.210	1.884.626	1.121.385	3.006.011
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3 6.2	Other Loans under Follow-up		90.137.743 3.373.323	47.491.217	137.628.960 3.373.323	84.159.842 2.330.155	38.660.805	122.820.647 2.330.155
6.3	Specific Provisions (-)		3.226.010	-	3.226.010	2.178.829	-	2.178.829
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD-TO-MATURITY SECURITIES (Net)	(I-f)	5.184.561	5.503.681	10.688.242	5.790.449	5.009.456	10.799.905
8.1	Government Debt Securities		5.184.561	5.503.681	10.688.242	5.790.449	5.009.456	10.799.905
8.2 IX.	Other Marketable Securities INVESTMENTS IN ASSOCIATES (Net)	(i-g)	3.923	-	3.923	3.923	-	3.923
9.1	Associates Consolidated Based on Equity Method	(I-g)	3.723		3.723	3.723		3.723
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. 10.1	SUBSIDIARIES (Net) Financial Subsidiaries	(I-h)	347.316 347.316	1.003.425 1.003.425	1.350.741 1.350.741	287.325 287.325	619.905 619.905	907.230 907.230
10.1	Non-Financial Subsidiaries		347.310	1.003.423	1.330.741	207.323	017.703	707.230
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 XII.	Non-Financial Joint Ventures FINANCIAL LEASE RECEIVABLES (Net)	(1-i)	-			_	_	
12.1	Financial Lease Receivables	0-0					1	
12.2	Operating Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)			-		-	-	-
XIII. 13.1	HEDGING DERIVATIVE FINANCIAL ASSETS Fair Value Hedge	(1-j)	648.858 648.858		648.858 648.858	284.135 284.135		284.135 284.135
13.2	Cash Flow Hedge		-	-	-	- 204.100	-	- 204.105
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	PROPERTY AND EQUIPMENT (Net)	(I-k)	788.655	1.746	790.401	858.420	1.768	860.188
XV.	INTANGIBLE ASSETS (Net)	(1-1)	220.664	-	220.664	226.855	9	226.864
15.1 15.2	Goodwill Other		220.664	-	220.664	226.855	- 9	226.864
XVI.	INVESTMENT PROPERTY (Net)	(i-m)	220.004	-	220.004	220.633	9 -	220.864
XVII.	TAX ASSET		132.508	13.676	146.184	10.041	1.608	11.649
17.1	Current Tax Asset		-	-	-	-	-	-
17.2	Deferred Tax Asset	(I-n)	132.508	13.676	146.184	10.041	1.608	11.649
XVIII.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE	(1-0)	179.537		179.537	158,294		158.294
18.1	AND RELATED TO DISCONTINUED OPERATIONS (Net) Held for Sale Purpose	(1-0)	179.537 179.537	-	179.537 179.537	158.294 158.294	-	158.294 158.294
18.2	Related to Discontinued Operations		-	-		- 130.274	-	130.274
XIX.	OTHER ASSETS	(I-p)	929.214	568.402	1.497.616	796.735	48.879	845.614

AKBANK T.A.Ş. I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2015 (STATEMENT OF FINANCIAL POSITION) (Amounts are expressed in thousands of Turkish Lira (TL).)

	LIABILITIES	Note (Section Five)		URRENT PERIOD (31/12/2015)		-	PRIOR PERIOD (31/12/2014)	
	DEPOSITS	(Section Five)	TL 68.696.386	FC 70.246.111	Total 138.942.497	TL 65.603.145	FC 47.770.256	Tot 113.373.401
.1	Deposits of Bank's Risk Group	(II-a) (VI)	2.552.668	2.182.629	4.735.297	2.465.830	1.415.992	3.881.82
.2	Other	tvu	66.143.718	68.063.482	134.207.200	63.137.315	46.354.264	109.491.57
.2	TRADING DERIVATIVE FINANCIAL LIABILITIES	(ІІ-Б)	479.349	967.525	1.446.874	225.223	682.763	907.98
I.	FUNDS BORROWED	(II-0) (II-c)	193.130	23.520.208	23.713.338	301.761	20.686.965	20.988.72
ï.	MONEY MARKETS	(11-C)	6.169.189	16.659.919	22.829.108	4.430.973	23.009.630	27.440.60
.1	Funds from Interbank Money Market		0.107.107	10.037.717	22.027.100	4.430.773	23.007.030	27.440.00
.2	Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	
.2	Funds Provided Under Repurchase Agreements		6.169.189	16.659.919	22.829.108	4.430.973	23.009.630	27.440.60
I.O I.	SECURITIES ISSUED (Net)	(n. a)	3.182.038	8.084.029	11.266.067	3.055.236	6.460.607	9.515.84
.1	Bills	(II-d)	1.545.846	892.932	2.438.778	1.485.525	769.015	2.254.5
.2	Asset Backed Securities		1.040.040	072.732	2.430.770	1.403.323	/07.013	2.234.3
i.2	Bonds		1.636.192	7.191.097	8.827.289	1.569.711	5.691.592	7.261.3
	FUNDS		1.030.172	7.171.077	0.027.207	1.307./11	J.071.J7Z	7.201.3
5.1	Borrower Funds		-	-	-	-	-	
5.2	Other		-	-	-	-	-	
	MISCELLANEOUS PAYABLES		3.508.887	952.862	4.461.749	2.845.919	451,454	3.297.37
/II. /III.	OTHER LIABILITIES	(n)	1.350.110	118.766	1.468.876	1.319.540	127.756	1.447.29
ин. К.	FACTORING PAYABLES	(II-e)	1.300.110	110./00	1.400.070	1.317.340	127.730	1.447.27
				-	63.970	400 /04	-	109.43
	FINANCIAL LEASE PAYABLES (Net)	(11-f)	63.970	-		109.431	-	
0.1	Financial Lease Payables		82.124	-	82.124	141.198	-	141.1
0.2	Operating Lease Payables		-	-	-	-	-	
0.3	Other		-	-	-	-	-	04.7
0.4	Deferred Financial Lease Expenses (-)		18.154	-	18.154	31.767	-	31.7
a.	HEDGING DERIVATIVE FINANCIAL LIABILITIES	(II-g)	-	157.528	157.528	-	105.952	105.9
1.1	Fair Value Hedge		-	157.528	157.528	-	105.952	105.9
1.2	Cash Flow Hedge		-	-	-	-	-	
1.3	Foreign Net Investment Hedge		-	-	-	-	-	
ai.	PROVISIONS	(II-h)	2.471.640	694.086	3.165.726	2.090.849	551.983	2.642.83
2.1	General Loan Loss Provisions		1.856.322	688.380	2.544.702	1.581.266	541.678	2.122.9
2.2	Restructuring Provisions		-	-	-	-	-	
2.3	Reserve for Employee Benefits		187.178	-	187.178	124.445	-	124.4
2.4	Insurance Technical Provisions (Net)		-	-	-	-	-	
2.5	Other Provisions		428.140	5.706	433.846	385.138	10.305	395.4
an.	TAX LIABILITY	(11-1)	593.181	10.897	604.078	501.330	8.021	509.35
3.1	Current Tax Liability		593.181	10.897	604.078	501.330	8.021	509.3
3.2	Deferred Tax Liability		-	-	-	-	-	
av.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE							
	AND RELATED TO DISCONTINUED OPERATIONS		-	-	-	-	-	
4.1	Held for Sale Purpose		-	-	-	-	-	
4.2	Related to Discontinued Operations		-	-	-	-	-	
ev.	SUBORDINATED LOANS		-	-	-	-	-	
CVI.	SHAREHOLDERS' EQUITY	(II-j)	27.199.518	(510.341)	26.689.177	25.253.297	(141.471)	25.111.82
6.1	Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.0
6.2	Capital Reserves		2.438.167	(510.341)	1.927.826	2.923.097	(141.471)	2.781.6
6.2.1	Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.0
6.2.2	Share Cancellation Profits		-	-	-	-	-	
6.2.3	Marketable Securities Valuation Differences	(II-k)	[627.540]	(485.221)	[1.112.761]	[181.747]	(112.073)	(293.8
6.2.4	Property and Equipment Revaluation Differences		47.106	-	47.106	47.106	-	47.1
6.2.5	Intangible Assets Revaluation Differences			-	-	-	-	
6.2.6	Investment Properties Revaluation Differences		-	-	-	-	-	
6.2.7	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		4.895	-	4.895	4.895	-	4.8
6.2.8	Hedging Funds (Effective portion)		[35.257]	(25.120)	(60.377)	(53.049)	[29.398]	(82.4
	Value Increase of Assets							
0.2.7	Held for Sale		-	-	-	-	-	
16.2.10) Other Capital Reserves		1.348.963	-	1.348.963	1.405.892	_	1.405.8
6.3	Profit Reserves		17.766.503	-	17.766.503	15.170.522	-	15.170.5
	Legal Reserves		1.282.027	-	1.282.027	1.245.067	_	1.245.0
	Status Reserves		1.202.027	_		1.240.007	_	1.243.0
			16.372.097	-	16.372.097	13.823.484	-	13.823.4
	Other Profit Reserves		112.379	-	112.379	101.971	-	13.823.4
6.4	Income or (Loss)		2.994.848	-	2.994.848	3.159.678	-	3.159.6
	Prior Periods' Income or (Loss)		2.774.048	-	2.774.048	3.137.0/8	-	3.137.6
			2.994.848	-	2.994.848	2 150 (70	-	2.150 /
0.4.2	Current Period Income or (Loss)		2.774.848	-	2.774.848	3.159.678	-	3.159.6

AKBANK T.A.Ş. II. UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

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

	INCOME AND EXPENSE ITEMS	Note (Section Five)	CURRENT PERIOD (01/01-31/12/2015)	PRIOR PERIOD (01/01-31/12/2014)
1.	INTEREST INCOME	(III-a)	15.247.388	14.093.863
1.1	Interest on Loans	(III-a-1)	11.991.681	10.303.447
1.2	Interest on Reserve Requirements		58.992	2.915
1.3	Interest on Banks	(III-a-2)	50.154	8.939
1.4	Interest on Money Market Transactions		93.883	34.491
1.5	Interest on Marketable Securities Portfolio	(III-a-3)	3.021.903	3.706.507
1.5.1	Trading Financial Assets		275	434
1.5.2	Financial Assets at Fair Value Through Profit or Loss			-
1.5.3	Available-for-sale Financial Assets		2.378.916	3.014.965
1.5.4	Held- to- maturity Investments		642.712	691.108
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		30,775	37.564
I./	INTEREST EXPENSE	(Ш-ь)	7.909.944	7.172.591
2.1	Interest on Deposits	(III-b-4)	5.979.397	5.316.381
2.1		(III-b-1)		
	Interest on Funds Borrowed	(111-0-1)	401.517	326.327
2.3	Interest Expense on Money Market Transactions	600 A 40	812.641	926.412
2.4	Interest on Securities Issued	(III-Ь-З)	681.358	570.729
2.5	Other Interest Expenses		35.031	32.742
Ш.	NET INTEREST INCOME (I - II)		7.337.444	6.921.272
IV.	NET FEES AND COMMISSIONS INCOME		2.354.254	2.358.780
4.1	Fees and Commissions Received		2.821.774	2.753.364
4.1.1	Non-cash Loans		179.395	155.910
4.1.2	Other		2.642.379	2.597.454
4.2	Fees and Commissions Paid		467.520	394.584
4.2.1	Non-cash Loans		868	667
4.2.2	Other		466.652	393.917
٧.	DIVIDEND INCOME	(III-c)	13.337	27.552
VI.	TRADING INCOME /(LOSS) (Net)	(III-d)	54.812	(110.723)
6.1	Trading Gains / (Losses) on Securities		211.903	707.037
6.2	Gains / (Losses) on Derivative Financial Transactions		(529.940)	(1.352.142)
6.3	Foreign Exchange Gains / (Losses)		372.849	534.382
VII.	OTHER OPERATING INCOME	(III-e)	603.839	607.066
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)	(111-6)	10.363.686	9.803.947
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(III-f)	2.322.200	2.053.317
х.			4.213.815	3.712.664
	OTHER OPERATING EXPENSES (-)	(III-g)		
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		3.827.671	4.037.966
XII.	EXCESS AMOUNT RECORDED AS			
	INCOME AFTER MERGER		-	-
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY MET	HOD	-	-
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI++XIV)		3.827.671	4.037.966
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(III-i)	832.823	878.288
16.1	Current Tax Provision		806.798	1.039.327
16.2	Deferred Tax Provision		26.025	(161.039)
XVII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		2.994.848	3.159.678
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)		-	-
	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
XXI.	•••		-	-
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-k)	2.994.848	3.159.678
	Earnings per share (in full TL)		0,00749	0,00790
			0,00747	0,00770

AKBANK T.A.Ş. III. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2015 (Amounts are expressed in thousands of Turkish Lira (TL).)

		Note		URRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)	
A OFF		(Section Five)	TL 97.042.850	FC 225 221 010	Total	TL	FC	Total
A. UPP-	BALANCE SHEET COMMITMENTS (I+II+III) GUARANTEES AND WARRANTIES	(IV-a-2, 3)	13.762.203	225.281.018 18.913.025	322.323.868 32.675.228	86.440.890 14.835.627	164.804.370 18.116.064	251.245.260 32.951.691
1.1	Letters of Guarantee	(17-4-2, 3)	11.862.428	10.764.100	22.626.528	13.274.640	9.169.549	22.444.189
1.1.1	Guarantees Subject to State Tender Law		489.460	1.799.894	2.289.354	303.407	1.575.448	1.878.855
1.1.2	Guarantees Given for Foreign Trade Operations		-	4.114.385	4.114.385	-	3.458.994	3.458.994
1.1.3	Other Letters of Guarantee		11.372.968	4.849.821	16.222.789	12.971.233	4.135.107	17.106.340
1.2 1.2.1	Bank Acceptances		-	933.230 933.230	933.230 933.230	-	1.131.505 1.131.505	1.131.505 1.131.505
1.2.1	Import Letter of Acceptance Other Bank Acceptances		-	933.230	933.230	-	1.131.505	1.131.000
1.3	Letters of Credit		396	5.326.265	5.326.661	-	5.904.981	5.904.981
1.3.1	Documentary Letters of Credit		396	4.846.143	4.846.539	-	5.362.816	5.362.816
1.3.2	Other Letters of Credit		-	480.122	480.122	-	542.165	542.165
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1 1.5.2	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	22.866	22.866	-	22.745	22.745
1.8	Other Guarantees		115.520	1.852.899	1.968.419	76.813	1.870.893	1.947.706
1.9	Other Collaterals		1.783.859	13.665	1.797.524	1.484.174	16.391	1.500.565
н.	COMMITMENTS	(IV-a-1)	35.082.215	12.341.070	47.423.285	38.732.972	13.433.516	52.166.488
2.1	Irrevocable Commitments		34.577.080	12.341.070	46.918.150	38.346.513	13.433.516	51.780.029
2.1.1	Asset Purchase Commitments		2.190.531	2.963.600	5.154.131	2.533.905	7.214.306	9.748.211
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 2.1.4	Share Capital Commitments to Associates and Subsidiaries Loan Granting Commitments		5.643.211	4.333.444	9.976.655	5.397.158	1.723.655	7.120.813
2.1.4	Securities Issue Brokerage Commitments		J.043.211	4.333.444	7.7/0.033	3.377.130	1.723.033	7.120.013
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		5.764.751	-	5.764.751	5.409.062	-	5.409.062
2.1.8	Tax and Fund Liabilities from Export Commitments		2.956	-	2.956	2.196	-	2.196
2.1.9	Commitments for Credit Card Limits		17.672.898	-	17.672.898	21.109.490	-	21.109.490
2.1.10	Commitments for Credit Cards and Banking Services Promotions		95.366	-	95.366	126.962	-	126.962
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 2.1.13	Payables for Short Sale Commitments of Marketable Securities Other Irrevocable Commitments		3.207.367	5.044.026	8.251.393	3.767.740	4.495.555	8.263.295
2.1.13	Revocable Commitments		505.135	3.U44.UZ6	505.135	3.767.740 386.459	4.473.333	386.459
2.2.1	Revocable Loan Granting Commitments		505.135	-	505.135	386.459	_	386.459
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
Ш.	DERIVATIVE FINANCIAL INSTRUMENTS	(IV-b)	48.198.432	194.026.923	242.225.355	32.872.291	133.254.790	166.127.081
3.1	Hedging Derivative Financial Instruments		1.228.638	11.197.395	12.426.033	871.688	8.754.550	9.626.238
3.1.1	Fair Value Hedges		1.228.638	11.197.395	12.426.033	871.688	8.754.550	9.626.238
3.1.2	Cash Flow Hedges		-	-	-	-	-	-
3.1.3	Foreign Net Investment Hedges		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		46.969.794	182.829.528	229.799.322	32.000.603	124.500.240	156.500.843
3.2.1 3.2.1.1	Forward Foreign Currency Buy/Sell Transactions Forward Foreign Currency Transactions-Buy		6.128.480 2.647.607	8.958.219 4.845.645	15.086.699 7.493.252	4.072.104 1.889.739	4.952.130 2.578.466	9.024.234 4.468.205
3.2.1.1	Forward Foreign Currency Transactions-Boll		3.480.873	4.112.574	7.593.447	2.182.365	2.373.664	4.556.029
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		29.738.415	104.406.055	134.144.470	20.001.968	67.094.608	87.096.576
3.2.2.1	Foreign Currency Swap-Buy		11.246.658	28.538.905	39.785.563	4.509.779	22.111.132	26.620.911
3.2.2.2	Foreign Currency Swap-Sell		15.671.757	20.415.368	36.087.125	13.173.023	8.912.914	22.085.937
3.2.2.3	Interest Rate Swap-Buy		1.410.000	27.725.891	29.135.891	1.159.583	18.035.281	19.194.864
3.2.2.4	Interest Rate Swap-Sell		1.410.000	27.725.891	29.135.891	1.159.583	18.035.281	19.194.864
3.2.3	Foreign Currency, Interest Rate and Securities Options		10.274.802	58.882.918	69.157.720	7.776.789	46.175.887	53.952.676
3.2.3.1 3.2.3.2	Foreign Currency Options-Buy Foreign Currency Options-Sell		4.938.312 5.336.490	7.023.471 6.753.791	11.961.783 12.090.281	3.802.404 3.974.385	5.939.815 5.754.002	9.742.219 9.728.387
3.2.3.3	Interest Rate Options-Buy		3.330.470	22.552.828	22.552.828	5.774.505	17.241.035	17.241.035
3.2.3.4	Interest Rate Options-Sell		-	22.552.828	22.552.828	-	17.241.035	17.241.035
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 3.2.5.1	Interest Rate Futures Interest Rate Futures-Buy		-	-	-	=	-	-
3.2.5.1	Interest Rate Futures-Buy Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.5.2	Other		828.097	10.582.336	11.410.433	149.742	6.277.615	6.427.357
	TODY AND PLEDGES RECEIVED (IV+V+VI)		611.006.886	159.670.572	770.677.458	554.544.585	130.774.658	685.319.243
IV.	ITEMS HELD IN CUSTODY		26.860.299	11.806.667	38.666.966	48.966.169	10.755.475	59.721.644
4.1	Customer Fund and Portfolio Balances		2.820.657	-	2.820.657	2.883.149	-	2.883.149
4.2	Investment Securities Held in Custody		5.230.194	818.636	6.048.830	12.796.644	957.671	13.754.315
4.3	Cheques Received for Collection		14.928.116	876.770	15.804.886	29.969.396	690.016	30.659.412
4.4	Commercial Notes Received for Collection		3.395.579	1.454.631	4.850.210	2.828.122	1.084.489	3.912.611
4.5 4.6	Other Assets Received for Collection Assets Received for Public Offering		-	-	-	-	-	-
4.6	Other Items Under Custody		485.753	8.656.630	9.142.383	488.858	8.023.299	8.512.157
4.8	Custodians				-			
٧.	PLEDGES RECEIVED		201.367.218	48.499.397	249.866.615	157.707.934	40.898.480	198.606.414
5.1	Marketable Securities		93.300.273	443.023	93.743.296	59.432.194	128.592	59.560.786
5.2	Guarantee Notes		737.605	408.356	1.145.961	738.869	279.498	1.018.367
5.3	Commodity		-	34.884	34.884	6.000	27.541	33.541
5.4	Warranty		-	-	-	-	-	
5.5	Immovables		78.442.536	35.614.821	114.057.357	63.812.173	29.788.502	93.600.675
5.6	Other Pledged Items		28.886.804	11.998.313	40.885.117	33.718.698	10.674.347	44.393.045
5.7 VI.	Pledged Items-Depository ACCEPTED BILL, GUARANTEES AND WARRANTEES		382.779.369	99.364.508	482.143.877	347.870.482	79.120.703	426.991.185
						0-71070.002		
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		708.049.736	384.951.590	1.093.001.326	640.985.475	295.579.028	936.564.503
								_

AKBANK T.A.Ş.

IV. UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015

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

	INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
ι.	ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM		
	AVAILABLE- FOR- SALE FINANCIAL ASSETS	(1.023.676)	1.326.993
П.	PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
Ш.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.	TRANSLATION DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	-	-
۷.	PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL		
	ASSETS (Effective Portion)	27.588	26.651
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	(63,783)	(5,785)
IX.	TAX RELATED TO VALUATION DIFFERENCES	211.974	(269.572)
X.	NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II++IX)	(847.897)	1.078.287
XI.	CURRENT PERIOD INCOME / LOSS	2.994.848	3.159.678
11.1	Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	16,286	567.312
11.2	Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(22.070)	(21.321)
11.3	Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(22.070)	(21.021)
	Other	3.000.632	2.613.687
XII.	TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI)	2.146.951	4.237.965

Control Control <t< th=""><th></th><th>Note (Section Five) Paid-in Capital</th><th>Adjustment to Share Capital(*)</th><th>Share Premiums</th><th>Share Cancellation Profits</th><th>Legal Reserves</th><th>Statu s Reserves</th><th>Extraordinary Reserves</th><th>Other Curre Reserves</th><th>Pri Other Current Period Net Ne serves Income (Loss)</th><th>Prior Period Net Income Sec (Loss) Ir</th><th>Marketable Securities Value Increase Fund Revaluation Fund</th><th></th><th>Bonus Shares from Invest. in Ass., Subs. and J.V.</th><th>Val. Hedging and E Transactions</th><th>Val. Chan. in Prop. Hedging and Eq. HFS Purp./ Total Shareholders' hsactions Disc. Opr. Equity</th><th>l Shareholders' Equity</th></t<>		Note (Section Five) Paid-in Capital	Adjustment to Share Capital(*)	Share Premiums	Share Cancellation Profits	Legal Reserves	Statu s Reserves	Extraordinary Reserves	Other Curre Reserves	Pri Other Current Period Net Ne serves Income (Loss)	Prior Period Net Income Sec (Loss) Ir	Marketable Securities Value Increase Fund Revaluation Fund		Bonus Shares from Invest. in Ass., Subs. and J.V.	Val. Hedging and E Transactions	Val. Chan. in Prop. Hedging and Eq. HFS Purp./ Total Shareholders' hsactions Disc. Opr. Equity	l Shareholders' Equity
Mathematication Optimation Op	PRIOR PERIOD (31/12/2014)																
The function for the fu	Begining Balance Corrections and Accounting Policy Changes Made According to TAS 8	4.000.000	1.405.892	1.700.000		1.218.319		11.378.405	103.867 -	2.942.042		1.355.414	47.106	2.729 -	[103.768] -		21.339.178
Contraction Contraction <thcontraction< th=""> <thcontraction< th=""></thcontraction<></thcontraction<>	Effects of Corrections Effects of the Changes in Accounting Policies Adjusted Beginning Balance []+II]		- - 1.405.892	- - 1.700.000		- - 1.218.319		- - 11.378.405	- - 103.867	- - 2.942.042		- - [1.355.414]	- - 47.106	2.729	- - [103.768]		21.339.178
Image: manual state and	Changes in the period																
Constrained Constraine Constrained Constrained Constrained Constrained Constrai	Increase/Decrease due to Mergers Marketable Securities Valuation Differences											1.061.594					1.061.5
Market interface Market interface<	Heaging transactions Cash Flow Hedge														21.321		213
Image: construction constructin construction construction construction construction co	Foreign Net Investment Hedge Property and Equipment Revaluation Differences																
Control transmission Control t	Intangible Assets Revaluation Unterences Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures													2.166			2.166
Constrained Constrained	Translation Differences Changes due to the disposal of assets																
Contraction Contraction	Changes due to the reclassification of assets Effects of changes in equity of investments in associates																
Market for the formation of the fo	Capital Increase Cash Increase																
Busing the contract of the con	Internal Resources Share lecuance																
$ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$	Share Cancellation Profits Paid-the Cancellation Profits																
Induiting Condition <t< td=""><td>other</td><td></td><td></td><td>,</td><td></td><td></td><td></td><td></td><td>[4.628]</td><td>1</td><td></td><td></td><td>,</td><td></td><td></td><td></td><td>14.6</td></t<>	other			,					[4.628]	1			,				14.6
Mathematical manufactorial manufact	Current Year Income or ILoss Profit Distribution					- 26.748		2.445.079	2.732	3.159.678 [2.942.042]							3.159.6 1467.4
Mathematication Mathematication	Dividends paid Transfers to Reserves					- 26.748		2.445.079	2.732	[467,483] [2,474,559]							467.4
Abuse interfaction Above Lobore <thlobore< th=""> <</thlobore<>	Other							•									
a 40000 1.43582 1.70000 1.43542 1.70000 1.43543 10171 3.155/48 1.7106 465 82.471 . to Negret Model 1.43582 1.70000 1.43542 1.70000 1.43543 10171 3.155/48 1.7106 465 82.471 . to Negret Model Model Model Model Model . 1.43548 1.416 . 1.455 1.416 . . 1.43548 . . 1.43548 .	Ending Balance (III+IV+Y++XYIII+XIX+XX) CURRENT PERIOD	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
Preprinted tableact 1010 1.456/2 1.7000 1.456/2 1.7000 1.456/2 1.7000 1.466/2 1.466/2 1.7000 1.466/2 1.7000 1.466/2 1.7000 1.466/2 1.7000 1.466/2 1.7000 1.466/2 1.7	[31/12/2015]																
Constant in the antiol that and the antiol that antiol	Prior Period End 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	[82.44.7]		25.111.826
Warease or more on more of a more	Changes in the period																
	Marketable Securities Valuation Differences	- []+[]										[818.94.1]					1818.9
Heading Indiation Unit fractoria unition Differences Image Inclusion autom Differences Image Inclusion Inclusion Inclusion Inclusion Inclusion Image Inclusion Inclusion Image Inclusion Inclusion Image Inclusion Inclusion Image Inclusion <thimage Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion Image Inclusion <thimage Inclusion Image Inclusion<td>Hedging transactions Cash flow Hedge</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>22.070 22.070</td><td></td><td>22.0</td></thimage </thimage 	Hedging transactions Cash flow Hedge														22.070 22.070		22.0
$ \label{eq:relation} \la$	Foreign Net Investment Hedge																
strimits in Associated, Subidivatives and Joint Variatives and Joint Var	Property and Equipment Revaluation Unterences Intangible Assets Revaluation Differences																
Changes after to the recast and a starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data starts Changes after to the recast and a data start and a data starts Changes after to the recast and a data start and	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures Translation Differences																
Involution or access 1	Changes due to the disposal of assets																
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Effects of changes in equity of investments in associates																
Inter lleacures Inter lleacures Inter lleacures Inter lleacures Inter lleacures Inter lleacures Share Gacdullon Prifs Inter lleacures Share Gacdullon Prifs Inter lleacures Share Gacdullon Prifs Inter lleacures Share Gacdullon Prifs Inter lleacures Oner Inter lleacures Oner Inter lleacures Prifs Inter lleacures Inter lianton ductore Inter lleacures Inter lianton ductore Inter lianton Inter lianton ductore Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton Inter lianton	Capital Increase Cash Increase					i								I		I	
Sure constants reconstants for the constant of	Internal Resources																
Other matrix m	Share Cascellation Profits Share Cancellation Profits Paid-Arrania Inferior adjustiment difference																
Unterference N-al Image: State in the s	rauz-in capitat initation aujus unent un erence Other								[51.026]	-		,					151.0
	Current Year Income or Loss Profit Distribution	(N-al				36.960		2.548.613	4.505	2.774.846 [3.159.678] [1.10.000]							2.774.0 [569.6
	Dividends paid Transfers to Reserves									5K9 K00							

[1] The amounts for the "Paid-in Capital Inflation Adjustment Difference" and "Actuarial Lloss/Gain" which is in the "Other Reserves" are presented under "Other Capital Reserves" in the financial statements.

26.689.177

508

67.106

(1.112.761)

2.994.848

55.450

16.372.097

.700.000

1.405.892

Ending Balance (I+II+III+.

AKBANK T.A.Ş. VI. UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2015

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

		Note (Section Five)	CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities		2.186.137	5.801.289
1.1.1 1.1.2 1.1.3 1.1.4 1.1.5 1.1.6 1.1.7 1.1.8 1.1.9	Interest received Interest paid Dividend received Fees and commissions received Other income Collections from previously written-off loans and other receivables Payments to personnel and service suppliers Taxes paid Other	(VI-b)	14.430.792 (7.868.389) 13.337 2.773.653 (1.115.167) 674.604 (3.819.188) (737.563) (2.165.942)	14.324.092 (7.128.002) 27.552 2.651.209 (133.639) 564.506 (3.332.651) (1.090.067) [81.711]
1.2	Changes in operating assets and liabilities		1.582.108	(2.720.008)
1.2.1 1.2.2 1.2.3 1.2.4 1.2.5 1.2.6 1.2.7 1.2.8 1.2.9	Net decrease in trading securities Net (increase) / decrease in fair value through profit/(loss) financial assets Net (increase) / decrease in due from banks and other financial institutions Net (increase) / decrease in other assets Net (increase / (decrease) in bank deposits Net increase / (decrease) in other deposits Net increase / (decrease) in funds borrowed Net increase / (decrease) in payables		(6.400) 3.563 (17.295.051) (5.478.126) (6.988.103) 27.914.098 2.714.662	56.536 (41.112) (16.497.792) (2.185.883) 5.536.044 7.563.956 2.865.518
1.2.10	Net increase / (decrease) in other liabilities	(VI-b)	717.465	(17.275)
ι.	Net cash provided from banking operations		3.768.245	3.081.281
В.	CASH FLOWS FROM INVESTING ACTIVITIES			
н.	Net cash provided from investing activities		(4.293.668)	(3.256.387)
2.1 2.2 2.3 2.4 2.5 2.6 2.7 2.8 2.9	Cash paid for acquisition of investments, associates and subsidiaries Cash obtained from disposal of investments, associates and subsidiaries Purchases of property and equipment Disposals of property and equipment Cash paid for purchase of investments available-for-sale Cash obtained from sale of investments available-for-sale Cash paid for purchase of investment securities Cash obtained from sale of investment securities Other	(VI-b)	(358.121) (154.127) 20.363 (25.245.551) 20.331.322 1.112.446	(49.993) - (198.313) 6.781 (24.738.695) 19.932.055 (1.728) 1.793.506
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
ш.	Net cash provided from financing activities		1.087.802	884.252
3.1 3.2 3.3 3.4	Cash obtained from funds borrowed and securities issued Cash used for repayment of funds borrowed and securities issued Issued equity instruments Dividends paid		13.674.071 (11.936.377) - (569.600)	8.519.503 (7.084.253) - (467.483)
3.5 3.6	Payments for finance leases Other	(VI-b)	(80.292)	(83.515)
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(VI-b)	781.802	60.210
v .	Net increase in cash and cash equivalents (I+II+III+IV)		1.344.181	769.356
VI.	Cash and cash equivalents at beginning of the period	(VI-a)	4.808.291	4.038.935

AKBANK T.A.Ş. VII. PROFIT APPROPRIATION STATEMENT

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

		CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	3.827.671	4.037.966
1.2	TAXES AND DUTIES PAYABLE	832.823	878.288
1.2.1	Corporate Tax (Income Tax)	806.798	1.039.327
1.2.2	Income Withholding Tax	-	-
1.2.3	Other taxes and duties	26.025	(161.039)
A.	NET INCOME FOR THE YEAR (1.1-1.2)	2.994.848	3.159.678
1.3	PRIOR YEAR LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER STATUTORY RESERVES (-)	-	-
в.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	2.994.848	3.159.678
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	200.000
1.6.1	To Owners of Ordinary Shares	-	200.000
1.6.2	To Owners of Privileged Shares	-	=
1.6.3	To Owners of Preferred Shares	-	-
1.6.4 1.6.5	To Profit Sharing Bonds To Holders of Profit and (Loss) Sharing Certificates	-	-
1.6.5	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	_	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	369.600
1.9.1	To Owners of Ordinary Shares	-	369.600
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5 1.10	To Holders of Profit and (Loss) Sharing Certificates SECOND LEGAL RESERVES (-)	_	36.960
1.11	STATUTORY RESERVES (-)	_	
1.12	EXTRAORDINARY RESERVES	-	2.548.613
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	4.505
н.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 2.3.2	To Owners of Ordinary Shares To Owners of Privileged Shares	-	-
2.3.2	To Owners of Preferred Shares	-	-
	To Profit Sharing Bonds	_	-
	To Holders of Profit and (Loss) Sharing Certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
111.	EARNINGS PER SHARE (*)		
3.1	TO OWNERS OF ORDINARY SHARES	0,007	0,008
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,7	0,8
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES [%]	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	0,001
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	0,1
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Amounts are expressed in TL.

NOTES:

Authorized body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.
 Profit appropriation is being done according to unconsolidated financial statements.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 [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 the Principles and Procedures numbered 5411 Regarding Banks' Accounting Application and Keeping 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", published in Official Gazette no. 28337, dated 28 June 2012, 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 which have entered into force as of 1 January 2015 have no material impact on the Bank's accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments (2011 Version) and TAS 27 Separate Financial Statements, 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 2014. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVIII below.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

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

As of 31 December 2015, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,8800, TL 3,1422 and TL 2,3864 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 XII of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

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

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract

- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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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-forsale 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.

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c. Loans and Receivables:

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

If the collectability of any receivable is identified as limited or doubtful by the management through assessments and estimates, the Bank provides general and specific provisions for these loans and receivables in accordance with the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette dated 1 November 2006, no.26333. If a receivable is collected which is provisioned in the same year, it is deducted from the "Special Provisions Loans and Other Receivables". Provision expenses are accounted under "Provision for Loan Losses and Other Receivables" in the income statement and deducted from the net income of the period. If a receivable is collected which is provisioned in the same year, it is deducted from 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.

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

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

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

The Bank has no securities lending transactions.

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

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

The Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Bank has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

Buildings50 yearsMachinery, furniture, fixtures and vehicles5 years

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

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

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

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

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XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

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b. Retirement rights:

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

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

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

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

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. Accordingly the transfer required by the New Law was to be completed until 8 May 2011. According to the decision of the Council of Ministers published on the Official Gazette dated 9 April 2011 no. 27900, the time frame for related transfer has been extended for two years. Within the postponement right granted to the Council of Ministers through the change in the first clause of the 20th provisional article of the "Social Insurance and General Health Insurance Law no. 5510" published on the Official Gazette no. 28227 dated 8 March 2012, the transfer process has been postponed for one more year with the decision of the Council of Ministers published on the Official Gazette no. 28987 dated 30 April 2014.The Council of Ministers has been authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 and numbered 2935.

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

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

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

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XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

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

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

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

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

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

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

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

b. Deferred tax:

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

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

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2015.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

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XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 December 2015 and 31 December 2014, there is no government grant for the Bank.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

Reporting according to the operational segment is presented in Note XIII 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 26 March 2015. In the Ordinary General Assembly, it was decided to distribute a TL 569.600 cash dividend over the TL 3.159.678 net income from 2014 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 4.505 to special funds account under other capital reserves, to allocate TL 36.960 as legal and TL 2.548.613 as extraordinary reserves.

XXV. EARNINGS PER SHARE:

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Net Profit for the Year	2.994.848	3.159.678
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00749	0,00790

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 2015 (2014: (-)).

XXVI. RELATED PARTIES:

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

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XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

In order to be consistent with the presentation of financial statements dated 31 December 2015, there are certain reclassifications made on income statement and cash flow statement of 31 December 2014.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

a. The Bank's capital adequacy ratio, calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which became effective as of 1 July 2012, is % 14,58 (31 December 2014: 15,16%). This ratio is well above the minimum ratio required by the legislation.

b. Capital adequacy ratio has been calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", "Credit Risk Mitigation Techniques" and "Calculation of Risk-Weighted Amounts for Securitizations" Communiqués that have been published in Official Gazette no. 28756 on 5 September 2013 and became effective as of 1 July 2012 and "Regulation on Equity of Banks" that has been published in Official Gazette no. 28337 on June 28, 2012.

Capital adequacy ratio is calculated based on total capital requirements needed for credit risk, market risk and operational risk. Credit risk is calculated by holding risk-weighted assets and non-cash loans subject to risk-weights in the relevant legislation and taking risk mitigation techniques into account; the standard method is used to calculate market risk and the basic indicator approach is used to calculate operational risk.

The following tables show the details of risk-weighted assets which constitute the basis for the Bank's capital adequacy ratio and Bank's equity calculation.

c. Information related to capital adequacy ratio:

	Risk Weights									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Weighted Credit Risk	-	-	1.861.848	30.944.569	22.601.744	100.662.815	8.518.560	14.862.974	1.026.195	-
Risk classifications:										
Conditional and unconditional receivables										
from central governments and Central										
Banks	48.444.148	-	168.608	21.996.703	-	1.265	-	-	-	-
Conditional and unconditional receivables										
from regional or local governments	-	-	-	48	-	-	-	-	-	-
Conditional and unconditional receivables										
from administrative bodies and non-						04 (00				
commercial enterprises	-	-	-	-	-	21.692	-	-	-	-
Conditional and unconditional receivables										
from multilateral development banks Conditional and unconditional receivables	-	-	-	-	-	-	-	-	-	-
from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables	000 /00									
from banks and brokerage houses	878.472	-	9.114.843	21.197.194	-	82.338	-	-	-	-
Conditional and unconditional receivables						04.00/.000	1 000			
from corporates	-	-	-	-	-	91.004.202	1.308	-	-	-
Conditional and unconditional receivables					20.125.750	0.077.011				
from retail portfolios	-	-	-	-	30.135.659	3.064.311	-	-	-	-
Conditional and unconditional receivables				18.695.193		2.271.921				
secured by mortgages	-	-	-	18.695.193	-		-	-	-	-
Past due receivables	-	-	-	-	-	147.314	-	-	-	-
Receivables defined under high risk							5.677.732	7.431.487	410.478	
category by BRSA	-	-	-	-	-	-	3.677.732	/.431.46/	410.478	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks,										
brokerage houses and corporates Investments similar to collective	-	-	-	-	-	-	-	-	-	-
investments similar to collective						271.086				
	- 1.440.307	-	25.788	-	-	3.798.686	-	-	-	-
Other receivables	1.440.307	-	Z0.788	-	-	3./98.686	-	-	-	-

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d. Summary information related to capital adequacy ratio:

	Current Period 31 December 2015	Prior Period 31 December 2014
Capital Requirement for Credit Risk (Amount subject to credit risk*0,08) (CRCR)	14.438.296	13.196.610
Capital Requirement for Market Risk (CRMRI)	301.959	150.850
Capital Requirement for Operational Risk (CROR)	1.143.676	973.611
Total Capital	28.954.803	27.132.960
Total Capital/ ((CRCR+CRMR+CROR) * 12,5)*100	14,58	15,16
Additional Tier Capital/((CRCR+CRMR+CROR) *12,5)*100	13,46	14,04
Common Equity/(CRCR+CRMR+CROR) *12,5)*100	13,52	14,13

e. Information about total capital items:

	Current Period 31 December 2015	Prior Period 31 December 2014
COMMON EQUITY		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892	5.405.892
Share premium	1.700.000	1.700.000
Share cancellation profits	-	-
Reserves	17.766.503	15.170.522
Gains recognized in equity as per TAS	47.106	47.106
Profit	2.994.848	3.159.678
Current Period Profit	2.994.848	3.159.678
Prior Period Profit	-	-
Provisions for Possible Risks	200.000	200.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	4.895	4.895
Common Equity Before Deductions	28.119.244	25.688.093
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	293.820
Leasehold improvements(-)	34.857	52.222
Goodwill or other intangible assets and deferred tax liability related to these items (-)	78.249	40.996
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	387.038
Total Common Equity	26.836.448	25.301.055
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	-	-

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

	Current Period 31 December 2015	Prior Period 31 December 2014
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		<u> </u>
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	163.983
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	25.137.072
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	2.026.237
Tier II Capital Before Deductions	2.255.984	2.026.237
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 (-) Denise of the Astelliof and loss and financial in Additional Time Lond Time II Constal there of her band financial	-	-
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	2.026.237
CAPITAL BEFORE DEDUCTIONS	28.975.058	27.163.309
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	218
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and	75	210
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	26
Other items to be defined by the BRSA (-)	20.009	30.105
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	27.132.960
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 Thortgage servicing rights Amounts arising from deferred tax assets based on temporary differences	342.155	193.442
Amounto dribing nom deferred tax about based on temporary differences	542.133	173.442

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

f. Information about items that are subject to the temporary application regarding the total capital calculation:

Temporary 2nd article, 1st clause of "Regulation on Equity of Banks" is applied for deductions from Tier 1 Capital.

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

h. The approach used to evaluate the internal capital requirement for the purpose of evaluating its adequacy for the current and future operations within the internal capital adequacy process:

In parallel with the Bank's preparation of yearly business plan and 3 year strategic plan, the legal and internal capital adequacy requirements are evaluated prospectively. In the legal capital requirement calculations the credit risk within the first pillar block, the market risk and the operational risk are included, whereas in internal capital requirement calculations, the second pillar concepts such as interest rate risk of banking accounts, concentration risk and business risk, reputational risk, model risk, trade risk are included in addition to first pillar blocks.

In addition to normal planning conditions, legal and capital adequacy ratio are also evaluated under stress conditions. Capital adequacy calculations are performed under two different stress scenarios being mild and strong. Within the scope of stress scenarios the effect of these variables on credit cost and market risk factors (FX currency, interest rate etc.) is modelled after forecasting macroeconomic variables.. The effect of stress scenarios on equity, income, risk weighted assets and capital adequacy is calculated.

II. EXPLANATIONS ON CREDIT RISK:

a. Credit risk is the risk that the counterparties may be unable to meet the terms of their agreements. This risk is monitored by reference to credit risk ratings and managed by limiting the aggregate risk to any individual counterparty, group of companies and industry. Credit risks are determined for each individual customer, enterprise, business group and risk groups separately. While determining credit risk, criteria such as the customers' financial strength, commercial capacities, sectors, geographic areas and capital structure are evaluated. Analyses of the financial position of the customers are based on the statements of account and other information in accordance with the related legislation. Previously determined credit limits are constantly revised according to changing conditions. The type and amount of collateral and guarantees to be obtained are specified on a customer basis during the determination of credit limits.

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits is closely monitored.

For daily treasury operations limit allocation and follow-up is performed by the Treasury.Business Unit.

Credit worthiness of loan and other receivable debtors are watched regularly and in line with related regulations. In case of an increase in credit debtor's risk level credit limits are re-determined or additional guarantee is taken. For new credit accounts, account follow-up documents are taken in accordance with the related regulation.

The Bank considers loans that have overdue principal and interest payments and are classified as 2nd Group according to the "Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made" as "past due loans."

Loans that have overdue principal and interest payments for more than 90 days after the maturity date or the debtor of which are deemed unworthy by the Bank are considered "impaired loans."

The Bank calculates general loan loss provision for "past due loans" and special provision for "impaired loans" according to the Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made"

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Conditional and unconditional receivables from central governments and	7/0/07//	70.070 (01
Central Banks	76.240.746	72.372.481
Conditional and unconditional receivables from regional or local governments	240	236
Conditional and unconditional receivables from administrative bodies and non- commercial enterprises	38.727	55.430
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	58.358.976	63.305.253
Conditional and unconditional receivables from corporates	111.064.453	105.188.484
Conditional and unconditional receivables from retail portfolios	55.575.640	56.981.332
Conditional and unconditional receivables secured by mortgages	21.498.672	19.984.356
Past due receivables	147.314	148.989
Receivables defined under high risk category by BRSA	13.519.697	15.194.267
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	278.802	1.411.323
Other receivables	5.264.781	5.081.640
Total	341.988.048	339.723.791

(*) The figures represent total risk amounts before Credit Risk Mitigation and before credit conversion factor.

- **b.** Control limits exist on forward transaction and option agreements and other positions that are held in terms of similar other agreements. Credit risk born out of these types of instruments is managed together with market risk.
- **c.** The risks of the forward, option and other similar type agreements are followed regulary and as deemed necessary based on the credit risk, the risks are tried to be minimized.
- **d.** Non-cash loans turned into cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk. Rescheduled or restructured loans are followed in their relevant groups until all receivables from the loans are collected. Monitoring also continues until the receivables from the loans are completely collected.

The Bank considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

e. The Bank's banking activities in foreign countries and credit transactions do not constitute an important risk in terms of the related countries' economic conditions and activities of customers and companies.

When considered within the financial activities of other financial institutions, the Bank as an active participant in the national and international banking market is not exposed to significant credit risk concentration.

As seen in the Bank's balance sheet, the ratio of loans under follow-up to total loans is as low as % 2,3 (31 December 2014: 1,8%).

 The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is % 30 and % 37 respectively. (31 December 2014: 26% and 31%).

The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 59% and 68%.
 (31 December 2014: 63% and 72%)

3. The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 17% and 22% respectively. (31 December 2014: 19% and 24%)

g. The Bank provided a general loan loss provision amounting to TL 2.544.702 (31 December 2014: TL 2.122.944).

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

h. Information on loan types and provisions:

Current Period - 31 December 2015	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	98.162.314	26.821.142	11.723.535	136.706.991
Close Monitoring Loans	2.249.269	1.853.129	806.781	4.909.179
Loans Under Follow-up	1.016.088	1.184.274	1.172.961	3.373.323
Specific Provision (-)	868.775	1.184.274	1.172.961	3.226.010
Total	100.558.896	28.674.271	12.530.316	141.763.483

As of 31 December 2015, the Bank has set 100% specific provision amounting to TL 59 million after taking the collaterals into consideration for one of its non-performing commercial loans amounting to TL 206 million.

Prior Period - 31 December 2014	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	80.088.100	29.426.001	12.039.233	121.553.334
Close Monitoring Loans	1.835.940	1.573.038	864.346	4.273.324
Loans Under Follow-up	751.403	685.612	893.140	2.330.155
Specific Provision (-)	600.077	685.612	893.140	2.178.829
Total	82.075.366	30.999.039	12.903.579	125.977.984

As of 31 December 2014, the Bank has set 100% specific provision amounting to TL 55 million after taking the collaterals into consideration for one of its non-performing commercial loans amounting to TL 206 million

i. Information on the movement of provision for loan and other receivables of the Bank:

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2015	600.077	685.612	893.140	2.178.829
Transferred during the period	585.733	787.671	650.058	2.023.462
Collection	(182.014)	(230.670)	(221.620)	(634.304)
Write-off(*)	(135.021)	(58.339)	(148.617)	(341.977)
31 December 2015	868.775	1.184.274	1.172.961	3.226.010

(*) TL 248,5 million of the Bank's non-performing loan portfolio has been sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 40.3 million. Specific provision previously allocated for this amount, is shown under "Write-off" in the above table.

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2014	451.010	449.485	683.337	1.583.832
Transferred during the period	450.783	548.660	704.622	1.704.065
Collection	(143.719)	(173.701)	(203.725)	(521.145)
Write-off(*)	(157.997)	(138.832)	(291.094)	(587.923)
31 December 2014	600.077	685.612	893.140	2.178.829

(*) TL 252,2 million of the Bank's non-performing loan portfolio has been sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 44 million and TL 250,5 million of the Bank's non-performing loan portfolio has been sold to Efes Varlık Yönetimi A.Ş. at a price of TL 41 million. Specific provision previously allocated for this amount, is shown under "Write-off" in the above table.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

j. Information on debt securities, treasury bills and other eligible bills:

Current Period - 31 Aralık 2015	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to-Maturity Securities	Total
Moody's Rating				
Ааа	-	-	-	-
A1, A2, A3	-	-	-	-
Baa1, Baa2, Baa3	1.655	40.959.285	10.688.242	51.649.182
Ba1	-	101.166	-	101.166
Ba2	-	-	-	-
Toplam	1.655	41.060.451	10.688.242	51.750.348

Prior Period - 31 Aralık 2014	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to-Maturity Securities	Total
Moody's Rating				, otat
Ааа	-	16.368	-	16.368
A1, A2, A3	-	-	-	-
Baa1, Baa2, Baa3	5.196	37.552.190	10.799.905	48.357.291
Ba1	-	81.574	-	81.574
Ba2	-	119.107	-	119.107
Toplam	5.196	37.769.239	10.799.905	48.574.340

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.

Profile on significant risks in significant regions: 2

31 December 2015 1 2 3 4 5 Domestic 76.063.029 48 27.007 - - 11 Domestic 76.063.029 48 27.007 - - 11 European Union Countries 168.608 - 258 - - 22 OECD Countries(**) 0F 56 - - - 23 OFCD Countries(**) 168.608 - - 2 - 22 OFCD Countries(**) 0F - - - - - 23 OFFC Countries 168.608 - - - - - - - - 23 Use Countries -	Current Period								Risk Catego	egories (*)								
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	December 2015	-	2		4	2	9	4	œ	6	10	11	12	13	14	15	16	Total
Intries 168.608 - 258	mestic	76.063.029	48	27.007			15.030.834	87.821.882	33.338.424	20.620.877	147.314	13.507.875		1		278.802	3.914.879	250.750.971
	Iropean Union Countries	168.608	ī	258	ı	,	23.031.210	3.321.951	17.964	341.906	I	7.021	ı	ī	'	I	161	26.889.079
	ECD Countries(**)	'	,	1	,	,	1.495.571	204.431	2.744	2.258	1	1.078	ľ	1	ı		1	1.706.082
ures	f- Shore Regions	ı	ī	ı	ı	,	579.036	3.061	514	264	I	104	ı	ī	'	I	I	582.979
ures	SA, Canada	ı	i.	T	i.	I	1.809.676	114.616	4.304	3.398	I	1.238	I	I.	I	I	ı	1.933.232
Lres	her Countries	ı	i.	25	i.	I	597.857	796.226	16.184	4.023	I	2.381	I	I.	I	I	ı	1.416.696
	/estment and associates, ubsidiaries and joint ventures ndistributed Assets / _iabilities***	1 1		1 1			4.279.974		1 1								1.349.741 -	5.629.715
Total 76.231.637 48 27.290 46	ıtal	76.231.637	4 8	27.290	•	•	46.824.158	92.262.167	33.380.134	20.972.726	147.314	13.519.697	$\left \cdot \right $	•	•	278.802	5.264.781	288.908.754

Prior Period								Risk Categories (*	ries (*)								
31 December 2014	-	2	e	4	2	9	4	8	6	10	11	12	13	14	15	16	Total
Domestic	65.411.293	43	32.761	1		9.288.346	72.661.476	36.037.999	16.928.574	151.326	16.983.803	•			289.909	3.384.148	221.169.678
European Union Countries	155.782	,	244	,	,	31.269.670	1.106.839	21.112	168.193	,	5.561	ľ	,	·	I	161	32.727.562
OECD Countries(**)	1	,	'	,	,	2.403.590	144.640	4.930	1.456	,	1.341	ľ	,	·	I	,	2.555.957
Off- Shore Regions	ı	ı	'	ľ	ı	594.898	7	24.580	45	I	139	ľ	'	1	I	1	619.669
USA, Canada	1	ı	'	ľ	ľ	1.328.291	127.448	4.763	3.012	'	1.603	ľ	'	1	I	1	1.465.117
Other Countries		ı	23	ľ	ŀ	468.104	307.793	15.163	4.414		1.820	ľ	1	1	I		797.317
Investment and associates, subsidiaries and ioint ventures	,	I	1		I	3.373.529	1			,	I		1	1	1	906.229	4.279.758
Undistributed Assets /																	
Liabilities***	'	I	I	I	I		'		ı	ı	I	I.	I	T	I		
Total	65.567.075		43 33.028	•	•	48.726.428	74.348.203	36.108.547	17.105.694	151.326	16.994.267	•	•	•	289.909	4.290.538	263.615.058

(*) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adeguacy Ratios of Banks."

Conditional and unconditional receivables from central governments and Central Banks

Conditional and unconditional receivables from regional or local governments

Conditional and unconditional receivables from administrative bodies and non-commercial enterprises

Conditional and unconditional receivables from multilateral development banks

Conditional and unconditional receivables from international organizations

Conditional and unconditional receivables from banks and brokerage houses Conditional and unconditional receivables from corporates

Conditional and unconditional receivables from retail portfolios

EU countries, OECD countries other than USA and Canada

Assets and liabilities that are not distributed according to a consistent principle ↑ [***] [**]

Short-term receivables from banks, brokerage houses and corporates

Investments similar to collective investment funds

Other receivables

Conditional and unconditional receivables secured by mortgages

Receivables defined under high risk category by BRSA

Past due receivables

Securities collateralized by mortgages

Securitization positions

9. 112. 15.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS	ORIGINALLY ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE
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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

I. Risk Profile according to sectors and counterparties:

31 December 2015																			
	1	2	3	4	5	9	7	8	6	10	11	12	13	14	15	16	1	FC	Total
Agricultural	-		3		ī		58.973	174.704	56.587	1	12.801	1	1		ı		301.630	1.439	303.069
Farming and raising livestock	-	I	e	I	I.	ı	45.201	105.570	34.637	T	11.434	,	1	I.	1	1	196.846	I	196.846
Forestry		1	1	1	1		13.251	67.965	21.524		1.151	1	1	1			102.452	1.439	103.891
Fishing		1	ı	1	1		521	1.169	426	1	216	1	ı	ı	ı		2.332	1	2.332
Manufacturing	13	,	318	ı	1	1	34.050.162	3.072.747	2.342.893		46.936	1	ı	ı	ı	1	18.502.324	21.010.745	39.513.069
Mining		1	ı	1	ľ		1.439.519	72.617	66.763	1	555	1	ı	ı	ı		372.030	1.207.424	1.579.454
Production	13	1	315	Ţ	Ţ	1	20.801.240	2.961.800	2.224.301	1	45.851	I	ı	ī	I	1	14.851.201	11.182.319	26.033.520
Electricity, Gas, Water		,	e	ı	1	1	11.809.403	38.330	51.829		530	1	ı	ı	ı	1	3.279.093	8.621.002	11.900.095
Construction		1	855	1	1		11.573.480	892.909	2.463.080	1	10.997	1	ı	ı	ı		7.268.994	7.672.327	14.941.321
Services	3.365	37	16.139	I	,	42.993.740	40.848.262	10.505.948	6.804.967	147.314	250.662	,	,	,	1	1.357.874	41.666.430	61.261.878	102.928.308
Wholesale and Retail Trade	52	6	98	ı	1	86.548	16.517.028	8.264.452	5.134.642		160.540	1	ı	ı	ı	1	24.483.961	5.679.408	30.163.369
Hotel, Food, Beverage																			
Services	133	1	29	Ţ	Ţ	1	2.275.358	386.813	595.961	147.314	13.225	I	ı	ī	I	1	1.525.814	1.893.019	3.418.833
Transportation and																			
Telecommunication	3.058	,	7	ı	ľ	I	6.328.832	955.487	310.184	1	18.160	I	ı	ī	I	I	2.061.464	5.554.264	7.615.728
Financial Institutions	m	С	352	1	1	42.904.080	12.080.984	10.255	82.765		1.332	1	1	1		1.356.050	10.495.890	45.939.934	56.435.824
Real Estate and Lending																			
Services	ı	ł	14	I	,	ı	1.442.924	55.938	133.723	1	4.153	1	,	,	1	ı	463.131	1.173.621	1.636.752
Self employment Service		1	48	1	1		497.379	122.997	51.164		14.195	1	1	1			236.167	449.616	685.783
Education Service	96	1	1.892	1	1		194.720	83.782	116.340	1	2.737	1	ı	ı	ı		360.453	39.114	399.567
Health and social Services	23	25	13.699	ı	Ţ	3.112	1.511.037	626.224	380.188	1	36.320	I	ı	ī	I	1.824	2.039.550	532.902	2.572.452
Other	76.228.258	11	9.975			3.830.418	5.731.290	18.733.826	9.305.199		13.198.301	1			278.802	3.906.907	101.916.965	29.306.022	131.222.987
Total	76.231.637	87	27.290	•	•	46.824.158	92.262.167	33.380.134	20.972.726	147.314	13.519.697	•	•		278.802	5.264.781	169.656.343	119.252.411	288.908.754

(*)Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks."

1.	Conditional and unconditional receivables from central governments and Central Banks	9.
2.	Conditional and unconditional receivables from regional or local governments	10.
с. С	Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	11.
4.	Conditional and unconditional receivables from multilateral development banks	12.
5.	Conditional and unconditional receivables from international organizations	13.
6.	Conditional and unconditional receivables from banks and brokerage houses	14.
7.	Conditional and unconditional receivables from corporates	15.
œ.	Conditional and unconditional receivables from retail portfolios	16.

- Conditional and unconditional receivables secured by mortgages Past due receivables Receivables defined under high risk category by BRSA Securities collateralized by mortgages Securitization positions Short-term receivables from banks, brokerage houses and corporates Investments similar to collective investment funds

 - Other receivables

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m. Term distribution of risks with term structure:

	Time to Maturity						
31 December 2015		1-3	3-6	6-12			
Risk Categories	1 month	months	months	months	Over 1 year	Total	
Conditional and unconditional receivables from central governments and Central Banks	6.042.938	24.333.844	69.755	410.506	45.374.594	-	
Conditional and unconditional receivables from regional or local governments	-	-	-	-	48	-	
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	6.034	2.110	523	1.990	16.633	-	
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	
Conditional and unconditional receivables from banks and brokerage houses	12.309.043	2.111.699	2.516.916	2.553.218	27.333.282	-	
Conditional and unconditional receivables from corporates	3.934.976	5.494.686	10.137.440	16.242.648	56.452.417	-	
Conditional and unconditional receivables from retail portfolios	653.195	8.700.566	5.029.186	3.978.654	15.018.533	-	
Conditional and unconditional receivables secured by mortgages	295.869	718.396	1.152.480	2.283.051	16.522.930	-	
Past due receivables	-	-	-	-	-	147.314	
Receivables defined under high risk category by BRSA	-	-	-	-	13.519.697	-	
Securities collateralized by mortgages	-	-	-	-	-	-	
Securitization positions	-	-	-	-	-	-	
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	
Investments similar to collective investment funds Other Receivables	8.175	270.627	-	-	-	- 5.264.781	
Total	23.250.230	41.631.928	18.906.300	25.470.067	174.238.134	5.412.095	

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n. Explanations regarding risk categories mentioned in 6th clause of Capital Adequacy Measurement and Evaluation Communiqué:

Ratings given by Fitch Ratings are used in determining risk weight class of the counterparties.Countries' credit note is considered all risk class of receivables from central governments and Central Banks. The ratings of Fitch Ratings are used for Banks and Corporate Receivables asset class and are limited to receivables that have counterparties abroad. If the risk weight class solely consists of receivables from central governments and central banks, the credit ratings of the countries are taken into account. As of 6 November 2012, Fitch Ratings has increased Turkey's long-term foreign currency credit note from BB+ to BBB-. After the increase, the ratings of Fitch are also used for foreign currency bonds issued by Turkish Treasury and other foreign currency risks that are related to the Turkish central management. Below are the Credit Quality Degrees corresponding to Fitch Ratings.

Ratings to be matched	Credit Quality Degrees	Fitch
	1	AAA and AA-
	2	A+ and A-
Ratings of long-term	3	BBB+ and BBB-
credits	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below
	1	F1+ and F1
	2	F2
Ratings of short-term	3	F3
credits	4	Below F3
	5	
	6	
	1	AAA and AA-
Long-term securitization	2	A+ and A-
position ratings	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and below
	1	F1+ and F1
Short-term securitization	2	F2
position ratings	3	F3
	Others	Below F3
	1	AAA and AA-
	2	A+ and A-
Matchings regarding collective investment	3	BBB+ and BBB-
institutes	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

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Risk Amounts according to Risk Weights:

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deducted from Equity
Amount Before Credit	•										
Risk Mitigation	56.384.021	-	13.297.984	54.754.102	43.740.238	107.211.404	5.679.040	7.431.487	410.478	-	20.255
Amount After Credit											
Risk Mitigation	50.762.927	-	9.309.239	61.889.137	30.135.658	100.662.815	5.679.040	7.431.487	410.478	-	20.255

o. Miscellaneous Information regarding Important Sectors or Counterparty Type:

Methods related to impairment and provisions and notes related to past due and impaired receivables are provided in Note 2-a of Section Four

	Loans(*)			
Sectors/Counterparties	Impaired Receivables	Past Due Receivables	Impairment	Provisions
Agricultural	10.693	968	19	10.693
Farming and raising livestock	9.407	856	17	9.407
Forestry	1.257	112	2	1.257
Fishing	29	-	0	29
Manufacturing	203.030	968.186	28.421	203.030
Mining	5.828	18.624	777	5.828
Production	193.943	69.680	2.014	193.943
Electricity, Gas, Water	3.259	879.882	25.630	3.259
Construction	58.069	126.322	3.715	58.069
Services	874.681	252.234	6.914	727.368
Wholesale and retail trade	568.200	178.062	4.873	568.200
Hotel, Food, Beverage services	226.590	32.331	896	79.277
Transportation and Telecommunication	46.949	21.856	513	46.949
Financial Institutions	729	2.483	50	729
Real Estate and Lending Service	2.616	107	3	2.616
Self employment service	2.858	574	21	2.858
Education Service	2.412	4.604	92	2.412
Health and social services	24.327	12.217	466	24.327
Other	2.226.850	1.006.856	84.911	2.226.850
Total	3.373.323	2.354.566	123.980	3.226.010

(*) Breakdown of cash loans

p. Information related to Impairment and Loan Loss Provisions:

		Provisions			
	Opening	provided during	Provision	Other Adjustments	Closing
	Balance	the period	Reversals	(*)	Balance
Special Provisions	2.178.829	2.023.462	(634.304)	(341.977)	3.226.010
General Provisions	2.122.944	421.758	-	-	2.544.702

(*) Presents the Write-Offs and Sales from Loans under Follow-up portfolio..

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III. EXPLANATIONS ON MARKET RISK:

The risk principles, policies and risk limits related to the management of market risk are approved by the Board of Directors and reviewed on a regular basis. The Bank's Senior Management performs day to day management of the market risk in accordance with the limits assigned by the Board of Directors. The Bank is exposed to market risk as a result of fluctuations in foreign exchange rates, interest rates, and market prices of stocks. Exchange rate risk and interest rate risk are evaluated as the two most important components of market risk. The Bank engages in derivative transactions for hedge purposes when found necessary.

Market risk is calculated by two different methods, namely the "inherent model" and the "standard method". According to inherent model market risk is measured by Value at Risk ("VaR") approach which takes into account different risk factors. VaR calculations use variance-covariance, historical simulation and Monte Carlo simulation methods. The software used can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of 99% confidence interval and a 10-day holding period. VaR analyses are performed on a daily basis and reported to the Senior Management. VaR analyses are also used as risk and limit management instrument for trading transactions. The limits are reviewed periodically according to market conditions and the application of specified limits is subject to authority restrictions and therefore the control effectiveness is increased. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have significant impact and the effects of market fluctuations. Retrospective tests of the model outputs are performed regularly. The standard method is used for the legal reporting.

The following table indicates the details of the market risk calculation as of 31 December 2015, in accordance with the Market Risk Calculation principles pursuant to the Part 2 of the Second Section of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette no. 28337 on 28 June 2012.

a. Information related to Market Risk:

	Balance
(I) Capital requirement for general market risk – Standard Method	85.711
(II) Capital requirement for specific risk – Standard Method	15.245
(III) Capital requirement for specific risk in securitization positions- Standard Method	-
(IV) Capital requirement for currency risk – Standard Method	52.183
(V) Capital requirement for stocks – Standard Method	-
(VI) Capital requirement for clearing risk – Standard Method	171
(VII) Capital requirement for market risk from options – Standard Method	2.889
(VIII) Capital requirement for counterparty credit risk - Standard Method	145.760
[IX] Total Capital requirement for market risk for banks applying Risk Measurement Model	-
(X) Total Capital requirement for market risk (I+II+III+IV+V+VI+VII+VIII)	301.959
[XI] Amount subject to market risk (12,5 x IX) or (12,5 x X)	3.774.488

b. Average Market Risk Table of Calculated Market Risk for Period Ends:

Table below shows the calculated average and the maximum and the minimum level of market risk amount as of month ends

	Current Period 31 December 2015			Prio 31 Dec		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	93.511	100.072	72.689	64.320	82.806	50.473
Share Certificates Risk	178	31	230	1.541	217	467
Currency Risk	43.955	118.808	46.269	11.866	84.774	-
Commodity Risk	-	-	-	-	-	-
Settlement Risk	69	142	47	2	-	-
Option Risk	1.788	689	412	5.725	4.577	1.354
Counterparty Credit Risk	134.878	168.912	104.838	82.108	138.271	46.572
Total Amount Subject to Risk	274.379	388.654	224.485	165.562	310.645	98.866

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c. Information related to counterparty credit risk:

The counterparty credit risk is calculated via "Fair Value Valuation Method" mentioned in the Communiqué on "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette No. 28337 on June 28, 2012 and entered into force as of July 1, 2012 and its annex "Derivative financial instruments, repurchase transactions, securities or commodities lending or borrowing transactions, Long Settlement Transactions with Counterparty Credit Risk in Credit Securities Transactions."

Counterparty credit risk is the sum of potential credit risk amounts and positively valued replacement costs. Limit allocations regarding operations are determined by taking into consideration the maximum risk amounts. The compliance with the limits are controlled on transaction basis. Limits are regularly viewed and within this process the changes in the counterparty credit ratings are also taken into consideration. Internal capital is provided for counterparty credit risks.

Agreements of International Swaps and Derivatives Association (ISDA), Credit Support Annex (CSA) are used in the derivative transactions' counterparty risk management. Within the scope of these agreements cash guarentees are taken or given based on the transactions' fair value changes on a daily basis.

In the management of marketable securities purchase/sell commitments' trade risk Delivery Versus Payment (DVP) trade method is used.

Quantitative information on Counterparty Risk:

	Amount
Interest Rate Based Contracts	56.412
Foreign Currency Based Contracts	50.091
Commodity Based Contracts	1.176
Stock-Based Contracts	2
Other	1.018
Positive Fair Value Gross Amount	-
Benefits of Offsetting	-
Offsetting Current Risk Amount	-
Retained Guarantee	3.978
Net Positions on derivatives	115.013

d. Standard method is used for calculation of capital requirements.

IV. EXPLANATIONS ON OPERATIONAL RISK

The "Basic Indicator Method" that is mentioned in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 28337 on June 28, 2012 and entered into force as of July 1, 2012, is used in the operational risk calculation of the Bank. The amount subject to the operational risk as of 31 December 2015 is calculated once a year by using the gross income of the Bank in 2012, 2013 and 2014.

Annual gross revenue is calculated by deduction of profit/loss derived from the sale of available-for-sale assets and held-tomaturity securities, extraordinary income and indemnity insurance gains from the total of net interest income and non interest income.

	Total/Positive GI							
	31.12.2012	31.12.2013	31.12.2014	year number	Ratio (%)	Total		
Gross income	6.129.693	8.171.218	8.572.601	3	15	1.143.676		
Amount subject to Operational Risk								
(Amount*12,5)						14.295.945		

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V. 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 EMRC. The Board, taking into account the recommendations by the EMRC, sets a limit for the size of a foreign exchange exposure, which is closely monitored by ALCO.

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

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

	USD	EURO	Yen
Balance Sheet Evaluation Rate	TL 2,8800	TL 3,1422	TL 2,3864
1.Day bid rate	TL 2,9076	TL 3,1776	TL 2,4078
2.Day bid rate	TL 2,9084	TL 3,1921	TL 2,4098
3.Day bid rate	TL 2,9157	TL 3,2006	TL 2,4133
4.Day bid rate	TL 2,9123	TL 3,1904	TL 2,4146
5.Day bid rate	TL 2,9187	TL 3,1968	TL 2,4189

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 2,9165
EURO	:TL 3,1752
Yen	:TL 4,3674

As of 31 December 2014;

	USD	EURO	Yen
Balance Sheet Evaluation Rate	TL 2,3269	TL 2,8272	TL 1,9424

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

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

Current Period – 31 December 2015	EURO	USD	Other FC(*)	Tota
Assets				
Cash Equivalents and Central Bank(***)	4.040.181	15.552.082	3.715.380	23.307.643
Banks	812.578	5.459.073	30.087	6.301.738
Financial Assets at Fair Value through Profit or Loss (Net)	107	-	-	107
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	2.794.067	19.079.062	-	21.873.129
Loans	20.285.595	32.007.018	61.593	52.354.206
Investments in Associates, Subsidiaries and Joint Ventures	1.001.182	2.243	-	1.003.42
Held-to-maturity Investments (Net)	2.173.949	3.329.732	-	5.503.68
Hedging Derivative Financial Assets	-	-	-	
Tangible Assets (Net)	-	1.746	-	1.746
Intangible Assets (Net)	-	-	-	-
Other Assets	142.242	374.008	3.074	519.324
Total Assets	31.249.901	75.804.964	3.810.134	110.864.999
Liabilities				
Bank Deposits	1.128.624	9.338.275	779.364	11.246.263
Foreign Currency Deposits (***)	17.795.245	39.037.869	2.166.734	58.999.848
Funds from Interbank Money Market	465.407	16.194.512	-	16.659.91
Borrowings	7.141.845	16.377.719	644	23.520.20
Marketable Securities Issued (Net)	139.029	7.851.571	93.429	8.084.029
Miscellaneous Payables	556.765	393.632	2.465	952.862
Hedging Derivative Financial Liabilities	-	-	-	
Other Liabilities	63.675	67.428	4.266	135.369
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
Prior Period - 31 December 2014				
Total Assets	21.968.748	61.780.913	3.506.038	87.255.699
Total Liabilities	22.888.914	72.120.437	3.515.643	98.524.994
Net on-Balance Sheet Position	(920.166)	(10.339.524)	(9.605)	(11.269.295
Net off-Balance Sheet Position (**)	824.656	10.721.382	(7.442)	11.538.59
Financial Derivative Assets	5.418.752	26.876.636	4.327.610	36.622.99
Financial Derivative Liabilities	4.594.096	16.155.254	4.335.052	25.084.40
Non-cash Loans	5.675.832	12.169.717	270.515	18.116.064

(*) Of the "Other FC" total assets amounting to TL 3.810.134 (31 December 2014: TL 3.506.038), TL 44.934 is in English Pounds (31 December 2014: 74.392 TL), and TL 25.396 is in Swiss Francs (31 December 2014: TL 43.564), TL 14.378 is in Japanese Yen (31 December 2014: TL 9.865). Of the total liabilities amounting to TL 3.046.902 (31 December 2014: TL 3.515.643) TL 1.525.048 is in British Pounds (31 December 2014: TL 1.314.087) and TL 287.999 is in Swiss Francs (31 December 2014: TL 603.775), TL 43.054 is in Japanese Yen (31 December 2014: TL 62.502).

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

(***) Of the Cash Equivalents and Central Bank TL 3.663.362 (31 December 2014: TL 3.308.533) and of the foreign currency deposits, TL 777.277 (31 December 2014: TL 1.225.353) is precious metal deposit account in demand.

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Currency risk sensitivity analysis:

The following table details the Bank's sensitivity to a 10% change in exchange rates.

	Effect on	Profit/Loss(*)
Change in exchange rate	Current period	Prior period
	31 December2015	31 December 2014
(+)10 %	(39.952)	3.975
(-)10 %	39.952	(3.975)

(*) Presents amounts before Tax.

VI. EXPLANATIONS ON INTEREST RATE RISK:

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

The 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 – 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
			(0.000.0.)	10.055.15			
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 [*] Shareholders' equity is presented under "Othe	(34.732.969)	(9.859.582)	45.218.943		4.258.475	(42.929.055)	2.067.515

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Prior Period – 31 December 2014	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets	Plontin	Hondia	Pionens	10015		Dearing	10101
Cash Equivalents and Central Bank	2.580.424	-	-	-	-	17.859.617	20.440.041
Banks	1.229.886	441.025	96.108	-	-	2,989,078	4.756.097
Financial Assets at Fair Value Through Profit							
or Loss (Net)	320.868	375.644	336.868	204.050	169.512	68	1.407.010
Interbank Money Market Placements	700.215	-	-	-	-	-	700.215
Available-for-sale Financial Assets (Net)	6.039.462	3.584.967	10.772.620	9.508.929	7.863.261	302.232	38.071.471
Loans	31.755.207	27.565.255	30.582.339	30.417.509	5.506.348	151.326	125.977.984
Held-to-maturity Investments (Net)	2.408.833	501.192	1.421.534	5.615.108	853.238	-	10.799.905
Other Assets	306.941	26.211	-	-	-	2.964.745	3.297.897
Total Assets	45.341.836	32.494.294	43.209.469	45.745.596	14.392.359	24.267.066	205.450.620
Liabilities							
Bank Deposits	8.489.424	3.586.396	668.532	-	-	495.730	13.240.082
Other Deposits	64.229.659	11.235.465	6.067.863	395.721	-	18.204.611	100.133.319
Funds from Interbank Money Market	8.926.614	6.379.969	4.377.795	4.418.007	3.338.218	-	27.440.603
Miscellaneous Payables	-	-	-	-	-	3.297.373	3.297.373
Marketable Securities Issued (Net)	711.456	1.593.195	2.965.158	3.039.932	1.206.102	-	9.515.843
Borrowings	1.802.546	14.417.259	3.120.108	484.892	1.163.921	-	20.988.726
Other Liabilities	130.505	325.919	530.488	202.642	165.090	29.480.030	30.834.674
Total Liabilities	84.290.204	37.538.203	17.729.944	8.541.194	5.873.331	51.477.744	205.450.620
Balance Sheet Long Position	-	-	25.479.525	37.204.402	8.519.028	-	71.202.955
Balance Sheet Short Position	(38.948.368)	(5.043.909)	-	-	-	(27.210.678)	(71.202.955)
Off-balance Sheet Long Position	779.278		961.794	-	178.968	-	1.920.040
Off-balance Sheet Short Position	-	(124.757)	-	(1.165.568)	-	-	(1.290.325)
Total Position	(38,169,090)	(5.168.666)	26.441.319		8.697.996	(27.210.678)	629.715

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

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

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

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Prior Period – 31 December 2014	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	-	-	1,51
Banks	0,05	0,37	-	11,26
Financial Assets at Fair Value Through Profit or Loss (Net)	3,55	4,13	-	10,04
Interbank Money Market Placements	-	-	-	11,24
Available-for-sale Financial Assets (Net)	3,58	3,64	-	10,02
Loans	4,36	4,61	3,69	12,01
Held-to-maturity Investments (Net)	3,69	3,83	-	11,22
Liabilities				
Bank Deposits	0,90	1,26	-	9,89
Other Deposits	1,29	1,51	0,22	7,90
Funds from Interbank Money Market	1,00	1,19	-	8,14
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	4,00	4,73	-	8,18
Borrowings	0,92	1.75	-	6,75

c. Interest rate risk related to banking book:

Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Interest rate risk related to the trading portfolio is followed under market risk.

ALCO performs daily management of interest rate risk in accordance with the risk limits set by the Executive Risk Committee in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

In addition to interest rate sensitivities measured and reported weekly, daily and transaction-based analyses are also performed when significant fluctuations occur in markets.

Repricing term mismatch and duration mismatch analyses, net economic value change analyses under different interest rate stress scenarios and income simulations are used for interest rate risk management. Repricing risk, yield curve risk, basis risk and optionality are considered under interest rate risk scope.

The interest rate risk arising from banking book is calculated and reported on a monthly basis according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no. 28034 on 23 August 2011.

Calculation of the interest rate risk derived from banking books is presented below:

	Applied Shock	Gains /	Gains / Shareholders' Equity -
Currency	(+/- x basis points)	Losses	Losses/ Shareholders' Equity
TL	-400	3.356.356	11,59%
TL	500	(3.543.404)	[12,24%]
USD	-200	534.633	1,85%
USD	200	(551.135)	(1,91%)
EURO	-200	97.418	0,34%
EURO	200	(547.814)	(1,89%)
Total (for negative shocks)		3.988.407	13,78%
Total (for positive shocks)		(4.642.353)	(16,04%)

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

VII. 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".

VIII. EXPLANATIONS ON LIQUIDITY RISK

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

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

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

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

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

The different categories of defined limits are;

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

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

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

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

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

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 [Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.]

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

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

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

e) Information on liquidity risk mitigation techniques:

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

f) Information on the use of stress tests:

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

Liquidity Coverage Ratio:

		Rate of "Perc taken into ac Implemented 1	count" not	Rate of "Percentage to be taken into account" Implemented Total value (*)			
Curre	ent Period- 31.12.2015	TL+FC	FC	TL+FC	FC		
HIGH	QUALITY LIQUID ASSETS						
1	High quality liquid assets			39.075.798	28.147.442		
CASH	IOUTFLOWS						
2	Retail and Small Business 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						
J	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 16	Other irrevocable or conditionally revocable commitments TOTAL CASH OUTFLOWS	48.284.608	12.904.839	2.414.230 57.737.865	645.242 36.258.177		
	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 ap	plied amounts		
21 22 23	TOTAL HQLA TOTAL NET CASH OUTFLOWS Liquidity Coverage Ratio (%)			39.075.798 29.069.153 134,79	28.147.442 14.663.986 193,91		

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Prior Period- 31.12.2014		Rate of "Percenta into account" no Total va	t Implemented	Rate of "Percentage to be taken into account" Implemented Total value (*)		
		TL+FC	FC	TL+FC	FC	
HIGH	I QUALITY LIQUID ASSETS					
1	High quality liquid assets			34.691.600	25.513.574	
NAK	İT ÇIKIŞLARI					
2	Retail and Small Business Customers Deposits	82.289.326	34.455.457	7.209.512	3.191.120	
3	Stable deposits	20.388.415	5.088.511	1.019.421	254.426	
4	Less stable deposits	61.900.911	29.366.947	6.190.091	2.936.695	
5	Unsecured Funding other than Retail and Small Business					
5	Customers Deposits	41.611.676	26.591.042	24.418.859	17.441.991	
6	Operational deposits	2.749.008	1.147.690	687.252	286.923	
7	Non-Operational Deposits	35.547.188	24.372.479	21.310.823	16.084.196	
8	Other Unsecured Funding	3.315.480	1.070.872	2.420.784	1.070.872	
9	Secured funding			583.188	583.188	
10	Other Cash Outflows	21.936.502	15.229.278	20.046.720	13.514.184	
11	Liquidity needs related to derivatives and market					
11	valuation changes on derivatives transactions	19.838.330	13.324.520	19.838.330	13.324.520	
12	Debts related to the structured financial products	-	-	-	-	
13	Commitment related to debts to financial markets and					
13	other off balance sheet liabilities	2.098.172	1.904.757	208.390	189.664	
	Herhangi bir şarta bağlı olmaksızın cayılabilir bilanço dışı					
14	Commitments that are unconditionally revocable at any					
	time by the Bank and other contractual commitments	50.245.847	13.200.198	2.512.292	660.010	
15	Other irrevocable or conditionally revocable commitments					
16	TOTAL CASH OUTFLOWS			54.770.572	35.390.494	
CAS	INFLOWS					
17	Secured Lending Transactions	368.185	-	-	-	
18	Unsecured Lending Transactions	16.195.068	9.402.933	12.232.101	8.595.374	
19	Other contractual cash inflows	18.373.216	13.845.831	18.373.216	13.845.831	
20	TOTAL CASH INFLOWS	34.936.469	23.248.765	30.605.318	22.441.205	
				Üst Sınır Uygul	anmış Değerler	
21	TOTAL HQLA			34.691.600	25.513.574	
22	TOTAL NET CASH OUTFLOWS			24.165.254	13.048.768	
23	Liquidity Coverage Ratio (%)			144,91	205,89	

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 120% during the period and remain at a quite higher level that 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 comprise of CBRT accounts by 55% and securities issued by Treasury of Republic of Turkey by 42%.

Funding sources are distributed between individual and retail deposits by 59%, corporate deposits by 25%, borrowings from banks by 7% and collateralized borrowings such as repurchase agreements by 6%.

Cash outflow amounting to TL 1.229 million is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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 - 31.12.2015		
	Tl+FC	FC		
Lowest	124,69	165,77		
Week	11.12.2015	02.10.2015		
Highest	146,73	225,84		
Week	16.10.2015	16.10.2015		

Non-cash Loans

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2015	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	5.727.492	19.717.150	28.781	-	-	-	-	25.473.423
Banks	3.968.572	3.698.219	191.506	-	-	-	-	7.858.297
Financial Assets at Fair Value Through								
Profit or Loss (Net)	9.958	64.252	140.477	472.708	743.093	1.297.424	-	2.727.912
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-sale Financial Assets (Net)	399.257	29.504	269.310	883.005	23.586.037	16.292.594	-	41.459.707
Loans	-	20.436.805	20.240.297	31.206.119	49.838.151	19.894.798	147.313	141.763.483
Held-to-maturity Investments (Net)	-	-	-	120.833	7.364.090	3.203.319	-	10.688.242
Other Assets	109.863	703.704	35.726	72.620	614.059	495.218	2.806.734	4.837.924
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
Liabilities								
Bank Deposits	236.324	7.472.066	4.583.593	267.238	-	-	-	12.559.221
Other Deposits	21.185.897	82.092.545	17.729.095	5.298.189	77.550	-	-	126.383.276
Borrowings	-	817.361	5.449.613	9.423.760	5.343.939	2.678.665	-	23.713.338
Funds from Interbank Money Market	-	8.866.054	1.059.181	867.723	9.827.032	2.209.118	-	22.829.108
Marketable Securities Issued (Net)	-	254.629	1.438.940	1.216.418	5.627.328	2.728.752	-	11.266.067
Miscellaneous Payables	-	3.875.980	75.344	106.356	162.822	241.247	-	4.461.749
Other Liabilities (**)	-	1.646.761	425.413	779.081	3.452.300	603.497	26.689.177	33.596.229
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 Excess/ (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

Prior Period - 31 December 2014								
Total Assets	21.148.578	23.366.568	24.210.381	32.387.568	57.523.503	44.274.969	2.539.053	205.450.620
Total Liabilities	18.700.341	85.981.959	29.128.828	23.983.976	14.088.588	8.455.102	25.111.826	205.450.620
Net Liquidity Gap	2.448.237	(62.615.391)	(4.918.447)	8.403.592	43.434.915	35.819.867	(22.572.773)	-

3.044.373 7.805.574 4.395.002 15.364.926

32.675.228

2.065.353

-	65.966	24.764	37.779	302.566	198.640	-	629.715
-	19.882.132	8.104.808	12.022.478	12.613.895	30.755.085	-	83.378.398
-	19.816.166	8.080.044	11.984.699	12.311.329	30.556.445	-	82.748.683
-	1.390.241	4.181.343	7.688.111	2.395.089	17.296.907	-	32.951.691
		- 19.882.132 - 19.816.166	- 19.882.132 8.104.808 - 19.816.166 8.080.044	- 19.882.132 8.104.808 12.022.478 - 19.816.166 8.080.044 11.984.699	- 19.882.132 8.104.808 12.022.478 12.613.895 - 19.816.166 8.080.044 11.984.699 12.311.329	- 19.882.132 8.104.808 12.022.478 12.613.895 30.755.085 - 19.816.166 8.080.044 11.984.699 12.311.329 30.556.445	- 19.882.132 8.104.808 12.022.478 12.613.895 30.755.085 - - 19.816.166 8.080.044 11.984.699 12.311.329 30.556.445 -

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

Breakdown of liabilities due to their remaining contractual maturities:

	Up to 1				5 Years	
Current Period - 31 December 2015	Month	1-3 Months	3-12 Months	1-5 Years	and Over	Total
Liabilities						
Deposits	111.556.569	22.476.917	5.691.052	92.997	-	139.817.535
Funds borrowed from other financial institutions	828.158	5.541.785	9.740.139	6.048.807	2.960.753	25.119.642
Funds from interbank money market	8.888.724	1.091.227	942.155	10.634.293	2.409.030	23.965.429
Marketable Securities Issued (Net)	291.026	1.553.261	1.573.609	6.736.033	3.123.350	13.277.279
	Up to 1				5 Years	
Prior Period - 31 December 2014	Month	1-3 Months	3-12 Months	1-5 Years	and Over	Total
Liabilities						
Deposits	91.589.214	14.916.080	6.853.704	426.271	131	113.785.400
Funds borrowed from other financial institutions	644.190	4.465.841	9.282.967	4.214.930	3.978.733	22.586.661
Funds from interbank money market	8.942.111	6.419.347	4.541.340	5.125.386	3.649.287	28.677.471
Marketable Securities Issued (Net)	353.968	1.964.422	3.323.065	3.683.285	1.303.482	10.628.222

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Breakdown of derivative instruments due to their remaining contractual maturities:

		,			5 Years
Current Period - 31 December 2015	Up to 1 month	1-3 months	3-12 months	1-5 years	and Over
Derivatives held for trading					
Foreign exchange derivatives:					
- Inflow	21.739.166	9.474.013	19.145.176	8.793.947	2.265.430
- Outflow	(20.981.686)	(8.638.373)	(17.612.868)	(9.569.301)	(3.452.684)
Interest rate derivatives:					
- Inflow	7.210	91.814	541.519	1.761.425	864.766
- Outflow	(6.736)	(110.352)	(558.351)	(1.722.752)	(804.165)
Derivatives held for hedging					
Foreign exchange derivatives:					
- Inflow	2.706	1.063	10.549	1.260.326	651.433
- Outflow	(17.936)	-	(78.691)	(1.168.094)	(422.920)
Interest rate derivatives:					
- Inflow	12.554	45.028	194.398	1.014.945	446.512
- Outflow	(17.292)	(66.692)	(250.531)	(1.126.186)	(477.654)
Total Inflow	21.761.636	9.611.918	19.891.642	12.830.643	4.228.141
Total Outflow	(21.023.650)	(8.815.417)	(18.500.441)	(13.586.333)	(5.157.423)

Prior Period - 31 December 2014	Up to 1 month	1-3 months	3-12 months	1-5 years	5 Years and Over
Derivatives held for trading					
Foreign exchange derivatives:					
- Inflow	19.307.670	6.428.723	8.145.585	5.969.323	904.713
- Outflow	(18.725.133)	(5.491.324)	(8.016.941)	(6.464.631)	(1.771.294)
Interest rate derivatives:					
- Inflow	1.436	37.592	263.491	761.075	230.057
- Outflow	(3.034)	(51.845)	(288.272)	(789.382)	(222.663)
Derivatives held for hedging					
Foreign exchange derivatives:					
- Inflow	2.018	75	3.341	527.248	698.610
- Outflow	(17.936)	-	(41.322)	(536.560)	(574.496)
Interest rate derivatives:					
- Inflow	9.907	36.688	142.438	985.091	488.459
- Outflow	(13.816)	(56.558)	(196.899)	(1.044.662)	(504.065)
Total Inflow	19.321.031	6.503.078	8.554.855	8.242.737	2.321.839
Total Outflow	(18.759.919)	(5.599.727)	(8.543.434)	(8.835.235)	(3.072.518)

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IX. EXPLANATIONS ON SECURITIZATION POSITIONS:

None.

X. EXPLANATIONS ON CREDIT RISK MITIGATION TECHNIQUES:

The Bank applies the Comprehensive Financial Collateral Techniques explained in "Credit Risk Mitigation Techniques Communiqué" published in Official Gazette no. 28337 on June 28, 2012. In application of the method, volatility adjusted values of financial guarantees and credits are calculated with the standard volatility adjustment approach and adjusted amounts are deducted from credit risk.

The Bank does not utilize balance sheet and off-balance sheet netting, guarantees and credit derivatives in credit risk mitigation, but financial collaterals fulfilling relevant requirements are taken into account. Basic financial covenants considered in the calculation of Bank's capital adequacy are foreign currency and TL deposit pledges.

		Financial	Other/ Physical	Guarantees and Credit
Risk classifications:	Amount(*)	Guarantees	Guarantees	Derivatives
Assets				
Conditional and unconditional receivables from central governments and				
Central Banks	76.240.746	5.620.913	-	-
Conditional and unconditional receivables from regional or local				
governments	240	-	-	-
Conditional and unconditional receivables from administrative bodies and				
non-commercial enterprises	38.727	5.599	-	-
Conditional and unconditional receivables from multilateral development				
banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	58.358.976	15.560.222	-	-
Conditional and unconditional receivables from corporates	111.064.453	2.988.428	-	-
Conditional and unconditional receivables from retail portfolios	55.575.640	180.164	-	-
Conditional and unconditional receivables secured by mortgages	21.498.672	5.612	-	-
Past due receivables	147.314	-	-	-
Receivables defined under high risk category by BRSA	13.519.697	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	278.802	7.716	-	-
Other receivables	5.264.781	-	-	-
Total	341.988.048	24.368.654	-	-

(*) Represents the total risk amount after credit mitigation techniques are applied.

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XI. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 31 December 2015, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is %8,26 (31 December 2014: % 8,52). This ratio is above the minimum required. The most important reason for the difference in leverage ratio between current and previous period is the increase in the balance sheet assets.

Disclosure of Leverage ratio template :

		Current Period 31 December 2015 (*)	Prior Period 31 December 2014(*)
1	Balance sheet assets (excluding derivative financial assets and credit derivaties, including collaterals)	230.426.568	200.110.873
2	Assets deducted from Core capital)	21.023	31.442
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	230.405.545	200.079.431
	Derivative financial assets and credit derivaties		
4	Cost of replenishment for derivative financial assets and credit derivaties	2.567.124	1.206.683
5	Potential credit risk amount of derivative financial assets and credit derivaties	1.677.057	892.974
6	Total risk amount of derivative financial assets and credit derivaties (sum of lines 4 and 5)	4.244.181	2.099.657
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	2.473.969	4.716.006
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]	2.473.969	4.716.006
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	83.896.331	85.066.919
11 12	(Correction amount due to multiplication with credit conversion rates) Total risk of off-balance sheet transactions (sum of lines 10 and 11)	(462.772) 83.433.559	(340.858) 84.726.061
	Capital and total risk		
13	Core Capital	26.491.856	24.859.605
14	Total risk amount(sum of lines 3, 6, 9 and 12)	320.557.254	291.621.155
15	Leverage ratio	8,26	8,52

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

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XII. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

Effective risk management constitutes one of the most important competitive strength of the Bank. Risk management system is assessed as a critical process which includes all units starting at the Board of Directors level. General strategies regarding Bank's risk management are given below:

- Effective management of risks within the Bank's risk profile based on materiality; implementing a centralized risk framework that includes all major risk areas.
- Managing existing and potential risks from the beginning through forward looking risk strategies, policies and procedures, models and parameters,
- Applying a risk-focused management approach in the strategic decision making process,
- Complying with all national risk management requirements, where the Bank operates.

The Bank's Board of Directors has the ultimate responsibility for setting-up and monitoring the efficiency of such a risk management system. The Board of Directors fulfills its monitoring responsibility through the Auditing Committee, the Executive Risk Committee, the Credit Committee and other related intermediary committees and by means of regular risk, control and audit reporting system.

The Board of Directors approves and regularly reviews Bank's main risk approach, risk principles and policies which are initially discussed and decided by the Executive Risk Committee. The Board of Directors also determines Bank's risk appetite by risk limits taking market conditions and Bank's risk taking capacity into consideration. Risk limits are made up of regulatory and internal limits on the basis of risk types.

Bank's Senior Management is responsible to the Bank's Board of Directors that daily activities are executed within the risk management procedures and risk limits determined by the Board of Directors and that risk management system operates in effective and efficient manner. The Internal Audit, the Internal Control and Compliance Presidency and The Risk Management Departments which directly report to the Board of Directors operate in coordination with the business units of the Bank. In this scope, it is also Senior Management's responsibility to take necessary measures in order to resolve identified weaknesses, deficiencies and errors stated in the reports of internal and external audits, internal control and risk management.

Locally and internationally accepted risk models and parameters are used in the identification, measurement and monitoring of risks within the scope of risk management. The Bank strives continuously for development and improvement of internal methods and models. Forward looking risk reports prepared through regular and close monitoring of the market developments are made available for the Senior Management and the Board of Directors. In order to analyze the potential risks that the Bank may be exposed in extreme cases, various scenario analyses are performed and contingency plans are prepared. The Bank's internal capital adequacy assessment process ("ICAAP") has been established and the ICAAP has been performed parallel to the annual budget process on an annual basis. Moreover, various risk mitigation techniques are utilized to limit and provide protection against risks the Bank is exposed to. The effectiveness and efficiency of the risk mitigation techniques are regularly monitored.

XIII. EXPLANATIONS ON PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:

a. Calculations of financial assets and liabilites at their fair values:

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair values of the overnight deposits and floating rate placements represent the carrying value. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the market interest rates of similar liabilities and loans.

The fair value of marketable securities issued is calculated according to broker price quotations and if these are not available, amounts derived from discounted cash flow models.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

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The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

	C	arrying Value		Fair Value
	Current Period	Prior Period	Current Period	Prior Period
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Financial Assets	201.769.729	180.305.672	202.485.746	183.219.825
Interbank Money Market Placements	-	700.215	-	700.215
Banks	7.858.297	4.756.097	7.858.297	4.756.097
Available-for-Sale Financial Assets (Net)	41.459.707	38.071.471	41.459.707	38.071.471
Held-to-Maturity Investments (Net)	10.688.242	10.799.905	10.840.922	11.202.659
Loans	141.763.483	125.977.984	142.326.820	128.489.383
Financial Liabilities	178.383.651	147.175.343	177.850.149	146.911.741
Bank Deposits	12.559.221	13.240.082	12.568.145	13.268.021
Other Deposits	126.383.276	100.133.319	126.245.652	100.087.764
Borrowings	23.713.338	20.988.726	23.460.916	20.837.602
Marketable Securities Issued (Net)	11.266.067	9.515.843	11.113.687	9.420.981
Miscellaneous Payables	4.461.749	3.297.373	4.461.749	3.297.373

b. Fair value hierarchy:

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

a) Quoted market prices (non-adjusted) (1st level).

b) Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level).

c) Data not based on observable data regarding assets or liabilities (3rd level).

Fair value hierarchy of the financial assets and liabilities of the Bank according to the foregoing principles is given in the table below:

Current Period - 31 Aralık 2015	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	1.655	-	-	1.655
- Share Certificates	-	-	-	-
- Trading Derivative Financial Assets	-	2.716.299	-	2.716.299
- Diğer Menkul Değerler	9.958	-	-	9.958
Available-For-Sale Financial Assets				
- Government Debt Securities	35.306.201	-	-	35.306.201
- Share Certificates	-	115.958	-	115.958
- Diğer Menkul Değerler	5.779.354	245.523	-	6.024.877
Hedging Derivative Financial Assets	-	648.858	-	648.858
Loans	-	142.326.820	-	142.326.820
Held to Maturity Investments (Net)	10.840.922	-	-	10.840.922
Total Assets	51.938.090	146.053.438	-	197.991.548
- Trading Derivative Financial Liabilities	-	1.446.874	-	1.446.874
- Hedging Derivative Financial Liabilities	-	157.528	-	157.528
Deposits	-	138.813.797	-	138.813.797
Funds Borrowed	-	23.460.916	-	23.460.916
Funds from Interbank Money Market	-	22.776.177	-	22.776.177
Securities Issued (Net)	-	11.113.687	-	11.113.687
Total Liabilities	-	197.768.979	-	197.768.979

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Prior Period - 31 Aralık 2014	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	5.196	-	-	5.196
- Share Certificates	68	-	-	68
- Trading Derivative Financial Assets	35.922	1.365.824	-	1.401.746
Available-For-Sale Financial Assets				
- Government Debt Securities	32.437.908	-	-	32.437.908
- Share Certificates	-	-	-	-
- Other Marketable Securities	3.754.503	1.866.737	-	5.621.240
Hedging Derivative Financial Assets	-	284.135	-	284.135
Loans	-	128.489.383	-	128.489.383
Held to Maturity Investments (Net)	11.202.659	-	-	11.202.659
Total Assets	47.436.256	132.006.079	-	179.442.335
-Trading Derivative Financial Liabilities	4.475	903.511	-	907.986
-Hedging Derivative Financial Liabilities	-	105.952	-	105.952
Deposits	-	113.355.785	-	113.355.785
Funds Borrowed	-	20.837.602	-	20.837.602
Funds from Interbank Money Market	-	27.580.922	-	27.580.922
Securities Issued (Net)	-	9.420.981	-	9.420.981
Total Liabilities	4.475	172.204.753	-	172.209.228

As explained in the note of VII-b of the Third Section, share certificates classified as available-for-sale are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably.

There are no transfers between the 1st and the 2nd levels in the current year.

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XIV. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions

XV. 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.

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 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 31 December 2015, 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 31.12.2015			Prior Period 31.12.2014		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	1.228.638	648.858	-	871.688	284.135	-
-FC	11.197.395	-	157.528	8.767.178	-	105.952
Total	12.426.033	648.858	157.528	9.638.866	284.135	105.952

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1. Explanations on Fair Value Hedge:

Current Period: 31.12.2015

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

Priod Period: 31.12.2014

Hedging			Fair Value Difference of	Fair Value Difference	Ineffective
Instrument	Hedged Item	Risk Exposure	Hedging Instrument	of Hedged Items (*)	Portion(**)
	Fixed interest rate FC				
Interest Rate	available-for-sale financial	Interest rate			
Swap	assets	risk	(119.171)	117.347	(1.824)
	Fixed interest rate TL	Interest rate			
Cross-currency	Mortgage Loans, FC	and currency			
swap	borrowings	risk	70.419	(69.859)	560
	Fixed interest rate TL	Interest rate			
Cross-currency	available-for-sale financial	and currency			
swap	assets, FC borrowings	risk	109.947	(108.613)	1.334

(*) 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 31 December 2015 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 31 December 2015, 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 7.972 (31 December 2014: TL 5.036)

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2. Explanations on Cash Flow Hedge:

a) Information on derivative transactions subject to cash flow hedge.

There are no derivative transactions subject to cash flow hedge as of 31 December 2015.

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

- As of 31 December 2015, 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 (75.471) (31 December 2014: TL (103.059)).

b) Maturity analysis of Bank's derivative transactions subject to cash flow hedge:

Maturity analysis of Bank's derivative transactions subject to cash flow hedge is presented in Note VIII of Section Four.

XVI. EXPLANATIONS ON BUSINESS SEGMENTS:

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

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

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

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

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

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Information on business segments, in accordance with the changes disclosed in Note I of Section Three, as of 31 December 2015 and 31 December 2014 is presented on the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

	Retail and Private	Corporate Banking, Commercial Banking and		Other and	Bank's Total
	Banking	SME Banking	Treasury	Unallocated	Activities
Current Period – 31 December 2015					
Operating Income	3.917.842	4.575.758	957.707	899.042	10.350.349
Profit from Operating Activities	665.488	3.117.084	741.997	(710.235)	3.814.334
Income from Subsidiaries	-	-	-	13.337	13.337
Profit before Tax	665.488	3.117.084	741.997	(696.898)	3.827.671
Corporate Tax	-	-	-	(832.823)	(832.823)
Minority Shares	-	-	-	-	-
Net Profit for the Period	665.488	3.117.084	741.997	(1.529.721)	2.994.848
Segment Assets	49.331.189	106.404.812	72.433.551	-	228.169.552
Investments in Associates	-	-	-	-	1.354.664
Undistributed Assets	-	-	-	-	5.284.772
Total Assets	-	-	-	-	234.808.988
Segment Liabilities	93.321.829	45.899.412	61.671.659	-	200.892.900
Undistributed Liabilities	-	-	-	-	7.226.911
Shareholders' Equity	-	-	-	-	26.689.177
Total Liabilities	-	-	-	-	234.808.988
Other Segment Items					
Capital Investment	-	-	-	152.983	152.983
Amortization	(40.894)	(23.493)	(389)	(158.563)	(223.339)
Non-cash Other Income-Expense	(961.397)	(491.120)	(183.562)	(686.121)	(2.322.200)

	Retail and Private	Corporate Banking, Commercial Banking and		Other and	Bank's Total
	Banking	SME Banking	Treasury	Unallocated	Activities
Prior Period – 31 December 2014					
Operating Income	3.911.035	3.816.689	1.591.034	457.637	9.776.395
Profit from Operating Activities	840.439	2.316.177	1.389.462	(535.664)	4.010.414
Income from Subsidiaries	-	-	-	27.552	27.552
Profit before Tax	840.439	2.316.177	1.389.462	(508.112)	4.037.966
Corporate Tax	-	-	-	(878.288)	(878.288)
Minority Shares	-	-	-	-	-
Net Profit for the Period	840.439	2.316.177	1.389.462	(1.386.400)	3.159.678
Segment Assets	50.656.914	87.045.571	63.071.565	-	200.774.050
Investments in Associates	-	-	-	-	911.153
Undistributed Assets	-	-	-	-	3.765.417
Total Assets	-	-	-	-	205.450.620
Segment Liabilities	76.929.198	33.843.210	63.676.887	-	174.449.295
Undistributed Liabilities	-	-	-	-	5.889.499
Shareholders' Equity	-	-	-	-	25.111.826
Total Liabilities	-	-	-	-	205.450.620
Other Segment Items					
Capital Investment	-	-	-	281.480	281.480
Amortization	(60.179)	(4.459)	(983)	(134.380)	(200.001)
Non-cash Other Income-Expense	(926.530)	(440.949)	(135.252)	(552.013)	(2.054.744)

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 [Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.]

SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

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 31 December 2015		31 De	Prior Period ecember 2014
	TL	FC	TL	FC
Cash/Foreign Currency	935.450	448.444	932.647	533.619
The CBRT	1.230.328	22.776.999	2.585.518	16.334.281
Other(*)	2	82.200	435	53.541
Total	2.165.780	23.307.643	3.518.600	16.921.441

(*) As of 31 December 2015, precious metal account amounts to TL 56.414 (31 December 2014: TL 41.449).

2. Information related to the account of the CBRT:

	Current Period 31 December 2015		31 D	Prior Period ecember 2014
	TL	FC	TL	FC
Demand Unrestricted Account	1.830	-	5.094	-
Time Unrestricted Account	-	853.816	-	-
Time Restricted Account	-	-	-	89.258
Reserve Requirement	1.228.498	21.923.183	2.580.424	16.245.023
Total	1.230.328	22.776.999	2.585.518	16.334.281

3. Explanation on reserve requirements:

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

The reserve rates for TL liabilities vary between 5% and 11,5% for TL deposits and other liabilities according to their maturities as of 31 December 2015 (31 December 2014: 5% and 11,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 25% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2015 (31 December 2014: 6% and 13 % for all foreign currency liabilities).

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

1. As of 31 December 2015, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2014: TL (-)) or given as collateral/blocked (31 December 2014 TL (-)).

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

	31 D	31 De	Prior Period cember 2014	
	TL	FC	TL	FC
Forward Transactions	198.176	-	70.893	-
Swap Transactions	607.710	1.688.199	441.883	618.948
Futures Transactions	-	-	33.748	2.174
Options	896	221.318	1.240	232.860
Other	-	-	-	-
Total	806.782	1.909.517	547.764	853.982

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

c. Information on banks account:

1. Information on banks account:

	Current Period 31 December 2015				31 D	Prior Period ecember 2014
	TL	FC	TL	FC		
Banks	1.556.559	6.301.738	394.111	4.361.986		
Domestic	1.556.559	1.830.694	394.111	570.886		
Foreign	-	4.471.044	-	3.791.100		
Head Quarters and Branches Abroad	-	-	-	-		
Total	1.556.559	6.301.738	394.111	4.361.986		

2. Information on foreign banks account:

	Unrestric	ted Amount	Restricted	Amount (**)
	Current Period 31 December 2015	Prior Period 31 Aralık 2014	Current Period 31 Aralık 2015	Prior Period 31 Aralık 2014
European Union Countries	534.582	856.720	3.144.498	2.646.682
USA, Canada	778.086	222.500	-	16.793
OECD Countries (*)	9.996	23.389	-	8.236
Off-Shore Banking Regions	-	-	-	-
Other	3.882	16.780	-	-
Total	1.326.546	1.119.389	3.144.498	2.671.711

(*) OECD Countries other than EU countries, USA and Canada.

(**) Restricted amounts which mainly consist of collaterals related to borrowings, are kept in several banks.

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

1. As of 31 December 2015, available-for-sale financial assets subject to repurchase agreements amount to TL 19.184.557 (31 December 2014: TL 24.310.711); and those given as collateral/blocked amounting to TL 1.103.520 (31 December 2014: TL 3.009.535).

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Debt Securities	42.098.674	38.289.720
Quoted to Stock Exchange	41.853.151	36.407.366
Not Quoted to Stock Exchange	245.523	1.882.354
Share Certificates	128.629	12.323
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	128.629	12.323
Impairment Provision (-)	767.596	230.572
Total	41.459.707	38.071.471

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

e. Information related to loans:

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

	Current Period 31 December 2015			rior Period ember 2014
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	82	-	141
Corporate Shareholders	-	82	-	141
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	3.367.840	1.447.220	2.458.297	1.986.344
Loans Granted to Employees	99.195	-	105.144	-
Total	3.467.035	1.447.302	2.563.441	1.986.485

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)ther Receivabl ose Monitoring	es under
	Loans and Other Receivables (Total)	Receiva	oans and bles with Contract Terms	Loans and Other Receivables (Total)	Loans and R with Revise	
		Extension of			Extension of	
		Repayment Plan	Other Changes		Repayment Plan	Other Changes
Non-specialized Loans	136.706.991	1.798.517	-	4.909.179	2.648.299	-
Business Loans	17.412.599	220.002	-	1.499.659	637.502	-
Export Loans	6.276.515	75.800	-	55.160	19.007	-
Import Loans	-	-	-	-	-	-
Loans Granted to						
Financial Sector	6.056.378	7.740	-	-	-	-
Consumer Loans	26.821.142	212.204	-	1.853.129	1.084.044	-
Credit Cards	11.723.535	426.891	-	806.781	681.054	-
Other	68.416.822	855.880	-	694.450	226.692	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	136.706.991	1.798.517	-	4.909.179	2.648.299	-

Number of Extension	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	1.747.490	2.280.345
Extended by 3,4 or 5 times	50.096	365.117
Extended by more than 5 times	931	2.837
Total	1.798.517	2.648.299

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Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	222.137	493.910
6 - 12 Months	127.505	197.611
1 - 2 Years	453.454	680.820
2 - 5 Years	506.735	1.091.005
5 Years and over	488.686	184.953
Total	1.798.517	2.648.299

3. Breakdown of loans according to their maturities:

	Standard Loans an	d Other Receivables	Loans an	d Receivables Under Close Monitoring
_	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans and Other				
Receivables	35.456.694	641.936	1.139.485	831.457
Non-Specialized Loans	35.456.694	641.936	1.139.485	831.457
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans				
and Other Receivables	101.250.297	1.156.581	3.769.694	1.816.842
Non-Specialized Loans	101.250.297	1.156.581	3.769.694	1.816.842
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	136.706.991	1.798.517	4.909.179	2.648.299

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

		Medium and	
Current Period – 31.12.2015	Short-term	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)	-	-	-

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

		Medium and	
Prior Period – 31.12.2014	Short-term	Long-term	Total
Consumer Loans-TL	293.002	29.924.787	30.217.789
Mortgage Loans	7.896	13.022.493	13.030.389
Automotive Loans	7.706	802.180	809.886
Consumer Loans	274.094	15.355.989	15.630.083
Other	3.306	744.125	747.431
Consumer Loans- Indexed to FC	-	26.115	26.115
Mortgage Loans	-	24.949	24.949
Automotive Loans	-	-	-
Consumer Loans	-	49	49
Other	-	1.117	1.117
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.297.754	1.229.280	11.527.034
With Installment	4.223.691	1.229.280	5.452.971
Without Installment	6.074.063	-	6.074.063
Consumer Credit Cards-FC	14.942	-	14.942
With Installment	4.709	-	4.709
Without Installment	10.233	-	10.233
Personnel Loans-TL	2.899	60.097	62.996
Mortgage Loans	2.077	1.135	1.135
Automotive Loans	-	138	138
Consumer Loans	2.899	58.824	61.723
Other	2.077		01.720
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	41.544	396	41.940
With Installment	15.653	396	16.049
Without Installment	25.891	-	25.891
Personnel Credit Cards-FC	208		208
With Installment	68	-	68
Without Installment	140	-	140
Credit Deposit Account-TL (Real Person)	692.139	-	692.139
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	11.342.488	31.240.675	42.583.163

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

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

		Medium and	
Current Period - 31.12.2015	Short-term	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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		Medium and	
Prior Period – 31.12.2014	Short-term	Long-term	Total
Commercial Installment Loans-TL	1.322.602	4.922.919	6.245.521
Mortgage Loans	6.147	69.966	76.113
Automotive Loans	54.581	64.026	118.607
Consumer Loans	1.226.137	4.648.491	5.874.628
Other	35.737	140.436	176.173
FC Indexed Commercial Installment Loans	38.984	84.719	123.703
Mortgage Loans	275	8.400	8.675
Automotive Loans	840	13.304	14.144
Consumer Loans	78	28.864	28.942
Other	37.791	34.151	71.942
Commercial Installment Loans-FC	1.913	134.557	136.470
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	1.913	134.557	136.470
Corporate Credit Cards-TL	1.313.204	4.443	1.317.647
With Installment	589.999	4.443	594.442
Without Installment	723.205	-	723.205
Corporate Credit Cards-FC	1.808	-	1.808
With Installment	18	-	18
Without Installment	1.790	-	1.790
Credit Deposit Account-TL (Legal Person)	628.848	-	628.848
Credit Deposit Account-FC (Legal person)	-	-	-
Total	3.307.359	5.146.638	8.453.997

6. Loans according to types of borrowers:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Public	1.199.186	1.670.428
Private	140.416.984	124.156.230
Total	141.616.170	125.826.658

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Domestic Loans	138.207.438	124.790.665
Foreign Loans	3.408.732	1.035.993
Total	141.616.170	125.826.658

8. Loans granted to investments in associates and subsidiaries:

	Current Period	Prior Period	
	31 December 2015	31 December 2014	
Direct Loans Granted to Investments in Associates and Subsidiaries	619.370	547.714	
Indirect Loans Granted to Investments in Associates and			
Subsidiaries	-	-	
Total	619.370	547.714	

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9. Specific provisions accounted for loans:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Loans and Other Receivables with Limited Collectibility	448.339	407.881
Loans and Other Receivables with Doubtful Collectibility	869.262	774.084
Uncollectible Loans and Receivables	1.908.409	996.864
Total	3.226.010	2.178.829

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

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

	III. Group	IV. Group	V. Group
	Loans and Other	Loans and Other	Uncollectible
	Receivables with	Receivables with	Loans and Other
	Limited Collectibility	Doubtful Collectibility	Receivables
Current 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
Prior Period: 31 December 2014			
(Gross Amounts Before Specific Provisions)	34.896	65.245	179.358
Restructured Loans and Other Receivables	34.324	62.698	177.462
Rescheduled Loans and Other Receivables	572	2.547	1.896

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2014	407.881	925.410	996.864
Additions (+)	1.946.010	23.016	50.423
Transfers from Other Categories of Non-Performing Loans (+)	-	1.742.563	1.615.478
Transfers to Other Categories of Non-Performing Loans (-)	1.742.563	1.615.478	-
Collections (-)	161.882	202.591	269.831
Write-offs (-) (*)	1.107	3.658	337.212
Corporate and Commercial Loans	604	1.003	133.414
Retail Loans	337	1.313	56.689
Credit Cards	166	1.342	147.109
Other	-	-	-
Balance at the End of the Period	448.339	869.262	2.055.722
Specific Provisions (-)	448.339	869.262	1.908.409
Net Balance at Balance Sheet (**)	-	-	147.313

(*) The Bank has sold non-performing loan portfolio, for which 100% provision was provided and which is worth TL 248,5 million, for an amount of TL 40,3 million to Girişim Varlık Yönetimi A.Ş

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

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 31 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 on Balance Sheet	-	-	130.612
Prior Period: 31 December 2014			
Balance at the End of the Period	11.925	234.608	47.204
Specific Provision (-)	11.925	103.516	47.204
Net Balance at Balance Sheet	-	131.092	-

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

10 (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): 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			147.313
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)	-	-	-
Prior Period (Net): 31 December 2014			
Loans granted to corporate entities and			
real persons (Gross)	407.881	925.410	996.864
Specific Provision Amount (-)	407.881	774.084	996.864
Loans granted to corporate entities and		151.326	
real persons (Net)	-	151.520	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

11. Information on the collection policy of non-performing loans and other receivables:

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

12. Information on the write-off policy:

Write-off policy of the Bank for receivables under follow-up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

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

f. Held-to-maturity investments:

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

		Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC	
Given as collateral/blocked	133.439	1.903.784	446.634	1.707.276	
Subject to repurchase agreements	2.918.515	3.011.127	4.302.822	2.988.291	
Total	3.051.954	4.914.911	4.749.456	4.695.567	

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

	Current Period	Prior Period	
	31 December 2015	31 December 2014	
Government Bonds	9.654.515	9.973.074	
Treasury Bills	-	-	
Other Government Debt Securities	1.033.727	826.831	
Total	10.688.242	10.799.905	

3. Information on held-to-maturity investments:

Current Period	Prior Period
31 December 2015	31 December 2014
10.761.282	10.809.205
10.761.282	10.809.205
-	-
73.040	9.300
10.688.242	10.799.905
	31 December 2015 10.761.282 10.761.282 - - 73.040

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Balance at the Beginning of the Period	10.799.905	12.153.241
Foreign Currency Differences on Monetary Assets	864.389	145.662
Purchases During Year	-	1.728
Disposals Through Sales and Redemptions	1.112.446	1.793.506
Impairment Provision (-)	63.740	9.300
Change in Amortized Cost	200.134	302.080
Balance at the End of the Period	10.688.242	10.799.905

g. Information on investments in associates (Net):

1. Information about investments in associates:

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

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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 September 2015 for Kredi Kayıt Bürosu A.Ş.and dated 31 December 2015 for Bankalararası Kart Merkezi A.Ş.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	68.358	29.660	42.971	1.019	-	3.869	3.490	-
2	129.527	104.842	62.914	3.663	-	26.782	18.547	-

3. Movement schedule of investments in associates:

	Current Period 31 December 2015	Prior Period 31 December 2014
Balance at the Beginning of the Period	3.923	3.923
Movements During the Period		
Additions	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
(Impairment)	-	-
Balance at the End of the Period	3.923	3.923
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

h. Information related to subsidiaries (Net):

1. Information on shareholders' equity of subsidiaries:

The amounts below are obtained from the 31 December 2015 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	364.421	59.230	9.300	780.798	8.340
Gains recognized in equity as per TAS	-	-	12	-	-
Profit/Loss	89.530	60.927	23.200	148.039	16.629
 Net Current Period Profit 	89.530	26.942	22.909	148.039	3.697
- Prior Year Profit/Loss	-	33.985	291	-	12.932
Development Cost of Operating Lease (-)	163	1.452	-	198	-
Goodwill or Other Intangible Assets and Deferred Tax					
Liability related to these items (-)	225	811	50	233	-
Total Common Equity	688.570	164.696	36.541	1.669.054	27.212
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" (-)	337	1.216	75	349	-
Total Tier I Capital	688.233	163.480	36.466	1.668.705	27.212
Tier II Capital	17.330	-	-	-	-
CAPITAL	705.563	163.480	36.466	1.668.705	27.212
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	705.563	163.480	36.466	1.668.705	27.212

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

- 2. 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.	lstanbul/Turkey	100,00	100,00
4	Akbank AG	Frankfurt/Germany	100,00	100,00
5	Akbank (Dubai) Limited	Dubai/The United Arab Emirates	100,00	100,00

4. The financial figures have been obtained from the financial statements as at 31 December 2015 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	4.516.222	689.979	1.465	316.909	-	89.530	75.879	-
2	556.065	166.959	6.060	28.970	17.178	26.942	23.090	-
3	44.708	36.591	571	2.838	-	22.909	12.495	-
4	15.158.208	1.669.485	1.389	460.059	38.963	148.039	116.388	-
5	28.479	27.212	16	-	-	3.697	4.699	-

5. Movement schedule of subsidiaries:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Balance at the Beginning of the Period	907.230	879.821
Movements During the Period		
Additions (*)	358.121	49.993
Bonus Shares and Contributions to Capital (**)	-	1.000
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign		
subsidiaries (***)	85.390	(23.584)
Balance at the End of the Period	1.350.741	907.230
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) Additions in the current period include share capital increases of Ak Finansal Kiralama A.Ş. and Akbank AG amounting to TL 60.000 and EUR 100 Million, respectively. Additions in the prior period include share capital increase of Ak Finansal Kiralama A.Ş. amounting to TL 50.000.

(**) The amount shown in the "Bonus Shares and Contributions to Capital" line of prior period is due to the increase of TL 1.000 of Ak Portföy Yönetimi A.Ş.'s share capital.

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

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

Subsidiaries	Current Period 31 December 2015	Prior Period 31 December 2014
Banks	1.001.182	617.662
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	281.065	221.074
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 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Fair Value Hedge	648.858	-	284.135	-
Cash Flow Hedge	-	-	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	648.858	-	284.135	-

k. Information on property and equipment:

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2014	IIIIIIovables	FIXEU ASSELS	Flogless	TULAL
Cost	852.681	976.853	2,495	1.832.029
Accumulated Depreciation(-)	308.482	663.359	-	971.841
Net Book Value	544.199	313.494	2.495	860.188
Current Period End: 31 December 2015				
Net Book Value at the Beginning of the Period	544.199	313.494	2.495	860.188
Additions	6.084	69.135	5.467	80.686
Transferred	6.306	-	(6.306)	-
Disposals (-), net	7.165	1.363	-	8.528
Depreciation (-)	30.289	111.656	-	141.945
Impairment	-	-	-	-
Cost at Period End	843.356	976.094	1.656	1.821.106
Accumulated Depreciation at Period End (-)	324.221	706.484	-	1.030.705
Closing Net Book Value	519.135	269.610	1.656	790.401

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		Other Tangible	Construction in	
	Immovables	Fixed Assets	Progress	Total
Prior Period End: 31 December 2013				
Cost	838.335	876.277	203	1.714.815
Accumulated Depreciation(-)	280.218	587.217	-	867.435
Net Book Value	558.117	289.060	203	847.380
Current Period End: 31 December 2014				
Net Book Value at the Beginning				
of the Period	558.117	289.060	203	847.380
Additions	18.494	130.419	2.292	151.205
Transferred	-	-	-	-
Disposals (-), net	2.056	808	-	2.864
Depreciation (-)	30.356	105.177	-	135.533
Impairment	-	-	-	-
Cost at Period End	852.681	976.853	2.495	1.832.029
Accumulated Depreciation at				
Period End (-)	308.482	663.359	-	971.841
Closing Net Book Value	544.199	313.494	2.495	860.188

As of 31 December 2015, net book value of the tangible fixed assets obtained by financial leasing is TL 176.489 (31 December 2014: TL 215.391).

I. Information on intangible assets:

1. Cost and accumulated amortization at the beginning and end of the period:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Cost	566.839	496.402
Accumulated Amortization (-)	346.175	269.538
Net Book Value	220.664	226.864

2. Reconciliation of movements for the current period and prior period:

	Current Period 31 December 2015	Prior Period 31 December 2014
Opening Balance Net Book Value	226.864	160.815
Additions	71.894	130.275
Disposals (-), net	-	-
Depreciation (-)	78.094	64.226
Closing Net Book Value	220.664	226.864

m. Information on the investment properties: None.

n. Information on deferred tax asset:

As of 31 December 2015, deferred tax asset of the Bank is TL 146.184 (31 December 2014: TL 11.649). 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.

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	Accumulated temp	orary differences	Deferred tax assets/(liabilities)		
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	
Employee benefits	187.178	124.445	37.436	24.889	
Differences between fair value and book					
value of financial assets	1.213.128	500.189	242.626	100.038	
Other	310.470	342.575	62.093	68.515	
Deferred tax asset			342.155	193.442	
Differences between book value and tax					
base of property, plant and equipment	123.540	126.098	(24.708)	(25.220)	
Differences between book value and tax					
base of financial assets	943.163	782.865	(171.263)	(156.573)	
Deferred tax liability			(195.971)	(181.793)	
Deferred tax asset/(liability), net			146.184	11.649	

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Cost	182.908	158.570
Accumulated Depreciation (-)	3.371	276
let Book Value	179.537	158.294
	Current Period 31 December 2015	Prior Period 31 December 2014
Opening Balance Net Book Value	158.294	10.005
Additions	35.975	152.448
Disposals (-), net	11.432	3.917
Depreciation (-)	3.300	242
Closing Net Book Value	179.537	158.294

p. Information on other assets:

Other assets amount to TL 1.497.616 (31 December 2014: TL 845.614) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

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

1 (i). Current Period – 31 December 2015:

		Up to 1	1 – 3	3 - 6	6 Months	1 Year	Deposits	
	Demand	Month	Months	Months	– 1 Year	and Over	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

1 (ii). Prior period - 31 December 2014:

		Up to 1	1 – 3	3 - 6	6 Months	1 Year	Deposits	
	Demand	Month	Months	Months	– 1 Year	and Over	Cumulative	Total
Saving Deposits	4.764.506	11.032.937	21.778.811	1.126.844	578.554	626.932	100.087	40.008.671
Foreign Currency Deposits	6.390.503	10.516.367	11.228.378	2.614.262	3.769.521	2.102.534	4.532	36.626.097
Residents in Turkey	5.965.874	10.338.681	10.056.550	885.007	698.586	1.482.029	4.467	29.431.194
Residents Abroad	424.629	177.686	1.171.828	1.729.255	3.070.935	620.505	65	7.194.903
Public Sector Deposits	828.740	19.149	80.872	61.574	2.632	4.214	-	997.181
Commercial Deposits	4.871.291	7.082.474	4.569.906	941.592	298.919	92.880	-	17.857.062
Other Institutions Deposits	169.932	372.447	1.613.469	596.256	587.414	79.437	-	3.418.955
Gold Vault	1.179.639	5.931	16.504	19.264	4.015	-	-	1.225.353
Interbank Deposits	495.730	1.816.989	6.259.008	3.660.446	990.990	16.919	-	13.240.082
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	15.603	1.514.055	745.412	2.004	36.066	8.015	-	2.321.155
Foreign Banks	157.419	302.934	5.513.596	3.658.442	954.924	8.904	-	10.596.219
Participation Banks	322.708	-	-	-	-	-	-	322.708
Other	-	-	-	-	-	-	-	-
Total	18.700.341	30.846.294	45.546.948	9.020.238	6.232.045	2.922.916	104.619	113.373.401

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2. Information on saving deposits insurance:

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

	Under the Guara Insurar	· · · · · · · · · · · · · · · · · · ·	Exceeding the Limit of Deposit Insurance		
	Current Period 31 December 2015	Prior Period 31 December 2014	Current Period 31 December 2015	Prior Period 31 December 2014	
Saving Deposits	21.092.387	18.858.943	22.523.013	21.149.728	
Foreign Currency Saving Deposits	7.409.503	6.515.893	26.265.420	17.001.254	
Other Deposits in the Form of					
Saving Deposits	-	-	-	-	
Foreign Branches' Deposits					
under Foreign Authorities' Insurance	-	-	-	-	
Off-shore Banking Regions' Deposits under Foreign					
Authorities' Insurance	-	-	-	-	

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

	Current Period 31 December 2015	Prior Period 31 December 2014
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	926.599	1.030.337
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:

	Cu 31 De	Prior Pe 31 December 2		
	TL	TL FC TL		FC
Forward Transactions	249.438	-	156.777	-
Swap Transactions	229.908	709.626	67.522	431.071
Futures Transactions	-	-	822	3.653
Options	3	257.899	102	248.039
Other	-	-	-	-
Total	479.349	967.525	225.223	682.763

c. Information on borrowings:

1. Information on banks and other financial institutions:

		Current Period December 2015	31 C	Prior Period December 2014
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	176.604	106.101	209.305	70.482
From Foreign Banks, Institutions and Funds	16.526	23.414.107	92.456	20.616.483
Total	193.130	23.520.208	301.761	20.686.965

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2. Information on maturity structure of borrowings:

		Current Period December 2015	31 D	Prior Period ecember 2014
	TL	FC	TL	FC
Short-term	176.604	2.697.280	189.310	12.183.629
Medium and Long-term	16.526	20.822.928	112.451	8.503.336
Total	193.130	23.520.208	301.761	20.686.965

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

d. Information on securities issued (Net):

		Current Period December 2015	31 De	Prior Period ecember 2014
	TL	FC	TL	FC
Bank bills	1.545.846	892.932	1.485.525	769.015
Bonds	1.636.192	7.191.097	1.569.711	5.691.592
Total	3.182.038	8.084.029	3.055.236	6.460.607

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 1.468.876 (31 December 2014: TL 1.447.296) 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:

		rrent Period cember 2015		Prior Period ember 2014
	Gross	Net	Gross	Net
Less Than 1 Year	67.104	51.860	99.299	75.598
Between 1-4 Years	15.020	12.110	41.899	33.833
More Than 4 Years	-	-	-	-
Total	82.124	63.970	141.198	109.431

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g. Information on the hedging derivative financial liabilities:

		rrent Period cember 2015		Prior Period ember 2014
	TL	FC	TL	FC
Fair Value Hedge	-	157.528	-	105.952
Cash Flow Hedge	-	-	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	-	157.528	-	105.952

h. Information on provisions:

1. Information on general provisions:

	Current Period 31 December 2015	Prior Period 31 December 2014
General Provisions	2.544.702	2.122.944
Provisions for Group I. Loans and Receivables	2.065.397	1.772.666
- Additional Provision for loans with extended payment period	70.085	47.098
Provisions for Group II. Loans and Receivables	305.259	189.154
- Additional Provision for loans with extended payment period	61.506	47.264
Provisions for Non-cash Loans	108.853	115.383
Other	65.193	45.741

2. Information on reserves for employee rights:

	Current Period	Prior Period	
Balance Sheet Obligations for:	31 December 2015	31 December 2014	
- Post-employment benefits (pension and medical)	-	-	
- Reserve for employment termination benefits	122.202	66.018	
- Reserve for unused vacation	64.976	58.427	
Total	187.178	124.445	

As explained in Note 2(ii) below, there is no liability that needs to be accounted under the balance sheet since the Fund's fair value compensates for defined benefit obligations as explained in Note 2(ii).

	Current Period	Prior Period
Income Statement Charge for:	31 December 2015	31 December 2014
- Post-employment benefits (pension and medical)	(154.457)	(146.273)
- Reserve for employment termination benefits	(60.909)	(29.563)
- Reserve for unused vacation	(6.549)	(8.755)
Total	(221.915)	(184.591)

The charge for the post-employment benefits represents the cash payments, which represent the employer's contribution determined by the Social Security Law no: 506 and additional 2% contribution of the employer. The employer's contribution amounting to TL 154.457 (31 December 2014: TL 146.273) during the year has been included in employee costs under operating expenses.

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2 (i). Employment termination benefits and unused vacation rights:

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

The amount payable consists of one month's salary limited to a maximum of TL 3.828,37 (in full TL amount) (31 December 2014: TL 3.438,22 (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 31 December 2015	Prior Period 31 December 2014
Discount Rate (%)	4,17	3,62
Rate for the Probability of Retirement (%)	93,88	93,94

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. The amount of TL 4.092,53 (1 January 2015: TL 3.541,37) effective from 1 January 2016 has been taken into consideration in calculating the reserve for employee termination benefits.

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

	Current Period	Prior Period	
	31 December 2015	31 December 2014	
Prior Period Closing Balance	66.018	58.806	
Provisions Recognized During the Period	60.909	29.563	
Actuarial Loss / (Gain)	63.783	5.785	
Paid During the Period	(68.508)	(28.136)	
Balance at the End of the Period	122.202	66.018	

As of 31 December 2015, the Bank has allocated vacation liability amounting to TL 64.976 (31 December 2014: TL 58.427).

2 (ii). Post-employment benefits:

The Bank's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been calculated by a registered actuary. In this context, the value of the obligation regarding these benefits to be transferred to SSI as of the balance sheet date would equal the approximate payment amount that would need to be made to SSI as part of the transfer. The actuarial parameters and results used for the calculation of this amount reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%). Accordingly, as of 31 December 2015, the surplus of the Fund, including the obligation for other non-transferable benefits of TL 275.785 (31 December 2014: TL 314.431) amounts to TL 302.564 (31 December 2014: TL 392.975).

	Current Period	Prior Period
	31 December 2015	31 December 2014
Present value of funded obligations	(986.395)	(812.717)
- Pension benefits transferrable to SSI	(1.377.543)	(1.125.845)
- Post-employment medical benefits transferrable to SSI	666.933	627.559
- Other non-transferrable benefits	(275.785)	(314.431)
Fair value of plan assets	1.288.959	1.205.692
Surplus	302.564	392.975

The amount of the post-employment medical benefits transferrable to SSI is calculated over discounted net present value of medical liabilities and health premiums.

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The principal actuarial assumptions used were as follows:

Discount rate	Current Period 31 December 2015	Prior Period 31 December 2014
- Pension benefits transferrable to SSI	9,80%	9,80%
- Post-employment medical benefits transferrable to SSI	9,80%	9,80%
- Other non-transferrable benefits	4,27%	3,43%

Mortality rate

The average life expectancy in years of a pensioner retiring at age 60 for men, 58 for women determined using mortality table depending on statistical data is 17 years for men and 23 years for women.

The movement in the fair value of plan assets of the year is as follows:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Prior period end	1.205.692	1.126.277
Actual return on plan assets	166.008	148.312
Employer contributions	154.457	146.273
Employee contributions	132.086	124.982
Benefits paid	(369.284)	(340.152)
Period end	1.288.959	1.205.692

Plan assets are comprised as follows:

		Current Period 31 December 2015		r Period ber 2014
Bank placements	938.789	73%	839.215	70%
Property and equipment	18.739	1%	20.104	2%
Marketable securities and share certificates	240.010	19%	290.010	24%
Other	91.421	7%	56.363	4%
Period end	1.288.959	100%	1.205.692	100%

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

As of 31 December 2015, the provision related to foreign currency differences of foreign indexed loans amounts to TL 23.811 (31 December 2014: TL 21.290), which is offset with the balance of foreign currency indexed loans in these financial statements.

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

Provision for non-cash loans that are non-funded and non-transformed into cash as of 31 December 2015 is amounting to TL 83.868 (31 December 2014: TL 66.434).

5. Information on other provisions:

5 (i).Information on general reserves for possible risks: TL 200.000 (31 December 2014: 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 139.240 (31 December 2014: TL 118.379).

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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 31 December 2015, the corporate tax liability after the deduction of temporary taxes paid is TL 361.173 (31 December 2014: TL 299.363)

1 (i). Information on taxes payable:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Corporate Taxes Payable	361.173	299.363
Taxation on Marketable Securities	96.179	83.041
Property Tax	1.706	1.768
Banking Insurance Transaction Tax (BITT)	89.428	75.262
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	4.201	3.731
Other	48.543	43.438
Total	601.230	506.603

1 (ii). Information on premium payables:

	Current Period 31 December 2015	Prior Period 31 December 2014
Social Security Premiums – Employee	6	5
Social Security Premiums – Employer	19	15
Bank Social Aid Pension Fund Premium- Employee	9	10
Bank Social Aid Pension Fund Premium – Employer	11	13
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	923	902
Unemployment Insurance – Employer	1.845	1.803
Other	35	-
Total	2.848	2.748

2. Information on deferred tax liability:

As of 31 December 2015, the Bank has no deferred tax liability (31 December 2014: (-) 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	Prior Period
	31 December 2015	31 December 2014
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

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- 3. Information on the share capital increases during the period and their sources: None.
- 4. Information on share capital increases from capital reserves during the current period: None.
- 5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.
- 6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainties at these indicators;

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

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

k. Information on marketable securities value increase fund:

	Current Period 31 December 2015		31 De	Prior Period cember 2014
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	_	-	-	-
Valuation Difference	(627.540)	(485.221)	(181.747)	(112.073)
Foreign Currency Differences	-	-	-	-
Total	(627.540)	(485.221)	(181.747)	(112.073)

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

III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

Current Period 31 December 2015					Prior Period ember 2014
TL	FC	TL	FC		
4.001.298	96.745	3.452.562	100.207		
5.942.085	1.923.987	5.125.696	1.590.798		
27.565	1	34.184	-		
-	-	-	-		
9.970.948	2.020.733	8.612.442	1.691.005		
	31 De TL 4.001.298 5.942.085 27.565	S1 December 2015 TL FC 4.001.298 96.745 5.942.085 1.923.987 27.565 1	31 December 2015 31 Dec TL FC TL 4.001.298 96.745 3.452.562 5.942.085 1.923.987 5.125.696 27.565 1 34.184		

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

2. Information on interest income on banks:

	Current Period 31 December 2015			ior Period nber 2014
	TL	FC	TL	FC
From the CBRT	396	310	-	44
From Domestic Banks	34.522	3.177	2.789	1.882
From Foreign Banks	79	11.670	12	4.212
From Headquarters and Branches Abroad	-	-	-	-
Total	34.997	15.157	2.801	6.138

3. Information on interest income on marketable securities:

	Current Period 31 December 2015					rior Period ember 2014
	TL	FC	TL	FC		
From Trading Financial Assets	206	69	305	129		
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-		
From Available-for-sale Financial Assets	1.561.618	817.298	2.456.361	558.604		
From Held-to-Maturity Investments	418.215	224.497	525.095	166.013		
Total	1.980.039	1.041.864	2.981.761	724.746		

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available-for sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. The inflation index used in the valuation of related securities, Bank uses the calculated index which is derived from estimated index. Related inflation rate is updated during the year when necessary. As of 31 December 2015 the valuation index of related securities based on actual coupon rates and the change between referance inflation rate at the issue date and inflation index at the reporting date.

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Interests Received From Investments in		
Associates and Subsidiaries	47.281	41.094

b. Information on interest expense:

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

	Current Period 31 December 2015				rior Period mber 2014
	TL	FC	TL	FC	
Banks	15.744	375.093	18.617	303.845	
The CBRT	-	-			
Domestic Banks	11.682	1.551	13.281	2.705	
Foreign Banks	4.062	373.542	5.336	301.140	
Headquarters and Branches Abroad	-	-			
Other Institutions	-	10.680	-	3.865	
Total	15.744	385.773	18.617	307.710	

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

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

	Current Period 31 December 2015	Prior Period 31 December 2014
To Associates and Subsidiaries	17.322	22.584

3. Information on interest expense given to securities issued:

		rent Period ember 2015		ior Period nber 2014
	TL	FC	TL	FC
Interest expense on securities issued	282.964	398.394	282.807	287.922

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4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

			Tii	ne Deposits			
Current Period	Demand	Up to 1	Up to 3	Up to 6	Up to 1	1 Year	
31.12.2015	Deposits	Month	Months	Months	Year	and Over	Total
TL							
Bank Deposits	34	22.137	83.777	5.310	2.756	431	114.445
Saving Deposits	-	1.139.410	2.172.407	55.074	42.284	55.563	3.464.738
Public Sector Deposits	-	1.428	4.352	4.251	168	212	10.411
Commercial Deposits	-	631.657	487.840	53.265	44.912	14.536	1.232.210
Other Deposits	3	42.410	144.657	10.436	54.773	20.538	272.817
Total	37	1.837.042	2.893.033	128.336	144.893	91.280	5.094.621
FC	-						
Foreign Currency Deposits	-	248.267	332.860	39.297	84.058	42.539	747.021
Bank Deposits	-	20.430	48.592	62.958	4.684	500	137.164
Precious Metals Deposits	-	-	13	-	465	113	591
Total	-	268.697	381.465	102.255	89.207	43.152	884.776
Grand Total	37	2.105.739	3.274.498	230.591	234.100	134.432	5.979.397

			Т	ime Deposits			
Prior Period	Demand	Up to 1	Up to 3	Up to 6	Up to 1	1 Year	
31.12.2014	Deposits	Month	Months	Months	Year	and Over	Total
TL							
Bank Deposits	21	52.328	137.918	14.232	5.407	842	210.748
Saving Deposits	-	793.975	1.890.305	92.817	52.068	63.061	2.892.226
Public Sector Deposits	4	1.145	9.848	3.028	222	354	14.601
Commercial Deposits	-	551.741	491.308	53.114	26.745	5.144	1.128.052
Other Deposits	3	27.669	161.090	49.529	35.514	5.850	279.655
Total	28	1.426.858	2.690.469	212.720	119.956	75.251	4.525.282
FC							
Foreign Currency Deposits	240	207.410	260.721	66.757	81.821	45.933	662.882
Bank Deposits	-	17.897	58.558	43.982	7.351	34	127.822
Precious Metals Deposits	-	-	16	-	365	14	395
Total	240	225.307	319.295	110.739	89.537	45.981	791.099
Grand Total	268	1.652.165	3.009.764	323.459	209.493	121.232	5.316.381

c. Explanations on dividend income:

	Current Period 31 December 2015	Prior Period 31 December 2014
From Trading Financial Assets	-	151
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-Sale Financial Assets	509	-
Other (*)	12.828	27.401
Total	13.337	27.552

(*)Discloses the dividend income received from investments in associates and subsidiaries.

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Profit	6.878.028.672	1.630.136.786
Income From Capital Market Transactions	853.407	1.206.532
Income From Derivative Financial Transactions (*)	5.704.324	4.354.302
Foreign Exchange Gains	6.871.470.941	1.624.575.952
Loss (-)	6.877.973.860	1.630.247.509
Loss from Capital Market Transactions	641.504	499.495
Loss from Derivative Financial Transactions (*)	6.234.264	5.706.444
Foreign Exchange Loss	6.871.098.092	1.624.041.570
Total (Net)	54.812	(110.723)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 5.080 (31 December 2014: TL (-) 187.404).

e. 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, prior period balance includes the reversal of the general reserve.

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Specific Provisions for Loans and Other Receivables	1.757.858	1.520.251
III. Group Loans and Receivables	449.245	275.842
IV. Group Loans and Receivables	870.334	925.809
V.Group Loans and Receivables	438.279	318.600
General Provision Expenses	421.758	422.306
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	87.910	102.313
Financial Assets at Fair Value through Profit or Loss	-	32
Available-for-sale Financial Assets	87.910	102.281
Investments in Associates, Subsidiaries and Held-to-maturity		
Securities Value Decrease	54.674	8.447
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	54.674	8.447
Other	-	-
Total	2.322.200	2.053.317

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g. Information related to other operating expenses:

	Current Period 31 December 2015 3	Prior Period
Personnel Expenses	1.593.719	1.436.687
Reserve for Employee Termination Benefits	-	1.427
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	141.945	135.533
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	78.094	64.226
Impairment Expenses of Equity Participations for which	-	
Equity Method is Applied		-
Impairment Expenses of Assets Held for Resale	-	23
Depreciation Expenses of Assets Held for Resale	3.300	242
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.592.131	1.432.799
Operational Leasing Expenses	170.868	160.168
Maintenance Expenses	23.248	24.139
Advertisement Expenses	117.799	107.438
Other Expenses	1.280.216	1.141.054
Loss on Sales of Assets	328	506
Other(*)	804.298	641.221
Total	4.213.815	3.712.664

(*) 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 217.281 (31 December 2014: TL 109.431).

h. Information on profit/(loss) from continued and discontinued operations before tax:

The Bank's income before tax consists of net interest income amounting to TL 7.337.444, net fees and commission income amounting to TL 2.354.254 and the amount of other operating expense is TL 4.213.815.

The Bank has no discontinued operations

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

As of 31 December 2015, the Bank has a current tax expense of TL 806.798 and deferred tax expense of TL 26.025. The amount of deferred tax income that occurred due to the temporary differences is TL 18.634 and deferred tax expense is TL 65.332; the amounts of deferred tax income occurred due to the closing of temporary differences is TL 66.502 and deferred tax expense is TL 45.829.

The Bank has no discontinued operations.

j. Explanations on current period net profit and loss of continued and discontinued operations:

Net profit of the Bank is TL 2.994.848

The Bank has no discontinued operations.

k. 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.

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l. 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.

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

a. Explanations on off-balance sheet commitments:

- Type and amount of irrevocable commitments: TL 5.154.131 asset purchase commitments (31 December 2014: TL 9.748.211). TL 17.672.898 commitments for credit card limits (31 December 2014: TL 21.109.490). TL 5.764.751 commitments for cheque books (31 December 2014:TL 5.409.062)
- 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	
	31 December 2015	31 December 2014	
Bank Acceptance Loans	933.230	1.131.505	
Letters of Credit	5.326.661	5.904.981	
Other Guarantees	3.788.809	3.471.016	
Total	10.048.700	10.507.502	

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Revocable Letters of Guarantee	651.210	513.423
Irrevocable Letters of Guarantee	12.025.211	11.414.007
Letters of Guarantee Given in Advance	2.681.029	2.334.608
Guarantees Given to Customs	3.012.808	4.119.296
Other Letters of Guarantee	4.256.270	4.062.855
Total	22.626.528	22.444.189

3. Information on non-cash loans:

3 (i). Total amount of non-cash loans:	Current Period	Prior Period		
	31 December 2015	31 December 2014		
Non-cash Loans Given against Cash Loans	3.379.264	3.293.232		
With Original Maturity of 1 Year or Less Than 1 Year	1.582.036	1.670.154		
With Original Maturity of More Than 1 Year	1.797.228	1.623.078		
Other Non-cash Loans	29.295.964	29.658.459		
Total	32.675.228	32.951.691		

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3 (ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2015			Prior Period 31 December 2014				
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	14.438	0,11	360	-	18.441	0,12	236	-
Farming and Raising	973			-				
Livestock	973	0,01	-		396	-	-	-
Forestry	13.457	0,10	360	-	18.043	0,12	236	-
Fishing	8	0,00	-	-	2	-	-	-
Manufacturing	5.141.241	37,36	6.693.169	35,39	6.074.553	40,95	6.318.559	34,87
Mining	79.290	0,58	81.367	0,43	88.492	0,60	128.708	0,71
Production	3.758.802	27,31	5.243.795	27,73	4.140.882	27,91	5.162.056	28,49
Electric, Gas and Water	1.303.149	9,47	1.368.007	7,23	1.845.179	12,44	1.027.795	5,67
Construction	1.720.886	12,50	2.137.690	11,30	1.412.181	9,52	1.543.664	8,52
Services	6.472.976	47,04	9.024.681	47,71	7.081.007	47,73	9.635.190	53,19
Wholesale and Retail Trade	4.909.257	35,67	4.697.020	24,83	4.963.029	33,45	5.524.017	30,49
Hotel, Food and Beverage Services	55.337	0,40	68.933	0,36	47.058	0,32	57.302	0,32
Transportation and Telecommunication	180.641	1,31	193.573	1,02	169.498	1,14	195.006	1,08
Financial Institutions	1.107.266	8,05	3.948.685	20,88	1.706.259	11,50	3.806.827	21,01
Real Estate and Leasing Services	4.967	0,04	33	0,00	6.211	0,04	22	-
Self-Employment Services	17.778	0,13	8.961	0,05	22.379	0,15	12.494	0,07
Education Services	13.957	0,10	2.272	0,01	12.817	0,09	1.054	0,01
Health and Social Services	183.773	1,34	105.204	0,56	153.756	1,04	38.468	0,21
Other	412.662	2,99	1.057.125	5,60	249.445	1,68	618.415	3,42
Total	13.762.203	100,00	18.913.025	100,00	14.835.627	100,00	18.116.064	100,00

3 (iii). Information on the non-cash loans classified in Group I and Group II:

	Group	I	Group II	
	TL	FC	TL	FC
Non-Cash Loans	13.648.977	18.829.693	113.226	83.332
Letters of Guarantee	11.751.463	10.684.793	110.965	79307
Bank Acceptances	-	933.230	-	-
Letters of Credit	396	5.323.464	-	2.801
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	22.866	-	-
Other Commitments and Contingencies	1.897.118	1.865.340	2.261	1.224

4. Mutual Funds :

As of 31 December 2015, the Bank is the founder of 3 mutual funds (31 December 2014: 43 unit) with an unaudited total fund value of TL 214.758 (31 December 2014: TL 3.228.667). The decrease in the number of the mutual funds, which are founded by the Bank, results from the transfer of some funds to Ak Portföy Yönetim Şirketi A.Ş., a 100% subsidiary of the Bank, according to "Communiqué on Portfolio Management Companies and Activities of Such Companies" published by the CMB.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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

b. Information on derivative transactions:

	Current Period 31 December 2015	Prior Period 31 December 2014
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	115.011.451	77.201.688
FC Trading Forward Transactions	15.086.699	9.024.234
Trading Swap Transactions	75.872.688	48.706.848
Futures Transactions	-	-
Trading Option Transactions	24.052.064	19.470.606
Interest Related Derivative Transactions (II)	103.377.438	72.871.798
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	58.271.782	38.389.728
Interest Rate Options	45.105.656	34.482.070
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	11.410.433	6.427.357
A. Total Trading Derivative Transactions (I+II+III)	229.799.32	156.500.843
Types of Hedging Transactions		
Fair Value Hedges	12.426.033	9.626.238
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	12.426.033	9.626.238
Total Derivative Transactions (A+B)	242.225.355	166.127.081

c. Explanations on credit derivatives and risks beared due to these:

Credit derivative transactions are also part of Bank's trading activities due to which the Bank is exposed to fair value risk. The transactions made are credit default swaps that carry Turkish Treasury credit risk. As of 31 December 2015 the Bank holds credit default swaps with 5 year maturity and a nominal value of USD 55 million.

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 9.581 (31 December 2014: 10.342 TL) for the contingent liabilities with a high probability of realization regarding continuing opposing trials. There are also some other opposing trials. In Addition the probability of realization of these trials is low so no cash outflow expected regarding these trials.

2. Contingent Assets:

None.

e. Explanations on the activities carried out on behalf and account of other persons:

The policy is explained on note XIII in Section Four.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

V. EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

a. Information on distribution of profit:

The Ordinary General Assembly Meeting of the Bank was held on 26 March 2015. In the Ordinary General Assembly, it was resolved to distribute a TL 569.600 cash dividend over the TL 3.159.678 net unconsolidated income from 2014 operations to the Bank's shareholders, Chairman and Members of the Board of Directors. It was also resolved in the General Assembly to transfer TL 4.505 to special fund account under other reserves, to allocate TL 36.960 as legal and TL 2.548.613 as extraordinary reserves.

General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of these financial statements.

b. Information on hedge funds:

Information on cash flow hedge:

Due to facts described in "Explanations of Hedging Transactions" section in Note XIV of Section Four, there are discontinued hedge accounting transactions. As of 31 December 2015, the fair value change of the hedging instrument since the beginning of hedge accounting left after amortization has been reflected to profit/loss accounts that is shown under "hedging funds" in equity is TL (-) 60.377 (31 December 2014: TL (-) 82.447).

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

"Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities valuation differences" account under equity, until the financial assets are sold, disposed of or impaired.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

a. Information on cash and cash equivalents:

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

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

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Cash	1.993.013	2.507.551
Cash, Foreign Currency and Other	1.478.793	1.531.775
Demand Deposits in Banks (*)	514.220	975.776
Cash Equivalents	2.815.278	1.531.384
Interbank Money Market Placements	700.000	-
Time Deposits in Banks	1.229.762	1.009.300
Marketable Securities	885.516	522.084
Total Cash and Cash Equivalents	4.808.291	4.038.935

(*) The restricted demand accounts are not included.

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
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.

b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to (-) TL 2.165.942 (31 December 2014: TL (-) 81.711) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 717.465 (31 December 2014: TL (17.275)) consists mainly of changes in miscellaneous payables and other liabilities.

The effect of changes in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the three months periods, and amounts to TL781.802 (31 December 2014: TL 60.210).

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

VII. 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 – 31 December 2015:

Bank's Risk Group	and Jo	n Associates, Subsidiaries pint Ventures 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	47.281	28	253.257	5.321	-	-

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 5.043.561 as of 31 December 2015 (31 December 2014: TL 4.494.356).

2. Prior Period -31 December 2014:

Bank's Risk Group	and Jo	n Associates, Subsidiaries pint Ventures 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	519.266	234.643	2.362.211	2.413.859	-	-
Balance at the End of the Period	547.714	210.514	2.458.297	1.986.485	-	-
Interest and Commission Income Received	41.094	22	171.985	3.559	-	-

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

Bank's Risk Group	and J	nvestments 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 31.12.2015	Prior Period 31.12.2014	Current Period 31.12.2015	Prior Period 31.12.2014	Current Period 31.12.2015		
Balance at the Beginning of the							
Period	429.208	421.675	1.337.103	1.809.480	2.115.511	1.995.056	
Balance at the End of the Period	451.485	429.208	2.102.609	1.337.103	2.181.203	2.115.511	
Interest on Deposits	17.322	22.584	194.782	167.987	129.147	116.414	

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Bank's Risk Group	and J	Subsidiaries Direct and Indirect Legal P and Joint Ventures Shareholders have be		her Real and Persons that een included e Risk Group		
	Current Period 31.12.2015	Prior Period 31.12.2014	Current Period 31.12.2015	Prior Period 31.12.2014	Current Period 31.12.2015	Prior Period 31.12.2014
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	289.816	239.027	2.364.278	2.626.534	-	-
Balance at the End of the Period	175.142	289.816	3.501.482	2.364.278	-	-
Total Income/Loss Transactions for Hedging Purposes	(606)	(2.767)	(2082)	(12.534)	-	-
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	329.126	-	-	-	-	-
Total Income/Loss	(1.139)	-	-	-	-	-

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 31 December 2015, the net exposure for investments in associates and subsidiaries is TL 20.675 (31 December 2014: TL (-) 1.907). For direct and indirect shareholders of the Bank TL (-) 10.244 (31 December 2014: TL 1.184).

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

As of 31 December 2015 benefits provided to the Bank's key management amount to TL 25.362 (31 December 2014: TL 23.872).

VIII. EXPLANATIONS AND NOTES RELATED TO DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK

1. Information on the domestic and foreign branches and representatives of the bank:

	Number	Number of Employees			
Domestic Branches	901	14.037			
			Country of Incorporation		
Foreign					
Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch Off-shore Banking	-	-	-	-	-
Region Branches	1	13	Malta	35.322.514	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure: In 2015, the Bank has opened 4 domestic branches and closed up 93 domestic branches.

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

SECTION SIX OTHER EXPLANATIONS

I. OTHER EXPLANATIONS

None.

SECTION SEVEN EXPLANATIONS ON AUDITOR'S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements for the period ended 31 December 2015 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 2 February 2016 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

AKBANK T.A.Ş.

PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT 31 DECEMBER 2015 TOGETHER WITH AUDIT REPORT

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



Güney Bağımsız Denetim ve SMMM AŞ Eski Büyükdere Cad. Orjin Maslak No:27 Maslak, Sarıyer 34398 İstanbul - Turkey Tel : +90 212 315 30 00 Fax: +90 212 230 82 91 ey.com Ticaret Sicil No: 479920-427502

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

Independent auditor report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries (together will be referred as "the Group") as at December 31, 2015, and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows and consolidated statement of changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Bank's Board of Directors for the financial statements:

Bank management is responsible for the preparation and fair presentation of the consolidated financial statement in accordance with "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 (BRSA), circulars, interpretations published by BRSA and BRSA Accounting and Reporting Legislation which includes the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Independent Auditor's responsibility:

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with communique "Independent Audit of Banks" published by BRSA on the Official Gazette No.29314 dated April 2, 2015 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the independent auditor's professional judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers the internal control relevant to bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An independent audit also includes evaluating the appropriateness of accounting policies used by the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

Subsequent to the reversal of TL 70.000 thousands during the year 2014, the accompanying consolidated financial statements as at December 31, 2015 include a general reserve amounting to TL 200.000 thousands which is fully provided in 2013 by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Qualified Opinion:

In our opinion, except for the effect of the matter referred in the preceding paragraph on the consolidated financial statements, the accompanying consolidated financial statements presents fairly, in all material respects, the financial position of Akbank T.A.S. and its subsidiaries as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with BRSA Accounting and Reporting Legislation.

Reports on arising from other regulatory requirements:

In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 - December 31, 2015 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.

In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Additional paragraph for convenience translation to English:

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

Giney Bağımsız Denenim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



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

THE CONSOLIDATED FINANCIAL REPORT OF **AKBANK T.A.Ş. AS OF 31 DECEMBER 2015**

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

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

- Section One GENERAL INFORMATION ABOUT THE GROUP
 - Section Two CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
- **Section Three**
 - EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- Section Four Section Five
- EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six**
 - OTHER EXPLANATIONS Section Seven EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

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

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

Ak Receivables Corporation and A.R.T.S. Ltd., which are not subsidiaries of the Bank but over which the Bank has 100% controlling power, have been included in the consolidation due to the reason that these companies are "Structured Entities".

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

2 February 2016



Suzan SABANCI DİNCER Chairman of the Board of Directors

Hayri ÇULHACI Head of the Audit Committee

Ş.Yaman TÖRÜNER Member of the Audit Committee

Buter

CEO

S. Hakan BİNBAŞGİL 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 Phone No Fax No

: Türker TUNALI / Senior Vice President : (0 212) 385 55 55 : (0 212) 325 12 31

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AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

SECTION ONE GENERAL INFORMATION ABOUT THE BANK

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

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

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

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipts ("ADRs"). As of 31 December 2015, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2014: 41%).

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 PARENT BANK THEY POSSESS AND THEIR AREAS OF RESPONSIBILITY:

<u>Title</u>	Name	Responsibility	Education
Chairman: Honorary Chairman,	Suzan SABANCI DİNÇER	Chairman and Executive Board Member Honorary Chairman,	Graduate
Board Member, Consultant:	Frol SABANCI	Board Member and Consultant	Undergraduate
Board of Directors:	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	Cem MFNGİ	Executive Board Member	Undergraduate
	S. Yaman TÖRÜNER	Board Member	Undergraduate
	Á. 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
	Orkun OĞUZ	Direct Banking	Graduate
	Bülent OĞUZ	SME Banking	Graduate
	H.Burcu CİVELEK YÜCE	Human Resources and Strategy	Graduate
		Credit Monitoring and Follow-up	Graduate
	A.Özer İSFENDİYAROĞLU	Consumer and Private Banking	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment Banking	Undergraduate
	Hayri ÇULHACI	Head of the Audit Committee	Graduate
Internal Audit Committee:	Ş. Yaman TÖRÜNER	Member of the Audit Committee	Undergraduate

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

As of 13 February 2015, Ege Gültekin has been assigned as Executive Vice President responsible from the newly established Credit Monitoring and Follow up Unit.

As of 2 March 2015, Arif Özer İsfendiyaroğlu has been assigned as Executive Vice President responsible from the newly established Retail Banking and Payment Systems Unit.

During The Ordinary General Assembly Meeting of the Bank dated 26 March 2015, Emre Derman and Can Paker have been appointed as a Board Member in lieu of James Charles Cowles and M. Kaan Terzioğlu in the election of new Board of Directors.

As of 8 May 2015, Corporate Banking Unit's Executive Vice President Alper Hakan Yüksel has resigned from his position. Corporate Banking Unit is continuing its operations as Corporate and Investment Banking and Levent Çelebioğlu has been appointed as the new established Unit's Executive Vice President as of the same date.

As of 30 June 2015, Corporate Communication Unit's Executive Vice President Mehmet Sindel and Private Banking Unit's Executive Vice President Saltik Galatali have resigned from their positions. Consumer Banking and Payment Systems Unit has merged with Private Banking Unit and Corporate Communications Unit and is continuing its operations as Consumer and Private Banking Unit as of the same date.

As of, 31 July 2015, International Banking Unit's Executive Vice President Hülya Kefeli has resigned from her position. International Banking Unit has merged with Treasury Unit as of the same date.

As of 28 August 2015, Operation Unit's Executive Vice President Özlen Sanıbelli has resigned from her position. Information Technologies Unit has merged with Operation Unit and is continuing its operations as Technology and Operation Unit as of the same date.

IV. INFORMATION ON SHAREHOLDERS HAVING CONTROL SHARES:

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

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

The Bank's core business activities include consumer and private banking, commercial banking, SME banking, corporate and investment banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş and AvivaSA Emeklilik ve Hayat A.Ş. As of 31 December 2015, the Bank has 901 branches dispersed throughout the country and 1 branch operating abroad (31 December 2014: 990 branches and 1 branch operating abroad). As of 31 December 2014: 16.305]. A major part of the decrease in the Bank's personnel is caused by the transfer of private security guards to an outsource firm.

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

As at 31 December 2015, the Group employed 14.418 people (31 December 2014: 16.543).

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

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

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

None

AKBANK T.A.Ş. I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2015 (STATEMENT OF FINANCIAL POSITION) (Amounts are expressed in thousands of Turkish Lira (TLI).

	ASSETS	Note		CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)	
		(Section Five)	TL	FC	Total	TL	FC	Tot
	CASH AND BALANCES WITH CENTRAL BANK	(I-a)	2.165.780	23.307.659	25.473.439	3.518.600	16.921.457	20.440.057
•	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	(I-b)	816.680 816.680	1.920.990 1.920.990	2.737.670 2.737.670	599.900 599.900	865.803	1.465.703 1.465.703
.1 .1.1	Trading Financial Assets Government Debt Securities		9,996	1.920.990	2.737.670	8.525	865.803 2.491	1.465.70
.1.2	Equity Securities		6.532	107	6.532	68	2.471	6
2.1.3	Trading Derivative Financial Assets		776.274	1.920.883	2.697.157	547.427	863.312	1.410.73
2.1.4	Other Marketable Securities		23.878	-	23.878	43.880	-	43.88
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							
II.	BANKS	(I-c)	1.586.889	7.228.274	8.815.163	611.373	4.600.744	5.212.117
v.	MONEY MARKETS		98	-	98	700.215	-	700.215
.1	Interbank Money Market Placements		98	-	98	-	-	
.2	Istanbul Stock Exchange Money Market Placements		-	-	-	700.215	-	700.21
i.3	Receivables from Reverse Repurchase Agreements AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-d)	19.567.662	23.816.778	43.384.440	21.390.273	16.213.559	37.603.832
5.1	Equity Securities	(1-0)	12.836	115.958	128.794	12.326	161	12.485
5.2	Government Debt Securities		19.376.723	15.929.478	35.306.201	21.283.380	11.154.528	32.437.908
.3	Other Marketable Securities		178.103	7.771.342	7.949.445	94.567	5.058.870	5.153.43
/1.	LOANS and RECEIVABLES	(I-e)	93.013.626	60.452.870	153.466.496	85.861.033	50.270.367	136.131.400
5.1	Loans and Receivables		92.866.313	60.452.870	153.319.183	85.709.707	50.270.367	135.980.074
5.1.1	Loans to Bank's Risk Group	(VII)	2.247.912	1.173.863	3.421.775	1.511.963	952.585	2.464.548
5.1.2	Government Debt Securities		-	-	-	-	-	
.1.3	Other		90.618.401	59.279.007	149.897.408	84.197.744	49.317.782	133.515.526
5.2	Loans under Follow-up		3.373.323	-	3.373.323	2.330.155	-	2.330.155
.3	Specific Provisions (-)		3.226.010	-	3.226.010	2.178.829	-	2.178.829
/11.	FACTORING RECEIVABLES		-	-	-	-	-	
/111.	HELD-TO-MATURITY SECURITIES (Net)	(I-f)	5.184.759	5.503.681	10.688.440	5.790.655	5.009.456	10.800.111
8.1	Government Debt Securities		5.184.759	5.503.681	10.688.440	5.790.655	5.009.456	10.800.111
3.2	Other Marketable Securities			-			-	
X.	INVESTMENTS IN ASSOCIATES (Net)	(I-g)	3.923	-	3.923	3.923	-	3.923
7.1	Associates Consolidated Based on Equity Method		-	-	-	-	-	-
7.2 7.2.1	Associates Unconsolidated Financial Investments in Associates		3.923	-	3.923	3.923	-	3.923
7.2.1	Non-Financial Investments in Associates		3.923	-	3.923	3.923	-	3.923
(.2.2 (.	SUBSIDIARIES (Net)	(I-h)	3.723		3.723	5.725		3.720
10.1	Unconsolidated Financial Subsidiaries	0.00	-	-	-	-	-	
10.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	
a.	JOINT VENTURES (Net)		-	-	-	-	-	-
1.1	Joint Ventures Consolidated Based on Equity Method		-	-	-	-	-	
11.2	Unconsolidated Joint Ventures		-	-	-	-	-	
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
1.2.2	Non-Financial Joint Ventures		-	-	-	-	-	-
ai. –	FINANCIAL LEASE RECEIVABLES (Net)	(1-1)	994.415	2.981.366	3.975.781	910.569	2.784.737	3.695.306
12.1	Financial Lease Receivables		1.278.004	3.421.676	4.699.680	1.182.008	3.237.330	4.419.338
2.2	Operating Lease Receivables		-	-	-	-	-	
2.3	Other							
2.4	Unearned Income (-)		283.589	440.310	723.899	271.439	452.593	724.032
an.	HEDGING DERIVATIVE FINANCIAL ASSETS	(I-j)	648.858	2.510	651.368	284.135	406	284.541
3.1 3.2	Fair Value Hedge		648.858	575	649.433	284.135	406	284.541
3.2	Cash Flow Hedge Foreign Net Investment Hedge		-	1.935	1.935	-	-	
KIV.	PROPERTY AND EQUIPMENT (Net)	(I-k)	793.600	2.530	796.130	860.758	2.596	863.354
cv.	INTANGIBLE ASSETS (Net)	(1-1)	223,486	619	224.105	228.548	456	229.004
15.1	Goodwill	(1-0	223.400		224.103	220.340		227.004
15.2	Other		223.486	619	224.105	228.548	456	229.004
CVI.	INVESTMENT PROPERTY (Net)	(I-m)	-	-	-	-	-	227.000
WII.	TAX ASSET		139.013	23.140	162.153	11.497	9.548	21.045
17.1	Current Tax Asset		-	-	-	-	-	
17.2	Deferred Tax Asset	(l-n)	139.013	23.140	162.153	11.497	9.548	21.045
WIII.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE							
	AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-o)	179.866	-	179.866	158.652	-	158.652
8.1	Held for Sale Purpose		179.866	-	179.866	158.652	-	158.652
8.2	Related to Discontinued Operations		-	-	-	-	-	
ax.	OTHER ASSETS	(I-p)	1.327.027	581.081	1.908.108	993.288	94.050	1.087.338
	TOTAL ASSETS		126.645.682	125.821.498	252.467.180	121.923.419	96.773.179	218.696.598

AKBANK T.A.Ş. I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2015 (STATEMENT OF FINANCIAL POSITION) (Amounts are expressed in thousands of Turkish Lira (TL)).

	LIABILITIES	Note	т	CURRENT PERIOD (31/12/2015) FC	Tatal	TL	PRIOR PERIOD (31/12/2014) FC	T -1-1
1.	DEPOSITS	(Section Five) (II-a)	68,978,602	80,492,216	Total 149.470.818	65.253.709	57.040.367	Total 122.294.076
1.1	Deposits of Bank's Risk Group	(VI)	2.435.612	1.848.224	4.283.836	2.093.788	1.358.897	3.452.685
1.2	Other		66.542.990	78.643.992	145.186.982	63.159.921	55.681.470	118.841.391
н.	TRADING DERIVATIVE FINANCIAL LIABILITIES	(ІІ-Б)	479.349	1.288.502	1.767.851	222.348	984.865	1.207.213
III.	FUNDS BORROWED	(II-c)	303.083	25.873.792	26.176.875	454.961	20.814.400	21.269.361
IV.	MONEY MARKETS		6.249.039	18.000.200	24.249.239	4.872.461	23.978.899	28.851.360
4.1	Funds from Interbank Money Market		80.031	-	80.031	441.722	-	441.722
4.2 4.3	Funds from Istanbul Stock Exchange Money Market Funds Provided Under Repurchase Agreements		6.169.008	18.000.200	24.169.208	4.430.739	23.978.899	28.409.638
۷.	SECURITIES ISSUED (Net)	(II-d)	3.373.821	9.036.968	12.410.789	3.172.404	7.368.020	10.540.424
5.1	Bills		1.548.685	892.932	2.441.617	1.485.149	769.015	2.254.164
5.2	Asset Backed Securities		-	-	-	-	-	-
5.3	Bonds		1.825.136	8.144.036	9.969.172	1.687.255	6.599.005	8.286.260
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower Funds		-	-	-	-	-	-
6.2 VII.	Other MISCELLANEOUS PAYABLES			4 040 7/0	4.843.417		(74.40/	0 /00 010
VII.	OTHER LIABILITIES	(II-e)	3.832.655 1.358.302	1.010.762 134.559	1.492.861	3.027.706 1.327.744	471.106 200.986	3.498.812 1.528.730
IX.	FACTORING PAYABLES	(11-6)	1.305.302	134.007	1.472.001	1.327.744	200.700	1.020.730
X.	FINANCIAL LEASE PAYABLES (Net)	(II-f)	_					1
10.1	Financial Lease Payables	(m=1)	-	-	-	-	-	-
10.2	Operating Lease Payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI.	HEDGING DERIVATIVE FINANCIAL LIABILITIES	(II-g)	-	158.960	158.960	-	105.952	105.952
11.1	Fair Value Hedge		-	157.528	157.528	-	105.952	105.952
11.2 11.3	Cash Flow Hedge		-	1.432	1.432	-	-	-
XII.	Foreign Net Investment Hedge PROVISIONS	(ІІ-Ь)	2.500.234	695.462	3.195.696	2.108.801	544.825	2.653.626
12.1	General Loan Loss Provisions	(11-11)	1.868.060	675.132	2.543.192	1.588.276	515.988	2.104.264
12.2	Restructuring Provisions		1.000.000		2.343.172	1.300.270	515.700	2.104.204
12.3	Reserve for Employee Benefits		192.286	620	192.906	127.450	187	127.637
12.4	Insurance Technical Provisions (Net)		-		-	-	-	-
12.5	Other Provisions		439.888	19.710	459.598	393.075	28.650	421.725
XIII.	TAX LIABILITY	(II-i)	607.179	78.604	685.783	528.243	78.757	607.000
13.1	Current Tax Liability		607.179	21.152	628.331	522.289	31.129	553.418
13.2	Deferred Tax Liability		-	57.452	57.452	5.954	47.628	53.582
XIV.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE							
14.1	AND RELATED TO DISCONTINUED OPERATIONS Held for Sale Purpose		-	-	•	-	-	-
14.1	Related to Discontinued Operations		_	_	_	-	_	_
XV.	SUBORDINATED LOANS		_		-	_		-
XVI.	SHAREHOLDERS' EQUITY	(II-j)	28.527.127	(512.236)	28.014.891	26.257.874	(117.830)	26.140.044
16.1	Paid-in capital		4.000.000		4.000.000	4.000.000		4.000.000
16.2	Capital Reserves		2.219.173	(512.236)	1.706.937	2.772.404	(117.830)	2.654.574
16.2.1	Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.000
16.2.2			(/07.5/0 ²	-	-	(101 8/8)		(070.472)
16.2.3		(II-k)	(627.540) 47.106	[486.868]	(1.114.408)	(181.747) 47.106	[88.432]	(270.179)
16.2.4 16.2.5			47.106	-	47.106	47.106	-	47.106
16.2.6								
16.2.7			3.895	-	3.895	3.895	-	3.895
16.2.8			[253.262]	[25.368]	[278.630]	[202.742]	[29.398]	[232.140]
16.2.9								-,
	Assets Held for Sale		-	-	-	-	-	-
	0 Other Capital Reserves		1.348.974	-	1.348.974	1.405.892	-	1.405.892
16.3	Profit Reserves		18.675.645	-	18.675.645	15.845.847	-	15.845.847
16.3.1	Legal Reserves Status Reserves		1.336.311	-	1.336.311	1.295.468	-	1.295.468
16.3.2			16.772.396	-	16.772.396	- 14.150.654	-	14.150.654
16.3.3			566.938	-	566.938	399.725	-	399.725
16.4	Income or (Loss)		3.632.190	-	3.632.190	3.639.523	-	3.639.523
16.4.1	Prior Periods' Income or (Loss)		402.833	-	402.833	260.884	-	260.884
16.4.2			3.229.357	-	3.229.357	3.378.639	-	3.378.639
16.5	Minority Interest	(11-1)	119	-	119	100	-	100
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		116.209.391	136.257.789	252.467.180	107.226.251	111.470.347	218.696.598

AKBANK T.A.Ş. II. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

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

	INCOME AND EXPENSE ITEMS	Note (Section Five)	CURRENT PERIOD (01/01-31/12/2015)	PRIOR PERIOD (01/01-31/12/2014)
l.	INTEREST INCOME	(III-a)	15.997.657	14.690.586
1.1	Interest on Loans	(III-a-1)	12.367.124	10.595.948
1.2	Interest on Reserve Requirements		58.992	2.915
1.3	Interest on Banks	(III-a-2)	60.560	33.832
1.4	Interest on Money Market Transactions		128.543	63.676
1.5	Interest on Marketable Securities Portfolio	(III-a-3)	3.052.027	3.718.611
1.5.1	Trading Financial Assets		9.422	6.628
1.5.2	Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		2.399.893	3.020.875
1.5.4	Held- to- maturity Investments		642.712	691.108
1.6	Financial Lease Income		294.510	235.838
1.7	Other Interest Income		35.901	39.766
II. –	INTEREST EXPENSE	(Ш-Ь)	8.266.368	7.470.308
2.1	Interest on Deposits	(III-b-4)	6.161.481	5.457.539
2.2	Interest on Funds Borrowed	(III-b-1)	436.249	375.206
2.3	Interest Expense on Money Market Transactions		899.474	1.002.028
2.4	Interest on Securities Issued	(III-b-3)	744.167	612.542
2.5	Other Interest Expenses		24.997	22.993
III.	NET INTEREST INCOME (I - II)		7.731.289	7.220.278
IV.	NET FEES AND COMMISSIONS INCOME		2.486.906	2.436.707
4.1	Fees and Commissions Received		2.953.752	2.832.387
4.1.1	Non-cash Loans		179.669	156.199
4.1.2	Other		2.774.083	2.676.188
4.2	Fees and Commissions Paid		466.846	395.680
4.2.1	Non-cash Loans		3.435	3.218
4.2.2	Other	A	463.411	392.462
۷.		(III-c)	2.275	1.381
VI.	TRADING INCOME/(LOSS) (Net)	(III-d)	66.146	(75.476)
6.1	Trading Gains / (Losses) on Securities		226.135	721.224
6.2	Gains / (Losses) on Derivative Financial Transactions		(580.609)	(1.313.027)
6.3	Foreign Exchange Gains / (Losses)		420.620	516.327
VII.		(III-e)	613.927	633.895
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)	(ue)	10.900.543	10.216.785
IX. X.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(III-f) (III-s)	2.363.666	2.076.858
XI.	OTHER OPERATING EXPENSES (-)	(III-g)	4.357.805 4.179.072	3.806.435 4.333.492
XII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X) EXCESS AMOUNT RECORDED		4.177.072	4.333.472
AII.	AS INCOME AFTER MERGER			_
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY	METHOD		
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION	METHOD		
XV.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI++XIV)		4.179.072	4.333.492
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(III-j)	949.706	954.846
16.1	Current Tax Provision	()	919.344	1.109.941
16.2	Deferred Tax Provision		30.362	(155.095)
XVII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		3.229.366	3.378.646
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 YEAR PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	(111-1)	3.229.366	3.378.646
23.1	Income/(Loss) from the Group		3.229.357	3.378.639
	Income/(Loss) from Minority Interest	(III-h)	9	7
23.2				

AKBANK T.A.Ş. III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2015 (Amounts are expressed in thousands of Turkish Lira (TL)).

Def Paulance serie Convertients in the interval Description Paulance series			Note		URRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)	
L UNADAPTES MOP WARTES Pro-L, II NUMAPTES MOP WARTES <thnumaptes mop="" th="" wartes<=""> <thnumaptes mop="" th="" wart<=""><th>A OFE-BA</th><th>ALANCE SHEET COMMITMENTS (1+11+111)</th><th>(Section Five)</th><th>TL 97.206.807</th><th>FC 228 649 384</th><th>Total 325 856 191</th><th>TL 86 440 978</th><th>FC 167,542,323</th><th>Total 253,983,301</th></thnumaptes></thnumaptes>	A OFE-BA	ALANCE SHEET COMMITMENTS (1+11+111)	(Section Five)	TL 97.206.807	FC 228 649 384	Total 325 856 191	TL 86 440 978	FC 167,542,323	Total 253,983,301
I.I. Latters of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates Linear Of Signates <thlinear of="" signates<="" th=""> Linear Of Signates<td></td><td></td><td>(IV-a-2, 3)</td><td></td><td></td><td></td><td></td><td></td><td></td></thlinear>			(IV-a-2, 3)						
1.1.1.6 Borrantes: Subject:			(11 0 2,0)						
11.3 Disc Letters of Desartation 11.22.279 4.146.97 14.146.97 11.22.279 4.642.81 17.22.179 12.1 Disc Letters of Desart Acceptances 20.200 <td< td=""><td></td><td></td><td></td><td></td><td>1.799.894</td><td>2.289.354</td><td>303.407</td><td></td><td>1.878.855</td></td<>					1.799.894	2.289.354	303.407		1.878.855
12.1 Bits Accesses 17.222 78.222 78.222 17.222 17.222 17.222 13.1 Latters of Crest 27.8 5.252.70 5.472.70 5.472.70 5.472.70 13.1 Latters of Crest 27.8 5.252.70 5.472.70 5.472.70 5.472.70 13.1 December of Crest 27.86 27.86 27.86 27.86 27.86 14.1 Professoring frame in charakse 10.32 17.78.80 7.78.90 7.78.90 7.7				-			-		
12.1 import Lained Acceptore				11.373.719			12.973.775		
12.2 Dirby Bak Acceptance - 5.500-10 - - 5.500-10 - 5.500-10 - 5.500-10 -				-			-		
13 Letters of Coreal 578 5587,200 5597,200 540,200 540,400 597,100 14 Performeng been Solverine 1 <td< td=""><td></td><td></td><td></td><td></td><td>933.230</td><td>933.230</td><td>-</td><td>1.130.533</td><td>1.130.533</td></td<>					933.230	933.230	-	1.130.533	1.130.533
1.3.1 Decumentary Laters of Dark 9% 4.44.143 4.44.23 9.4.21.257 5.2.1.25 1.3.1 Decumentary Laters of Dark 9.2.277 5.2.1.25 5.2.1.25 1.3.1 Decumentary Laters of Dark 9.2.277 5.2.1.25 5.2.1.25 1.3.1 Decumentary Laters of Dark 9.2.27 7.2.2.27 7.2.2.2.27 7.2.2.2.2.2 1.3.1 Decumentary Laters of Dark 9.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2					5 358 7/0	5 359 136		5 443 720	5 463 720
12.2 Detr. Laterian Droket - 512.57 512.57 - 52.16 52.116 13.1 Extransmits for Control fails at Lawy - - - - - 13.1 Extransmits for Control fails at Lawy - - - - - 13.1 Extransmits for Control fails at Lawy - - - - - - 13.1 Extransmits for Control fails at Lawy -							_		
1.4 Definition globes Solutiones - <							-		
1 Defensements - <t< td=""><td></td><td></td><td></td><td>-</td><td>-</td><td>-</td><td>-</td><td></td><td>-</td></t<>				-	-	-	-		-
1.2.1 Purchs Schwitzer Machine Intervention 1 </td <td>1.5</td> <td></td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td>	1.5			-	-	-	-	-	-
14 Purchase Buseness fractorias				-	-	-	-	-	-
17 Factoring Journames 1 22.846 1.27.97 1.27.95 18 Observates 1.13.98 1.27.97 1.27.95 1.27.95 18 Observates 1.27.95 1.27.95 1.27.95 1.27.95 19 Observates 2.17.95 2.27.95 3.27.22.97 7.22.87.97 21.0 Macrit Profess Commitments 2.17.95.17 2.27.95 7.27.27.97 7.27.97.97 21.1 Macrit Profess Commitments 2.17.95.17 2.27.95.17 7.27.97.97 7.27.97.97 21.3 Macrit Profess Commitments 2.4.0.211 4.2.0.4.0 9.7.97.97 7.27.97.97 21.4 Land Grading Commitments 2.4.0.211 - <td></td> <td></td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td>				-	-	-	-	-	-
13 Other Diametes 115.200 1.77.7100 7.4.813 1.486.271 1.7.8.2184 14 Dire Collection Pri-11 2.87.7100 7.9.8150 4.1.811 1.486.271 1.7.8.2184 15 Description Dire Collection Dire Collection Dire Collection Dire Collection 13 Aust Private Committee Dire Collection Dire Collection Dire Collection Dire Collection 13.1 Aust Private Committee Dire Collection <thdire collection<="" th=""> Dire Collection</thdire>				-	-	-	-	-	-
17 Differ Collisions 1.782.877 13.483 1.273.82 1.48.178 1.180.85 10 Constructions 2.276.331 2.268.400 5.18.13 2.230.80 7.220.835 7.220.835 2.11 Asset Funches and State Commitments 2.110.331 2.276.331 2.280.80 5.18.13 2.230.80 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.835 7.220.845 7.220.845 7.220.845 7.220.845 7.220.845 7.220.845 7.220.845 7.220.845 7.220.845 7.220.845 7.220.845 7.220.845 7.220.845 7.200.845				-			-		
ID Consumments (Px+1) St. 11,885 7,444.63 4,48.93 4,89.277 47,43.377 121 Process for interests 2.179.39 2.29.05.02 1.197.12 2.20.05.01 7.20.027									
2.1 Hereaceba Comminents 2.077200 7.298.02 4.19.102 Base Solid 9.022.97 4.722.303 7.272.03 2.1.1 Accord Functo Comminents in Kosciettas comminents 5.43.71 4.201 5.297.162 7.197.272 7.298.02 <			(IV-a-1)						
21.13 Assel Functions of Marcina and Sack Committees 2.190.201 2.29.6.00 5.19.101 2.22.6.60 7.202.805 7.702.817 21.14 Depend Numbers 5.45.211 4.303.444 9.796.405 5.977.198 1.797.597 21.15 Scientific Sage Marking Commitments 5.44.201 4.303.444 9.746.405 5.979.198 1.797.597 21.16 Commitments for Call Carl Marking Sage Marking Commitments 5.744.201 7.202.808 2.114.400 5.979.208 21.16 Commitments for Call Carl Marking Senter Perontions 7.324.401 7.302.801 7.124.400			(14-0-1)						
21.2 Beposit Burchase and Sube Commitments - <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
21.4 Last Graining Commitments 5.44.21 4.33.444 9.776.25 5.277.18 1.705.59 7.777.27 21.5 Cammings for Depar Repart Commitments 5.744.73 1.705.59 2.178.7 3.607.302 1.705.59 21.6 Cammings for Depar Repart Commitments 2.756 2.756 2.767.279 2.1107.40 - 2.1107.40 21.7 Cammings for Depar Commitments 7.272.99 1.107.422.99 2.1107.40 - 2.1107.40 21.7 Cammingents for Depar Commitments 7.272.99 1.107.422.99 2.1107.40 - 2.1107.40 21.10 Rescalate Commitments of Machaelase Securities - - - - - 21.20 Rescalate Land Internation 2.073.92 1.089 3.388.257 3.388.459 - 3.384.59 22.20 Rescalate Land Internation 1.092.100 1.022.99 1.022.91 1.022.91 3.384.59 - 3.384.59 22.21 Rescalate Land Internation 1.092.100 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.91 1.022.				-	-	-	-	-	-
21.5 Scannibus Sub-Enforce Property Commitments to Heaser Register Means and Fuel Lo Charge Property and Fuel Lo Charge Property and Fuel Lo Charge Property and Fuel Lo Charge Property and Fuel Lo Charge Property Commitments to CharGe Carge Property Commitments	2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
21.10 Comminants for Rissing Requirements 3.74,4751 S.74,471 S.74,471				5.643.211	4.333.444	9.976.655	5.397.158	1.793.569	7.190.727
21.3 Commitments for Chapter Payments 5.747,751 - 5.447,751 - 5.447,751 - 5.447,751 - 2.548 - 2.548 - 2.548 - 2.548 - 2.548 - 2.548 - 2.548 - 2.548 - 2.119,400 - 2.119,400 - 2.119,400 - 2.119,400 - 2.119,400 - 2.119,400 - 2.119,400 - - 1.128,400 - - 1.128,400 - - 1.128,400 - - 1.128,400 -				-	-	-	-	-	-
21.8 tx and Fund Liabilities from Expert Commitments 2.956 - 2.11% - 2.11% 21.0 Commitments for Crient Cartics are Banking Services Pranotions 15.348 - 12.952 21.11 Commitments for Crient Cartics are Banking Services Pranotions 5.348 - - - 21.12 Papelate Commitments 3.077.337 1.008 3.209.337 3.077.538 6.552 3.830.957 22.17 Other Interescable Commitments 3.077.538 6.552 3.884.57 - 3.884.57 22.18 Other Interescable Commitments 3.077.538 5.951.057 3.884.57 - 3.884.57 22.17 Rescable Land Formation Comments 5.951.37 3.884.57 - 3.884.57 22.18 Hesting Denative Hances 1.228.483 11.357.57 5.850.50 14.477.107 7.828.444 11.1 Fair Multie Halpes 1.228.483 11.357.57 5.850.50 14.477.147 5.987.84 22.11 Format Foreigo Carrency PolySell Tranactions - Super				-	-	-	-	-	-
21.9 Comminents for Credit Card Limits 17.07.289 - 17.07.289 21.10 Av0 - 21.10 Av0 21.11 Comminents for Credit Card and Baching Service Promotions 53.36 -					-			-	
21.10 Commitments for Crient Carta and Banking Services Promotions 95.34 - 95.34 12.9.92 - 12.9.92 21.11 Reveals form Monts of Marketable Securities 207.373 1.00 200.375 379.734 45.53 384.59 22.12 Reveald Commitments 561.55 - 505.155 384.59 384.59 22.20 Christ Route Carta Commitments 561.55 - 505.155 384.59 384.59 22.11 Reveals Lan Graning Commitments 164.312.00 22.88.79 10.59.55 87.91.04.91 12.28.71.04.91					-			-	
21.11 Recisable from State Grammines of Markable Securities 1 <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td>-</td> <td></td>					-			-	
21.12 Papelles for: Sont Sale Comminents (Markeable Securities)				73.300	-	73.300	120.702		120.702
21.10 Other Intrance.alls Commitments 3.07.37.4 1.0.80 3.777.58.6 6.55.2 3.84.49 22.2 Rescalals Commitments 305.13 - 505.13 3.84.49 - 3.84.59 22.1 Dire frequescies Commitments 305.13 - 505.13 3.84.49 - 3.84.59 22.1 Dire frequescies Commitments 107.94 4.22.94.38 11.299.317 122.04.24 81.197.10 7.77.84 2.77.478 7.77.84 7.77.87 6.77.84 8.77.178 7.67.88 8.67.178 7.77.87				_	-	-	-	-	_
2.2 Rescable Commitments 54.7.65 11.879 7.1355 38.4.69 - 38.4.59 2.1.1 Rescable Commitments 19.33 12.879 7.807 22.875 20.1175 7.95 38.4.59 22.85 2.1.2 Control Rescable Commitments 19.33 12.286.43 11.287 7.807.207 22.85.45 81.187 87.07 13.85 8.707.178 7.538.84 3.1.2 Cash Row Hedges 1.228.63 11.297.748 277.478 277.478 8.707.178 7.538.84 3.1.3 Foreign Net Insettment Hedge 1.228.63 11.797.973 12.286.79 271.478 8.707.178 7.538.84 3.1.2 Cash Row Hedges 1.228.63 11.797.973 12.286.95 11.998.92 12.208.92 11.285.127 12.208.93 1.079.999 188.797 2.414.65 12.208.92 2.2.1 Foreign Currency Transactions-Surg 2.447.607 4.877.283 7.999.90 188.979 2.414.65 4.579.03 2.2.1 Foreign Currency Transactions-Surg 2.447.607 4.877.83 7.999.90 188.997.92 2.416.83 4.597.03 2.2.2 Foreign Currency Transactions-Surg 2.447.607 4.877.82 5.188.20 2.188.94.99 2.188.93				3.207.367	1.008	3.208.375	3.797.536	65.523	3.863.059
22.2.2 Other Revocable Communents '9 A30 '16.97 202.58.975 22.805.50 27.872.462 3.1 Hedging Derivate Financial Instruments 11.278.432 11.575.75 12.804.03 877.178 75.824.642 3.1 Farry Wate Hedges 1.278.638 11.575.75 12.804.03 877.178 75.824.642 3.1.1 Farry Wate Hedges 1.278.638 11.575.75 12.804.03 877.178 75.824.642 3.1.3 Farry Met Instruments Hedges 277.67 277.67 777.678 777.18 777.								-	
II. DERIVATIVE FINANCIAL INSTRUMENTS IV-20 42.22.00.8 22.80.10% 22.80.6.00 14.107.11% 72.73.72.42.0.4.3 1.1 Fair Value Hedges 1.2.28.4.3 11.297.747 12.28.4.4.3 87.07.17 9.438.86 1.1 Cant Flow Hedges	2.2.1	Revocable Loan Granting Commitments		505.135	-	505.135	386.459	-	386.459
3.1 Hedging Derivative Financial Instruments 1.228.438 11.278.373 12.284.433 EPT 4.688 8.747.778 9.438.846 3.1 Graving Derivative Hodges 2.277.78 12.556.55 871.468 8.747.778 9.438.846 3.1.2 Cash Flow Hedges 2.277.78 12.556.55 871.468 8.747.778 9.438.846 3.1.3 Graving Derivative Financial Instruments 4.7199.370 1971.013.180 12.281.65.50 311.778.852 112.206.244 14.642.577.6 3.2.1 Forward Finang Durrivity Financialions-Sell 3.441.417 4.719.255.51 4.107.108 5.019.777.78 9.029.250 2.218.305 4.207.028 2.924.853 1.228.541.24 4.247.97.24 19.808.11.984.478 9.818.83 1.222.26 7.079.77 7.68.31.46 9.818.81 1.94.477 7.68.33.46 9.818.81 1.94.24.77.77 7.83.92 2.218.305 2.408.335 4.247.97.92 2.18.305 2.218.305 2.408.335 4.247.97.92 2.918.936.22 2.918.945 2.218.246 1.94.24.97.928 2.94.257.91 2.43.97.928 2.94.257.91 2.43.97.928 2.94.257.91 2.43.97.928 2.94.557.91 2.24.97.928				39.630	168.591		-	-	-
3.1.1 Fair Value Hedges 1.228.038 11.228.037 17.252.9755 B71.688 B.74.778 9.288.865 3.1.2 Cash Inov Hedges 277.478 277.478 - - - 3.1.3 Foreign Net Investment Hedges 277.473 1.280.865 31.798.865 112.798.027 11.91.055 4.472.108 51.97.96 9.29.108 11.62.55 4.127.027 8.99.101 15.11.05.55 4.127.028 8.99.101 15.11.05.55 4.127.028 8.99.101 15.11.05.55 4.127.028 8.99.101 15.11.05.55 4.127.028 8.99.101 15.11.05.55 4.127.028 8.99.101 15.11.05.55 4.128.028 4.52.07.018 3.497.018 9.07.078 9.27.078 9.27.078 9.27.078 9.27.078 9.27.078 9.27.078 9.27.078 9.99.178.02 1.19.85.08 4.19.02.02 9.07.078 9.27.078 9.27.078 9.27.078 9.27.078 9.27.078 9.27.078 9.27.078 9.27.078 9.27.078 9.27.078.078 9.27.078.078 9.27.078.078 9.27.078.078 9.27.078.078 9.27.078.078 9.27.078.078 9.27.078.078 9.27.078.078 9.27.078.078 9.27.078.0			(ІV-ь)						
31.2 Crain Flow Hedges - - - - - 31.3 Foring Net Investment Hedges - - - - - 32.1 Foring Dernstell Instanctions 6/129/24 8/818/05 31.978/852 312.98.06.550 31.978.852 312.36.0724 45.988.9739 52.246.550 45.92.04 8.9818/07 132.06.524 45.92.04 45.973.83 73.02.990 18.87.739 2.411.451 45.073.03 45.973.83 73.02.990 18.87.739 2.411.451 45.073.03 45.973.83 12.011.990 45.973.83 12.011.990 45.973.83 14.997.939 2.411.451 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.974.84 45.979.92 11.979.939 14.999.939.22 20.199.845 47.922.979.92 11.979.893 14.999.939.22 20.199.845 32.746.979 45.975.84 24.979.929 30.197.952 11.979.893 14.999.939.22 20.199.845 37.420.97 77.76.799 44.175.887 35.992.476 47.221.99 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
3.1.3 Foreign Net Investment Hedges -							871.688	8.767.178	9.638.866
3.2 Trading Dermotive Financel Instruments 47.070.370 110.11.80 22.81.06.550 31.97.8652 132.306.974 146.2857.740 3.2.11 Forward Foreign Currency Transactions-Sell 3.447.07 4.457.383 7.504.990 18.897.39 2.411.651 4.507.300 3.2.12 Forward Foreign Currency Transactions-Sell 3.441.477 4.124.118 7.065.55 2.122.56 2.448.354 4.507.300 3.2.2.1 Foreign Currency Swap-Sell 11.586.245 11.2.266.425 14.2.477.872 11.980.217 7.883.36 9.481.835 3.2.2.2 Foreign Currency Swap-Sell 11.586.245 2.372.490 9.318.204 11.3085.408 11.982.788 12.093.852 2.0118.455 3.2.2.2 foreign Currency Swap-Sell 1.410.000 2.877.952 3.017.952 11.157.843 10.073.852 2.0198.455 3.2.2.4 foreign Currency Swap-Sell 1.440.000 2.877.957 3.017.952 1.157.843 10.073.852 2.0198.455 3.2.2.4 foreign Currency Chinons-Sell 0.728.797 3.017.952 1.157.940.02 10.974.945 5.724.010 3.2.2.5 foreign Currency Chinons-Sell 0.753				-	277.478	277.478	-	-	-
3.2.1 Forward Foreign Currency BurySell Transactions-Sell 6.129.024 8.981.501 15.110.525 4.072.104 5.017.966 9.092.009 3.2.1 Forward Foreign Currency Transactions-Sell 3.481.447 112.564.425 14.224.872 19.897.79 2.214.851 4.501.390 3.2.2 Save Transactions Fielded to Foreign Currency Save-Buy 11.458.162 2.424.872 19.996.217 7.483.346 4.427.141 3.2.2.1 Foreign Currency Save-Buy 11.458.162 2.424.872 19.996.217 1.198.783 2.240.835 4.507.182 3.2.2.1 Foreign Currency Save-Buy 11.458.162 2.127.874 4.457.643 2.47.879 2.93.854.61 11.988.783 2.240.835 2.93.857 3.2.2.1 Foreign Currency Interest Rate Save-Sell 1.410.000 2.878.792 3.197.952 1.195.833 1.90.93.82 2.91.884.64 1.99.93.82 2.91.884.64 1.92.93.82 2.91.884.64 1.92.93.82 2.91.884.64 1.99.93.82 2.91.884.64 1.99.93.82 2.91.884.64 1.99.93.82 2.91.884.64 1.99.93.82 2.91.884.64 1.99.93.82 2.91.884.64 1.99.93.83 1.99.92.77 7.77.87.89 4.81.583.89 <td></td> <td></td> <td></td> <td>47 093 370</td> <td>101 012 190</td> <td>228 104 550</td> <td>21 079 952</td> <td>122 204 024</td> <td>144 295 774</td>				47 093 370	101 012 190	228 104 550	21 079 952	122 204 024	144 295 774
32.1.1 Forward Foreign Currency Transactions-Buly 2.447.877 4.857.383 7.504.970 1.887.797 2.411.64 4.501.307 32.1.2 Forward Foreign Currency Transactions-Sell 3.461.417 4.112.18 7.605.535 2.182.365 2.408.335 4.501.307 32.2.1 Foreign Currency Swap-Sell 15.582.256 14.2427.872 19.980.217 7.483.346 9.481.843 32.2.2 Foreign Currency Swap-Sell 15.582.256 12.471.734 4.575.433 9.274.863 19.993.52 2.01198.945 32.2.3 Interest Rate Swap-Sell 1.410.000 28.787.952 3.0117.752 1.775.767 4.617.586 2.935.517 32.2.4 Foreign Currency, Tennest Rate and Securities Options 10.274.802 28.887.952 3.0117.752 1.775.767 4.617.586 3.952.676 32.2.4 Foreign Currency Guons-Buy 2.334.476 2.252.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.828 2.572.838 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
3.2.1.2 Forward Foreign Currency Transactions Features To and Constraints of the second s									
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates 29 861.42 112.566.425 112.42.42.7872 19.980.217 74.838.346 94.813.63 3.2.2.1 Foreign Currency Swap-Selt 15.852.56 12.42.42.7872 19.980.217 74.838.346 94.813.63 3.2.2.2 Foreign Currency Swap-Selt 15.852.97 23.736.909 33.182.04 13.085.008 11.984.784 22.01199.45 3.2.2.4 Interest Rate Swap-Selt 1.410.000 28.787.952 30.197.952 11.159.583 19.039.362 20.199.45 3.2.2.4 Interest Rate Swap-Selt 1.0274.602 58.892.918 69.157.20 77.767.789 19.99.583 19.039.362 20.199.45 3.2.2.4 Foreign Currency Options-Buy 4.93.312 7.023.471 11.96.17.83 3.80.2404 5.939.815 9.742.219 3.2.2.3 Interest Rate Options-Buy - - 2.7255.288 2.755.2808 - 17.241.035 17.241.035 3.2.3.5 Securities Options-Selt - - - - - - - - - - - - - - -									
32.2.2 For-ign Currency Swap-Sell 15.58.295 22.73.4 (NPS 2012) 11.986.208 11.986.786 25.07.0189.45 32.2.3 Interest Rate Swap-Sell 1.410.000 28.787.952 30.197.952 11.95.983 19.039.362 20.198.45 32.2.4 Interest Rate Swap-Sell 1.410.000 28.787.952 30.197.952 1.79.783 19.039.362 20.198.955 32.2.4 Interest Rate Options-Sult 4.93.38.12 7.023.471 11.961.783 3.080.2.404 5.793.815 9.772.219 32.3.3 Interest Rate Options-Sult - 22.552.828 - 17.241.035 17.	3.2.2								94.813.653
12.2.2 Interest Rate Swap-Sul 1.1.00.000 28.787.752 30.197.952 1.1.59.583 19.039.362 20.198.945 2.2.3 Foreign Currency, Interest Rate and Securities Options 10.27.4802 58.882.918 64.9157.200 7.776.789 44.175.887 33.952.674 2.2.3 Foreign Currency Options-Buy 4.938.312 7.225.2828 2.255.2828 - 17.241.035 7.724.105 2.2.3. Interest Rate Options-Buy - 2.255.2828 - 17.241.035 7.724.105 2.2.3. Interest Rate Options-Selt -		Foreign Currency Swap-Buy		11.458.152				24.769.928	
12.2.4 Interest Rate Swap-Sell 1.1195 R83 19.039 Ad2 20.198 Ad5 22.3 Foreign Currency, Options-Buy 4.938.12 70.23 Ar1 11.191 783 3.802 Ad4 5.939 Af5 5.972 Ad7 22.3.1 Foreign Currency Options-Sell 3.972 Ad7 11.941 783 3.802 Ad4 5.939 Af5 5.972 Ad7 22.3.2 Foreign Currency Options-Sell - 22.552 A28 22.552 A28 - 17.241 035 17.241 035 22.3.4 Interest Rate Options-Sell -									
12.3. Foreign Currency Interest Rate and Securities Options 10.274 602 58.802.918 49.157.720 7.776.789 46.475.887 53.952.676 23.3.1 Foreign Currency Options-Selt 5.336.490 6.753.791 11.940.281 3.974.385 5.754.002 9.792.897 23.3.1 Foreign Currency Options-Selt 2.2552.828 22.552.828 2.2552.828 17.241.035 17.241.035 32.3.4 Interest Rate Options-Selt 2.2552.828 2.2552.828 17.241.035 17.241.035 32.3.4 Foreign Currency Futures 2. 2.2552.828 2.2552.828 17.241.035 17.241.035 32.4.5 Securities Options-Selt - <									
2.2.1 Foreign Currency Options-Selt 5.38.6.490 2.5.28.88 3.802.404 5.978.402 9.792.287 2.2.2.1 Foreign Currency Options-Selt 2.2.552.828 2.2.552.858 2.2.552.858 2.2.552.858 2.2.552.858 2.2.552.858 2.2.552.858 2.2.552.858.553.558.556.5567 2.2.552.858									
12.2.2 Foreign Currency Options-Sell 5.336.490 6.753.791 12.090.281 3.974.385 5.756.002 9.728.385 12.3.3 Interest Rate Options-Sell - 22.552.828 22.552.828 22.552.828 - 17.241.035 17.241.035 12.3.4 Interest Rate Options-Sell - <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
12.3.3 Interést Rate Options-Seut - 22.552.828 22.552.828 - 17.241.035 17.241.035 32.3.4 Interést Rate Options-Seut - - - - - 32.3.5 Securities Options-Buy -<									
12.3.4 Interest Rate Options-Sell 17.241.035 17.241.035 32.3.5 Securities Options-Sell - - - - 32.4.4 Foreign Currency Futures - - - - - 32.4.4 Foreign Currency Futures-Sell - - - - - - - - 32.4.1 Foreign Currency Futures-Sell -<				5.550.470					
32.3.5 Securities Options-Buy -				_			_		
32.3.6 Securities Options-Selt - <td< td=""><td></td><td></td><td></td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></td<>				-	-	-	-	-	-
12.4.1 Foreign Currency Futures-Buy -				-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell -	3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.5 Interest Rate Futures -<				-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy -				-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Selt -				-	-	-	-	-	-
3.2.6 Other 828.097 10.582.336 11.410.433 149.742 6.277.615 6.427.357 B. CUSTODY AND PLEDGES RECEIVENTY-WIL 623.498.370 160.734.015 784.232.385 556.134.233 134.530.774 6971.065.007 4.1 Customer Fund and Portfolio Balances 2.820.657 - 2.820.657 2.883.149 - 2.883.149 4.2 Investment Securities Held in Custody 17.319.495 818.636 18.138.131 14.041.992 6.97.672 14.999.663 4.3 Cheques Received for Collection 14.928.116 876.770 15.804.886 29.969.396 690.016 30.659.412 4.4 Commercial Notes Received for Collection 3.395.579 1.454.631 4.850.210 2.828.122 1.084.489 3.912.611 4.5 Other Items Under Custody 485.753 8.656.630 9.142.383 469.058 8.023.299 8.512.357 4.8 Custodians - <td< td=""><td></td><td></td><td></td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></td<>				-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI) 623.498.370 160.734.015 784.232.385 556.134.233 134.930.774 691.065.0172 IV. ITEMS HELD IN CUSTODY 38.497.600 11.806.467 50.756.267 50.211.717 10.755.475 60.967.172 4.1 Customer Fund and Portfolio Balances 2.820.657 - 2.820.657 2.883.149 - 2.883.149 4.2 Investment Securities Held in Custody 17.319.495 818.636 18.138.131 14.041.992 697.671 14.999.663 4.3 Cheques Received for Collection 3.355.579 1.456.631 4.850.210 2.828.122 1.084.489 3.912.411 4.5 Other Assets Received for Collection 3.95.579 1.456.630 9.142.383 489.058 8.023.299 8.512.357 4.6 Assets Received for Collection - <				-	10 500 00/	-	1/0 7/0	4 077 / 15	4 / 07 057
N. ITEMS HELD IN CUSTORY 38,494,600 11.806.667 50,756.267 50,211.717 10.755.475 60.967,192 4.1 Customer Fund and Portfolio Blances 2.820.657 - 2.820.657 2.883.149 - 2.883.149 4.2 Investment Securities Held in Custody 17.319.495 818.636 18.138.131 14.041.992 95.761 14.999.663 4.3 Cheques Received for Collection 14.928.116 876.770 15.804.886 29.969.396 690.016 30.659.412 4.4 Commercial Notes Received for Collection 3.395.579 1.454.631 4.850.210 2.828.122 1.084.489 3.912.611 4.5 Other Assets Received for Collection 3.395.579 1.456.630 9.142.383 489.058 8.023.299 8.512.357 4.6 Assets Received for Collection -									
4.1 Customer Fund and Portfolio Balances 2.820.657 - 2.820.657 2.823.149 - 2.833.149 4.2 Investment Securities Held in Custody 17.319.495 818.636 18.138.131 14.041.992 957.671 14.999.663 4.3 Cheques Received for Collection 14.928.116 876.770 15.804.886 29.969.396 690.016 30.659.412 4.4 Commercial Notes Received for Collection 3.395.579 1.454.631 4.850.210 2.828.122 1.084.489 3.912.611 4.5 Other Assets Received for Collection 3.395.579 1.454.631 4.850.210 2.828.122 1.084.489 3.912.611 4.6 Assets Received for Collection 3.395.579 1.454.631 4.850.210 2.828.122 1.084.489 3.912.611 4.6 Assets Received for Collection 3.395.579 1.454.631 4.850.210 2.828.122 1.084.89 3.912.611 4.6 Assets Received for Collection - - - - - - - - - - - - - - - - - -									
4.2 Investment Securities Held in Custody 17,319.495 818.636 18.138.131 14.041.992 957.671 14.999.663 4.3 Cheques Received for Collection 14.928.116 876.770 15.804.886 29.969.396 690.016 30.659.412 4.4 Commercial Notes Received for Collection 3.395.579 1.456.631 4.850.210 2.828.122 1.084.489 3.912.611 4.5 Other Assets Received for Collection 3.395.579 1.456.630 9.1423.483 489.058 8.023.299 8.512.357 4.6 Assets Received for Public Offering -								10.700.470	
4.3 Cheques Received for Collection 14.928.116 876.770 15.804.886 29.969.396 690.016 30.659.412 4.4 Commercial Notes Received for Collection 3.395.579 1.454.631 4.850.210 2.828.122 1.084.489 3.912.611 4.5 Other Assets Received for Collection - </td <td></td> <td></td> <td></td> <td></td> <td>818.636</td> <td></td> <td></td> <td>957.671</td> <td></td>					818.636			957.671	
4.4 Commercial Notes Received for Collection 3.395.579 1.454.631 4.850.210 2.828.122 1.084.489 3.912.611 4.5 Other Assets Received for Collection -									
4.5 Other Assets Received for Collection -									
4.7 Other Items Under Custody 485.753 8.656.630 9.142.383 489.058 8.023.299 8.512.357 4.8 Custodians 497.562.840 251.332.241 158.052.034 45.054.596 203.106.630 5.1 Marketable Securities 93.300.273 443.023 93.743.296 59.432.194 128.592 59.560.786 5.2 Guarantee Notes 764.005 596.171 1.360.206 744.854 423.272 1.168.126 5.3 Commodity 63.620 37.493 101.113 68.907 28.834 97.541 5.4 Warranty 277 - 277 1.277 668 1.945 5.4 Uther Pledged Items 78.618.442 36.241.798 114.860.240 63.940.850 30.269.306 94.210.156 5.4 Other Pledged Items 29.019.718 12.223.598 41.243.316 33.856.772 14.88.464 48.047.236 5.7 Pledged Items-Depository 3.036 20.757 23.793 5.180 15.660 20.840 V. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 93.364.508	4.5			-	-	-	-	-	-
4.8 Custodians 201,769,401 49,562,800 251,332,241 158,052,034 45,054,596 29,310,630 5.1 Marketable Securities 93,300,273 443,023 93,743,296 59,332,194 128,592 59,560,786 5.2 Guarantee Notes 764,035 596,171 1.360,206 744,854 423,272 1.168,126 5.3 Commodity 63,620 37,493 101,113 68,90 228,634 97,541 5.4 Warranty 277 277 1.277 668 1.945 5.4 Unther Pledged Items 78,618,442 36,241,798 114,860,240 63,940,850 30,269,306 94,210,156 5.4 Unther Pledged Items 29,019,718 12,223,598 41,243,316 33,858,772 14,188,44 48,047,236 5.7 Pledged Items-Depository 3,036 20,757 23,793 5,180 15,660 20,840 7.4 ACCEPTED BILL, QUARANTEES AND WARRANTEES 382,779,367 9,345,508 432,438,877 347,870,482 79,120,703				-	-	-	-	-	-
V. PLEDGES RECEIVED 201.769.401 49.562.840 251.332.241 158.052.034 45.054.596 203.106.630 5.1 Marketable Securities 93.300.273 443.023 99.743.296 59.432.194 128.592 59.560.786 5.2 Guarantee Notes 764.035 596.171 1.360.206 744.854 423.272 1.168.126 5.3 Commodity 63.620 37.493 101.113 68.907 28.634 97.541 5.4 Warranty 277 - 277 1.277 668 1.945 5.5 Immovables 786.8442 36.241.798 114.800.240 63.940.850 30.269.306 94.210.156 5.6 Other Pledged Items 29.019.718 12.223.598 41.243.316 33.858.772 14.188.464 48.047.236 5.7 Pledged Items-Depository 3.036 20.757 23.793 5.180 15.660 20.840 V. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 93.44.508 426.911.856 426.911.856				485.753	8.656.630	9.142.383	489.058	8.023.299	8.512.357
5.1 Marketable Securities 93.300.273 443.023 93.743.296 59.432.194 128.592 59.560.786 5.2 Guarantee Notes 764.035 576.171 1.360.206 744.854 423.272 1.168.126 5.3 Commodity 63.620 37.493 101.113 68.907 28.634 97.541 5.4 Warranty 277 - 277 1.277 668 1.945 5.5 Immovables 78.618.442 36.241.798 114.860.240 63.940.850 30.269.306 94.210.156 5.6 Other Pledged Items 29.019.718 12.223.598 41.243.316 33.855.772 14.188.464 48.047.236 5.7 Pledged Items-Depository 3.036 22.0757 23.793 5.180 15.660 20.840 V. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 99.364.508 345.817.71 34.88.04 426.991.185				-	-	-	-	-	-
5.2 Guarantee Notes 764.035 596.171 1.360.206 744.854 423.272 1.168.126 5.3 Commodity 63.620 37.493 101.113 68.907 28.634 97.541 5.4 Warranty 277 - 277 1.277 668 1.945 5.5 Immovables 78.618.442 36.241.798 114.800.240 63.940.850 30.269.306 94.210.156 5.4 Other Pledged Items 29.019.718 12.223.598 41.243.316 33.858.772 14.188.464 48.047.236 5.7 Pledged Items-Depository 3.036 20.757 23.793 5.180 15.660 20.840 V. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 99.364.508 482.143.877 347.870.482 79.120.703 426.991.165									
5.3 Commodity 63.620 37.493 101.113 68.907 28.634 97.541 5.4 Warranty 277 - 277 1.277 668 1.945 5.5 Immovables 78.618.442 36.241.798 114.860.240 63.940.850 30.269.306 94.210.156 5.6 Other Pledged Items 29.019.718 12.223.598 41.243.316 33.858.772 14.188.464 48.047.236 5.7 Pledged Items-Depository 3.036 20.757 23.793 5.180 15.660 20.840 VI. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 99.364.508 347.870.482 79.120.703 426.991.185									
5.4 Warranty 277 - 277 1.277 668 1.945 5.5 Immovables 78.618.442 36.241.798 114.860.240 63.940.850 30.269.306 94.210.156 5.6 Other Pledged Items 29.019.718 12.223.598 41.243.316 33.858.772 14.188.464 48.047.236 5.7 Pledged Items-Depository 3.036 20.757 23.793 5.180 15.660 20.840 VI. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 99.364.508 482.143.877 347.870.482 79.120.703 426.991.185									
5.5 Immovables 78.618.442 36.241.798 114.860.240 63.940.850 30.269.306 94.210.156 5.6 Other Pledged Items 29.019.718 12.223.598 41.243.316 33.858.772 14.188.464 48.047.236 5.7 Pledged Items-Depository 3.036 20.757 23.793 5.180 15.660 20.840 VI. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 99.364.508 482.143.877 347.870.482 79.120.703 426.991.185									
5.6 Other Pledged Items 29.019.718 12.223.598 41.243.316 33.858.772 14.188.464 48.047.236 5.7 Pledged Items-Depository 3.036 20.757 23.793 5.180 15.660 20.840 VI. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 99.364.508 482.143.877 347.870.482 79.120.703 426.991.185					36,241 798				
5.7 Pledged Items-Depository 3.036 20.757 23.793 5.180 15.660 20.860 VI. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 99.364.508 482.143.877 347.870.482 79.120.703 426.991.185									
VI. ACCEPTED BILL, GUARANTEES AND WARRANTEES 382.779.369 99.364.508 482.143.877 347.870.482 79.120.703 426.991.185									
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B) 720.705.177 389.383.399 1.110.088.576 642.575.211 302.473.097 945.048.308	VI.	ACCEPTED BILL, GUARANTEES AND WARRANTEES		382.779.369	99.364.508		347.870.482	79.120.703	426.991.185
		TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		720.705.177	389.383.399	1.110.088.576	642.575.211	302.473.097	945.048.308

AKBANK T.A.Ş. IV. CONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2015

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

	INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD	PRIOR PERIOD
		(31/12/2015)	(31/12/2014)
	ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM		
•	AVAILABLE- FOR- SALE FINANCIAL ASSETS	(1.055.286)	1.372.709
П.	PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	(1.055.288)	1.372.707
н. Ш.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.	TRANSIGLE ASSETS REVALUATION DIFFERENCES	156.806	(40.999)
V.	PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL	150.000	(40.777)
۷.	ASSETS (Effective Portion)	27.277	26.651
VI.	·····	21.211	20.001
¥1.	PROFIT/LOSS FROM FOREIGN NET INVESTMENT HEDGE DERIVATIVE FINANCIAL	(05.000)	00 50/
	ASSETS (Effective Portion) (*)	(85.390)	23.584
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICY AND CORRECTIONS		-
VIII.	OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	(63.770)	(5.785)
IX.	TAX RELATED TO VALUATION DIFFERENCES	235.434	(283.432)
Х.	NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II++IX)	(784.929)	1.092.728
XI.	CURRENT PERIOD INCOME / LOSS	3.229.366	3.378.646
11.1	Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	16.286	543.335
11.2	Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(22.070)	(21.321)
11.3	Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement		=
11.4	Other	3.235.150	2.856.632
XII.	TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI)	2.444.437	4.471.374

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

	Note Adju (Section Five) Paid-in Capital	Adjustment to Share Capital(*)	Share C Premiums	Share Cancellation Profits Legal Reserves	Status rves Reserves	s Extraordinary is Reserves		Pr Other Current Period N Reserves Net Income (Loss)	Prior Period NetIncome Sec (Loss) In	Marketable Securities Value Increase Fund Revaluation Fund		Bonus Shares from Invest. in Ass., Subs. and J.V. T	Val. Chan. in Prop. Val. Chan. in Prop. Hedging and Eq. HFS Purp./ Transactions Disc. Opr.		n. in Prop. Total Equity FS Purp./ Except from Disc. Opr. Minority interest	Total Shareholders' Equity
PRIOR PERIOD (31/12/2014)																
Beeining Balance	4,000,0000	1,405.892	1.700.000	- 1.259.069	- 690	- 11.631.754	54 442,620	3.077.177	209.221	[1.368.346]	47.106	2.729	[272.328]	- 22.134.894	4 85	22.134.979
			,						,			,				
 Effects of Corrections Effects of the Change in Accounting Policies M. Aditizeted Beainining Balance 1(+11) 	- 00000007		-	- 1.259.069	690		 	3.077.177	209.221	- - 11.368.3461	47.106	2.729		- 22.134.894		22.134.979
		310,004,1	0000 00 / 1	A 91	1000				201.661	0.0001	001116	1010	101010	N 10 1 2 2		1.99
Changes in the period Increase/Decrease due to Mergers												,				
V. Marketable Securities Valuation Differences		•					•	•		1.098.167				- 1.098.167		1.098.167
Hedging Transactions Cash Flow Heddae													40.188	- 40.1		
													18.867	- 18.8		
		•						•								
Intangible Assets Revaluation Differences Bonue Sharas from Investments in å seoriatas. Subsidiarias and Ioint												- 1166				
							- [40.999]					-		- [40.999]		[40.999]
			,			,	•									
			,						,							
Cash Increase Internal Recources																
Share Cancellation Profits Paid-in Canital Inflation Adjustment Difference																
		•					- [4.628]							- 4.6		
Current Year Income or (Loss) Profit distribution						2.518.900		3.378.639 13.077.1771						 3.378.639 14.67.4831 	3	3.378.646
		•						[467.483]						- 467.4		14
20.3 Other 20.3 Other				÷	30.377			12.007.074								
Ending Balance (III+IV+V++XVIII+XXX+XX)	4.000.000	1.405.892	1.700.000	· 1.295.		14.150.654	399.725	3.370.639	260.884	(270.179)	47.106	3.895	(232.140)	- 26.139.94	100	26.14
CURRENT PERIOD (31/12/2015)																
Prior Period End Balance	4.000.000	1.405.892	1.700.000	- 1.295.468	468	- 14.150.654	399.725	3.378.639	260.884	[270.179]	47.106	3.895	[232.140]	- 26.139.944	4 100	26.140.044
Changes in the period Increase/Decreased up to Mercers																
	- 01-10						•			[844.229]				- 844.2	-	8
Hedging Transactions Cash Flow Hedge	IR-A)												21.822	- [46.490] - 21.822	1 1	21.822
							•						[68.312]	- (68.3		-
Property and Equipment Revaluation Differences Intancible. Assets Revaluation Differences																
																:
															0 -	- -
Effects of Changes in Equity of Investments in Associates Capital Increase																
			,					,				,			- 10	
						,										
							[51.016]							- 151.0		-
XVII. Current Year Income or [Loss] XVIII. Profit distribution						2.621.742	- 4.505	3.229.357	- 141.949					- 3.229.357 - 1569.6001		3.229.366
-																
T								[569.600]						- 569.6	-	2

.336.311 1.700.000 1.405.892 4.000.000 II/XX+II/XX+I/XX+****+III+II+I) Ending End |*) The a mou

1014.891

.014.772

278.630]

3.895

47.106

[1.114.408]

402.833

3.229.357

510.020

16.772.396

in the f "Other are in the "Othe which is and "Actuarial Loss/Gair Differe flation

AKBANK T.A.Ş. VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2015

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

		Note (Section Five)	CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
Α.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities		2.538.367	6.573.648
1.1.1 1.1.2 1.1.3 1.1.4 1.1.5 1.1.6 1.1.7 1.1.8 1.1.9	Interest received Interest paid Dividend received Fees and commissions received Other income Collections from previously written-off loans and other receivables Payments to personnel and service suppliers Taxes paid Other	(VI-b)	15.164.411 (8.205.358) 2.275 2.905.632 (1.101.719) 674.604 (3.887.212) (929.202) (2.085.064)	14.896.443 [7.421.785] 1.381 2.716.328 205.032 564.506 [3.380.856] [1.202.318] 194.917
1.2	Changes in operating assets and liabilities		3.405.844	(5.505.210)
1.2.1 1.2.2 1.2.3 1.2.4 1.2.5 1.2.6 1.2.7 1.2.8 1.2.9	Net decrease in trading securities Net (increase) / decrease in fair value through profit/(loss) financial assets Net increase / (decrease) in due from banks and other financial institutions Net (increase) / decrease in loans Net (increase) / decrease in other assets Net increase / (decrease) in bank deposits Net increase / (decrease) in other deposits Net increase / (decrease) in funds borrowed Net increase / (decrease) in payables		14.400 (77.879) (18.834.902) (5.927.390) (6.599.851) 29.504.611 4.516.333	69.951 39.663 (19.623.221) [2.606.644] 6.377.130 8.907.943 1.479.167
1.2.10	Net increase / (decrease) in payables Net increase / (decrease) in other liabilities	(VI-b)	810.522	(149.199)
I.	Net cash provided from banking operations		5.944.211	1.068.438
в.	CASH FLOWS FROM INVESTING ACTIVITIES			
н.	Net cash provided from investing activities		(6.394.030)	(2.026.966)
2.1 2.2 2.3 2.4 2.5 2.6 2.7 2.8 2.9	Cash paid for acquisition of investments, associates and subsidiaries Cash obtained from disposal of investments, associates and subsidiaries Purchases of property and equipment Disposals of property and equipment Cash paid for purchase of investments available-for-sale Cash obtained from sale of investments available-for-sale Cash paid for purchase of investment securities Cash obtained from sale of investment securities Cash obtained from sale of investment securities Other	(VІ-b)	(202.385) 27.194 (25.760.266) 18.428.960 (382) 1.112.849	(296.257) 31.505 (25.314.010) 21.760.012 (6.405) 1.798.189
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
ш.	Net cash provided from financing activities		1.279.391	1.317.425
3.1 3.2 3.3 3.4	Cash obtained from funds borrowed and securities issued Cash used for repayment of funds borrowed and securities issued Issued equity instruments Dividends paid		13.785.368 (11.936.377) - (569.600)	8.869.161 (7.084.253) - (467.483)
3.5 3.6	Payments for finance leases Other	(VI-b)	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(VI-b)	934.340	53.348
v .	Net increase in cash and cash equivalents (I+II+III+IV)		1.763.912	412.245
VI.	Cash and cash equivalents at beginning of the period	(VI-a)	5.345.529	4.933.284
VII.	Cash and cash equivalents at end of the period	(VI-a)	7.109.441	5.345.529

AKBANK T.A.Ş. VII. PROFIT APPROPRIATION STATEMENT

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

		CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	3.827.671	4.037.966
1.2	TAXES AND DUTIES PAYABLE	832.823	878.288
1.2.1	Corporate Tax (Income Tax)	806.798	1.039.327
1.2.2	Income Withholding Tax		-
1.2.3	Other taxes and duties	26.025	(161.039)
A.	NET INCOME FOR THE YEAR (1.1-1.2)	2.994.848	3.159.678
1.3	PRIOR YEAR LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER STATUTORY RESERVES (-)	-	-
В.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	2.994.848	3.159.678
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	200.000
1.6.1	To Owners of Ordinary Shares	-	200.000
1.6.2 1.6.3	To Owners of Privileged Shares To Owners of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and (Loss) Sharing Certificates	_	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	369.600
1.9.1	To Owners of Ordinary Shares	-	369.600
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
	To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10 1.11	SECOND LEGAL RESERVES (-) STATUTORY RESERVES (-)	-	36.960
1.12	EXTRAORDINARY RESERVES		2.548.613
1.12	OTHER RESERVES	_	2.340.013
1.14	SPECIAL FUNDS	-	4.505
0.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To Owners of Ordinary Shares	-	-
2.3.2	To Owners of Privileged Shares	-	-
2.3.3	To Owners of Preferred Shares	-	-
	To Profit Sharing Bonds	-	-
	To Holders of Profit and (Loss) Sharing Certificates	-	-
2.4 2.5	DIVIDENDS TO PERSONNEL (-) DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
ш.	EARNINGS PER SHARE (*)		
3.1	TO OWNERS OF ORDINARY SHARES	0,007	0,008
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,7	0,8
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	0,001
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	0,1
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Amounts are expressed in TL.

NOTES:

(1) Authorized body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

(2) Profit appropriation is being done according to unconsolidated financial statements.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION THREE ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

The consolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA"). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

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

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

The amendments of TAS and TFRS which have entered into force as of 1 January 2015 have no material impact on the Group's accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments (2011 Version), will have no impact on the accounting policies, financial condition and performance of the Group. The Group assesses the impact of TFRS 9 Financial Instruments standard.

b. Explanation for convenience translation into English:

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

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

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2014. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVIII below.

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

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

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

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

As of 31 December 2015, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,8800,TL 3,1422 and TL 2,3864 for USD, EURO and Yen respectively.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

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

Consolidation principles for subsidiaries:

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

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

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

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

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

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

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

Ak Receivables Corporation and A.R.T.S Ltd. are "Structured Entities" established in July 1998 and November 1999, respectively, in connection with raising long-term financing.

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 XII of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

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

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract

- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

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

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

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

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

b. Financial assets available-for-sale:

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

After the recognition, financial assets available-for-sale are remeasured at fair value. Interest income arising from available-forsale calculated with "Effective interest method" and dividend income from equity securities are reflected to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of securities classified as available-for-sale are recognized in the account of "Marketable securities valuation differences" under shareholders' equity, unless these assets are impaired, collected, sold, or disposed of. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

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

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

c. Loans and Receivables:

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

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

d. Held-to-maturity financial assets:

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

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

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

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

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

The Group has no securities lending transactions.

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

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

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Group has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

Buildings

Machinery, furniture, fixtures and vehicles

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.

50 years 5 years

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "Lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any impairment in value of the leased asset, an impairment loss is recognized. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

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

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

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

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XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

b. Retirement rights:

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

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

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

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

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

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

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With respect to that, according to the technical balance sheet report as at 31 December 2014 prepared considering the related articles of the New Law regarding the transferrable benefit obligations for the non-transferrable social benefits and payments which are included in the articles of association, the Fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

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

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

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

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

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

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

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

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

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

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

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

Information on taxation in foreign associates are given below:

Akbank AG (Germany)

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

Akbank (Dubai) Limited (United Arab Emirates)

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

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b. Deferred tax:

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard

for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

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

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2015.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 December 2015 and 31 December 2014, there is no government grant for the Group.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

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

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The Ordinary General Assembly Meeting of the Bank was held on 26 March 2015. In the Ordinary General Assembly, it was decided to distribute a TL 569.600 cash dividend over the TL 3.159.678 net income from 2015 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 4.505 to special funds account under other capital reserves, to allocate TL 36.960 as legal and TL 2.548.613 as extraordinary reserves.

XXV. EARNINGS PER SHARE:

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Net Profit for the Year	3.229.357	3.378.639
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00807	0,00845

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 2015 (2014: (-)).

XXVI. RELATED PARTIES:

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

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

In order to be consistent with the presentation of financial statements dated 31 December 2015, there are certain reclassifications made on income statement, off-balance sheet commitments and cash flow statement of 31 December 2014.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

a. The Group's and Bank's capital adequacy ratio, calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which became effective as of 1 July 2012, are respectively 14,46% (31 December 2014: 14,89%) and 14,58% (31 December 2014: 15,16%). This ratio is well above the minimum ratio required by the legislation.

b. Capital adequacy ratio has been calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", "Credit Risk Mitigation Techniques" and "Calculation of Risk-Weighted Amounts for Securitizations" Communiqués that have been published in Official Gazette no. 28756 on 5 September 2013 and became effective as of 1 July 2012 and "Regulation on Equity of Banks" that has been published in Official Gazette no. 26333 on November 1, 2006.

Capital adequacy ratio is calculated based on total capital requirements needed for credit risk, market risk and operational risk. Credit risk is calculated by holding risk-weighted assets and non-cash loans subject to risk-weights in the relevant legislation and taking risk mitigation techniques into account; the standard method is used to calculate market risk and the basic indicator approach is used to calculate operational risk.

The following tables show the details of risk-weighted assets which constitute the basis for the Bank's capital adequacy ratio and Bank's equity calculation.

solidate

c. Information related to consolidated capital adequacy ratio:

					Risk Weig					
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Weighted Credit Risk	-	-	2.017.166	30.641.752	22.721.765	111.422.758	8.591.403	14.862.974	1.026.195	-
Risk classifications:										
Conditional and unconditional receivables										
from central governments and Central										
Banks	49.036.963	-	168.608	21.996.703	-	1.265	-	-	-	-
Conditional and unconditional receivables										
from regional or local governments	-	-	-	48	-	-	-	-	-	-
Conditional and unconditional receivables										
from administrative bodies and non-										
commercial enterprises	-	-	-	-	-	21.697	-	-	-	-
Conditional and unconditional receivables										
from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables										
from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables										
from banks and brokerage houses	-	-	9.891.433	20.591.559	-	120.554	-	-	-	-
Conditional and unconditional receivables										
from corporates	-	-	-	-	-	102.637.269	21.505	-	-	-
Conditional and unconditional receivables										
from retail portfolios	-	-	-	-	30.295.687	3.064.311	-	-	-	-
Conditional and unconditional receivables										
secured by mortgages	-	-	-	18.695.193	-	2.271.921	-	-	-	-
Past due receivables	-	-	-	-	-	158.845	28.365	-	-	-
Receivables defined under high risk										
category by BRSA	-	-	-	-	-	-	5.677.732	7.431.487	410.478	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks,										
brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Investments similar to collective										
investment funds	-	-	-	-	-	271.086	-	-	-	-
Other receivables	1.440.316	-	25.788	-	-	2.875.810	-	-	-	-

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					The Parent E Risk Weig					
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Weighted Credit Risk	-	-	1.861.848	30.944.569	22.601.744	100.662.815	8.518.560	14.862.974	1.026.195	-
Risk classifications:										
Conditional and unconditional receivables										
from central governments and Central										
Banks	48.444.148	-	168.608	21.996.703	-	1.265	-	-	-	-
Conditional and unconditional receivables										
from regional or local governments	-	-	-	48	-	-	-	-	-	-
Conditional and unconditional receivables										
from administrative bodies and non-										
commercial enterprises	-	-	-	-	-	21.692	-	-	-	-
Conditional and unconditional receivables										
from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables										
from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables										
from banks and brokerage houses	878.472	-	9.114.843	21.197.194	-	82.338	-	-	-	-
Conditional and unconditional receivables										
from corporates	-	-	-	-	-	91.004.202	1.308	-	-	-
Conditional and unconditional receivables										
from retail portfolios	-	-	-	-	30.135.659	3.064.311	-	-	-	-
Conditional and unconditional receivables										
secured by mortgages	-	-	-	18.695.193	-	2.271.921	-	-	-	-
Past due receivables	-	-	-	-	-	147.314	-	-	-	-
Receivables defined under high risk										
category by BRSA	-	-	-	-	-	-	5.677.732	7.431.487	410.478	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	=	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks,										
brokerage houses and corporates	-	-	=	-	=	-	-	-	-	-
Investments similar to collective										
investment funds	-	-	-	-	-	271.086	-	-	-	-
Other receivables	1.440.307	-	25.788	-	-	3.798.686	-	-	-	-

d. Summary information related to capital adequacy ratio:

	The Paren	t Bank's	Consoli	dated
	Current Period 31 December 2015	Prior Period 31 December 2014	Current Period 31 December 2015	Prior Period 31 December 2014
Capital Requirement for Credit Risk (Value at credit risk*0,08) (CRCR)	14.438.296	13.196.610	15.302.721	14.002.698
Capital Requirement for Market Risk (CRMR)	301.959	150.850	331.804	158.643
Capital Requirement for Operational Risk (CROR)	1.143.676	973.611	1.192.459	1.014.044
Total Capital	28.954.803	27.132.960	30.410.851	28.236.377
Total Equity/((CRCR+CRMR+CROR)*12,5)*100	14,58	15,16	14,46	14,89
Additional Tier I Capital/((KRSY+PRSY+ORSY)*12,5)*100)	13,46	14,04	13,33	13,79
Common Equity/((KRSY+PRSY+ORSY)*12,5)*100)	13,52	14,13	13,39	13,88

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e. Information about consolidated total capital items:

	Current Period 31 December 2015	Prior Period 31 December 2014
COMMON EQUITY		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892	5.405.892
Share premium	1.700.000	1.700.000
Share cancellation profits	-	-
Reserves	18.675.645	15.845.847
Gains recognized in equity as per TAS	47.106	47.106
Profit	3.632.190	3.639.523
Current Period Profit	3.229.357	3.378.639
Prior Period Profit	402.833	260.884
Provisions for Possible Risks	200.000	200.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	3.895	3.895
Minorities' Share	116	100 26.842.363
Common Equity Before Deductions Deductions from Common Equity	29.664.847	20.042.303
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity		
in accordance with TAS (-)	1.389.331	419.871
Leasehold improvements (-)	36.670	53.057
Goodwill or other intangible assets and deferred tax liability related to these items (-)	79.516	41.395
Net deferred tax asset/liability (-)	//.510	41.373
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)		
Direct and indirect investments of the Bank in its own Common Equity (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the	-	-
scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of		
Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the		
scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common		
Equity of the Bank (-)	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-).	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the		
Equity of Banks (-)	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial		
institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-	-
Excess amount arising from mortgage servicing rights (-)	-	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not		
available (-)	-	-
Total Deductions From Common Equity	1.505.517	514.323
Total Common Equity	28.159.330	26.328.040
ADDITIONAL TIER I CAPITAL		
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-	=
Third parties' share in the Tier II Capital	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the		
scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common		
Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks		
and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common		
share capital exceeding 10% of Common Equity of the Bank (-)z	-	-
Other items to be defined by the BRSA (-)	-	=
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not		
available (-)	-	-
Total Deductions From Additional Tier I Capital		
Total Additional Tier I Capital	-	-
DEDUCTIONS FROM TIER I CAPITAL		
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the		
Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	119.274	165.578
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1		
Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Total Tier I Capital	28.040.056	26.162.462
	2010401000	20.102.402

Current Period

Prior Period

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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Other items to be defined by the BRSA (-) 21 Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions 21 Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions 21 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital 21 as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-) 21 Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items 21 of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued 22 common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I 23 common share capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-) 24	4.17.4	
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 (-)	171 0.009	20 30.105
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 (-)	J.UU9	30.103
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 (-)		
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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 (-)		
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 (-)		
Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)		
	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions		
outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred		
tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the		
1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
TOTAL CAPITAL 30.410.	851	28.236.377
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 35:	-	

f. Information about items that are subject to the temporary application regarding the total capital calculation:

Temporary 2nd article, 1st clause of "Regulation on Equity of Banks" is applied for deductions from Tier 1 Capital.

	Bank		Cons	olidation
Current Period 31 December 2015	Current Period The Considered Amount in Equity Calculation	Total Amount	Current Year The Considered Amount in Equity Calculation	Total Amount
Minorities' share in the Common Equity	-	-	119	119
Third parties' share in the Additional Tier I capital	-	-	-	-
Third parties' share in the Tier II Capital	-	-	-	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-	-	-	

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

h. The approach used to evaluate the internal capital requirement for the purpose of evaluating its adeaquacy for the current and future operations within the internal capital adequacy process:

In parallel with the Bank's preparation of yearly business plan and 3 year strategic plan, the legal and internal capital adequacy requirements are evaluated prospectively. In the legal capital requirement calculations the credit risk within the first pillar block, the market risk and the operational risk are included, whereas in the internal capital requirement calculations, the second pillar concepts such as interest rate risk of banking accounts, concentration risk, business risk, reputational risk, model risk, trade risk are included in addition to the first pillar blocks.

In addition to normal planning conditions, legal and capital adequacy ratio are also evaluated under stress conditions. Capital adequacy calculations are performed under two different stress scenarios being mild and strong. Within the scope of stress scenarios the effect of these variables on credit cost and market risk factors (FX currency, interest rate etc.) is modelled after forecasting macroeconomic variables. The effect of stress scenarios on equity, income, risk weighted assets and capital adequacy is calculated.

II. EXPLANATIONS ON CREDIT RISK :

a. Credit risk is the risk that the counterparties may be unable to meet the terms of their agreements. This risk is monitored by reference to credit risk ratings and managed by limiting the aggregate risk to any individual counterparty, group of companies and industry. Credit risks are determined for each individual customer, enterprise, business group and risk groups separately. While determining credit risk, criteria such as the customers' financial strength, commercial capacities, sectors, geographic areas and capital structure are evaluated. Analyses of the financial position of the customers are based on the statements of account and other information in accordance with the related legislation. Previously determined credit limits are constantly revised according to changing conditions. The type and amount of collateral and guarantees to be obtained are specified on a customer basis during the determination of credit limits.

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits is closely monitored.

For daily treasury operations limit allocation and follow-up is performed by the Treasury Business Unit.

Credit worthiness of loan and other receivable debtors are watched regularly and in line with related regulations. In case of an increase in credit debtor's risk level credit limits are re-determined or additional guarantee is taken. For new credit accounts, account follow-up documents are taken in accordance with the related regulation.

The Bank considers loans that have overdue principal and interest payments and are classified as 2nd Group according to the "Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made" as "past due loans." Loans that have overdue principal and interest payments for more than 90 days after the maturity date or the debtor of which are deemed unworthy by the Bank are considered "impaired loans."

The Bank calculates general loan loss provision for "past due loans" and special provision for "impaired loans" according to the Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Conditional and unconditional receivables from central governments and Central Banks	76.833.561	72.760.445
Conditional and unconditional receivables from regional or local governments	240	236
Conditional and unconditional receivables from administrative bodies and non-commercial		
enterprises	38.740	55.431
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	53.477.253	58.129.563
Conditional and unconditional receivables from corporate	126.451.292	120.669.404
Conditional and unconditional receivables from retail portfolios	55.736.349	57.140.940
Conditional and unconditional receivables secured by mortgages	21.498.672	19.984.356
Past due receivables	187.210	177.900
Receivables defined under high risk category by BRSA	13.519.697	15.194.267
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	278.802	1.411.323
Other receivables	4.341.914	4.253.292
Total	352.363.730	349.777.157

(*) The figures represent total risk amounts before Credit Risk Mitigation and before credit conversion factor

- **b.** Risk control limits exist that are placed against credit and market risk from of forward transaction and option agreements and other similar agreements. Control limits exist on forward and option agreements and other similar agreements. The undertaken credit risk of these types of instruments is managed together with market risk.
- **c.** The risks of the forward, option and other similar type agreements are followed regulary and as deemed necessary based on the credit risk, the risks are tried to be minimized.
- **d.** Non-cash loans turned into cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

Rescheduled or restructured loans are followed according to Group's credit risk management and follow-up principles. Relevant customer's financial status and commercial operations are constantly analyzed and payment schedule is closely monitored by related business segment. Monitoring continues until the receivables from the loans are completely collected.

The Group considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

e. The Group's banking activities in foreign countries and credit transactions do not constitute an important risk in terms of the related countries' economic conditions and activities of customers and companies.

When considered within the financial activities of other financial institutions, the Group as an active participant in the national and international banking market is not exposed to a significant credit risk concentration.

As seen in the Group's balance sheet, the ratio of loans under follow-up to total loans is as low as 2,2% (31 December 2014: 1,7%).

f. 1. The proportion of the Group's top 100 and 200 cash loan balances in total cash loans is 33% and 39% respectively. (31 December 2014: 29% and 34%).

2. The proportion of the Group's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 59% and 68%. (31 December 2014: 65% and 73%).

3. The proportion of the Group's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 21% and 26% respectively. (31 December 2014: 21% and 25%).

g. The Bank provided a general loan loss provision amounting to TL 2.543.192 (31 December 2014: TL 2.104.264).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

h. Information on loan types and provisions:

Current Period - 31 December 2015	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	109.865.327	26.821.142	11.723.535	148.410.004
Close Monitoring Loans	2.249.269	1.853.129	806.781	4.909.179
Loans Under Follow-up	1.016.088	1.184.274	1.172.961	3.373.323
Specific Provision (-)	868.775	1.184.274	1.172.961	3.226.010
Total	112.261.909	28.674.271	12.530.316	153.466.496

As of 31 December 2015, the Bank has set 100% specific provision amounting to TL 59 million after taking the collaterals into consideration for one of its non-performing commercial loans amounting to TL 206 million

Current Period - 31 December 2014	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	90.241.516	29.426.001	12.039.233	131.706.750
Close Monitoring Loans	1.835.940	1.573.038	864.346	4.273.324
Loans Under Follow-up	751.403	685.612	893.140	2.330.155
Specific Provision (-)	600.077	685.612	893.140	2.178.829
Total	92.228.782	30.999.039	12.903.579	136.131.400

As of 31 December 2014, the Bank has set 100% specific provision amounting to TL 55 million after taking the collaterals into consideration for one of its non-performing commercial loans amounting to TL 206 million

i. Information on the movement of provision for loans and other receivables of the Bank:

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2015	600.077	685.612	893.140	2.178.829
Transferred during the period	585.733	787.671	650.058	2.023.462
Collection	(182.014)	(230.670)	(221.620)	(634.304)
Write-off (*)	(135.021)	(58.339)	(148.617)	(341.977)
31 December 2015	868.775	1.184.274	1.172.961	3.226.010

(*)TL 248,5 million of the Bank's non-performing loan portfolio were sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 40.3 million. Specific provision previously allocated for this amount is, included in "Write-off" section in above table.

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2014	451.010	449.485	683.337	1.583.832
Transferred during the period	450.783	548.660	704.622	1.704.065
Collection	(143.719)	(173.701)	(203.725)	(521.145)
Write-off (*)	(157.997)	(138.832)	(291.094)	(587.923)
31 December 2014	600.077	685.612	893.140	2.178.829

(*)TL 252,2 million of the Bank's non-performing loan portfolio were sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 44 million and TL 250,5 million of the Bank's non-performing loan portfolio were sold to Efes Varlık Yönetim A.Ş. at a price of TL 41 million. Specific provision previously allocated for this amount is, included in "Write-off" section in above table.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

j. Information on debt securities, treasury bills and other eligible bills:

Current Period - 31 December 2015	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to-Maturity Securities	Total
Moody's Rating				
Ааа	-	-	-	-
Aa1, Aa2, Aa3	171	-	-	171
A1, A2, A3	8.434	255.376	-	263.810
Baa1, Baa2, Baa3	15.418	42.220.320	10.688.440	52.924.178
Ba1	-	509.323	-	509.323
Ba2	-	-	-	-
Toplam	24.023	42.985.019	10.688.440	53.697.482

	Trading Financial	Available-for-Sale	Held-to-Maturity	
Prior Period - 31 December 2014	Assets	Financial Assets	Securities	Total
Moody's Rating				
Ааа	-	73.883	-	73.883
Aa1, Aa2, Aa3	680	-	-	680
A1, A2, A3	16.593	119.431	-	136.024
Baa1, Baa2, Baa3	37.623	36.699.503	10.800.111	47.537.237
Ba1	-	289.512	-	289.512
Ba2	-	119.107	-	119.107
Toplam	54.896	37.301.436	10.800.111	48.156.443

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 (Amounts expressed in thousands of Turkish Lina ("TL") unless otherwise stated.)

k. Profile on significant risks in significant regions:

Current Period				I								ĺ					
31 December 2015	-	~	e	4	LC	Ŷ	-	œ	0	6	Ę	1	5	14	5	16	Total
Domestic	76 063 029	87	27.013			17 366 986	101 623 711	23 494 207	20 620 877	187 210	13 507 875				778 RU7	1 341 753	267 313 509
· · · · · · · · · · · · · · · · · · ·	120.000.01) t	0-0-14			to / 000 / 10		0.00.00		0 4.0					100.017	001	100.010.02
European Union Countries	761.423		892	ı		25.119.208	4.484.984	18.069	341.906		120.7			·		161	30.733.030
OECD Countries(**)	'	,	,	,		1.497.054	397.106	2.744	2.258		1.078	1	'	,	'	'	1.900.240
Off- Shore Regions	,					579.036	147.376	514	264	I	104	1	,		I	ı	727.294
USA, Canada	1	ŀ		ŀ		1.817.962	119.676	6.444	3.398	I	1.238	1	ľ	,	I	I	1.948.718
Other Countries	I	ī	25	ī	ī	598.292	953.639	16.184	4.023	I	2.381	ī	ī	1	I	I	1.574.544
Investment and associates,																	
subsidiaries and joint ventures	'	ı	ı	,		,	'	'	'	ı	'	ī	ı		1		
Undistributed Assets / Liabilities***	1	ı		ı			ı	1	1	I	1	ŀ	ŀ	,	1	1	1
Total 7	76.824.452	87	27.296		•	46.978.536	107.526.492	33.540.162	20.972.726	187.210	13.519.697	•	•	•	278.802	4.341.914	304.197.335
								Risk Cate	Risk Categories (*)								
Prior Period																	
31 December 2014	-	7	e	4	2	9	7	8	6	10	1	12	33	14	15	16	Total
Domestic	65.411.293	43	32.761			10.611.861	84.767.455	36.185.899	16.928.574	177.214	16.983.803				289.909	3.630.926	235.019.738
European Union Countries	383.200	,	244	,	,	32.193.324	1.760.734	22.846	168.193	I	5.561	,	,	,	I	161	34.534.263
OECD Countries(**)	,	,	,	,	,	2.403.590	1.137.792	4.930	1.456	I	1.341	,	,	,	I	ı	3.549.109
Off- Shore Regions	I	ī	ī	ī	ī	828.060	11.650	24.580	45	I	139	ī	ī	1	I	I	864.474
USA, Canada	I	ı	ī	ī	ī	1.345.986	127.448	6.908	3.012	I	1.603	ī	ı	,	I	1	1.484.957
Other Countries	'	ı	23	ī		468.104	513.000	15.163	4.414	ı	1.820	ī	ı		1		1.002.524
Investment and associates,																	
subsidiaries and joint ventures	1	,				1	1	1		I	1	,	,	,	I	1	1
Undistributed Assets / Liabilities***	ı	,	,	ī	,	ı	1	I	I	I	1	ī	,	,	I	I	I
Total	65.794.493	43	33.028		•	47.850.925	88.318.079	36.260.326	17.105.694	177.214	16.994.267	•	•	•	289.909	3.631.087	276.455.065
(*) Risk categories that are defined in "Communiqué on Measurement and Assessment of Capital Adequacy of Banks"	ned in "Comr	nuniqué	ś on Meası	rement	and As	ssessment of	: Capital Adequ	acy of Banks"									

Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined under high risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Other receivables
9.	10.	11.	12.	13.	14.	15.	16.
Conditional and unconditional receivables from central governments and Central Banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporates	Conditional and unconditional receivables from retail portfolios
	2.	с. С	4.	5.	9.	7.	œ

[**] EU countries, OECD countries other than USA and Canada [***] Assets and liabilities that are not distributed according to a consistent principle

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise

Risk Profile according to sectors and counterparties:

31 December 2015	-	2	3	4	5	9	7	8	6	10	1	12	13	14	15	16	Ę	5 5	Total
Agricultural	-	·	с	ŀ			59.014	176.173	56.587	32	12.801	ī	ŀ				302.979	1.632	304.611
Farming and raising livestock	L	,	с	ı	ı		45.239	105.837	34.637	32	11.434	ı	ī	ı			197.043	140	197.183
Forestry		,	,	ı	ı		13.254	69.167	21.524	,	1.151	ı	ı	ı	•	1	103.604	1.492	105.096
Fishing	ı	Ţ	ı	ı	ı	1	521	1.169	426	I	216	ı	ı	ı	1	I	2.332	1	2.332
Manufacturing	13	,	318	ī	ī	Ţ	39.479.737	3.138.877	2.342.893	10.980	46.936	ī	ı	ī	,	I	18.928.037	26.091.717	45.019.754
Mining	'	ı	ı	ı	ı	1	1.664.671	76.379	66.763	ı	555	ı	ı	ı	1	1	387.361	1.421.007	1.808.368
Production	13	'	315	·	ľ	I	25.263.326	3.022.440	2.224.301	10.980	45.851	·	ı	,	I	I	15.257.096	15.310.130	30.567.226
Electricity, Gas, Water		,	с	ı	ı		12.551.740	40.058	51.829	,	530	ı	ı	ı	•	1	3.283.580	9.360.580	12.644.160
Construction		,	855	,	ı	1	16.280.919	909.739	2.463.080	19.972	10.997	,	,	,	1	1	7.486.109	12.199.453	19.685.562
Services	3.365	37	16.139	ı	ı	46.511.033	44.455.710	10.569.437	6.804.967	152.742	250.662	ı	ı	ı	1	8.294	40.747.987	68.024.399	108.772.386
Wholesale and Retail Trade	52	6	98	ī	ī	108.279	17.749.788	8.308.198	5.134.642	5.246	160.540	ī	ı	ī	I	I	24.737.904	6.728.948	31.466.852
Hotel, Food, Beverage																			
Services	133	ľ	29	·	ı	I	2.443.683	387.474	595.961	147.418	13.225	ï	ı	·	I	ı	1.542.057	2.045.866	3.587.923
Transportation and																			
Telecommunication	3.058	,	7	ı	ı		6.999.950	959.742	310.184	78	18.160	ı	ī	ı			2.074.183	6.216.996	8.291.179
Financial Institutions	e	С	352	,	ı	46.399.642	13.262.158	10.255	82.765	1	1.332	,	,	,	1	6.470	9.201.247	50.561.733	59.762.980
Real Estate and Lending																			
Services		T	14	I	I	1	1.512.298	55.981	133.723	1	4.153	I	ī	I	1	1	463.369	1.242.800	1.706.169
Self employment Service		ı	48	ı	ı	'	499.227	124.678	51.164	'	14.195	ı	ı	ı	'	'	238.413	450.899	689.312
Education Service	96	ı	1.892	ı	ı	'	206.161	85.944	116.340	'	2.737	ı	ı	ı	'	'	362.199	50.971	413.170
Health and social Services	23	25	13.699	ı	ı	3.112	1.782.445	637.165	380.188	ı	36.320	ı	ı	ı	1	1.824	2.128.615	726.186	2.854.801
Other	76.821.073	11	9.981			467.503	7.251.112	18.745.936	9.305.199	3.484	13.198.301				278.802	4.333.620	102.362.469	28.052.553	130.415.022
Tatol	10016	07	100 70			70 010 E34	107 E24 402	33 EAD 149	766 660 UG	107 210	12 610 407				278 BU2	4 241 914	149 827 581	124 240 764	304 107 33E

(*)Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adeguacy Ratios of Banks."

overnments and Central Banks	· · · · · · · · · · · · · · · · · · ·
rom central g	
receivables f	2 P
unconditional	
Conditional and	

Conditional and unconditional receivables from regional or local governments Conditional and unconditional receivables from administrative bodies and non-commercial enterprises

Conditional and unconditional receivables from multilateral development banks

Conditional and unconditional receivables from international organizations

Conditional and unconditional receivables from banks and brokerage houses

Conditional and unconditional receivables from corporates

Conditional and unconditional receivables from retail portfolios

Short-term receivables from banks, brokerage houses and corporates

Investments similar to collective investment funds

Other receivables

Conditional and unconditional receivables secured by mortgages

Past due receivables

Receivables defined under high risk category by BRSA Securities collateralized by mortgages

Securitization positions

9. 11. 15.

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m. Term distribution of risks with term structure:

			Time to	Maturity		
31 December 2015		1-3	3-6	6-12		
Risk Categories	1 month	months	months	months	Over 1 year	Tota
Conditional and unconditional receivables from						
central governments and Central Banks	6.635.753	24.333.844	69.755	410.506	45.374.594	
Conditional and unconditional receivables from						
regional or local governments	-	-	-	-	48	
Conditional and unconditional receivables from						
administrative bodies and non-commercial						
enterprises	6.034	2.110	523	1.990	16.639	
Conditional and unconditional receivables from						
multilateral development banks	-	-	-	-	-	
Conditional and unconditional receivables from						
international organizations	-	-	-	-	-	
Conditional and unconditional receivables from						
banks and brokerage houses	13.086.193	3.131.463	2.802.677	3.010.061	24.948.142	
Conditional and unconditional receivables from						
corporates	4.531.839	6.584.322	10.836.042	19.814.779	65.759.510	
Conditional and unconditional receivables from						
retail portfolios	656.184	8.701.379	5.031.223	3.989.608	15.161.768	
Conditional and unconditional receivables						
secured by mortgages	295.869	718.396	1.152.480	2.283.051	16.522.930	
Past due receivables	-	-	-	-	-	187.21
Receivables defined under high risk category by						
BRSA	-	-	-	-	13.519.697	
Securities collateralized by mortgages	-	-	-	-	-	
Securitization positions	-	-	-	-	-	
Short-term receivables from banks, brokerage						
houses and corporates	-	-	-	-	-	
Investments similar to collective investment						
funds	8.175	270.627	-	-	-	
Other Receivables	-	-		-	-	4.341.91
Total	25.220.047	43.742.141	19.892.700	29.509.995	181.303.328	4.529.12

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n. Explanations regarding risk categories mentioned in 6th clause of Capital Adequacy Measurement and Evaluation Communiqué:

Ratings given by Fitch Ratings are used in determining risk weight class of the counterparties. The ratings of Fitch Ratings are used for Banks and Corporate Receivables asset class and are limited to receivables that have counterparties abroad. If the risk weight class solely consists of receivables from central governments and central banks, the credit ratings of the countries are taken into account. As of 6 November 2012, Fitch Ratings has increased Turkey's long-term foreign currency credit note from BB+ to BBB-. After the increase, the ratings of Fitch are also used for foreign currency bonds issued by Turkish Treasury and other foreign currency risks that are related to the Turkish central management. Below are the Credit Quality Degrees corresponding to Fitch Ratings.

Ratings to be matched	Credit Quality Degrees	Fitch
	1	AAA and AA-
	2	A+ and A-
Ratings of long-term	3	BBB+ and BBB-
credits	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below
	1	F1+ and F1
	2	F2
Ratings of short-term	3	F3
credits	4	Below F3
	5	
	6	
	1	AAA and AA-
	2	A+ and A-
Long-term securitization position ratings	3	BBB+ and BBB-
position ratings	4	BB+ and BB-
	5	B+ and below
	1	F1+ and F1
Short-term securitization	2	F2
position ratings	3	F3
	Others	Below F3
	1	AAA and AA-
	2	A+ and A-
Matchings regarding	3	BBB+ and BBB-
collective investment institutes	4	BB+ and BB-
mattutea	5	B+ and B-
	6	CCC+ and below

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Risk Amounts according to Risk Weights:

0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deducted from Equity
070	1070	2070	3070	7570	100 /0	10070	20070	230 /0	123070	I on Equity
56.098.192	-	14.898.433	54.148.468	43.900.266	121.582.409	5.727.602	7.431.487	410.478	-	20.255
50.477.279	-	10.085.829	61.283.503	30.295.687	111.422.758	5.727.602	7.431.487	410.478	-	20.255
		56.098.192 -	56.098.192 - 14.898.433	56.098.192 - 14.898.433 54.148.468	56.098.192 - 14.898.433 54.148.468 43.900.266	56.098.192 - 14.898.433 54.148.468 43.900.266 121.582.409	56.098.192 - 14.898.433 54.148.468 43.900.266 121.582.409 5.727.602	56.098.192 - 14.898.433 54.148.468 43.900.266 121.582.409 5.727.602 7.431.487	56.098.192 - 14.898.433 54.148.468 43.900.266 121.582.409 5.727.602 7.431.487 410.478	56.098.192 - 14.898.433 54.148.468 43.900.266 121.582.409 5.727.602 7.431.487 410.478 -

o. Miscellaneous Information regarding Important Sectors or Counterparty Type:

Methods related to impairment and provisions and notes related to passed due and impaired receivables are provided in Note 2-a of Section Four.

	Loans(*)			
Sectors/Counterparties	Impaired Receivables	Past Due Receivables	Impairment	Provisions
Agricultural	10.693	968	19	10.693
Farming and raising livestock	9.407	856	17	9.407
Forestry	1.257	112	2	1.257
Fishing	29	-	-	29
Manufacturing	203.030	968.186	28.421	203.030
Mining	5.828	18.624	777	5.828
Production	193.943	69.680	2.014	193.943
Electricity, Gas, Water	3.259	879.882	25.630	3.259
Construction	58.069	126.322	3.715	58.069
Services	874.681	252.234	6.914	727.368
Wholesale and retail trade	568.200	178.062	4.873	568.200
Hotel, Food, Beverage services	226.590	32.331	896	79.277
Transportation and Telecommunication	46.949	21.856	513	46.949
Financial Institutions	729	2.483	50	729
Real Estate and Lending Service	2.616	107	3	2.616
Self-employment service	2.858	574	21	2.858
Education Service	2.412	4.604	92	2.412
Health and social services	24.327	12.217	466	24.327
Other	2.226.850	1.006.856	84.911	2.226.850
Total	3.373.323	2.354.566	123.980	3.226.010

(*) Represents cash loans.

p. Information related to Impairment and Loan Loss Provisions:

	Opening	Provisions provided during	Provision	Other Adjustments	Closing
	Balance	the period	Reversals	(*)	Balance
Special Provisions	2.178.829	2.023.462	(634.304)	(341.977)	3.226.010
General Provisions	2.104.264	438.928	-	-	2.543.192

(*) Presents the Write-Offs and Sales from Loans under Follow-up portfolio.

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III. EXPLANATIONS ON MARKET RISK:

The risk principles, policies and risk limits related to the management of market risk are approved by the Board of Directors and reviewed on a regular basis. The Bank's Senior Management performs day to day management of the market risk in accordance with the limits assigned by the Board of Directors. The Bank is exposed to market risk as a result of fluctuations in foreign exchange rates, interest rates, and market prices of stocks. Exchange rate risk and interest rate risk are evaluated as the two most important components of market risk. The Bank engages in derivative transactions for hedge purposes when found necessary.

Market risk is calculated by two different methods, namely the "inherent model" and the "standard method". According to inherent model market risk is measured by Value at Risk ("VaR") approach which takes into account different risk factors. VaR calculations use variance-covariance, historical simulation and Monte Carlo simulation methods. The software used can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of 99% confidence interval and a 10-day holding period. VaR analyses are performed on a daily basis and reported to the Senior Management. VaR analyses are also used as risk and limit management instrument for trading transactions. The limits are reviewed periodically according to market conditions and the application of specified limits is subject to authority restrictions and therefore the control effectiveness is increased. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have significant impact and the effects of market fluctuations. Retrospective tests of the model outputs are performed regularly. The standard method is used for the legal reporting.

The following table indicates the details of the market risk calculation as of 31 December 2015, in accordance with the Market Risk Calculation principles pursuant to the Part 2 of the Second Section of the "Regulation on Measurement and Assessment of Capital Adeguacy of Banks" published in the Official Gazette no. 28337 on 28 June 2012.

a. Information related to Market Risk:

	Balance
(I) Capital requirement for general market risk – Standard Method	85.834
(II) Capital requirement for specific risk – Standard Method	21.887
(III) Capital requirement for specific risk in securitization positions- Standard Method	-
(IV) Capital requirement for currency risk – Standard Method	75.263
(V) Capital requirement for stocks – Standard Method	-
(VI) Capital requirement for clearing risk – Standard Method	171
(VII) Total Capital requirement for market risk from options – Standard Method	2.889
(VIII) Capital requirement for counterparty credit risk - Standard Method	145.760
(IX) Total Capital requirement for market risk for banks applying Risk Measurement Model	-
(X) Total Capital requirement for market risk (I+II+III+IV+V+VI+VII+VIII)	331.804
(XI) Amount subject to market risk (12,5 x IX) or (12,5 x X)	4.147.548

b. Average Market Risk Table of Calculated Market Risk for Period Ends:

		Current Perio December 20			or Period cember 2014	
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	98.051	104.576	76.059	66.069	81.004	53.173
Share Certificates Risk	178	31	230	1.630	999	466
Currency Risk	59.743	81.212	46.269	11.866	84.774	-
Commodity Risk	-	-	-	-	-	-
Settlement Risk	69	142	47	2	-	-
Option Risk	1.788	689	412	5.725	4.577	1.354
Counterparty Credit Risk	134.879	168.912	104.838	81.610	136.206	46.572
Total Amount Subject to Risk	294.708	355.562	227.855	166.902	307.560	101.565

Table below shows the calculated average and the maximum and the minimum level of market risk amount as of month ends.

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c. Information related to counterparty credit risk:

The counterparty credit risk is calculated via "Fair Value Valuation Method" mentioned in Communiqué on "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette No. 28337 on June 28, 2012 and entered into force as of July 1, 2012 and its annex "Derivative financial instruments, repurchase transactions, securities or commodities lending or borrowing transactions, Long Settlement Transactions with Counterparty Credit Risk in Credit Securities Transactions" is used.

Counterparty credit risk is the sum of potential credit risk amounts and credit risk operations' positively valued replacement costs. Limit allocations are determined taking into consideration the maximum risk amounts. On counterparty basis limits are determined for different types of operations. The compliance with the limits are controlled on transaction basis. Limits are regularly viewed and within this process the changes in the counterparty credit ratings are also taken into consideration. Internal capital is provided for counterparty credit risks.

Agreements of International Swaps and Derivatives Association (ISDA), Credit Support Annex (CSA) are used in the management of derivative transactions' counterparty risk management. Within the scope of these agreements cash guarentees are taken or given based on the transactions' fair value changes on a daily basis.

In the management of marketable securities purchase/sell commitments' trade risk Delivery Versus Payment (DVP) trade method is used.

Quantitative information on Counterparty Risk:

	Amount
Interest Rate Based Contracts	56.412
Foreign Currency Based Contracts	50.091
Commodity Based Contracts	1.176
Stock-Based Contracts	2
Other	1.018
Positive Fair Value Gross Amount	-
Benefits of Offsetting	-
Offsetting Current Risk Amount	-
Retained Guarantee	3.978
Net Positions on derivatives	115.013

d. Standard method is used for calculation of capital requirements.

IV. EXPLANATIONS ON OPERATIONAL RISK

The "Basic Indicator Method" that is mentioned in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 28337 on June 28, 2012 and entered into force as of July 1, 2012, is used in the annual operational risk calculation of the Bank. The amount subject to the operational risk is calculated by using the gross income of the Bank in 2012, 2013 and 2014.

Annual gross revenue is calculated by deduction of profit/loss derived from the sale of available-for-sale assets and held-tomaturity securities, extraordinary income and indemnity insurance gains from the total of net interest income and non interest income.

				Total/Positive GI		
	31.12.2012	31.12.2013	31.12.2014	year number	Ratio (%)	Total
Gross income Amount subject to Operational	6.345.429	8.506.114	8.997.640	3	15	1.192.459
Risk (Amount*12,5)						14.905.739

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V. EXPLANATIONS ON CURRENCY RISK:

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

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

	USD	EURO	Yen
Balance Sheet Evaluation Rate	TL 2,8800	TL 3,1422	TL 2,3864
1.Day bid rate	TL 2,9076	TL 3,1776	TL 2,4078
2.Day bid rate	TL 2,9084	TL 3,1921	TL 2,4098
3.Day bid rate	TL 2,9157	TL 3,2006	TL 2,4133
4.Day bid rate	TL 2,9123	TL 3,1904	TL 2,4146
5.Day bid rate	TL 2,9187	TL 3,1968	TL 2,4189

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

USD	: TL 2,9165
EURO	: TL 3,1752
Yen	: TL 4.3674

As of 31 December 2014;

	USD	EURO	Yen
Balance Sheet Evaluation Rate	TL 2,3269	TL 2,8272	TL 1,9424

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

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

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Current Period – 31 December 2015	EURO	USD	Other FC(*)	Total
Assets				
Cash Equivalents and Central Bank(***)	4.040.191	15.552.088	3.715.380	23.307.659
Banks	1.708.743	5.486.676	32.855	7.228.274
Financial Assets at Fair Value through Profit or Loss (Net)	107	-	-	107
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	3.779.549	20.037.229	-	23.816.778
Loans	25.256.262	38.613.400	62.886	63.932.548
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments (Net)	2.173.949	3.329.732	-	5.503.681
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	769	1.761	-	2.530
Intangible Assets (Net)	619	-	-	619
Other Assets	1.646.338	1.864.648	2.383	3.513.369
Total Assets	38.606.527	84.885.534	3.813.504	127.305.565
Liabilities				
Bank Deposits	1.238.976	9.585.506	780.445	11.604.927
Foreign Currency Deposits (***)	24.296.355	42.425.291	2.165.643	68.887.289
Funds from Interbank Money Market	1.151.694	16.848.506	2.105.045	18.000.200
Borrowings	8.764.521	17.108.627	644	25.873.792
5				
Marketable Securities Issued (Net)	139.029	8.722.907 428.286	175.032 3.967	9.036.968 1.010.762
Miscellaneous Payables	578.509	428.280	3.967	1.010.762
Hedging Derivative Financial Liabilities	91.793	- 70.0//	4.282	
Other Liabilities Total Liabilities		79.966		176.041
	36.260.877	95.199.089	3.130.013	134.589.979
Net on Balance Sheet Position	2.345.650	(10.313.555)	683.491	(7.284.414)
Net off-Balance Sheet Position (**)	(1.060.502)	9.696.914	(711.580)	7.924.832
Financial Derivative Assets	11.691.940	35.565.987	2.383.944	49.641.871
Financial Derivative Liabilities	12.752.442	25.869.073	3.095.524	41.717.039
Non-cash Loans	5.540.104	12.755.039	298.623	18.593.766
Prior Period - 31 December 2014				
Total Assets	27.855.306	68.374.354	3.515.494	99.745.154
Total Liabilities	30.674.978	75.704.751	3.554.015	109.933.744
Net on-Balance Sheet Position	(2.819.672)	(7.330.397)	(38.521)	(10.188.590)
Net off-Balance Sheet Position (**)	3.335.263	7.757.838	20.381	11.113.482
Financial Derivative Assets	8.076.949	26.870.326	4.363.506	39.310.781
Financial Derivative Liabilities	4.741.686	19.112.488	4.343.125	28.197.299
Non-cash Loans	5.432.766	11.667.069	305.459	17.405.294

(*) Of the "Other FC" total assets amounting to TL 3.813.504 (31 December 2014: TL 3.515.494), TL 48.078 is in British Pounds (31 December 2014: TL 83.803), and TL 25.397 is in Swiss Francs (31 December 2014: TL 43.564), 14.378 is in Japanese Yen (31 December 2014: TL 9.865). Of the total liabilities amounting to TL 3.130.013 (31 December 2014: TL 3.554.015) TL 1.525.121 is in British Pounds (31 December 2014: TL 1.316.334) and TL 287.999 is in Swiss Francs (31 December 2014: TL 604.974), TL 43.054 is in Japanese Yen (31 December 2014: TL 1.316.334) and TL 287.999 is in Swiss Francs (31 December 2014: TL 604.974), TL 43.054 is in Japanese Yen (31 December 2014: TL 62.502). [**] Presents the net balance of receivables and payables from derivative transactions. Foreign Exchange spot dealings shown under "Asset

purchase commitments" in the financial statements are included in the net off-balance sheet position. [***] Of the Cash Equivalents and Central Bank TL 3.663.362 (31 December 2014: TL 3.308.533) and of the foreign currency deposits TL 777.277

(31 December 2014: TL 1.225.353) are precious metal deposit account in demand.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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Currency risk sensitivity analysis:

The following table details the Parent Bank's sensitivity to a 10% change in exchange rates:

nge in exchange rate	Effect or	n Profit/Loss(*)
hange in exchange rate	Current period	Prior period
Change in exchange rate	31 December2015	31 December 2014
(+)10 %	(39.952)	3.975
(-)10 %	39.952	(3.975)

VI. EXPLANATIONS ON INTEREST RATE RISK:

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

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

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

Current Period – 31 December 2015	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 - 5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	19.599.410	-	-	-	-	5.874.029	25.473.439
Banks	4.001.869	221.525	-	-	-	4.591.769	8.815.163
Financial Assets at Fair Value Through Profit or	4.001.007	221.020				4.071.707	
Loss (Net)	161.639	1.370.672	779.958	192.113	216.798	16.490	2.737.670
Interbank Money Market Placements	98	-	-	-			98
Available-for-sale Financial Assets (Net)	3.027.883	3.772.412	8,434,421	20.027.889	7.722.413	399.422	43,384,440
Loans	38.680.211	23.311.515	47.377.144	38.271.874	5.678.439	147.313	153.466.496
Held-to-maturity Investments (Net)	2.129.916	538.768	1.146.641	6.873.115		-	10.688.440
Other Assets	1.313.094	1.164.992	802.088	1.668.782	359.191	2.593.287	7.901.434
Total Assets	68.914.120					13.622.310	252.467.180
Liabilities							
Bank Deposits	7.555.987	4.837.964	267.238	-	-	256.697	12.917.886
Other Deposits	83.384.520	18.655.798	10.386.797	2.656.181	323.741	21.145.895	136.552.932
Funds from Interbank Money Market	9.126.813	1.716.681	867.723	10.328.904	2.209.118	-	24.249.239
Miscellaneous Payables	248.647	125.858	245.043	75.900	96.075	4.051.894	4.843.417
Marketable Securities Issued (Net)	257.468	1.461.110	1.473.515	6.489.944	2.728.752	-	12.410.789
Borrowings	2.761.728	18.122.250	4.345.062	724.989	222.846	-	26.176.875
Other Liabilities (*)	395.911	511.549	623.125	290.189	198.837	33.296.431	35.316.042
Total Liabilities	103.731.074	45.431.210	18.208.503	20.566.107	5.779.369	58.750.917	252.467.180
			10 001 510		0.105 (50		
Balance Sheet Long Position			40.331.749	46.467.666	8.197.472	-	94.996.887
Balance Sheet Short Position	(34.816.954)	(15.051.326)	-	-	-	(45.128.607)	(94.996.887)
Off-balance Sheet Long Position	1.059.384	5.965.675	4.161.014	-	-	-	11.186.073
Off-balance Sheet Short Position	-	-	-	(5.180.675)	(4.240.072)	-	(9.420.747)
Total Position (*) Shareholders' equity is presented under "Other"	(33.757.570)		44.492.763	41.286.991	3.957.400	(45.128.607)	1.765.326

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

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Prior Period - 31 December 2014	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	2.580.424	-	-	-	-	17.859.633	20.440.057
Banks	1.941.201	13.114	14.667	-	-	3.243.135	5.212.117
Financial Assets at Fair Value Through Profit							
or Loss (Net)	337.319	407.438	346.688	205.480	168.710	68	1.465.703
Interbank Money Market Placements	700.215	-	-	-	-	-	700.215
Available-for-sale Financial Assets (Net)	6.259.041	3.764.713	9.905.492	9.508.929	7.863.261	302.396	37.603.832
Loans	32.660.125	29.519.434	33.094.770	35.090.339	5.615.406	151.326	136.131.400
Held-to-maturity Investments (Net)	2.409.039	501.192	1.421.534	5.615.108	853.238	-	10.800.111
Other Assets	1.153.009	668.659	537.832	1.533.449	198.488	2.251.726	6.343.163
Total Assets	48.040.373	34.874.550	45.320.983	51.953.305	14.699.103	23.808.284	218.696.598
Liabilities							
Bank Deposits	8.541.972	3.801.412	738.731	-	-	501.286	13.583.401
Other Deposits	65.247.015	12.017.068	8.863.370	4.129.092	260.244	18.193.886	108.710.675
Funds from Interbank Money Market	9.823.044	6.843.282	4.399.211	4.445.487	3.338.218	2.118	28.851.360
Miscellaneous Payables	26.519	-	-	-	-	3.472.293	3.498.812
Marketable Securities Issued (Net)	711.396	1.646.185	3.183.244	3.793.497	1.206.102	-	10.540.424
Borrowings	1.931.385	13.139.831	4.143.807	849.993	1.204.345	-	21.269.361
Other Liabilities (*)	201.653	333.572	585.146	314.508	163.571	30.644.115	32.242.565
Total Liabilities	86.482.984	37.781.350	21.913.509	13.532.577	6.172.480	52.813.698	218.696.598
Balance Sheet Long Position	_	_	23.407.474	38.420.728	8.526.623	_	70.354.825
Balance Sheet Short Position	(38.442.611)	(2.906.800)	20.407.474		0.520.025	(29.005.414)	(70.354.825)
Off-balance Sheet Long Position	900.638	739.907	830.021	_	178.603	(27.000.414)	2.649.169
Off-balance Sheet Short Position	,00.000			(2.280.619)		_	(2.280.619)
Total Position	(37.541.973)	(2 166 893)	26 237 695		8.705.226	(29.005.414)	368.550

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

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

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

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

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Prior Period – 31 December 2014	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	-	-	1,51
Banks	0,09	0,44	-	10,46
Financial Assets at Fair Value Through Profit or Loss (Net)	3,55	4,13	-	11,60
Interbank Money Market Placements	-	-	-	11,24
Available-for-sale Financial Assets (Net)	3,68	3,67	-	10,02
Loans	4,11	4,34	3,69	12,01
Held-to-maturity Investments (Net)	3,69	3,83	-	11,22
Liabilities				
Bank Deposits	0,77	1,19	-	9,89
Other Deposits	1,26	1,72	0,22	7,90
Funds from Interbank Money Market	0,75	1,18	-	8,32
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	4,00	4,66	-	8,28
Borrowings	1,17	1,68	-	8,05

c. Interest rate risk related to banking book:

Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Interest rate risk related to the trading portfolio is followed under market risk.

ALCO performs daily management of interest rate risk in accordance with the risk limits set by the Executive Risk Committee in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

In addition to interest rate sensitivities measured and reported weekly, daily and transaction-based analyses are also performed when significant fluctuations occur in markets.

Repricing term mismatch and duration mismatch analyses, net economic value change analyses under different interest rate stress scenarios and income simulations are used for interest rate risk management. Repricing risk, yield curve risk, basis risk and optionality risk are considered under interest rate risk scope.

The interest rate risk arising from banking book is calculated and reported on a monthly basis according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no 28034 on 23 August 2011.

The Group's calculation of the interest rate risk derived from banking books is presented below:

	Applied Shock	Gains /	Gains / Shareholders' Equity -
Currency	(+/- x basis points)	Losses	Losses/ Shareholders' Equity
TL	-400	3.388.004	11,14%
TL	500	(3.577.919)	(11,77%)
USD	-200	567.488	1,87%
USD	200	(592.080)	(1,94%)
EURO	-200	84.302	0,27%
EURO	200	(500.965)	(1,65%)
Total (for negative shocks)		4.039.794	13,28%
Total (for positive shocks)		(4.670.964)	(15,36%)

VII. 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".

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VIII. EXPLANATIONS ON LIQUIDITY RISK:

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

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

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

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

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

The different categories of defined limits are;

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

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

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

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

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

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

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

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

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

e) Information on liquidity risk mitigation techniques:

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

f) Information on the use of stress tests:

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

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

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

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Liquidity Coverage Ratio:

	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be t into account" Implement Total value (*)		
Curr	ent Period- 31.12.2015	TL+FC	FC	TL+FC	FC
HIGH	QUALITY LIQUID ASSETS				
1	High quality liquid assets			40.208.564	28.575.791
CAS	I OUTFLOWS				
2	Retail and Small Business Customers Deposits	85.208.857	36.772.343	7.318.637	3.350.616
3	Stable deposits	24.044.967	6.532.367	1.202.248	326.618
4	Less stable deposits	61.163.890	30.239.977	6.116.389	3.023.998
5	Unsecured Funding other than Retail and Small Business				
J	Customers Deposits	51.313.589	32.992.218	26.868.305	18.469.889
	Operational deposits	3.594.333	1.348.712	898.583	337.178
6	Non-Operational Deposits	45.116.389	30.780.807	24.304.813	17.270.012
7	Other Unsecured Funding	2.602.867	862.699	1.664.909	862.699
8	Secured funding			76.445	76.445
9	Other Cash Outflows	22.328.218	14.385.247	20.447.844	12.685.752
10	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	20.240.581	12.497.597	20.240.581	12.497.597
11	Debts related to the structured financial products Commitment related to debts to financial markets	-	-	-	-
	and other off balance sheet liabilities	2.087.637	1.887.650	207.263	188.155
12	Commitments that are unconditionally revocable at any time by	540.445		05 (55	
	the Bank and other contractual commitments	513.147	-	25.657	-
13	Other irrevocable or conditionally revocable commitments	47.384.793	12.505.733	2.369.240	625.287
14	TOTAL CASH OUTFLOWS			57.106.129	35.207.988
	INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	15.290.277	7.301.889	10.457.063	6.137.499
19	Other contractual cash inflows	18.723.880	15.588.966	18.723.880	15.588.966
20	TOTAL CASH INFLOWS	34.014.157	22.890.855	29.180.943	21.726.465
				Upper limit ap	plied amounts
21 22 23	TOTAL HQLA TOTAL NET CASH OUTFLOWS Liquidity Coverage Ratio (%)			40.208.564 27.925.186 144,64	28.575.791 13.481.523 214,80

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

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

		Rate of "Perc taken into a Implemented 1	ccount" not	Rate of "Percentage to be taken into account" Implemented Total value (*)			
Prio	- Period- 31.12.2014	TL+FC	FC	TL+FC	FC		
HIGH	I QUALITY LIQUID ASSETS						
1	High quality liquid assets			38.280.670	27.582.206		
CASI	1 OUTFLOWS						
2	Retail and Small Business Customers Deposits	84.405.153	36.357.267	7.370.411	3.363.252		
3	Stable deposits	21.402.087	5.449.487	1.070.104	272.474		
4	Less stable deposits	63.003.066	30.907.780	6.300.307	3.090.778		
5	Unsecured Funding other than Retail and Small Business						
	Customers Deposits	47.693.954	29.753.041	26.206.497	18.246.627		
6	Operational deposits	4.626.028	1.021.413	1.156.507	255.353		
7	Non-Operational Deposits	40.148.983	28.118.650	23.052.800	17.378.296		
8	Other Unsecured Funding	2.918.943	612.978	1.997.190	612.978		
9	Secured funding			463.561	463.561		
10	Other Cash Outflows	23.857.151	16.993.969	21.937.832	15.247.046		
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	21.726.388	15.053.959	21.726.388	15.053.959		
12	Debts related to the structured financial products Commitment related to debts to financial markets	-	-	-	-		
13	and other off balance sheet liabilities Commitments that are unconditionally revocable at any time by	2.130.763	1.940.010	211.444	193.087		
14	the Bank and other contractual commitments	33.450.420	8.760.600	1.672.521	438.030		
15	Other irrevocable or conditionally revocable commitments	16.534.307	4.687.480	826.715	234.374		
16	TOTAL CASH OUTFLOWS			58.477.538	37.992.890		
CASI	INFLOWS						
17	Secured Lending Transactions	3.333	-	-	-		
18	Unsecured Lending Transactions	17.373.767	10.236.884	12.687.829	9.013.601		
19	Other contractual cash inflows	20.232.002	14.896.883	20.232.002	14.896.883		
20	TOTAL CASH INFLOWS	37.609.102	25.133.766	32.919.831	23.910.484		
				Upper limit ap	plied amounts		
21	TOTAL HQLA			38.280.670	27.582.206		
22	TOTAL NET CASH OUTFLOWS			25.557.707	14.082.406		
23	Liquidity Coverage Ratio (%)			152,22	207,87		

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

AKBANK T.A.Ş. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 120% during the period and remain at a quite higher level that 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 comprise of CBRT accounts by 55% and securities issued by Treasury of Republic of Turkey by 42%.

Funding sources are distributed between individual and retail deposits by 59%, corporate deposits by 25%, borrowings from banks by 7% and collateralized borrowings such as repurchase agreements by 6%.

Cash outflow amounting to TL 1.229 million is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

	Current Peri	Current Period - 31.12.2015		
	TL+FC	FC		
October	155,95	239,12		
November	137,50	184,31		
December	140,46	220,97		

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period - 31 December 2015	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	5.727.508	19.717.150	28.781	-	-	-	-	25.473.439
Banks	4.591.769	4.001.326	222.068	-	-	-	-	8.815.163
Financial Assets at Fair Value Through								
Profit or Loss (Net)	16.490	64.252	152.020	484.439	738.393	1.282.076	-	2.737.670
Interbank Money Market Placements	-	98	-	-	-	-	-	98
Available-for-sale Financial Assets								
(Net)	399.422	60.895	300.719	908.428	25.422.382	16.292.594	-	43.384.440
Loans	276.934	21.069.774	21.465.812	36.211.285	54.660.266	19.635.112	147.313	153.466.496
Held-to-maturity Investments (Net)	-	-	-	121.031	7.364.090	3.203.319	-	10.688.440
Other Assets	456.128	965.948	219.895	789.790	2.956.738	1.008.748	1.504.187	7.901.434
Total Assets	11.468.251	45.879.443	22.389.295	38.514.973	91.141.869	41.421.849	1.651.500	252.467.180
Liabilities								
Bank Deposits	256.697	7.555.987	4.837.964	267.238	-	-	-	12.917.886
Other Deposits	22.168.783	82.367.812	18.655.798	10.366.477	2.670.321	323.741	-	136.552.932
Borrowings	-	838.242	5.623.055	10.612.649	6.287.134	2.815.795	-	26.176.875
Funds from Interbank Money Market	-	9.126.813	1.716.681	867.723	10.328.904	2.209.118	-	24.249.239
Marketable Securities Issued (Net)	-	257.467	1.480.193	1.454.433	6.489.944	2.728.752	-	12.410.789
Miscellaneous Payables	289.480	3.967.833	75.679	106.356	162.822	241.247	-	4.843.417
Other Liabilities (**)	279.003	1.683.582	527.977	759.380	3.447.529	603.680	28.014.891	35.316.042
Total Liabilities	22.993.963	105.797.736	32.917.347	24.434.256	29.386.654	8.922.333	28.014.891	252.467.180

Net Liquidity Excess/ (Gap)	(11.525.712)	(59.918.293)	(10.528.052)	14.080.717	61.755.215	32.499.516	(26.363.391)	-
Net Off-balance sheet Position	-	(282.597)	(133.237)	521.381	764.726	895.056	-	1.765.329
Financial Derivative Assets	-	23.205.575	13.692.495	22.971.630	22.967.966	43.500.490	-	126.338.156
Financial Derivative Liabilities	-	23.488.172	13.825.732	22.450.249	22.203.240	42.605.434	-	124.572.827
Non-cash Loans (***)	-	2.052.141	3.048.802	7.778.711	4.302.278	15.174.788	-	32.356.720
Prior Period - 31 December 2014								
Total Assets	21.588.430	24.794.332	24.491.926	35.290.812	65.801.213	45.081.646	1.648.239	218.696.598
Total Liabilities	19.906.323	87.197.001	30.836.885	27.853.246	19.542.342	7.220.757	26.140.044	218.696.598
Net Liquidity Excess/ (Gap)	1.682.107	(62.402.669)	(6.344.959)	7.437.566	46.258.871	37.860.889	(24.491.805)	-
Net Off-balance sheet Position	-	187.325	889.428	(93.994)	(812.485)	198.274	-	368.548
Financial Derivative Assets	-	20.315.180	9.085.250	13.428.007	13.636.315	30.681.843	-	87.146.595
Financial Derivative Liabilities	-	20.127.855	8.195.822	13.522.001	14.448.800	30.483.569	-	86.778.047
Non-cash Loans (***)		1.396.640	4.173.919	7.197.876	2.365.595	17.109.433	-	32.243.463

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

Breakdown of liabilities due to their remaining contractual maturities:

	Up to 1				5 Years	
Current Period - 31 December 2015	Month	1-3 Months	3-12 Months	1-5 Years	and Over	Total
Liabilities						
Deposits	112.893.811	23.464.980	11.043.222	2.901.340	346.376	150.649.729
Funds borrowed from other financial institutions	821.475	5.714.588	10.946.996	7.104.743	3.124.309	27.712.111
Funds from interbank money market	9.149.762	1.649.709	1.042.155	11.137.190	2.409.030	25.387.846
Marketable Securities Issued (Net)	291.026	1.647.741	1.825.794	7.666.653	3.123.350	14.554.564
	Up to 1				5 Years	
Prior Period - 31 December 2014	Month	1-3 Months	3-12 Months	1-5 Years	and Over	Total
Liabilities						
Deposits	93.038.854	16.201.413	9.893.806	4.303.705	285.965	123.723.743
Funds borrowed from other financial institutions	669.439	4.664.976	9.973.939	5.217.211	4.176.020	24.701.585
Funds from interbank money market	9.839.876	6.885.026	4.562.835	5.153.034	3.649.287	30.090.058
Marketable Securities Issued (Net)	353.968	2.020.344	3.600.434	4.525.030	1.303.482	11.803.258

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Breakdown of derivative instruments due to their remaining contractual maturities:

Breakaown of derivative instrainents a					5 Years
Current Period – 31 December 2015	Up to 1 month	1-3 months	3-12 months	1-5 years	and Over
Derivatives held for trading					
Foreign exchange derivatives:					
– Inflow	23.521.509	11.659.292	21.402.437	9.573.309	2.256.618
– Outflow	(21.963.394)	(9.919.847)	(19.927.033)	(11.379.826)	(3.463.635)
Interest rate derivatives:					
– Inflow	7.376	91.693	541.979	1.761.854	864.766
– Outflow	(8.009)	(111.650)	(566.608)	(1.733.348)	(804.294)
Derivatives held for hedging					
Foreign exchange derivatives:					
– Inflow	2.706	1.123	11.010	1.334.715	651.433
– Outflow	(17.936)	-	(78.691)	(1.239.213)	(422.920)
Interest rate derivatives:					
– Inflow	12.590	45.028	194.717	1.016.733	446.745
– Outflow	(17.292)	(66.692)	(250.531)	(1.126.186)	(477.654)
Total Inflow	23.544.181	11.797.136	22.150.143	13.686.611	4.219.562
Total Outflow	(22.006.631)	(10.098.189)	(20.822.863)	(15.478.573)	(5.168.503)

				5 Years
Up to 1 month	1-3 months	3-12 months	1-5 years	and Over
19.741.834	7.435.731	9.619.370	7.733.826	808.820
(19.038.090)	(5.636.409)	(9.631.873)	(9.422.950)	(1.675.181)
1.633	37.474	264.106	762.609	230.087
(4.138)	(53.350)	(295.886)	(805.692)	(222.685)
2.018	75	3.341	527.248	698.610
(17.936)	-	(41.322)	(536.560)	(574.496)
9.907	36.688	142.438	985.091	488.459
(13.816)	(56.558)	(196.899)	(1.044.662)	(504.065)
19.755.392	7.509.968	10.029.255	10.008.774	2.225.976
(19.073.980)	(5.746.317)	(10.165.980)	(11.809.864)	(2.976.427)
	19.741.834 (19.038.090) 1.633 (4.138) 2.018 (17.936) 9.907 (13.816) 19.755.392	19.741.834 7.435.731 (19.038.090) (5.636.409) 1.633 37.474 (4.138) (53.350) 2.018 75 (17.936) - 9.907 36.688 (13.816) (56.558) 19.755.392 7.509.968	19.741.834 7.435.731 9.619.370 (19.038.090) (5.636.409) (9.631.873) 1.633 37.474 264.106 (4.138) (53.350) (295.886) 2.018 75 3.341 (17.936) - (41.322) 9.907 36.688 142.438 (13.816) (56.558) (196.899) 19.755.392 7.509.968 10.029.255	19.741.834 7.435.731 9.619.370 7.733.826 (19.038.090) (5.636.409) (9.631.873) (9.422.950) 1.633 37.474 264.106 762.609 (4.138) (53.350) (295.886) (805.692) 2.018 75 3.341 527.248 (17.936) - (41.322) (536.560) 9.907 36.688 142.438 985.091 (13.816) (56.558) (196.899) (1.044.662) 19.755.392 7.509.968 10.029.255 10.008.774

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IX. EXPLANATIONS ON SECURITIZATION POSITIONS:

None.

X. EXPLANATIONS ON CREDIT RISK MITIGATION TECHNIQUES:

The Bank applies the Comprehensive Financial Collateral Techniques explained in "Credit Risk Mitigation Techniques Communiqué" published in Official Gazette no. 28337 on June 28, 2012. In application of the method, volatility adjusted values of financial guarantees and credits are calculated with the standard volatility adjustment approach and adjusted amounts are deducted from credit risk.

The Bank does not utilize balance sheet and off-balance sheet netting, guarantees and credit derivatives in credit risk mitigation, but financial collaterals fulfilling relevant requirements are taken into account. Basic financial covenants considered in the calculation of Bank's capital adequacy are foreign currency and TL deposit pledges.

Risk classifications:	Amount(*)	Financial Guarantees	Other/Physical Guarantees	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central				
governments and Central Banks	76.833.561	5.620.913		
Conditional and unconditional receivables from	70.035.301	5.020.715		
regional or local governments	240	-	-	-
Conditional and unconditional receivables from				
administrative bodies and non-commercial enterprises	38.740	5.599	-	-
Conditional and unconditional receivables from				
multilateral development banks	-	-	-	-
Conditional and unconditional receivables from				
international organizations	-	-	-	-
Conditional and unconditional receivables from banks				
and brokerage houses	53.477.253	16.383.898	-	-
Conditional and unconditional receivables from				
corporates	126.451.292	6.599.486	-	-
Conditional and unconditional receivables from retail		100.1//		
portfolios	55.736.349	180.164	-	-
Conditional and unconditional receivables secured by	01 (00 (50	F (10		
mortgages	21.498.672	5.612	-	-
Past due receivables	187.210	-	-	-
Receivables defined under high risk category by BRSA	13.519.697	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses				
and corporates	-	-	-	-
Investments similar to collective investment funds	278.802	7.716	-	-
Other receivables	4.341.914	-	-	-
Total (*) Papersonts the total rick amount after credit mitigation	352.363.730	28.803.388	-	-

(*) Represents the total risk amount after credit mitigation techniques are applied.

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XI. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 31 December 2015, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is %8,33 (31 December 2014: % 8,63). This ratio is above the minimum required. The most important reason for the difference in leverage ratio between current and previous period is the increase in the balance sheet assets.

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

		Current Period 31 December 2015	Prior Period 31 December 2014
1	Total assets in the consolidated financial statements prepared in accordance with TAS (*)	249.562.331	212.610.900
	Differences between the total assets in the consolidated financial statements prepared in		
2	accordance with TAS and the total assets in the consolidated financial statements prepared in		
	accordance with Communique on Preparation of Consolidated Financial Statements of the	1.967.300	1 507 22/
	Banks Differences between the balances of derivative financial instruments and the credit	1.967.300	1.597.236
	derivatives in the consolidated financial statements prepared in accordance with the		
3	Communique on Preparation of Consolidated Financial Statements of the Banks and their		
	risk exposures	1.740.097	959.825
	Differences between the balances of securities financing transactions in the consolidated		
4	financial statements prepared in accordance with the Communique on Preparation of		
	Consolidated Financial Statements of the Banks and their risk exposures Differences between off- balance sheet itmes in the consolidated financial statements	-	-
5	prepared in accordance with the Communique on Preparation of Consolidated Financial		
J	Statements of the Banks and their risk exposures	(619.515)	(563,126)
	Other differences in the consolidated financial statements prepared in accordance with the	(,	(,
6	Communique on Preparation of Consolidated Financial Statements of the Banks and their		
	risk exposures	80.909.767	84.990.505
7	Total Risk	333.559.980	299.595.340

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

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

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Disclosure of Leverage ratio template :

		Current Period 31 December 2015 (*)	Prior Period 31 December 2014(*)
1	Balance sheet assets (excluding derivative financial assets and credit derivaties, including collaterals)	247.950.964	212,774,678
2	Assets deducted from Core capital)		
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	21.023 247.929.941	31.442 212.743.236
	Derivative financial assets and credit derivaties		
4	Cost of replenishment for derivative financial assets and credit derivaties	2.574.641	1.244.007
5	Potential credit risk amount of derivative financial assets and credit derivaties	1.740.097	959.825
6	Total risk amount of derivative financial assets and credit derivaties (sum of lines 4 and 5)	4.314.738	2.203.832
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	3.004.421	4,970,618
8	Risk amount arising from intermediary transactions		4.770.010
9	Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	3.004.421	4.970.618
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	78.930.395	80.240.356
11	(Correction amount due to multiplication with credit conversion rates)	(619.515)	(563.126)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	78.310.880	79.677.230
	Capital and total risk		
13	Core Capital	27.782.477	25.854.691
14	Total risk amount(sum of lines 3, 6, 9 and 12)	333.559.980	299.594.916
4.5	Leverage ratio	0.00	
15	Leverage ratio	8,33	8,63

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

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XII. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

Effective risk management constitutes one of the most important competitive strength of the Bank. Risk management system is assessed as a critical process which includes all units starting at the Board of Directors level. General strategies regarding Bank's risk management are given below:

- Effective management of risks within the Bank's risk profile based on materiality; implementing a centralized risk framework that includes all major risk areas
- Managing existing and potential risks from the beginning through forward looking risk strategies, policies and procedures, models and parameters,
- Applying a risk-focused management approach in the strategic decision making process,
- Complying with all national risk management requirements, where the Bank operates.

The Bank's Board of Directors has the ultimate responsibility for setting up and monitoring the efficiency of such a risk management system. The Board of Directors fulfills its monitoring responsibility through the Auditing Committee, the Executive Risk Committee, the Credit Committee and other related intermediary committees and by means of regular risk, control and audit reporting system.

The Board of Directors approves and regularly reviews Bank's main risk approach, risk principles and policies which are initially discussed and decided by the Executive Risk Committee. The Board of Directors also determines Bank's risk appetite by risk limits taking market conditions and Bank's risk taking capacity into consideration. Risk limits are made up of regulatory and internal limits on the basis of risk types.

Bank's Senior Management is responsible to the Bank's Board of Directors that daily activities are executed within the risk management procedures and risk limits determined by the Board of Directors and that risk management system operates in effective and efficient manner. The Internal Audit, the Internal Control and Compliance Presidency and The Risk Management Departments which directly report to the Board of Directors operate in coordination with the business units of the Bank. In this scope, it is also Senior Management's responsibility to take necessary measures in order to resolve identified weaknesses, deficiencies and errors stated in the reports of internal and external audits, internal control and risk management.

Locally and internationally accepted risk models and parameters are used in the identification, measurement and monitoring of risks within the scope of risk management. The Bank strives continuously for development and improvement of internal methods and models. Forward looking risk reports prepared through regular and close monitoring of the market developments are made available for the Senior Management and the Board of Directors. In order to analyze the potential risks that the Bank may be exposed in extreme cases, various scenario analyses are performed and contingency plans are prepared. The Bank's internal capital adequacy assessment process ("ICAAP") has been established and the ICAAP has been performed parallel to the annual budget process on an annual basis. Moreover, various risk mitigation techniques are utilized to limit and provide protection against risks the Bank is exposed. The effectiveness and efficiency of the risk mitigation techniques are regularly monitored.

XIII. EXPLANATIONS ON PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:

a. Calculations of financial assets and liabilites at their fair values:

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair values of the overnight deposits and floating rate placements represent the carrying value. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the market interest rates of similar liabilities and loans.

The fair value of marketable securities issued is calculated according to broker price quotations and if these are not available, amounts derived from discounted cash flow models.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

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The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

	Car	rying Value	Fa	air Value
	Current Period	Prior Period	Current Period	Prior Period
	31 December	31 December	31 December 2015	31 December
Financial Assets	216.354.637	190.447.675	217.085.528	193.448.579
Interbank Money Market Placements	98	700.215	98	700.215
Banks	8.815.163	5.212.117	8.815.163	5.212.117
Available-for-Sale Financial Assets	43.384.440	37.603.832	43.384.440	37.603.832
Held-to-Maturity Investments (Net)	10.688.440	10.800.111	10.840.922	11.202.659
Loans	153.466.496	136.131.400	154.044.905	138.729.756
Financial Liabilities	192.901.899	157.602.673	192.616.778	157.452.910
Bank Deposits	12.917.886	13.583.401	12.927.163	13.606.383
Other Deposits	136.552.932	108.710.675	136.696.723	108.958.275
Borrowings	26.176.875	21.269.361	25.879.551	21.075.647
Marketable Securities Issued (Net)	12.410.789	10.540.424	12.269.924	10.313.793
Miscellaneous Payables	4.843.417	3.498.812	4.843.417	3.498.812

b. Fair value hierarchy:

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

a) Quoted market prices (non-adjusted) (1st level).

b) Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level).

c) Data not based on observable data regarding assets or liabilities (3rd level).

Fair value hierarchy of the financial assets and liabilities of the Group according to the foregoing principles is given in the table below:

Current Period - 31 December 2015	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	10.103	-	-	10.103
- Share Certificates	6.532	-	-	6.532
- Trading Derivative Financial Assets	-	2.697.157	-	2.697.157
- Other Marketable Securities	23.878	-	-	23.878
Available-For-Sale Financial Assets	-	-	-	-
- Government Debt Securities	35.306.201	-	-	35.306.201
- Share Certificates	-	115.958	-	115.958
- Other Marketable Securities	7.723.004	226.441	-	7.949.445
Hedging Derivative Financial Assets	-	651.368	-	651.368
Loans	-	154.044.905	-	154.044.905
Held To Maturity Investments (Net)	10.840.922	-	-	10.840.922
Total Assets	53.910.640	157.735.829	-	211.646.469
- Trading Derivative Financial Liabilities	-	1.767.851	-	1.767.851
- Hedging Derivative Financial Liabilities	-	158.960	-	158.960
Deposits	-	149.623.886	-	149.623.886
Funds Borrowed	-	25.879.551	-	25.879.551
Funds from Interbank Money Market	-	24.195.012	-	24.195.012
Securities Issued (Net)	-	12.269.924	-	12.269.924
Total Liabilities	-	213.895.184	-	213.895.184

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Prior Period - 31 December 2014	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	11.016	-	-	11.016
- Share Certificates	68	-	-	68
- Trading Derivative Financial Assets	35.922	1.374.817	-	1.410.739
- Other Marketable Securities	43.880	-	-	43.880
Available-For-Sale Financial Assets				
- Government Debt Securities	32.437.908	-	-	32.437.908
- Share Certificates	-	-	-	-
- Other Marketable Securities	4.932.490	220.947	-	5.153.437
Hedging Derivative Financial Assets	-	284.541	-	284.541
Loans	-	138.729.756	-	138.729.756
Held To Maturity Investments (Net)	12.202.659	-	-	12.202.659
Total Assets	48.663.943	140.610.061	-	189.274.004
- Trading Derivative Financial Liabilities	4.475	1.202.738	-	1.207.213
- Hedging Derivative Financial Liabilities	-	105.952	-	105.952
Deposits	-	122.564.658	-	122.564.658
Funds Borrowed	-	21.075.647	-	21.075.647
Funds from Interbank Money Market	-	28.549.634	-	28.549.634
Securities Issued (Net)	-	10.313.793	-	10.313.793
Total Liabilities	4.475	183.812.422	-	183.816.897

As explained in the note of VII-b of the Third Section, share certificates, that are classified as available-for-sale and are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably, are not shown in the table above.

There are no transfers between the 1st and the 2nd levels in the current year.

XIV. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

XV. EXPLANATIONS ON HEDGE TRANSACTIONS:

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

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.

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

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

The Group also applies fair value hedge to hedge the foreign currency risk arising from investments abroad. Effective portion of the fair value change of the hedging instrument is accounted under "Hedging funds" under equity. Ineffective portion is accounted under income statement.

As of 31 December 2015, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet of the Bank are summarized in the following table:

		Current Period 31 December 2015			Prior Period 31 December 2014		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities	
Interest Rate and Cross Currency							
Swaps							
-TL	1.228.638	648.858	-	871.688	284.135	-	
-FC	11.575.795	2.510	158.960	8.767.178	406	105.952	
Total	12.804.433	651.368	158.960	9.638.866	284.541	105.952	

1. Explanations on Accounting Net Investment Hedge:

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

2. Explanations on Fair Value Hedge:

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
instrument	Fixed interest rate EC	Exposure	neuging moti unent	or ricugea riens ()	
Interest Rate	available-for-sale financial	Interest rate			
Swap	assets	risk	(175.849)	170.936	(4.913)
Interest Rate	Fixed interest rate Lease	Interest rate			
Swap	Receivables	risk	88	(93)	(5)
ł	Fixed interest rate FC Issued	Interest rate			
Cross-currency	Bonds,	and currency			
swap	FC Lease Receivables	risk	412	[447]	(35)
	Fixed interest rate TL	Interest rate			
Cross-currency	Mortgage Loans Portfolio,	and currency			
swap	FC borrowings	risk	236.846	(233.961)	2.885
	Fixed interest rate TL				
	available-for-sale financial	Interest rate			
Cross-currency	assets,	and currency			
swap	FC borrowings	risk	312.135	(307.153)	4.982

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

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

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Prior Period - 31 December 2014

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	(119.171)	117.347	(1.824)
Jwap	Fixed interest rate FC Issued	Interest rate	(117.171)	117.347	(1.024)
Cross-currency	Bonds,	and currency			
swap	FC Lease Receivables	risk	422	(237)	185
Cross-currency	Fixed interest rate TL Mortgage Loans,	Interest rate and currency			
swap	FC borrowings	risk	70.419	(69.859)	560
·	Fixed interest rate TL	Interest rate			
Cross-currency swap	available-for-sale financial assets, FC borrowings	and currency risk	109.947	(108.613)	1.334

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

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

As of 31 December 2015 fair value hedge transactions have been proven to be effective.

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

- As of 31 December, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL 8.588 (31 December 2014: 5.036 TL).

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
	Değişken faizli İhraç edilen				
Cross-currency	YP Eurobond, YP Finansal	Faiz ve kur			
swap	Kiralama Alacak	riski	(911)	842	(69)
	Değişken Faizli YP Kredi				
Cross-currency	Portföyü, YP Finansal	Faiz ve kur			
swap	Kiralama Alacak	riski	557	(602)	(45)
Interest Rate	Değişken Faizli YP Kredi	Interest			
Swap	Portföyü	rate risk	(81)	75	(6)

3. Explanations on Cash Flow Hedge:

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

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

- As of 31 December 2015, 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 (-) 75.471 (31 December 2014: (-) 103.059) TL.

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XVI. EXPLANATIONS ON BUSINESS SEGMENTS:

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

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

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

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

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

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

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Information on business segments, in accordance with the changes disclosed in Note I of Section Three, as of 31 December 2015 and 31 December 2014 are presented on the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

		Corporate Banking, Commercial Banking			Bank's
	Retail	and		Other and	Total
	Banking	SME Banking	Treasury	Unallocated	Activities
Current Period – 31 December 2015					
Operating Income	3.940.610	4.902.934	968.050	1.086.674	10.898.268
Profit from Operating Activities	680.052	3.385.161	734.418	(622.834)	4.176.797
Income from Subsidiaries	-	-	-	2.275	2.275
Profit before Tax	680.052	3.385.161	734.418	(620.559)	4.179.072
Corporate Tax	-	-	-	(949.706)	(949.706)
Minority Shares	-	-	-	(9)	(9)
Net Profit for the Period	680.052	3.385.161	734.418	(1.570.274)	3.229.357
Segment Assets	49.331.189	118.578.688	75.311.131	4.599.381	247.820.389
Investments in Associates.	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	4.642.868
Total Assets	-	-	-	-	252.467.180
Segment Liabilities	94.752.440	55.026.875	64.354.829	3.445.966	217.580.110
Undistributed Liabilities	-	-	-	-	6.872.179
Shareholders' Equity	-	-	-	-	28.014.891
Total Liabilities	-	-	-	-	252.467.180
Other Segment Items					
Capital Investment	-	-	-	159.528	159.528
Amortization	(40.894)	(23.904)	(462)	(160.840)	(226.100)
Non-cash Other Income-Expense	(961.397)	(491.120)	(183.562)	(728.915)	(2.364.994)

			Bank's		
	Retail	and		Other and	Total
	Banking	SME Banking	Treasury	Unallocated	Activities
Prior Period – 31 December 2014					
Operating Income	4.011.744	4.032.651	1.636.977	534.032	10.215.404
Profit from Operating Activities	923.572	2.473.765	1.401.674	(466.899)	4.332.112
Income from Subsidiaries	=	-	-	1.381	1.381
Profit before Tax	923.572	2.473.765	1.401.674	(465.518)	4.333.493
Corporate Tax	-	-	-	(954.846)	(954.846)
Minority Shares	-	-	-	(8)	(8)
Net Profit for the Period	923.572	2.473.765	1.401.674	(1.420.372)	3.378.639
Segment Assets	50.656.915	97.198.934	62.737.740	3.884.161	214.477.750
Investments in Associates.	-	-	-	=	3.923
Undistributed Assets	-	-	-	=	4.214.925
Total Assets	-	-	-	=	218.696.598
Segment Liabilities	78.574.039	41.008.789	64.531.333	2.401.197	186.515.358
Undistributed Liabilities	-	-	-	=	6.041.196
Shareholders' Equity	-	-	-	-	26.140.044
Total Liabilities	-	-	-	-	218.696.598
Other Segment Items					
Capital Investment	-	-	-	283.767	283.767
Amortization	(60.179)	(4.459)	(983)	(136.255)	(201.876)
Non-cash Other Income-Expense	(926.529)	(440.949)	(135.252)	(575.704)	(2.078.434)

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SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	Current Period 31 December 2015		December 2014
TL	FC	TL	FC
935.450	448.460	932.647	533.635
1.230.328	22.776.999	2.585.518	16.334.281
2	82.200	435	53.541
2.165.780	23.307.659	3.518.600	16.921.457
	TL 935.450 1.230.328 2	TLFC935.450448.4601.230.32822.776.999282.200	TLFCTL935.450448.460932.6471.230.32822.776.9992.585.518282.200435

(*) As of 31 December 2015, precious metal account amounts to TL 56.414 (31 December 2014: TL 41.449).

2. Information related to the account of the CBRT:

	Current Period 31 December 2015		31 D	Prior Period ecember 2014
	TL	FC	TL	FC
Demand Unrestricted Account	1.830	-	5.094	-
Time Unrestricted Account	-	853.816	-	-
Time Restricted Account	-	-	-	89.258
Reserve Requirement	1.228.498	21.923.183	2.580.424	16.245.023
Total	1.230.328	22.776.999	2.585.518	16.334.281

3. Explanation on reserve requirements:

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

The reserve rates for TL liabilities vary between 5% and 11,5% for TL deposits and other liabilities according to their maturities as of 31 December 2015 (31 December 2014: 5% and 11,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 25% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2015 (31 December 2014: 6% and 13% for all foreign currency liabilities)

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

 As of 31 December 2015, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 8.463 (31 December 2014: TL 5.820); and those subject to repo transactions amount to TL 1.489. (31 December 2014: TL [-]].

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

	Current Period 31 December 2015			rior Period ember 2014
	TL	FC	TL	FC
Forward Transactions	198.176	-	70.893	-
Swap Transactions	577.202	1.699.565	441.546	628.278
Futures Transactions	-	-	33.748	2.174
Options	896	221.318	1.240	232.860
Other	-	-	-	-
Total	776.274	1.920.883	547.427	863.312

c. Information on banks account:

1. Information on banks account:	-	urrent Period ecember 2015	-	rior Period ember 2014
	TL	FC	TL	FC
Banks	1.586.889	7.228.274	611.373	4.600.744
Domestic	1.586.889	1.834.297	611.373	617.595
Foreign	-	5.393.977	-	3.983.149
Head Quarters and Branches Abroad	-	-	-	-
Total	1.586.889	7.228.274	611.373	4.600.744

2. Information on foreign banks account:

	Unrestricted Amount		Restricted	Amount (**)
	Current Period 31 December 2015	Prior Period 31 December 2014	Current Period 31 December 2015	
European Union Countries	1.446.858	1.031.402	3.144.498	2.646.683
USA, Canada	786.390	239.867	1.754	16.793
OECD Countries (*)	9.996	23.389	-	8.235
Off-Shore Banking Regions	-	-	-	-
Other	4.481	16.780	-	-
Total	2.247.725	1.311.438	3.146.252	2.671.711

(*) OECD Countries other than EU countries, USA and Canada.

(**) Restricted amounts which mainly consist of collaterals related to borrowings, are kept in several banks.

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

1. As of 31 December 2015, available-for-sale financial assets subject to repurchase agreements amount to TL 20.185.224 (31 December 2014: TL 24.823.669); and those given as collateral/blocked amounting to TL 1.939.145 (31 December 2014: TL 3.691.128).

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Debt Securities	44.023.242	37.821.917
Quoted to Stock Exchange	43.796.801	37.585.353
Not Quoted to Stock Exchange	226.441	236.564
Share Certificates	128.794	12.487
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	128.794	12.487
Impairment Provision (-)	767.596	230.572
Total	43.384.440	37.603.832

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e. Information related to loans:

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

	Current Period 31 December 2015				31 De	Prior Period ecember 2014
	Cash	Non-cash	Cash	Non-cash		
Direct Loans Granted to Shareholders	-	82	-	141		
Corporate Shareholders	-	82	-	141		
Real Person Shareholders	-	-	-	-		
Indirect Loans Granted to Shareholders	3.421.775	1.447.220	2.464.548	1.986.344		
Loans Granted to Employees	99.195	-	105.144	-		
Total	3.520.970	1.447.302	2.569.692	1.986.485		

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 M	Receivables un Ionitoring	der Close
	Loans and Other Receivables (Total)	Loans and R with Revise	leceivables	Loans and Other Receivables (Total)	Loans and R with Revise	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Non-specialized Loans	148.410.004	1.798.517	-	4.909.179	2.648.299	-
Business Loans	25.826.562	220.002	-	1.499.659	637.502	-
Export Loans	6.882.449	75.800	-	55.160	19.007	-
Import Loans Loans Granted to	146.850	-	-	-	-	-
Financial Sector	6.348.565	7.740	-	-	-	-
Consumer Loans	26.821.142	212.204	-	1.853.129	1.084.044	-
Credit Cards	11.723.535	426.891	-	806.781	681.054	-
Other	70.660.901	855.880	-	694.450	226.692	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	148.410.004	1.798.517	-	4.909.179	2.648.299	-

Number of Extension	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	1.747.490	2.280.345
Extended by 3,4 or 5 times	50.096	365.117
Extended by more than 5 times	931	2.837
Total	1.798.517	2.648.299

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Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	222.137	493.910
6 - 12 Months	127.505	197.611
1 - 2 Years	453.454	680.820
2 - 5 Years	506.735	1.091.005
5 Years and over	488.686	184.953
Total	1.798.517	2.648.299

3. Breakdown of loans according to their maturities:

	Standard Loans and Other Receivables			Receivables Under se Monitoring
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans and Other				
Receivables	37.835.788	641.936	1.139.485	831.457
Non-Specialized Loans	37.835.788	641.936	1.139.485	831.457
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans				
and Other Receivables	110.574.216	1.156.581	3.769.694	1.816.842
Non-Specialized Loans	110.574.216	1.156.581	3.769.694	1.816.842
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	148.410.004	1.798.517	4.909.179	2.648.299

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

		Medium and	
Current Period- 31.12.2015	Short-term	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)	/02.321	-	102.321
		-	
Total Consumer Loans	10.947.092	28.625.984	39.573.076

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Drive Derived 21 12 201/	Chant tan-	Medium	Tatal
Prior Period – 31.12.2014 Consumer Loans-TL	Short-term	and Long-term	Total
	293.002	29.924.787	30.217.789
Mortgage Loans	7.896	13.022.493	13.030.389
Automotive Loans	7.706	802.180	809.886
Consumer Loans	274.094	15.355.989	15.630.083
Other	3.306	744.125	747.431
Consumer Loans- Indexed to FC	-	26.115	26.115
Mortgage Loans	-	24.949	24.949
Automotive Loans	-	-	-
Consumer Loans	-	49	49
Other	-	1.117	1.117
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.297.754	1.229.280	11.527.034
With Installment	4.223.691	1.229.280	5.452.971
Without Installment	6.074.063	-	6.074.063
Consumer Credit Cards-FC	14.942	-	14.942
With Installment	4.709	-	4.709
Without Installment	10.233	-	10.233
Personnel Loans-TL	2.899	60.097	62.996
Mortgage Loans	-	1.135	1.135
Automotive Loans	-	138	138
Consumer Loans	2.899	58.824	61.723
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	41.544	396	41.940
With Installment	15.653	396	16.049
Without Installment	25.891	-	25.891
Personnel Credit Cards-FC	208	_	208
With Installment	68	-	68
Without Installment	140	-	140
Credit Deposit Account-TL (Real Person)	692.139	_	692.139
Credit Deposit Account-FC (Real Person)		_	072.137
Total Consumer Loans	11.342.488	31.240.675	42.583.163
	11.342.400	31.240.073	42.000.100

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

Oursest Desired - 04.40.0045	e	Medium and	
Current Period – 31.12.2015	Short-term	Long-term	Total
Commercial Installment Loans-TL	167.589	6.257.337	6.424.926
Mortgage Loans	2.477	25.413	27.890
Automotive Loans	5.309	12.919	18.228
Consumer Loans	159.803	6.219.005	6.378.808
Other	-	-	-
FC Indexed Commercial Installment Loans	4.138	127.182	131.320
Mortgage Loans	-	3.954	3.954
Automotive Loans	330	4.479	4.809
Consumer Loans	3.808	118.749	122.557
Other	-	-	-
Commercial Installment Loans-FC	1.431	133.731	135.162
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	1.431	133.731	135.162
Other	-	-	-
Corporate Credit Cards-TL	1.629.075	899	1.629.974
With Installment	698.710	899	699.609
Without Installment	930.365	-	930.365
Corporate Credit Cards-FC	1.537	-	1.537
With Installment	17	-	17
Without Installment	1.520	-	1.520
Credit Deposit Account-TL (Legal Person)	733.897	_	733.897
Credit Deposit Account-FC (Legal person)	-		-
Total	2.537.667	6.519.149	9.056.816

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

		Medium and	
Prior Period – 31.12.2014	Short-term	Long-term	Total
Commercial Installment Loans-TL	1.322.602	4.922.919	6.245.521
Mortgage Loans	6.147	69.966	76.113
Automotive Loans	54.581	64.026	118.607
Consumer Loans	1.226.137	4.648.491	5.874.628
Other	35.737	140.436	176.173
FC Indexed Commercial Installment Loans	38.984	84.719	123.703
Mortgage Loans	275	8.400	8.675
Automotive Loans	840	13.304	14.144
Consumer Loans	78	28.864	28.942
Other	37.791	34.151	71.942
Commercial Installment Loans-FC	1.913	134.557	136.470
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	1.913	134.557	136.470
Corporate Credit Cards-TL	1.313.204	4.443	1.317.647
With Installment	589.999	4.443	594.442
Without Installment	723.205	-	723.205
Corporate Credit Cards-FC	1.808	-	1.808
With Installment	18	-	18
Without Installment	1.790	-	1.790
Credit Deposit Account-TL (Legal Person)	628.848	-	628.848
Credit Deposit Account-FC (Legal person)	-	-	-
Total	3.307.359	5.146.638	8.453.997

6. Loans according to types of borrowers:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Public	1.520.933	2.256.645
Private	151.798.250	133.723.429
Total	153.319.183	135.980.074

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Domestic Loans	148.428.324	133.697.580
Foreign Loans	4.890.859	2.282.494
Total	153.319.183	135.980.074

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

9. Specific provisions accounted for loans:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Loans and Other Receivables with Limited Collectibility	448.339	407.881
Loans and Other Receivables with Doubtful Collectibility	869.262	774.084
Uncollectible Loans and Receivables	1.908.409	996.864
Total	3.226.010	2.178.829

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

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 31 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
Prior Period: 31 December 2014			
(Gross Amounts Before Specific Provisions)	34.896	65.245	179.358
Restructured Loans and Other Receivables	34.324	62.698	177.462
Rescheduled Loans and Other Receivables	572	2.547	1.896

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2014	407.881	925.410	996.864
Additions (+)	1.946.010	23.016	50.423
Transfers from Other Categories of Non-			
Performing Loans (+)	-	1.742.563	1.615.478
Transfers to Other Categories of Non-Performing			
Loans (-)	1.742.563	1.615.478	-
Collections (-)	161.882	202.591	269.831
Write-offs (-) (*)	1.107	3.658	337.212
Corporate and Commercial Loans	604	1.003	133.414
Retail Loans	337	1.313	56.689
Credit Cards	166	1.342	147.109
Other	-	-	-
Balance at the End of the Period	448.339	869.262	2.055.722
Specific Provisions (-)	448.339	869.262	1.908.409
Net Balance at Balance Sheet (**)	-	-	147.313

(*) The Bank has sold non-performing loan portfolio, for which 100% provision was provided and which is worth TL 248,5 million, for an amount of TL 40,3 million to Girişim Varlık Yönetimi A.Ş.

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

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 31 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 on Balance Sheet	-	-	130.612
Prior Period: 31 December 2014			
Balance at the End of the Period	11.925	234.608	47.204
Specific Provision (-)	11.925	103.516	47.204
Net Balance at Balance Sheet	-	131.092	-

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 31 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)	-	-	-
Prior Period (Net): 31 December 2014			
Loans granted to corporate entities and			
real persons (Gross)	407.881	925.410	996.864
Specific Provision Amount (-)	407.881	774.084	996.864
Loans granted to corporate entities and			
real persons (Net)	-	151.326	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables			
(Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

11. Information on the collection policy of non-performing loans and other receivables:

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

12. Information on the write-off policy:

Write-off policy of the Bank for receivables under follow-up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

f. Held-to-maturity investments:

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

	-	Current Period 31 December 2015		Prior Period cember 2014
	TL	FC	TL	FC
Given as collateral/blocked	133.637	1.903.784	446.840	1.707.276
Subject to repurchase agreements	2.918.515	3.011.127	4.302.822	2.988.291
Total	3.052.152	4.914.911	4.749.662	4.695.567

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

	Current Period	Prior Period	
	31 December 2015	31 December 2014	
Government Bonds	9.654.713	9.973.280	
Treasury Bills	-	-	
Other Government Debt Securities	1.033.727	826.831	
Total	10.688.440	10.800.111	

3. Information on held-to-maturity investments:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Debt Securities	10.761.480	10.809.411
Quoted to Stock Exchange	10.761.480	10.809.411
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	73.040	9.300
Total	10.688.440	10.800.111

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Balance at the Beginning of the Period	10.800.111	12.153.453
Foreign Currency Differences on Monetary Assets	864.389	145.662
Purchases During Year (*)	382	6.405
Disposals Through Sales and Redemptions	1.112.849	1.798.189
Impairment Provision (-)	63.740	9.300
Change in Amortized Cost	200.147	302.080
Balance at the End of the Period	10.688.440	10.800.111

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g. Information on investments in associates (Net):

1. Non-consolidated associates:

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

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

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

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

The financial figures have been obtained from the financial statements dated 30 September 2015.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	68.358	29.660	42.971	1.019	-	3.869	3.490	-
2	129.527	104.842	62.914	3.663	-	26.782	18.547	-

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Balance at the Beginning of the Period	3.923	3.923
Movements During the Period		
Additions	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Balance at the End of the Period	3.923	3.923
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

2. Consolidated subsidiaries within the current period: None.

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h. Information on subsidiaries (Net):

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

The amounts below are obtained from the 31 December 2015 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	364.421	59.230	9.300	780.798	8.340
Gains recognized in equity as per TAS	-	-	12	-	-
Profit/Loss	89.530	60.927	23.200	148.039	16.629
-Net Current Period Profit	89.530	26.942	22.909	148.039	3.697
-Prior Year Profit/Loss	-	33.985	291	-	12.932
Development Cost of Operating Lease (-)	163	1.452	-	198	-
Goodwill or Other Intangible Assets and					
Deferred Tax Liability related to these items (-)	225	811	50	233	-
Total Common Equity	688.570	164.696	36.541	1.669.054	27.212
Total Additional Tier I Capital	-	-	-	-	-
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1 st Clause of Provisional Article 2 of the					
"Regulation on the Equity of Banks" (-)	337	1.216	75	349	-
Total Tier I Capital	688.233	163.480	36.466	1.668.705	27.212
Tier II Capital	17.330	-	-	-	-
CAPITAL	705.563	163.480	36.466	1.668.705	27.212
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	705.563	163.480	36.466	1.668.705	27.212

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

- 2. Non-consolidated subsidiaries: None.
- 3. Consolidated subsidiaries:

3 (i). Information about consolidated subsidiaries:

	Title	Address (City / Country)	The Parent Bank's Share Percentage-If Different Voting Percentage (%)	Other Shareholder Share Percentage (%)	Consolidation Method
1	Ak Finansal Kiralama A.Ş.	İstanbul/Turkey	99,99	0,01	Full Consolidation
2	Ak Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	100,00	-	Full Consolidation
3	Ak Portföy Yönetimi A.Ş.	İstanbul/Turkey	100,00	-	Full Consolidation
4	Akbank AG	Frankfurt/Germany	100,00	-	Full Consolidation
5	Akbank (Dubai) Limited	Dubai/TheUnitedArab Emirates	100,00	-	Full Consolidation

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

The financial figures have been obtained from the financial statements as at 31 December 2015 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	4.516.222	689.979	1.465	316.909	-	89.530	75.879	-
2	556.065	166.959	6.060	28.970	17.178	26.942	23.090	-
3	44.708	36.591	571	2.838	-	22.909	12.495	-
4	15.158.208	1.669.485	1.389	460.059	38.963	148.039	116.388	-
5	28.479	27.212	16	-	-	3.697	4.699	-

Though not being the subsidiaries of the Bank, Ak Receivables Corporation and A.R.T.S Ltd. which were established in July 1998 and November 1999 respectively in connection with rising long-term financing, are included in the full scope of consolidation as "Structured Entity" due to the 100% control of these entities by the Group.

3 (ii). Movement schedule for consolidated subsidiaries:

	Current Period 31 December 2015	Prior Period 31 December 2014
Balance at the Beginning of the Period	907.230	879.821
Movements During the Period		
Additions (*)	358.121	49.993
Bonus Shares and Contributions to Capital (**)	-	1.000
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation		
of foreign subsidiaries (***)	85.390	(23.584)
Balance at the End of the Period	1.350.741	907.230
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) Additions in the current period include share capital increases of Ak Finansal Kiralama A.Ş. and Akbank AG amounting to TL 60.000 and EUR 100 Million, respectively. Additions in the prior period include share capital increase of Ak Finansal Kiralama A.Ş. amounting to TL 50.000.

(**) The amount shown in the "Bonus Shares and Contributions to Capital" line of prior period is due to the increase of TL 1.000 of Ak Portföy Yönetimi A.Ş. share capital.

(***) The amount represents the value changes within the scope of fair value hedge as described in Section 4 Note XV.

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

Subsidiaries	Current Period 31 December 2015	Prior Period 31 December 2014
Banks	1.001.182	617.662
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	281.065	221.074
Finance Companies	-	-
Other Financial Subsidiaries	68.494	68.494

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

i. Information on finance lease receivables (Net):

	Current Period 31 December 2015		Prior Period 31 December 2014	
	Gross	Net	Gross	Net
2015	-	-	1.211.403	1.012.669
2016	1.461.941	1.232.830	909.635	729.531
2017	1.009.706	822.731	720.382	589.378
2018	784.343	656.898	557.475	468.697
2019	892.889	468.864	392.022	335.051
2020 and following years	550.801	794.458	628.421	559.980
Total	4.699.680	3.975.781	4.419.338	3.695.306

j. Information on the hedging derivative financial assets:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Fair Value Hedge	648.858	575	284.135	406
Cash Flow Hedge	-	1.935	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	648.858	2.510	284.135	406

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

k. Information on on property and equipment:

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2014	IIIIIovabico		Trogress	10101
Cost	852.693	985.242	2.495	1.840.430
Accumulated Depreciation(-)	308.494	668.582	-	977.076
Net Book Value	544.199	316.660	2.495	863.354
Current Period End: 31 December 2015				
Net Book Value at the Beginning				
of the Period	544.199	316.660	2.495	863.354
Additions	6.084	73.275	5.467	84.826
Transferred	6.306	-	(6.306)	-
Disposals (-), net	7.165	1.269	-	8.434
Depreciation (-)	30.289	113.327	-	143.616
Impairment	-	-	-	-
Cost at Period End	843.368	988.790	1.656	1.833.814
Accumulated Depreciation at				
Period End (-)	324.233	713.451	-	1.037.684
Closing Net Book Value	519.135	275.339	1.656	796.130

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2013	IIIIIIovabies	TIXED ASSELS	1 Togress	Totat
Cost	838.592	884.370	203	1.723.165
Accumulated Depreciation(-)	280.230	591.715	-	871.945
Net Book Value	558.362	292.655	203	851.220
Current Period End: 31 December 2014				
Net Book Value at the Beginning of the Period	558.362	292.655	203	851.220
Additions	18.494	131.209	2.292	151.995
Transferred				
Disposals (-), net	2.301	952	-	3.253
Depreciation (-)	30.356	106.252	-	136.608
Impairment	-	-	-	-
Cost at Period End	852.693	985.242	2.495	1.840.430
Accumulated Depreciation at				
Period End (-)	308.494	668.582	-	977.076
Closing Net Book Value	544.199	316.660	2.495	863.354

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I. Informations on intangible assets:

1. Cost and accumulated amortization at the beginning and end of the period:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Cost	576.407	503.566
Accumulated Amortization (-)	352.302	274.562
Net Book Value	224.105	229.004

2. Reconciliation of movements for the current period and prior period:

	Current Period 31 December 2015	Prior Period 31 December 2014
Opening Balance Net Book Value	229.004	162.215
Additions	74.285	131.815
Disposals (-), net	-	-
Depreciation (-)	79.184	65.026
Closing Net Book Value	224.105	229.004

m. Information on the investment properties: None.

n. Information on deferred tax asset :

As of 31 December 2015, deferred tax asset of the Group is TL 162.153 (31 December 2014: TL 21.045). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

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

	Accumulated tem	porary differences	Deferred tax assets/liabilities		
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	
Employee benefits	192.906	127.637	38.502	25.550	
Differences between fair value and book					
value of financial assets	1.244.837	524.361	252.769	107.773	
Other	334.492	311.251	66.898	61.428	
Deferred Tax Asset			358.169	194.751	
Differences between book value and tax					
base of property, plant and equipment	123.540	126.098	(24.708)	(25.220)	
Differences between book value and tax					
base of financial assets	982.104	772.794	(183.724)	(156.573)	
Country risk provision	140.736	142.171	(45.036)	(45.495)	
Deferred Tax Liabilities			(253.468)	(227.288)	
Deferred Tax Asset/(Liabilities) Net			104.701	(32.537)	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Cost	183.237	158.928
Accumulated Depreciation (-)	3.371	276
Net Book Value	179.866	158.652
	Current Period 31 December 2015	Prior Period 31 December 2014
Opening Balance Net Book Value	158.652	34.699
Additions(*)	42.857	152.447
Disposals (-), net	18.343	28.252
Depreciation (-)	3.300	242
Closing Net Book Value	179.866	158.652

p. Information on other assets:

Other assets amount to TL 1.908.108 (31 December 2014: TL 1.087.338) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

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

1 (i).Current Period – 31 December 2015:

		Up to 1	1 – 3	3 – 6	6 Months	1 Year	Deposits	
	Demand	Month	Months	Months	– 1 Year	and Over	Cumulative	Total
Saving Deposits	5.854.541	11.048.811	25.059.860	533.204	423.784	607.126	88.074	43.615.400
Foreign Currency Deposits	9.425.204	16.275.713	26.262.848	1.836.401	5.101.733	9.203.957	4.156	68.110.012
Residents in Turkey	8.162.755	15.755.616	24.538.202	1.076.617	798.916	3.129.479	4.064	53.465.649
Residents Abroad	1.262.449	520.097	1.724.646	759.784	4.302.817	6.074.478	92	14.644.363
Public Sector Deposits	827.355	9.616	38.014	10.414	1.593	2.313	-	889.305
Commercial Deposits	5.139.789	6.149.494	7.277.063	441.389	414.558	252.271	-	19.674.564
Other Institutions Deposits	200.889	480.886	2.227.357	192.340	171.088	213.814	-	3.486.374
Gold Vault	721.005	4.502	22.633	23.092	6.045	-	-	777.277
Interbank Deposits	256.697	1.503.563	4.122.452	6.749.223	217.182	68.769	-	12.917.886
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	8.656	162.141	247.674	-	-	-	-	418.471
Foreign Banks	207.791	1.341.422	3.874.778	6.749.223	217.182	68.769	-	12.459.165
Participation Banks	40.250	-	-	-	-	-	-	40.250
Other	-	-	-	-	-	-	-	-
Total	22.425.480	35.472.585	65.010.227	9.786.063	6.335.983	10.348.250	92.230	149.470.818

1 (ii). Prior period - 31 December 2014:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	4.764.506	11.032.937	21.778.811	1.126.844	578.554	626.932	100.087	40.008.671
Foreign Currency Deposits	7.282.224	10.478.509	11.285.571	2.956.797	5.601.377	7.943.878	4.532	45.552.888
Residents in Turkey	5.967.014	10.299.399	10.056.550	885.007	702.133	3.170.236	4.467	31.084.806
Residents Abroad	1.315.210	179.110	1.229.021	2.071.790	4.899.244	4.773.642	65	14.468.082
Public Sector Deposits	828.740	19.149	80.872	61.574	2.632	4.214	-	997.181
Commercial Deposits	4.865.220	6.732.744	4.553.885	941.592	298.919	115.266	-	17.507.626
Other Institutions Deposits	169.932	372.447	1.613.470	596.256	587.414	79.437	-	3.418.956
Gold Vault	1.179.639	5.931	16.504	19.264	4.015	-	-	1.225.353
Interbank Deposits	501.286	1.869.383	6.473.494	3.672.826	1.049.493	16.919	-	13.583.401
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	16.011	1.566.449	1.216.250	84.191	94.569	8.015	-	2.985.485
Foreign Banks	162.567	302.934	5.257.244	3.588.635	954.924	8.904	-	10.275.208
Participation Banks	322.708	-	-	-	-	-	-	322.708
Other	-	-	-	-	-	-	-	
Total	19.591.547	30.511.100	45.802.607	9.375.153	8.122.404	8.786.646	104.619	122.294.076

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2. Information on saving deposits insurance:

Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund: The deposit amounts of the consolidated subsidiaries located abroad are subject to local insurance regulations and are not included in the table below.

	Under the Guara Insuran	•	Exceeding the Limit of Deposit Insurance		
	Current Period 31 December 2015	Prior Period 31 December 2014	Current Period 31 December 2015	Prior Period 31 December 2014	
Saving Deposits	21.092.387	18.858.943	22.523.013	21.149.728	
Foreign Currency Saving Deposits	7.409.503	6.515.893	26.265.420	17.001.254	
Other Deposits in the Form of					
Saving Deposits	-	-	-	-	
Foreign Branches' Deposits					
under Foreign Authorities' Insurance	-	-	-	-	
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance		_			

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

	Current Period 31 December 2015	Prior Period 31 December 2014
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 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	- - 926.599 -	- - 1.030.337 -
Banking Activities	-	

b. Information on trading derivative financial liabilities:

Table of negative differences for trading derivative financial liabilities:

	Current Period 31 December 2015			
	TL	FC	TL	FC
Forward Transactions	249.438	-	156.777	-
Swap Transactions	229.908	1.030.603	64.647	733.173
Futures Transactions	-	-	822	3.653
Options	3	257.899	102	248.039
Other	-	-	-	-
Total	479.349	1.288.502	222.348	984.865

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	286.556	520.324	318.759	376.626
From Foreign Banks, Institutions and Funds	16.527	25.353.468	136.202	20.437.774
Total	303.083	25.873.792	454.961	20.814.400

2. Information on maturity structure of borrowings:

		Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC	
Short-term	209.421	3.284.045	397.020	13.022.712	
Medium and Long-term	93.662	22.589.747	57.941	7.791.688	
Total	303.083	25.873.792	454.961	20.814.400	

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

d. Information on securities issued (Net):

		Current Period 31 December 2015	
-	TL	FC	TL FC
Bank bills	1.548.685	892.932	1.485.149 769.015
Bonds	1.825.136	8.144.036	1.687.255 6.599.005
Total	3.373.821	9.036.968	3.172.404 7.368.020

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 1.492.861 (31 December 2014: TL 1.528.730) and do not exceed 10% of the total balance sheet.

f. Information on financial leasing agreements: None.

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g. Information on the hedging derivative financial liabilities:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Fair Value Hedge	-	157.528	-	105.952
Cash Flow Hedge	-	1.432	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	-	158.960	-	105.952

h. Information on provisions:

1. Information on general provisions:

	Current Period 31 December 2015	Prior Period 31 December 2014
General Provisions	2.543.192	2.104.264
Provisions for Group I. Loans and Receivables	2.046.557	1.742.001
- Additional Provision for loans with extended payment period	70.085	47.098
Provisions for Group II. Loans and Receivables	305.259	189.154
- Additional Provision for loans with extended payment period	62.876	47.264
Provisions for Non-cash Loans	108.853	115.383
Other	82.523	57.726

2. Information on reserves for employee rights:

	Current Period	Prior Period
Balance Sheet Obligations for:	31 December 2015	31 December 2014
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	124.027	67.034
- Reserve for unused vacation	68.879	60.603
Total	192.906	127.637

As explained in Note 2(ii) below, there is no liability that needs to be accounted under the balance sheet since the Fund's fair value compensates for defined benefit obligations as explained in Note 2(ii).

	Current Period	Prior Period
Income Statement Charge for:	31 December 2015	31 December 2014
- Post-employment benefits (pension and medical)	(154.457)	(146.273)
- Reserve for employment termination benefits	(62.388)	(29.612)
- Reserve for unused vacation	(8.277)	(9.164)
Total	(225.122)	(185.049)

The charge for the post-employment benefits represents the cash payments, which represent the employer's contribution determined by the Social Security Law no: 506 and additional 2% contribution of the employer. The employer's contribution amounting to TL 154.457 (31 December 2014:TL 146.273) during the year has been included in employee costs under operating expenses.

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2 (i). Employment termination benefits and unused vacation rights:

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

The amount payable consists of one month's salary limited to a maximum of TL 3.828,37 (in full TL amount) (31 December 2014: TL 3.438,22 (in full TL amount)) for each year of service. This liability is legally not funded and there is no funding requirement.

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Discount Rate (%)	4,17	3,62
Rate for the Probability of Retirement (%)	93,88	93,94

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. The amount of TL 4.092,53 (1 January 2015: TL 3.541,37) effective from 1 January 2016 has been taken into consideration in calculating the reserve for employee termination benefits.

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Prior Period Closing Balance	67.034	59.720
Provisions Recognized During the Period	62.388	29.612
Actuarial Loss/(Gain)	63.770	5.785
Paid During the Period	(69.165)	(28.083)
Balance at the End of the Period.	124.027	67.034

As of 31 December 2015, the Group has allocated vacation liability amounting to TL 68.879 (31 December 2014: TL 60.603).

2 (ii). Post-employment benefits:

The Group's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been calculated by a registered actuary. In this context, the value of the obligation regarding these benefits to be transferred to SSI as of the balance sheet date would equal the approximate payment amount that would need to be made to SSI as part of the transfer. The actuarial parameters and results used for the calculation of this amount reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%). Accordingly, as of 31 December 2015, the surplus of the Fund, including the obligation for other non-transferable benefits of TL 275.785 (31 December 2014: TL 314.431) amounts to TL 302.564 (31 December 2014: TL 392.975).

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	Current Period	Prior Period
	31 December 2015	31 December 2014
Present value of funded obligations	(986.395)	(812.717)
- Pension benefits transferrable to SSI	(1.377.543)	(1.125.845)
- Post-employment medical benefits transferrable to SSI	666.933	627.559
- Other non-transferrable benefits	(275.785)	(314.431)
Fair value of plan assets	1.288.959	1.205.692
Surplus	302.564	392.975

The amount of the post-employment medical benefits transferrable to SSI are calculated over discounted net present value of medical liabilities and health premiums

The principal actuarial assumptions used were as follows:

	Current Period	Prior Period
Discount rate	31 December 2015	31 December 2014
- Pension benefits transferrable to SSI	% 9,80	% 9,80
- Post-employment medical benefits transferrable to SSI	% 9,80	% 9,80
- Other non-transferrable benefits	% 4,27	% 3,43

Mortality rate

The average life expectancy in years of a pensioner retiring at age 60 for men, 58 for women determined using mortality table depending on statistical data is 17 years for men and 23 years for women.

The movement in the fair value of plan assets of the year is as follows:

	Current Period 31 December 2015	Prior Period 31 December 2014
Prior period end	1.205.692	1.126.277
Actual return on plan assets	166.008	148.312
Employer contributions	154.457	146.273
Employee contributions	132.086	124.982
Benefits paid	(369.284)	(340.152)
Period end	1.288.959	1.205.692

Plan assets are comprised as follows:

	Curre	nt Period	Prio	r Period
	31 Decen	n ber 2015	31 Decem	ber 2014 👘
Bank placements	938.789	73%	839.215	70%
Property and equipment	18.739	1%	20.104	2%
Marketable securities				
and share certificates	240.010	19%	290.010	24%
Other	91.421	7%	56.363	4%
Period end	1.288.959	100%	1.205.692	100%

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

As of 31 December 2015, the provision related to foreign currency differences of foreign indexed loans amounts to TL 23.811 (31 December 2014: TL 21.290), which is offset with the balance of foreign currency indexed loans in these financial statements.

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

Provision for non-cash loans that are non-funded and non-transformed into cash as of 31 December 2015 is amounting to TL 83.868 (31 December 2014: TL 66.434).

5. Information on other provisions:

5 (i). Information on general reserves for possible risks: TL 200.000 (31 December 2014: TL 200.000).

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

The Group has provisions for credit cards and banking services promotion activities amounting to TL 139.240 (31 December 2014: TL 118.379).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVIII of Section Three. As of 31 December 2015, the corporate tax liability after the deduction of temporary taxes paid is TL 379.083 (31 December 2014: TL 325.142).

1 (i). Information on taxes payable:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Corporate Taxes Payable	379.083	325.142
Taxation on Marketable Securities	96.179	83.108
Property Tax	1.706	1.768
Banking Insurance Transaction Tax (BITT)	90.711	75.557
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	4.831	7.691
Other	52.145	57.219
Total	624.655	550.485

1 (ii). Information on premium payables:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Social Security Premiums – Employee	592	61
Social Security Premiums – Employer	184	127
Bank Social Aid Pension Fund Premium- Employee	9	10
Bank Social Aid Pension Fund Premium – Employer	11	13
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	977	919
Unemployment Insurance – Employer	1.866	1.803
Other	37	-
Total	3.676	2.933

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2. Information on deferred tax liability:

As of 31 December 2015, the deferred tax liability of the Group amounts to TL 57.452. (31 December 2014: TL 53.582). 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	Prior Period
	31 December 2015	31 December 2014
Common Stock	4.000.000	4.000.000
Preferred Stock	-	-

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

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

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

- 4. Information on share capital increases from capital reserves during the current period: None.
- 5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.
- 6. The effects of anticipations based on the financial figures for prior periods regarding the Group's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainties at these indicators;

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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k. Information on marketable securities value increase fund:

	Current Period 31 December 2015			
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(627.540)	(486.868)	(181.747)	(88.432)
Foreign Currency Differences	-	-	-	-
Total	(627.540)	(486.868)	(181.747)	(88.432)

l. Information on minority shares:

	Current Period 31 December 2015	Prior Period 31 December 2014
Begining Balance	100	85
Net Profit Share of other shareholders	9	7
Previous Term Dividend	-	-
Net Currency difference due to foreign subsidiaries	-	-
Effect of Changes within scope of consolidation	10	8
Balance end of Period	119	100

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

		rrent Period cember 2015	31 D	Prior Period ecember 2014
	TL	FC	TL	FC
Short-term Loans	4.027.347	121.525	3.455.287	128.196
Medium and Long-term Loans	5.901.808	2.288.878	5.096.879	1.881.402
Interest on Loans Under Follow-Up	27.565	1	34.184	-
Premiums Received from the Resource				
Utilization Support Fund	-	-	-	-
Total	9.956.720	2.410.404	8.586.350	2.009.598

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

2. Information on interest income on banks:

		Current Period 31 December 2015 31		
	TL	FC	TL	FC
From the CBRT	396	310	-	44
From Domestic Banks	44.202	3.284	27.919	1.881
From Foreign Banks	120	12.248	473	3.515
From Headquarters and Branches Abroad	-	-	-	-
Total	44.718	15.842	28.392	5.440

3. Information on interest income on marketable securities:

		rrent Period cember 2015	31 De	Prior Period cember 2014
	TL	FC	TL	FC
From Trading Financial Assets	9.353	69	6.499	129
From Financial Assets at Fair Value through				
Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	1.561.618	838.275	2.456.361	564.514
From Held-to-Maturity Investments	418.215	224.497	525.095	166.013
Total	1.989.186	1.062.841	2.987.955	730.656

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available-for sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. For the valuation of these marketable securities the Bank users and estimated inflation rate based on CPI. Estimated inflation rate is updated when necessary during the year. As of 31 December 2015, the valuation of these securities is made by considering the real coupon rates together with the changes in the CPI references between the issuance date and balance sheet date.

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

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b. Information on interest expense:

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

	31	Prior Perioo 31 December 2014		
TL	FC	TL	FC	
34.161	391.408	51.579	319.762	
-	-	-	-	
26.345	5.401	40.817	10.633	
7.816	386.007	10.762	309.129	
-	-	-	-	
-	10.680	-	3.865	
34.161	402.088	51.579	323.627	
	31 Dec TL 34.161 - 26.345 7.816 - - -	34.161 391.408 26.345 5.401 7.816 386.007 - 10.680	31 December 2015 31 TL FC TL 34.161 391.408 51.579 - - - 26.345 5.401 40.817 7.816 386.007 10.762 - - - - 10.680 -	

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

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

3.Information on interest expense given to securities issued:

	Cur 31 Dece		Prior Period 31 December 2014		
	TL	FC	TL	FC	
Interest expense on securities issued	304.399	439.768	324.620	287.922	

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4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

			Т	ime Deposits			
	Demand	Up to 1	Up to 3	Up to 6	Up to 1	1 Year and	
Current Period-31.12.2015	Deposits	Month	Months	Months	Year	Over	Total
TL							
Bank Deposits	34	22.137	83.777	5.310	2.756	431	114.445
Saving Deposits	-	1.139.410	2.172.407	55.074	42.284	55.563	3.464.738
Public Sector Deposits	-	1.428	4.352	4.251	168	212	10.411
Commercial Deposits	-	42.410	144.657	10.436	54.773	54.773	272.817
Other Deposits	3	612.154	489.128	55.802	56.811	15.526	1.229.421
Total	37	1.817.539	2.894.321	130.873	156.792	92.270	5.091.832
FC							
Foreign Currency Deposits	7.867	248.291	334.061	45.422	103.246	190.771	929.658
Bank Deposits	15	20.430	50.064	63.707	4.684	500	139.400
Precious Metals Deposits	-	-	13	-	465	113	591
Total	7.882	268.721	384.138	109.129	108.395	191.384	1.069.649
Grand Total	7.919	2.086.260	3.278.459	240.002	265.187	283.654	6.161.481

			Ti	me Deposits			
Prior Period - 31.12.2014	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	Total
TL							
Bank Deposits	21	51.164	137.917	14.232	5.407	842	209.583
Saving Deposits	-	793.975	1.890.305	92.817	52.068	63.061	2.892.226
Public Sector Deposits	4	1.145	9.848	3.028	222	354	14.601
Commercial Deposits	-	527.692	491.308	53.114	26.745	5.144	1.104.003
Other Deposits	3	27.669	161.090	49.529	35.514	5.850	279.655
Total	28	1.401.645	2.690.468	212.720	119.956	75.251	4.500.068
FC							
Foreign Currency Deposits	10.555	210.873	262.554	69.666	89.323	183.694	826.665
Bank Deposits	-	18.179	59.123	44.801	8.274	34	130.411
Precious Metals Deposits	-	-	16	-	365	14	395
Total	10.555	229.052	321.693	114.467	97.962	183.742	957.471
Grand Total	10.583	1.630.697	3.012.161	327.187	217.918	258.993	5.457.539

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c. Explanations on dividend income:

	Current Period 31 December 2015	Prior Period 31 December 2014
From Trading Financial Assets	11	151
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-sale Financial Assets	509	-
Other (*)	1.755	1.230
Total	2.275	1.381

(*)Discloses the dividend income received from non-consolidated investments in associates and subsidiaries.

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

Current Period 31 December 2015	Prior Period 31 December 2014
6.878.067.093	1.630.212.358
867.639	1.221.991
5.680.437	4.414.415
6.871.519.017	1.624.575.952
6.878.000.947	1.630.287.834
641.504	500.767
6.261.046	5.727.442
6.871.098.397	1.624.059.625
66.146	(75.476)
	31 December 2015 6.878.067.093 867.639 5.680.437 6.871.519.017 6.878.000.947 641.504 6.261.046 6.871.098.397

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 30.596 (31 December 2014: TL (-) 190.050)

e. 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, prior period balances includes the reversal of the general reserve.

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Specific Provisions for Loans and Other Receivables	1.757.858	1.520.251
III. Group Loans and Receivables	449.245	275.842
IV. Group Loans and Receivables	870.334	925.809
V.Group Loans and Receivables	438.279	318.600
General Provision Expenses	463.224	426.285
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	87.910	102.313
Financial Assets at Fair Value through Profit or Loss	-	32
Available-for-sale Financial Assets	87.910	102.281
Investments in Associates, Subsidiaries and Held-to-maturity		
Securities Value Decrease	54.674	8.447
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	54.674	8.447
Other	-	19.562
Total	2.363.666	2.076.858

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

g. Information related to other operating expenses:

	Current Period 31 December 2015	Prior Period 31 December 2014
Personnel Expenses	1.671.033	1.484.508
Reserve for Employee Termination Benefits	1.328	1.576
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	143.616	136.608
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	79.184	65.026
Impairment Expenses of Equity Participations for which		
Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	23
Depreciation Expenses of Assets Held for Resale	3.300	242
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.613.654	1.458.177
Operational Leasing Expenses	177.543	164.220
Maintenance Expenses	23.497	24.289
Advertisement Expenses	120.577	108.291
Other Expenses	1.292.037	1.161.377
Loss on Sales of Assets	326	506
Other(*)	845.364	659.769
Total	4.357.805	3.806.435

(*) 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 217.281 (31 December 2014: TL 109.431).

h. Information on income/loss from minority interest:

	Current Period 31 December 2015	Prior Period 31 December 2014
Income/(loss) from minority interest	9	7

i. Information on profit/(loss) from continued and discontinued operations before tax:

The Bank's income before tax consists of net interest income amounting to TL 7.731.289, net fees and commission income amounting to TL 2.486.906 and the amount of other operating expense is TL 4.357.805.

The Bank has no discontinued operations

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

As of 31 December 2015, the Group has a current tax expense of TL 919.344 and deferred tax expense of TL 30.362. The amount of deferred tax income that occurred due to the temporary differences is TL 18.634 and deferred tax expense is TL 69.669 the amounts of deferred tax income occurred due to the closing of temporary differences is TL 66.502 and deferred tax expense is TL 45.829 respectively.

The Group has no discontinued operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

k. Explanation on current period net profit and loss of continued and discontinued operations:

Net profit of the Bank is TL 3.229.357.

The Group has no discontinued operations

I. Explanations on current period net profit and loss:

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

m. Other figures on profit and loss statement:

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Explanations on off-balance sheet commitments:

- Type and amount of irrevocable commitments: TL 5.154.131 asset purchase commitments (31 December 2014: TL 9.727.241), TL 17.672.898 commitments for credit card limits (31 December 2014: TL 21.109.490) and TL 5.764.751 commitments for cheque books (31 December 2014: TL 5.409.062).
- 2. Type and amount of probable losses and obligations arising from off-balance sheet items:

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

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Bank Acceptance Loans	933.230	1.130.533
Letters of Credit	5.359.136	5.463.720
Other Guarantees	3.513.090	3.286.394
Total	9.805.456	9.880.647

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Revocable Letters of Guarantee	651.210	513.423
Irrevocable Letters of Guarantee	12.025.211	11.414.007
Letters of Guarantee Given in Advance	2.681.029	2.334.608
Guarantees Given to Customs	3.019.643	4.119.296
Other Letters of Guarantee	4.174.171	3.981.482
Total	22.551.264	22.362.816

3. Information on non-cash loans:

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Non-cash Loans Given against Cash Loans	3.411.739	3.347.008
With Original Maturity of 1 Year or Less Than 1 Year	1.614.511	1.710.716
With Original Maturity of More Than 1 Year	1.797.228	1.636.292
Other Non-cash Loans	28.944.981	28.896.455
Total	32.356.720	32.243.463

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

3 (ii). Information on sectoral risk concentrations of non-cash loans:

	3	Current Period 31 December 2015					Period nber 2014	
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	14.438	0,11	360	-	18.441	0,12	236	-
Farming and Raising	973	0,01	_	_	396	-		
Livestock	773	0,01	-	-	370	-	-	=
Forestry	13.457	0,10	360	-	18.043	0,12	236	-
Fishing	8	-	-	-	2	-	-	-
Manufacturing	5.141.241	37,36	6.728.786	35,39	6.074.553	40,95	6.353.506	36,51
Mining	79.290	0,58	81.367	0,43	88.492	0,60	128.708	0,74
Production	3.758.802	27,31	5.279.412	27,73	4.140.882	27,91	5.197.003	29,86
Electric, Gas and Water	1.303.149	9,47	1.368.007	7,23	1.845.179	12,44	1.027.795	5,91
Construction	1.720.886	12,50	2.137.690	11,30	1.412.181	9,52	1.543.664	8,87
Services	6.468.781	47,04	8.662.656	47,71	7.078.556	47,71	8.883.324	51,04
Wholesale and Retail Trade	4.909.257	35,67	4.697.020	24,83	4.963.029	33,45	5.524.605	31,74
Hotel, Food and Beverage Services	55.337	0,40	68.933	0,36	47.058	0,32	57.302	0,33
Transportation and Telecommunication	180.641	1,31	198.981	1,02	169.498	1,14	202.063	1,16
Financial Institutions	1.103.071	8,05	3.581.190	20,88	1.703.808	11,48	3.047.274	17,51
Real Estate and Leasing Services	4.967	0,04	95	-	6.211	0,04	64	-
Self-Employment Services	17.778	0,13	8.961	0,05	22.379	0,15	12.494	0,07
Education Services	13.957	0,10	2.272	0,01	12.817	0,09	1.054	0,01
Health and Social Services	183.773	1,34	105.204	0,56	153.756	1,04	38.468	0,22
Other	417.608	2,99	1.064.274	5,60	254.438	1,70	624.564	3,58
Total	13.762.954	100,00	18.593.766	100,00	14.838.169	100,00	17.405.294	100,00

3 (iii). Information on the non-cash loans classified in Group I and Group II:

	Group	l	Group II		
	TL	FC	TL	FC	
Non-Cash Loans	13.649.728	18.510.434	113.226	83.332	
Letters of Guarantee	11.752.214	10.608.778	110.965	79.307	
Bank Acceptances	-	933.230	-	-	
Letters of Credit	396	5.355.939	-	2.801	
Endorsements	-	-	-	-	
Underwriting Commitments	-	-	-	-	
Factoring Guarantees	-	22.866	-	-	
Other Commitments and Contingencies	1.897.118	1.589.621	2.261	1224	

4. Mutual Funds :

As of 31 December 2015, the Group is the founder of 43 mutual funds (31 December 2014: 44 mutual funds) with an unaudited total fund value of TL 3.283.444 (31 December 2014: TL 3.233.211). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Istanbul Settlement and Custody Bank, Inc.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

b. Information on derivative transactions:

	Current Period	Prior Period
Turner of Tex diag Texpositions	31 December 2015	31 December 2014
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	121.194.558	82.978.459
FC Trading Forward Transactions	15.110.525	9.092.090
Trading Swap Transactions	82.031.968	54.415.763
Futures Transactions	-	-
Trading Option Transactions	24.052.064	19.470.606
Interest Related Derivative Transactions (II)	105.501.560	74.879.960
Forward Interest Rate Agreements	-	-
Interst Rate Swaps	60.395.904	40.397.890
Interest Rate Options	45.105.656	34.482.070
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	11.410.433	6.427.357
A. Total Trading Derivative Transactions (I+II+III)	238.106.551	164.285.776
Types of Hedging Transactions		
Fair Value Hedges	12.526.955	9.638.866
Cash Flow Hedges	277.478	-
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	12.804.433	9.638.866
Total Derivative Transactions (A+B)	250.910.984	173.924.642

c. Explanations on credit derivatives and risks beared due to these:

Credit derivative transactions are also part of Bank's trading activities due to which the Bank is exposed to fair value risk. The transactions made are credit default swaps that carry Turkish Treasury credit risk. As of 31 December 2015 the Bank holds credit default swaps with 5 year maturity and a nominal value of USD 55 million.

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 10.312 (31 December 2014:11.086 TL) for the contingent liabilities with a high probability of realization regarding continuing opposing trials. There are also some other opposing trials. In Addition the probability of realization of these trials is low so no cash outflow expected regarding these trials.

2. Contingent Assets:

None.

e. Explanations on the activities carried out on behalf and account of other persons:

The policy is explained on note XIII in Section Four.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

V. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

a. Information on distribution of profit:

The Ordinary General Assembly Meeting of the Parent Bank was held on 26 March 2015. In the Ordinary General Assembly, it was resolved to distribute a TL 3.159.678 cash dividend over the TL 569.600 net unconsolidated income from 2014 operations to the Bank's shareholders, Chairman and Members of the Board of Directors. It was also resolved in the General Assembly to transfer TL 4.505 to other capital reserves, to allocate TL 36.960 as legal and TL 2.548.613 as extraordinary reserves.

General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of these financial statements.

b. Information on hedge funds:

1. Information on cash flow hedge:

Due to facts described in "Explanations of Hedging Transactions" section in Note XV of Section Four, there are discontinued hedge accounting transactions. As of 31 December 2015, the fair value change of the hedging instrument since the beginning of hedge accounting left after amortization has been reflected to profit/loss accounts that is shown under "hedging funds" in equity is TL (-) 60.625 (31 December 2014: TL (-) 82.447)

2. Information on net invesment hedge:

The Bank is hedged against net investment risk arising from fluctuations in foreign exchange rates through the use of foreign currency denominated financial borrowings. In this context, effective portion of the change in foreign currency denominated financial liabilities resulting from changes in the foreign exchange rates is recognized under "Hedging reserves" within equity. As of 31 December 2015, the amount directly recognized in equity is (-) TL 218.005 (31 December 2014: TL (-) 149.693)

c. Information on to foreign exchange difference:

Within the financial statements of the Group's subsidiaries founded abroad, balance sheet items are translated into Turkish Lira with the foreign exchange rates prevailing at the balance sheet date, and income statements items are translated into Turkish Lira with the average foreign exchange rates. Related foreign exchange differences are accounted in the shareholders' equity under "Other profit reserves."

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

"Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities valuation differences" account under equity, until the financial assets are sold, disposed or impaired.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

VI. INFORMATION ON CASH AND CASH EQUIVALENTS:

a. Information on cash and cash equivalents:

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

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

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Cash	2.247.086	2.600.510
Cash, Foreign Currency and Other	1.478.809	1.531.782
Demand Deposits in Banks (*)	768.277	1.068.728
Cash Equivalents	3.098.443	2.332.774
Interbank Money Market Placements	700.000	-
Time Deposits in Banks	1.512.927	1.810.690
Marketable Securities	885.516	522.084
Total Cash and Cash Equivalents	5.345.529	4.933.284

(*) The restricted demand accounts are not included.

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Cash	3.049.765	2.247.086
Cash, Foreign Currency and Other	1.409.698	1.478.809
Demand Deposits in Banks (*)	1.640.067	768.277
Cash Equivalents	4.059.676	3.098.443
Interbank Money Market Placements	98	700.000
Time Deposits in Banks	4.031.890	1.512.927
Marketable Securities	27.688	885.516
Total Cash and Cash Equivalents	7.109.441	5.345.529

(*) The restricted demand accounts are not included.

b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to (-) TL 2.085.064 (31 December 2014: (-) TL 194.917) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 810.522 (31 December 2014 (-) TL 149.199) consists mainly of changes in miscellaneous payables and other liabilities

The effect of changes in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the three months periods, and amounts to TL934.340 (31 December 2014: TL 53.348).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

1.Current Period – 31 December 2015:

<u>Group's Risk Group</u>	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group		
	Cash	Non-Casl	h	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables							
Balance at the Beginning of the Period	-		-	2.464.548	1.986.485	-	-
Balance at the End of the Period	-		-	3.421.775	1.447.302	-	-
Interest and Commission Income							
Received	-		-	253.718	5.321	-	-

2. Prior Period -31 December 2014:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	2.368.097	2.414.017	-	-
Balance at the End of the Period	-	-	2.464.548	1.986.485	-	-
Interest and Commission Income						
Received(*)	-	-	172.665	3.559	-	-

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

Group's Risk Group	Subsidiaries and J	in Associates, oint Ventures Partnerships)	Direct Shareholders	and Indirect of the Group	Other Real and Legal Persons that have been included in the Risk Group	
Deposit	Current Period 31.12.2015	Prior Period 31.12.2014	Current Period 31.12.2015	Prior Period 31.12.2014	Current Period 31.12.2015	Prior Period 31.12.2014
Balance at the Beginning of the						
Period	-	-	1.337.174	1.809.565	2.115.511	1.995.056
Balance at the End of the Period	-	-	2.102.633	1.337.174	2.181.203	2.115.511
Interest on Deposits(*)	-	-	194.782	167.987	129.147	86.874

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and I Shareholders o		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31.12.2015	Prior Period 31.12.2014	Current Period 31.12.2015	Prior Period 31.12.2014	Current Period 31.12.2015	Prior Period 31.12.2014
Transactions at Fair Value Through Profit or Loss	2					
Beginning of the Period	-	-	2.364.278	2.626.534	-	-
Balance at the End			3.501.482	2.364.278		
of the Period	-	-			-	-
Total Income/Loss(*) Transactions for Hedging Purposes	-	-	(2.082)	(12.534)	-	-
Beginning of thePeriod Balance at the End	-	-	-	-	-	-
of the Period	-	-	-	-	-	-
Total Income/Loss(*)	-	-	-	-	-	-

Figures presented in the table above show the total of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Group. As of 31 December 2015, the net exposure for direct and indirect shareholders of the Group is TL (-) 10.244 (31 December 2014: TL (-) 1.184).

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

As of 31 December 2015 benefits provided to the Group's key management amount to TL 36.406 (31 December 2014: TL 33.326).

VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK

1. Information on the domestic and foreign branches and representatives of the bank:

	Number	Number of Employees			
Domestic Branches	901	14.037			
			Country of Incorporation		
Foreign					
Representation Office	-	-	-		Statutory
				Total Assets	Share Capital
Foreign Branch Off-shore Banking	-	-	-	-	-
Region Branches	1	13	Malta	35.322.514	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure: In 2015, the Bank has opened 4 domestic branches and closed up 93 domestic branches.

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

SECTION SIX OTHER EXPLANATIONS

I. OTHER EXPLANATIONS

None.

SECTION SEVEN EXPLANATIONS ON AUDITOR'S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements for the period ended 31 December 2015 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 02 February 2016 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

RESOLUTIONS OF THE ORDINARY GENERAL MEETING ON MARCH 28, 2016

- 1- Discussion of the Board of Directors Annual Report for 2015,
- 2- Discussion of the Auditors Reports for 2015,
- 3- Discussion and ratification of the financial statements for 2015,
- 4- Discharge of liability of the members of the Board of Directors,
- 5- Distribution of the 2015 net profit in accordance with the proposal of the Board of Directors, as follows;

In accordance with the 82nd article of Articles of Association of Akbank, the dividend to be distributed from 2015 profit of TL 2,994,848,300.95 will be as follows;

- Gross TL 200,000,000, equal to 5% of the paid-in capital of the Bank as of 31st December 2015 which is TL4,000,000,000, will be allocated as primary cash gross dividend; and gross TL 400,000,000 will be allocated as secondary cash gross dividend. Total gross dividend of TL 600,000,000 equal to 15% of the paid in capital, will be distributed to shareholders,
- Cash dividend payments to start from March 30, 2016,
- In accordance with the first paragraph clause (e) and (f) of article 5 of the Corporate Tax Law, TL 8,645,864.60 gains from the sale of fixed assets and subsidiaries will be allocated to Capital Reserves and after allocating TL 40,000,000 to Legal Reserves, the remaining profit will be retained under Extraordinary Reserves,

6- Election of Suzan SABANCI DİNÇER, Erol SABANCI, Hayri ÇULHACI, Cem MENGİ, Şakir Yaman TÖRÜNER, Aziz Aykut DEMİRAY, Nafiz Can PAKER and Emre DERMAN as Member of the Board of Directors and İsmail Aydın GÜNTER as an Independent Member of the Board of Directors to replace those whose terms expired until the next Ordinary General Meeting to be held on 2017,

7- To pay the Members of the Board of Directors a gross salary of TL10.000. -per month; and also to have the Remuneration Committee that will be authorized by the Board of Directors, determine the payments that will be made to the Members for their duties within the Bank in case they assume specific duties within the Bank; and to determine an upper limit of TL 7,000,000.-in gross total, for the payments that will be made until the Ordinary General Meeting that will be held in 2017,

8- Approval of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited) for the bank's independent audit in 2016,

9- Empowerment of the Board of Directors in connection with matters falling within scope of articles 395 and 396 of the Turkish Commercial Code,

10- Approval of donation limits for the bank up to 0.4% of its equity in accordance with the Banking Law article 59.

Additionally, in accordance with item 12 of the Agenda, shareholders have been informed about donations of TL 481,834.62 made to foundations and associations in 2015.

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